
Holmdel Township Board of Education
Monmouth County, New Jersey
Annual Comprehensive Financial Report



Year Ended June 30, 2022

HOLMDEL TOWNSHIP SCHOOL DISTRICT



HOLMDEL TOWNSHIP BOARD OF EDUCATION

HOLMDEL TOWNSHIP, NEW JERSEY

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

**PREPARED BY HOLMDEL TOWNSHIP SCHOOL DISTRICT
BUSINESS OFFICE
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
MICHAEL PETRIZZO**

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Introductory Section



HOLMDEL TOWNSHIP PUBLIC SCHOOLS

"A COMMITMENT TO EXCELLENCE"

March 10, 2023

Honorable President and Members
Of the Board of Education
Holmdel School District
County of Monmouth
Holmdel, NJ 07733

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Holmdel Township Public Schools District (District) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 as of June 30, 2022, and the respective changes in financial position and cash flows, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement management's discussion and analysis and should be read in conjunction with it), the District's organizational chart, roster of officials, and consultants and advisors. The financial section includes the independent auditor's report, management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information. The statistical section includes selected financial trends, revenue and debt capacity, demographic, and economic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual Single Audit in conformity with the requirements of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including this independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and recommendations, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general and vocational education as well as special education programs and services for students with disabilities. The District is comprised of two elementary schools, one middle school and one high school. The District's full-time student enrollment as of October 15, 2021 was 2,928.

ECONOMIC CONDITION AND OUTLOOK

The District's tax base is expected to remain stable due to its above-average wealth levels and continued development. The tax level has remained relatively stable in recent years due to savings realized from benefits, energy efficiencies and an increase in state aid funding. The District is required to meet federal and state student learning standards and special education requirements. The District has mitigated reliance on local property taxes by increasing revenue through enterprise fund initiatives and continued savings from energy conservation programs, and federal, state and county purchasing consortiums. The District anticipates maintaining its strong financial position given ongoing expenditure management, moderate but consistent increases, and forward-looking financial planning.

MAJOR INITIATIVES

The Holmdel Township community approved the District's Holmdel 2020 Initiative at the September 26, 2017 special election. This \$40.3 million school referendum project focused on academic, athletic and infrastructure improvements to all four schools, but the greatest enhancement was the expansion and renovation of the middle and high school into a state-of-the-art 7th-12th grade facility that supports the transformation of the adolescents who enter it as 7th graders into future-ready young adults. The Holmdel 2020 Initiative allowed the District to create a more appropriately flexible, student-centered, technology rich complex that will inspire and promote innovation at every turn, optimize the pace and focus of learning for all students and maintain our community's commitment to excellence in academics, athletics and the arts. On October 1, 2020, the community celebrated the successful completion of the Holmdel 2020 Initiative, on time and on budget. During the 2020/2021 and 2021/2022 school years, despite unprecedented challenges, the District completed the referendum projects on time and on budget.

Due to the pandemic, the District implemented the following measures to enhance the safety and health of all individuals: UV-C lighting for disinfecting after hours; bipolar ionization filtration units in HVAC systems; site signage, parking limitations and signage at school entries; thermal temperature detection devices at entries; physical barriers (such as sneeze guards) at vestibules, main and nurse offices; antimicrobial coatings on commonly used surfaces (such as doorknobs, push bars, railings, bathroom fixtures and playground equipment); directional decals on floors to separate hallways and indicate directions of travel for students, teachers and visitors; hand sanitizer dispensers in each classroom and key locations; adjusting the spacing of classroom and nurse office furniture for physical distancing; maintaining new, enhanced cleaning procedures; urinal partitions in men's and boy's restrooms; providing the necessary and appropriate PPE; Retro-commissioning the District HVAC systems.

INTERNAL ACCOUNTING CONTROLS

Management of the 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 judgements by management.

As a recipient of federal awards 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 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 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 state. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for 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 District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

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

OTHER INFORMATION

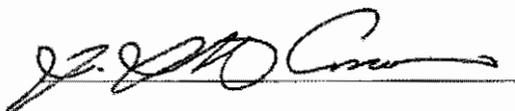
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of PKF O'Connor Davies, LLP, Certified Public Accountants, 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 are 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.

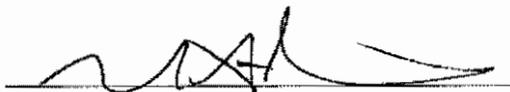
ACKNOWLEDGMENTS

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

Respectfully Submitted,

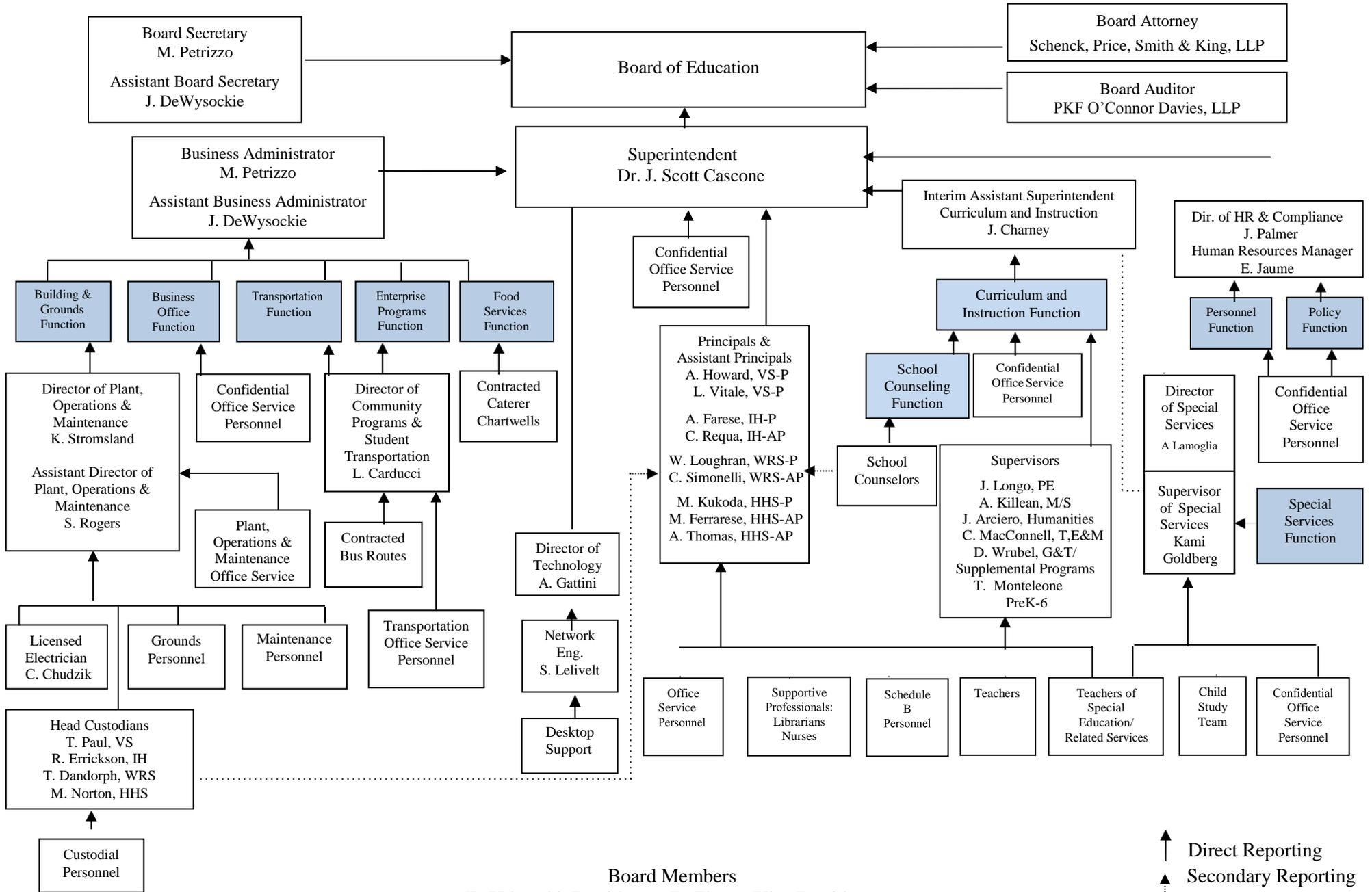


Dr. J. Scott Cascone
Superintendent of Schools



Michael R. Petrizzo, CPA
Business Administrator/Board Secretary

HOLMDEL TOWNSHIP BOARD OF EDUCATION ORGANIZATIONAL CHART



↑ Direct Reporting
 ▲ Secondary Reporting
 Dotted Reporting

Board Members
 E. Urbanski, President L. Zhang, Vice President
 E. Briamonte, S. Collur, J. Hammer, P. Reddy, M. Sockol, K. Tuccillo, T. Wall

Holmdel Township School District
Holmdel, New Jersey

Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Elizabeth Urbanski, President	2022
Ms. Zhenling 'Linda' Zhang, Vice President	2023
Ms. Eileen Briamonte	2023
Dr. Surekha Collur	2024
Mr. Joseph Hammer	2022
Mr. Peter Reddy	2023
Mr. Michael Sockol	2022
Mrs. Kimberly Tuccillo	2024
Mr. Terence Wall	2024

Other Officials

Dr. J. Scott Cascone, Superintendent of Schools

Mr. Michael R. Petrizzo, School Business Administrator/ Board Secretary

Mr. Paul H. Green, Attorney, Schenck, Price, Smith & King, LLP

Holmdel Township School District

Holmdel, New Jersey
Consultants and Advisors
June 30, 2022

Independent Auditors

PKF O'Connor Davies, LLP
20 Commerce Drive
Suite 301
Cranford, New Jersey 07016

Attorney

Paul H. Green
Schenck, Price, Smith & King LLP
220 Park Avenue, P.O. Box 991
Florham Park, New Jersey 07932

Architect of Record

Spiezle Architectural Group
1395 Yardville Hamilton Square Road
Hamilton Township, New Jersey 08691

Official Depository

Bank of America
Hazlet Branch, Route 35
Hazlet, New Jersey 07730

Financial Section



Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District
County of Monmouth
Holmdel, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Holmdel School District (the "District"), as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements 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 District and to meet our other 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.

Change in Accounting Policy

We draw attention to Note 1.N, Leases, in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' report that includes our opinions. 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 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 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.

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying 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 GAAS, 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 District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, 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 (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

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In connection with our 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 March 10, 2023 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Cranford, New Jersey
March 10, 2023

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant
No. 2486

Required Supplementary Information – Part I

Management's Discussion and Analysis

Holmdel Township School District
Management's Discussion and Analysis
Year Ended June 30, 2022

As management of the Holmdel Township Public Schools District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 20 - 21 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget and supplementary information for the debt service fund.

The basic governmental fund financial statements can be found on pages 23 - 25 of this report.

Proprietary funds. The District maintains two proprietary fund types. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and childcare programs both of which are considered major funds of the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 26 - 28 of this report.

The District also accounts for resources held for student activities and groups, scholarships, and payroll related liabilities. In accordance with the new Governmental Accounting Standards Board (GASB) Statement No. 84, which based on the District's administrative involvement now requires student activities and scholarships to be reported in the special revenue fund and payroll related liabilities and unemployment compensation fund activity in the general fund. See footnote 1C for more detail.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 - 67 of this report.

Other required supplementary information. The Schedule of the State's Proportionate Share of the OPEB Liability Associated with the District and Schedule of Changes in the District's OPEB Liability are presented immediately following the notes to the basic financial statements and can be found on pages 68 - 69 of this report. The net pension liability-PERS, the schedule of District contributions-PERS, the schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and the notes to required supplementary information can be found on pages 70 - 71 of this report. The combining statements referred to earlier in connection with governmental and enterprise funds are presented thereafter. Combining and individual fund statements and schedules can be found on pages 72-95 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2022 and 2021:

	2022			2021		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 14,561,137	\$ 487,179	\$ 15,048,316	\$ 16,581,413	\$ 382,706	\$ 16,964,119
Capital assets, net	82,206,558	73,499	82,280,057	82,292,823	81,596	82,374,419
Total assets	96,767,695	560,678	97,328,373	98,874,236	464,302	99,338,538
Deferred outflows	1,619,889		1,619,889	2,994,433		2,994,433
Liabilities						
Current liabilities	3,919,999	132,235	4,052,234	6,358,654	114,562	6,473,216
Net pension liability	11,705,537		11,705,537	16,847,945		16,847,945
Long-term liabilities	41,081,306		41,081,306	40,082,728		40,082,728
Total liabilities	56,706,842	132,235	56,839,077	63,289,327	114,562	63,403,889
Deferred inflows	8,507,680		8,507,680	7,650,531		7,650,531
Net position						
Net investment in capital assets	42,739,284	73,499	42,812,783	42,696,500	81,596	42,778,096
Restricted	4,634,462		4,634,462	6,555,774		6,555,774
Unrestricted (deficit)	(14,200,684)	354,944	(13,845,740)	(18,323,463)	268,144	(18,055,319)
Total net position	\$ 33,173,062	\$ 428,443	\$ 33,601,505	\$ 30,928,811	\$ 349,740	\$ 31,278,551

Key financial highlights for the 2021-2022 fiscal year include the following:

- Governmental net position increased \$2,244,251. A significant reason for the increase was related to the decrease in the current year net pension liability and pension deferred inflows and outflows. The change resulted in actuarial measurements predicated on changes in economic or demographic assumptions and changes in plan provisions. An annual revision of these factors are required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The change to these unrestricted net position accounts attributed to an overall decrease to net position in the amount of (\$2,910,715).
- There was a decrease in current and other assets of \$2,020,276. This is attributable to cash spent during the year for District operations and activities. The large decrease in cash was attributable to the capital projects fund cash balance, which decreased approximately \$2,000,000 resulting from expenditures incurred on construction services specifically on the educational, athletic & infrastructure enhancement projects performed on various schools.
- There was an overall increase to long-term liabilities which was mainly driven by a new MCIA obligation in the amount of \$747,000 that will be utilized primarily for technology upgrades.
- Consistent with the prior year, the State withheld the school district's fiscal 2021-2022 last two state aid payments until July 2022.

- The change in governmental assets was primarily driven by net effect of the acquisition of capital assets in the amount of \$2,999,905, net of current year depreciation expense offset by a correlated decrease in unrestricted governmental cash from the prior year in the amount of \$3,086,170.
- The largest portion of the District's net position is net investment of capital assets of \$42,739,284 which was primarily the result of total capital assets acquired net of depreciation in the amount of \$82,206,558 offset by debt and lease obligations in the amount of \$37,563,000 and \$2,453,900, respectively.
- An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, including funds reserved for future maintenance service, capital reserve, excess surplus and capital projects. Restricted net position decreased by \$1,921,312 during the year ended June 30, 2022 mainly due to transfers from the maintenance and capital reserves totaling \$1,801,820.
- The deficit (negative) balance of governmental unrestricted net position in the amount of (\$14,200,684) resulted from the District's required proportionate share of the state-wide net pension liability resulting from the implementation of the prior year Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net pension liability calculated in accordance with this standard, which affected all school districts in the State of New Jersey, does not have an offsetting asset.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2022 and 2021 are as follows:

	2022			2021		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 597,440	\$ 1,403,007	\$ 2,000,447	\$ 517,631	\$ 138,963	\$ 656,594
Operating grants and contributions	2,453,327		2,453,327	2,361,517		2,361,517
Capital grants and contributions	34,511		34,511			
General revenues:						
Property taxes	59,389,063		59,389,063	59,638,638		59,638,638
State and federal aid not restricted to a specific purpose	21,493,414		21,493,414	19,019,592		19,019,592
Interest income	4,902		4,902	1,407		1,407
Miscellaneous	411,740	22,433	434,173	356,040	14,041	370,081
Total revenue	84,384,397	1,425,440	85,809,837	81,894,825	153,004	82,047,829
Expenses:						
Instructional services	48,327,296		48,327,296	48,634,366		48,634,366
Support services	32,619,837		32,619,837	34,002,264		34,002,264
Interest on long term debt	1,193,013		1,193,013	1,258,356		1,258,356
Business type activities		1,346,737	1,346,737		407,022	407,022
Total expenses	82,140,146	1,346,737	83,486,883	83,894,986	407,022	84,302,008
Change in net position	2,244,251	78,703	2,322,954	(2,000,161)	(254,018)	(2,254,179)
Net position—beginning	30,928,811	349,740	31,278,551	32,928,972	603,758	33,532,730
Net position—ending	\$ 33,173,062	\$ 428,443	\$ 33,601,505	\$ 30,928,811	\$ 349,740	\$ 31,278,551

Key financial highlights for the 2021-2022 fiscal year include the following:

- Governmental and business-type charges for services revenue increased approximately \$1,300,000. For the year ended June 30, 2021, the District showed a significant decline in revenue from local sources in relation to food service. This was due to restrictions on what the District was allowed to sell to students during lunch. For the year ended June 30, 2022, these restrictions were lifted, and local revenue increased by approximately \$825,000. Similarly, tuition increased approximately \$440,000 as a direct result of an increase in billing for in person learning.
- The large increase of approximately \$2,500,000 in federal and state aid not restricted to a specific purpose was mainly driven by the increase of on behalf TPAF pension payments made by the State on behalf of the District and general state aid in the amounts of approximately \$2,900,000 and \$650,000, respectively, offset by the increase of GASB Statement No. 68 TPAF adjustment, which reduced total revenues in the current year by about \$1,200,000. The pension payments have increased based on required increased pension contributions for the year ended June 30, 2022.
- Decrease to overall governmental expenditures was primarily driven by the reduction to support services in the approximate amount of \$1,400,000. The District recognized an increase in transportation and tuition costs and total support salaries, which resulted from the District resuming a full year of in person learning following the global pandemic. These increases, however, were offset by the on behalf TPAF pension payments mentioned above.
- Business-type expenses increased approximately \$900,000 due to students returning to a normal school schedule after the COVID-19 pandemic shut down certain school operations. The current year was the first full year back for students.
- Property tax revenue was in line with the amount levied in 2021 and remained sufficient to support the current budget at current market conditions.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as either restricted, committed, assigned or unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2022, and the (decreases) and increases in relation to the prior year:

Revenue	Amount	Percent of Total	(Decrease)/ Increase from 2021	Percent of (Decrease)/ Increase
Local sources	\$ 60,529,994	73.60%	\$ (118,590)	-0.20%
State sources	20,172,465	24.53%	3,759,061	22.90%
Federal sources	1,543,190	1.87%	(9,738)	-0.63%
Total	<u>\$ 82,245,649</u>	<u>100.00%</u>	<u>\$ 3,630,733</u>	<u>4.62%</u>

As mentioned above, the annual tax levy remained fairly in line from the prior year supporting the operating budget at current market conditions. The increase in state sources is largely a result of the State of New Jersey increasing the amount paid by the State on behalf of the District for TPAF social security, pension, medical and long-term disability contributions of approximately \$2,900,000. Additionally, there was an increase of approximately \$650,000 in general state aid received from the State of New Jersey for the current year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022 and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2021</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 31,019,799	37.48%	\$ 2,093,758	7.24%
Support services	47,192,680	57.03%	2,745,231	6.18%
Capital outlay	751,468	0.91%	(56,389)	-6.98%
Debt service:				
Principal	2,455,000	2.97%	55,000	2.29%
Interest and other charges	1,337,334	1.62%	(86,251)	-6.06%
Total	\$ 82,756,281	100.00%	\$ 4,751,349	6.09%

The increase in instruction expenditures is mainly the result of an increase in salaries and wages, operation of plant and student transportation services. As mentioned above, the COVID-19 pandemic impacted the overall operations of the District in the prior year and Districts are now able to operate normally and in person. Support service expenditures increased in on-behalf TPAF social security, medical, long-term disability and pension contributions, which is also offset by a correlating revenue source.

General Fund

Fund balance in the General Fund decreased by \$216,194. Of the \$11,049,210 fund balance in the General Fund, \$2,187,492 is restricted in the maintenance reserve, \$2,001,000 is restricted for capital reserve, \$169,810 is restricted for unemployment reserve, \$1,839,334 is assigned for other purposes, \$2,150,000 is designated for subsequent year expenditures and \$2,701,574 is unassigned.

Special Revenue Fund

Expenditures in the Special Revenue Fund increased approximately \$100,000 from the prior year as new awards were received and utilized in the current year to help mitigate the COVID-19 pandemic. The ending fund balance for the current year under the Special Revenue Fund are monies directly related to student activities and scholarships of the District.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The fund balance in the Capital Projects Fund of \$725,071 is the result of the unspent proceeds from transfers to and from capital reserve and bond proceeds that are being used for ongoing capital projects throughout the District.

Business-Type Activities. The focus of the District's business-type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service, summer and after-school programs.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following schedule presents a summary of the Enterprise Funds revenues for the fiscal year ended June 30, 2022, and the increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2021</u>	<u>Percent of Increase</u>
Local Sources:				
Daily Sales	\$ 889,652	62.41%	\$ 824,468	1264.83%
Tuition	513,355	36.01%	439,576	595.80%
Other	22,433	1.57%	8,392	59.77%
Total	<u>\$ 1,425,440</u>	<u>100.00%</u>	<u>\$ 1,272,436</u>	<u>831.64%</u>

The increase in daily sales and tuition revenue was attributable to mitigation of COVID-19 pandemic during the prior year and the impact on the enterprise fund operations.

The following schedule presents a summary of the Enterprise funds operating expenses for the fiscal year ended June 30, 2022, and the increases and (decreases) in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Salaries and benefits	\$ 444,280	32.98%	\$ 290,338	188.60%
Purchased professional services	815,353	60.54%	594,681	269.49%
Other purchased service	31,782	2.36%	17,553	123.36%
Supplies and materials	29,241	2.17%	20,143	
Depreciation	8,097	0.60%		
Utility expense	162	0.01%	(449)	-73.49%
Other	17,822	1.32%	17,449	4678.02%
	<u>\$ 1,346,737</u>	<u>100.00%</u>	<u>\$ 939,715</u>	<u>230.88%</u>

The increase in salaries and benefits and purchased professional services is mainly attributable to adjusting operations due to the COVID-19 pandemic, which resulted in reduced operations during the prior year.

Food Service Fund

The food service enterprise fund realized operating revenues of \$912,085 and achieved a net gain this year of \$54,281. The District experienced a significant increase in sales due to increased food service operations impacted in the prior year from the COVID-19 pandemic.

Total food service operating expenses increased from the prior year by \$614,433 or about 252% due to the increase in cost of sales and supplies as impacted by the COVID-19 pandemic during the prior year. The net position of the food service fund, \$218,136 is comprised of net position - investment in capital assets of \$73,499 and unrestricted net position of \$144,637. The fund maintains sufficient cash on hand to ensure the operational requirements of running the program are met at any time.

Childcare Programs Fund

The Childcare Programs fund realized operating revenue of \$513,355 for the year ended June 30, 2022. Current year tuition revenues increased from the prior year by \$439,576 as a result of the increased need of childcare-school program revenue when school operations began operations after the impact of the global pandemic, COVID-19.

Meanwhile, operating expenses increased from the prior year by approximately \$325,000 as a result of increased operations after the global pandemic, COVID-19 caused the suspension of program activities. The fund maintains sufficient cash on hand to ensure the operational requirements of running the program are met at any time.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2022, the District's governmental activities had capital assets of \$82,206,558 (net of accumulated depreciation), including land, construction in progress, school buildings, machinery, equipment and vehicles.

The District's governmental funds' capital assets, net of depreciation consisted of the following at June 30, 2022 and 2021:

	June 30,	
	2022	2021
Land	\$ 5,122,300	\$ 5,122,300
Construction in progress	2,048,582	949,296
Buildings and building improvements, net	72,611,273	73,939,090
Machinery, equipment, and vehicles, net	2,424,403	2,282,137
Total capital assets, net	<u>\$ 82,206,558</u>	<u>\$ 82,292,823</u>

The decrease in total capital assets is a result of depreciation expense exceeding capital asset additions during the fiscal year. More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. As of June 30, 2022, the District had outstanding long-term liabilities of \$52,786,843 of which \$3,077,323 was classified as the current portion.

At June 30, 2022 and 2021, the District's long-term liabilities consisted of:

	June 30,	
	2022	2021
Bonds payable	\$ 37,563,000	\$ 40,018,000
Unamortized premium on bonds	55,534	154,203
Unamortized premium on leases	119,911	55,937
Financed purchases payable	2,453,900	2,074,000
Compensated absences payable	888,961	769,520
Net pension liability	11,705,537	16,847,945
Total long-term liabilities	<u>\$ 52,786,843</u>	<u>\$ 59,919,605</u>

Long-term liabilities decreased mainly due to the principal payments made on the bonds and leases, as well as the decrease in the District's measured net pension liability. More detailed information about the District's long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in realized revenues and expenditures for those lines where the final budgeted amounts differ from the actual amounts by more than \$500,000 and 5%. All other fluctuations less than \$500,000 and 5% are considered immaterial.

- On-behalf TPAF pension, medical, and long-term disability as well as reimbursed social security contributions are unbudgeted revenue sources. Consequently, actual revenues as well as the related expenditures exceeded the final budgeted amount by 100.0%.
- Unallocated benefits expenditures were \$774,662 less than budgeted, or 7.15% less, due primarily to savings realized on health insurance costs when the District joined the State Health Benefits insurance plan.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 65 McCampbell Road Holmdel, NJ 07733.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2022.

Holmdel Township School District

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 11,600,454	\$ 578,179	\$ 12,178,633
Accounts receivable	2,859,311	10,372	2,869,683
Internal balances	101,372	(101,372)	-
Capital assets, non-depreciable	7,170,882		7,170,882
Capital assets, depreciable, net	75,035,676	73,499	75,109,175
Total assets	<u>96,767,695</u>	<u>560,678</u>	<u>97,328,373</u>
Deferred Outflow Of Resources			
Pension deferrals	<u>1,619,889</u>		<u>1,619,889</u>
Liabilities			
Accounts payable	1,640,907	96,171	1,737,078
Accrued interest payable	533,566		533,566
Intergovernmental payables - State	5,626		5,626
Unearned revenue	223,203	36,064	259,267
Payroll deductions and withholdings payable	220,453		220,453
Unemployment compensation claims payable	120,533		120,533
Accrued salaries and wages	1,175,711		1,175,711
Net pension liability	11,705,537		11,705,537
Current portion of long-term obligations	3,077,323		3,077,323
Noncurrent portion of long-term obligations	38,003,983		38,003,983
Total liabilities	<u>56,706,842</u>	<u>132,235</u>	<u>56,839,077</u>
Deferred Inflow Of Resources			
Pension deferrals	<u>8,507,680</u>		<u>8,507,680</u>
Net Position			
Net investment in capital assets	42,739,284	73,499	42,812,783
Restricted for:			
Capital reserve	2,001,000		2,001,000
Maintenance reserve	2,187,492		2,187,492
Unemployment reserve	169,810		169,810
Scholarships	36,666		36,666
Student activities	239,494		239,494
Unrestricted (deficit)	<u>(14,200,684)</u>	<u>354,944</u>	<u>(13,845,740)</u>
Total net position	<u>\$ 33,173,062</u>	<u>\$ 428,443</u>	<u>\$ 33,601,505</u>

See accompanying notes to the basic financial statements.

Holmdel Township School District

Statement of Activities

Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 47,017,342	\$ 288,509	\$ 1,779,383		\$ (44,949,450)		\$ (44,949,450)
Support services:							
Instruction	1,309,954				(1,309,954)		(1,309,954)
Speech, OT, PT, and related services	1,852,741				(1,852,741)		(1,852,741)
Health services	868,775				(868,775)		(868,775)
Other support services	7,383,494	308,931	393,861		(6,680,702)		(6,680,702)
Improvement of instruction	1,849,302				(1,849,302)		(1,849,302)
Education media library	1,517,028				(1,517,028)		(1,517,028)
Other support: instruction staff	83,107				(83,107)		(83,107)
General administration	715,288				(715,288)		(715,288)
School administration	2,886,083				(2,886,083)		(2,886,083)
Central services	1,439,421				(1,439,421)		(1,439,421)
Admin IT	112,934		280,083		167,149		167,149
Required maintenance of plant service:	2,313,293				(2,313,293)		(2,313,293)
Operation of plant	7,539,272			\$ 34,511	(7,504,761)		(7,504,761)
Care and upkeep	118,092				(118,092)		(118,092)
Security	237,873				(237,873)		(237,873)
Student transportation	3,703,134				(3,703,134)		(3,703,134)
Interest on long-term debt service	1,193,013				(1,193,013)		(1,193,013)
Total governmental activities	<u>82,140,146</u>	<u>597,440</u>	<u>2,453,327</u>	<u>34,511</u>	<u>(79,054,868)</u>		<u>(79,054,868)</u>
Business-type activities							
Food service	857,804	889,652				\$ 31,848	31,848
Childcare programs	488,933	513,355				24,422	24,422
Total business-type activities	<u>1,346,737</u>	<u>1,403,007</u>	<u>-</u>	<u>-</u>		<u>56,270</u>	<u>56,270</u>
Total primary government	<u>\$ 83,486,883</u>	<u>\$ 2,000,447</u>	<u>\$ 2,453,327</u>	<u>\$ 34,511</u>	<u>(79,054,868)</u>	<u>56,270</u>	<u>(78,998,598)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					56,538,485		56,538,485
Property taxes, levied for debt service					2,850,578		2,850,578
State and federal sources—unrestricted					21,493,414		21,493,414
Interest income					4,902		4,902
Miscellaneous					411,740	22,433	434,173
Total general revenues					<u>81,299,119</u>	<u>22,433</u>	<u>81,321,552</u>
Change in net position					2,244,251	78,703	2,322,954
Net Position—beginning					<u>30,928,811</u>	<u>349,740</u>	<u>31,278,551</u>
Net Position—ending					<u>\$ 33,173,062</u>	<u>\$ 428,443</u>	<u>\$ 33,601,505</u>

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Holmdel Township School District
Governmental Funds

Balance Sheet

June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 10,424,895	\$ 276,160	\$ 568,932	\$ 330,467	\$ 11,600,454
Accounts receivable:					
State	1,462,026		34,511		1,496,537
Federal	2,834	864,277			867,111
Other	55,272	266,197	174,194		495,663
Interfund	995,214	79,000	72,929	73,194	1,220,337
Total assets	<u>\$ 12,940,241</u>	<u>\$ 1,485,634</u>	<u>\$ 850,566</u>	<u>\$ 403,661</u>	<u>\$ 15,680,102</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 294,062	\$ 67,447			\$ 361,509
Intergovernmental payables:					
State	1,272	4,354			5,626
Interfunds payable	79,000	932,260	\$ 107,705		1,118,965
Accrued salaries	1,175,711				1,175,711
Unearned revenue		205,413	17,790		223,203
Payroll deductions and withholdings payable	220,453				220,453
Unemployment compensation claims payable	120,533				120,533
Total liabilities	<u>1,891,031</u>	<u>1,209,474</u>	<u>125,495</u>		<u>3,226,000</u>
Fund balances:					
Restricted for:					
Maintenance reserve	2,187,492				2,187,492
Capital reserve account	2,001,000				2,001,000
Unemployment reserve	169,810				169,810
Scholarships		36,666			36,666
Student activities		239,494			239,494
Debt service				\$ 403,661	403,661
Capital projects			725,071		725,071
Assigned to:					
Other purposes	1,839,334				1,839,334
Designated for subsequent year's expenditures	2,150,000				2,150,000
Unassigned:	2,701,574				2,701,574
Total fund balances	<u>11,049,210</u>	<u>276,160</u>	<u>725,071</u>	<u>403,661</u>	<u>12,454,102</u>
Total liabilities and fund balances	<u>\$ 12,940,241</u>	<u>\$ 1,485,634</u>	<u>\$ 850,566</u>	<u>\$ 403,661</u>	

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 \$123,493,378 and the accumulated depreciation is \$41,286,820	82,206,558
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.	(533,566)
Unamortized premium on bonds and leases	(175,445)
Long-term liabilities, including bonds payable, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(40,905,861)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(6,887,791)
Accrued pension contributions for the June 30, 2022 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(1,279,398)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(11,705,537)</u>
Net position of governmental activities	<u>\$ 33,173,062</u>

Holmdel Township School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 56,538,485			\$ 2,850,578	\$ 59,389,063
Tuition	288,509				288,509
Interest income	4,637		\$ 265		4,902
Miscellaneous	411,740	\$ 436,045			847,785
Total local sources	57,243,371	436,045	265	2,850,578	60,530,259
State sources	18,845,780	802,224	34,511	524,461	20,206,976
Federal sources	19,201	1,523,989			1,543,190
Total revenues	76,108,352	2,762,258	34,776	3,375,039	82,280,425
Expenditures					
Current:					
Instruction	28,001,309	1,779,383			29,780,692
Undistributed-current:					
Instruction	1,239,107				1,239,107
Speech, OT, PT, and related services	1,206,277				1,206,277
Health services	621,437				621,437
Other support services	4,132,621	645,741			4,778,362
Improvement of instruction	1,147,111				1,147,111
Education media library	935,581				935,581
Other support: instructional staff	77,770				77,770
General administration	566,961				566,961
School administration	1,760,568				1,760,568
Central services	889,851				889,851
Administrative information technology	68,497				68,497
Required maintenance of plant services	1,827,864				1,827,864
Operation of plant	5,618,983				5,618,983
Student transportation	3,457,943				3,457,943
Unallocated benefits	10,052,772				10,052,772
On-behalf TPAF social security and pension contributions	14,182,703				14,182,703
Capital outlay	471,385	280,083	2,829,106		3,580,574
Debt service:					
Principal				2,455,000	2,455,000
Interest				1,337,334	1,337,334
Cost of lease issuance			25,438		25,438
Total expenditures	76,258,740	2,705,207	2,854,544	3,792,334	85,610,825
(Deficiency) excess of revenues (under) over expenditures	(150,388)	57,051	(2,819,768)	(417,295)	(3,330,400)
Other financing sources (uses)					
Lease (non-budgeted)			747,000		747,000
Premium on lease			99,410		99,410
Transfers in	40,449		106,255	73,194	219,898
Transfers out	(106,255)		(113,643)		(219,898)
Total other financing (uses) sources	(65,806)	-	839,022	73,194	846,410
Net change in fund balances	(216,194)	57,051	(1,980,746)	(344,101)	(2,483,990)
Fund balances, July 1	11,265,404	219,109	2,705,817	747,762	14,938,092
Fund balances, June 30	\$ 11,049,210	\$ 276,160	\$ 725,071	\$ 403,661	\$ 12,454,102

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of net position is presented in an accompanying schedule (B-3).

See accompanying notes to the basic financial statements.

Holmdel Township School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2)		\$ (2,483,990)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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 expense in the period.</p>		
	Depreciation expense	\$ (3,086,170)
	Capital asset additions	<u>2,999,905</u>
		(86,265)
<p>Proceeds from leases are a financing source in the governmental funds. They are not revenue in the statement of net position; the value of leases increase long-term liabilities in the statement of net position</p>		
	Financed purchases payable	(747,000)
<p>Repayments of bond principal and lease principal are expenditures 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 net position.</p>		
	Serial bonds payable	2,455,000
	Financed purchases payable	<u>367,100</u>
		2,822,100
<p>Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
	Premium on financed purchases issued	(99,410)
	Amortization of premium on bonds	98,669
	Amortization of premium on financed purchases	<u>35,436</u>
		34,695
<p>In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount reflects the change from the prior year.</p>		
		35,654
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
		(119,441)
<p>Changes to net pension liability, deferred outflows and deferred inflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
	Pension expense and changes in pension deferrals	2,788,498
		<u>2,788,498</u>
Change in net position of governmental activities (A-2)		<u>\$ 2,244,251</u>

See accompanying notes to the basic financial statements.

Proprietary Funds

Holmdel Township School District
Proprietary Funds

Statement of Net Position

June 30, 2022

	Business-Type Activities Major Funds		<u>Total</u>
	<u>Food Service</u>	<u>Childcare Programs</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 248,667	\$ 329,512	\$ 578,179
Accounts receivable	10,372		10,372
Total - current assets	259,039	329,512	588,551
Noncurrent assets:			
Furniture, machinery and equipment	448,689	25,840	474,529
Less:			
Accumulated depreciation	(375,190)	(25,840)	(401,030)
Total - noncurrent assets	73,499	-	73,499
Total assets	332,538	329,512	662,050
Liabilities and net position:			
Liabilities:			
Current liabilities:			
Interfund payable		101,372	101,372
Accounts payable	92,502	3,669	96,171
Unearned revenue	21,900	14,164	36,064
Total liabilities	114,402	119,205	233,607
Net position:			
Investment in capital assets	73,499		73,499
Unrestricted	144,637	210,307	354,944
Total net position	\$ 218,136	\$ 210,307	\$ 428,443

See accompanying notes to the basic financial statements.

Holmdel Township School District
Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2022

	Business-Type Activities Major Funds		<u>Total</u>
	<u>Food Service</u>	<u>Childcare Programs</u>	
Operating revenues:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 889,652		\$ 889,652
Tuition		\$ 513,355	513,355
Miscellaneous revenue	22,433		22,433
Total operating revenues	912,085	513,355	1,425,440
Operating expenses:			
Salaries		410,083	410,083
Support services - employee benefits		34,197	34,197
Purchased professional/technical services	815,353		815,353
Other purchased service	22,324	9,458	31,782
Repairs and maintenance	9,938		9,938
Supplies and materials	2,092	27,149	29,241
Depreciation	8,097		8,097
Utilities expense		162	162
Miscellaneous expenditures		7,884	7,884
Total operating expenses	857,804	488,933	1,346,737
Operating income	54,281	24,422	78,703
Total net position - beginning	163,855	185,885	349,740
Total net position - ending	\$ 218,136	\$ 210,307	\$ 428,443

See accompanying notes to the basic financial statements.

Holmdel Township School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2022

	Business-Type Activities Major Funds		
	Food Service	Childcare Programs	Total
Cash flows from operating activities:			
Receipts from customers	\$ 912,084	\$ 494,269	\$ 1,406,353
Payments to employees		(444,280)	(444,280)
Payments to suppliers	(814,644)	(42,957)	(857,601)
Net cash provided by operating activities	97,440	7,032	104,472
Cash flows from noncapital financing activities:			
Interfund transfers, net	28,085	102,901	130,986
Net cash provided by noncapital financing activities	28,085	102,901	130,986
Net increase in cash and cash equivalents	125,525	109,933	235,458
Balance - beginning of year	123,142	219,579	342,721
Balance - end of year	\$ 248,667	\$ 329,512	\$ 578,179
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 54,281	\$ 24,422	\$ 78,703
Adjustments to reconcile operating income to net cash provided by/(used for) operating activities:			
Depreciation	8,097		8,097
(Increase) in accounts receivable	(1)		(1)
Increase in accounts payable	65,104	1,696	66,800
(Decrease) in unearned revenue	(30,041)	(19,086)	(49,127)
Total adjustments	43,159	(17,390)	25,769
Net cash provided by operating activities	\$ 97,440	\$ 7,032	\$ 104,472

See accompanying notes to the basic financial statements.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies

The financial statements of the Holmdel Township School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies area described below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Holmdel Township School District in Holmdel Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental and proprietary fund as a major fund and each major individual fund is reported as separate columns in the fund financial statements. The NJDOE believes the presentation of all funds as major is important for public interest and to promote consistency among New Jersey School District financial reporting.

C. 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 for 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.

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 period, except for reimbursement grants, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt services expenditures, as well as expenditures related to compensated absences, the net pension liability and capital leases, are recorded only when payment is due. For this purpose, the District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, interest, and state and federal equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The District has reported 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 subfund. Since the District's unemployment and payroll agency funds do not meet the criteria defined by the Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective June 30, 2021.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations. Since the District's scholarship and student activity funds do not meet the criteria defined by the Government Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective with the year ending June 30, 2021.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Enterprise Funds (Food Service, and Childcare Programs): The enterprise funds account for all revenues and expenses pertaining to the cafeteria and the summer, Pre-k and before/after-school programs. The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

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.

Proprietary funds distinguish operating revenue 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 District enterprise funds are charges for sales of food, and tuition for the summer and after-school programs. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1.

Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. 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 Monmouth County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in *N.J.A.C. 6A:23*. All budget amendments must be approved by School Board resolution.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditure in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. 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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments 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 GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial report. With the District's implementation of GASB No. 84, federal, state, and local grants remain on the budgetary basis and student activities and scholarships recognize revenue upon cash received and expenditures incurred when paid.

E. 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.

F. Inventories

Food service fund inventories are the property of the food service management company. They are recorded at market value at the time of donation, which approximates current market value, using the first-in, first-out (FIFO) method.

G. Tuition

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the current fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Land was valued at assessed value based upon information received from the Township of Holmdel. Donated capital assets are valued at acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Land Improvements	10-20
Building and improvements	10-50
Furniture and equipment	5-20
Vehicles	5-10

I. Compensated Absences

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation time. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service. Sick leave benefits are eligible for payment to employees upon retirement under the required terms of the NJ Division of Pension & Benefits as follows: the employee has reached age 55 and 25 years of service, or the employee has reached age 60 with no length of service requirement.

The liability for vested compensated absences of the district is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the government-wide financial statements in the amount of \$888,961 and no liability existed for compensated absences in the enterprise funds.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

J. Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents cash which has been received but not yet earned, and outstanding encumbrances in the special revenue fund. Unearned revenue in the other enterprise funds represents cash received in advance of the related services being provided.

K. Accrued Salaries and Wages

The District has accrued for retroactive payments due to be paid to employees that had unsettled prior year expired contracts as of June 30, 2020. As of June 30, 2022 the District has accrued \$1,087,512 for collective bargaining agreements that have not been settled through current year-end. These collective bargaining agreement negotiations were completed and approved on August 15, 2022 and December 14, 2022 for the HTEA and HTAA employee groups, respectively. The District has approved the memorandum of agreements and disbursed \$1,087,512 through the date of this report.

The District also has accrued at June 30, 2022 \$88,199 for salaries and stipends for services rendered during the last two weeks of June 2022 that were not paid until the subsequent fiscal year.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions. 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Bond and lease premiums and discounts, are deferred and amortized over the life of the bonds or leases using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond and lease premiums and discounts, as well as bond and lease issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Leases

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, "Leases". The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District recognizes lease liabilities with an initial, individual value of \$35,000 or more. The District maintains full ownership of the underlying assets under such obligations. The District did not have any new or prior year leases that would require recognition of a right-to-use asset ("lease asset") and a corresponding liability for the year ended June 30, 2022. Although no additional leases and lease assets are recorded, the District is in compliance with the requirements of GASB No. 87.

Lease assets are reported with other capital assets and financed purchases payable are reported with long-term liabilities on the Statement of Net Position.

O. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance

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. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$11,372,320 of budgetary basis fund balance in the General Fund, \$2,001,000 has been restricted in the capital reserve account, \$2,187,492 has been restricted in the maintenance reserve account, \$169,810 has been restricted in the unemployment reserve, \$2,150,000 is designated for future year's expenditures, \$1,839,334 of encumbrances are assigned to other purposes and \$3,024,684 is unassigned.

P. Net Position and Fund Balance/Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period.

R. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

S. 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*, as amended.

New Jersey school districts are required to reserve fund balance in the general fund 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 District's excess fund balance at June 30, 2022 was \$0.

T. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

U. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), 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 school district is situated are authorized to enter into tax abatement agreements.

Furthermore if the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school 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 school 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. There have been no material tax abatement agreements entered into by the Township that will affect the District.

V. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 87, "*Leases*" in June 2017. This statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this statement are effective for periods beginning after June 15, 2021. Management has reviewed the requirements of GASB No.87 and does not have any leases that would require recording under this Statement for the year ended June 30, 2022. See Note 5 for more detail on long term liabilities- leases payable in the notes to the financial statements.

The GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*" in May 2020. This Statement provides guidance on accounting and financial reporting for subscription based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 99, "*Omnibus 2022*" in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

The GASB issued Statement No. 101, “*Compensated Absences*” in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

W. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 10, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the District which would require disclosure or recognition.

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including bonds payable, leases, unamortized premium on bonds, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$41,081,306 difference are as follows:

Bonds payable	\$ 37,563,000
Financed purchases payable	2,453,900
Unamortized premium on bonds	55,534
Unamortized premium on leases	119,911
Compensated absences	888,961
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 41,081,306</u>

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 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 Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. *N.J.S.A. 17:9-41 et. seq.* establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act.

Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at last 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.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM). New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2022, the District's carrying amount of deposits was \$12,178,633 and the bank balance was \$14,612,397.

Of the bank balance, \$250,000 was secured by federal depository insurance and \$8,976,552 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$2,786,745 held in the District's agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Board to purchase the following types of investments:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank which have a maturity date not greater than twelve months from the date of purchase.
- c. State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).
- d. Bonds or other obligations of the School District.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

The pooled shares are equal to the value of the District's shares. The investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit.

Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2022 the District's balance was \$864,497. All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is accumulating to as additional protection for the "Other-Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Custodial Credit Risk: The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

New Jersey Asset & Rebate Management Program

The New Jersey Asset & Rebate Management Program (the "NJ/ARM Program" "NJ/ARM") was created in 1989 as a joint investment trust under the Interlocal Services Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, and general operating funds.

In addition, the Program offers investment management and arbitrage rebate compliance services for tax-exempt bond and note proceeds.

NJ/ARM offers its Investors the benefit of a professionally managed investment program with multiple investment options.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

3. Deposits and Investments (continued)

The NJ/ARM Joint Account provides a convenient vehicle for local governments to pool funds for short-term investment to meet daily liquidity needs. For longer-term investment strategies, the Individual Portfolio provides for customized investment portfolios of permitted securities pursuant to New Jersey statutes.

The primary goal of the NJ/ARM Program is safety and security of the local government funds entrusted to it. The Joint Account portfolio is rated AAA by the Standard & Poor's (an independent rating company) which is the highest rating available. The Program is designed to comply with all New Jersey statutes and regulations for the permitted investment of public funds. At June 30, 2022, the District's balance in the NJARM was \$1,734,603.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2022:

	Beginning Balance	Increases	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,122,300			\$ 5,122,300
Construction in progress	949,296	\$ 2,184,936	\$ (1,085,650)	2,048,582
Total capital assets, not being depreciated	6,071,596	2,184,936	(1,085,650)	7,170,882
Capital assets, being depreciated:				
Buildings and building improvements	104,825,096		1,085,650	105,910,746
Machinery, equipment and vehicles	9,596,781	814,969		10,411,750
Total capital assets being depreciated	114,421,877	814,969	1,085,650	116,322,496
Less accumulated depreciation for:				
Buildings and building improvements	30,886,006	2,413,467		33,299,473
Machinery, equipment and vehicles	7,314,644	672,703		7,987,347
Total accumulated depreciation	38,200,650	3,086,170	-	41,286,820
Total capital assets, being depreciated, net	76,221,227	(2,271,201)	1,085,650	75,035,676
Governmental activities capital assets, net	\$ 82,292,823	\$ (86,265)	\$ -	\$ 82,206,558

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2022 as follows:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

4. Capital Assets (continued)

Instruction	\$ 1,773,577
Speech, OT, PT, and related services	68,970
Health services	35,531
Other support services	273,206
Improvement of instruction	65,587
Education media library	53,492
Other support: instruction staff	4,447
General administration	32,416
School administration	100,662
Central services	50,878
Administration information technology	3,916
Required maintenance of plant services	104,509
Operation of plant	321,269
Student transportation	197,710
Total depreciation expense - governmental activities	\$ 3,086,170

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2022:

	Beginning Balance	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 448,689		\$ 448,689
Less accumulated depreciation for:			
Equipment	367,093	\$ 8,097	375,190
Total business-type activities capital assets, net	\$ 81,596	\$ (8,097)	\$ 73,499

5. Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 769,520	\$ 266,822	\$ 147,381	\$ 888,961	\$ 88,896
Bonds payable	40,018,000		2,455,000	37,563,000	2,510,000
Unamortized premium on bonds	154,203		98,669	55,534	55,534
Unamortized premium on leases	55,937	99,410	35,436	119,911	37,093
Financed purchases payable	2,074,000	747,000	367,100	2,453,900	385,800
Subtotal	43,071,660	1,113,232	3,103,586	41,081,306	3,077,323
Net pension liability	16,847,945		5,142,408	11,705,537	
Governmental activity long-term liabilities	\$ 59,919,605	\$ 1,113,232	\$ 8,245,994	\$ 52,786,843	\$ 3,077,323

The District expects to liquidate the compensated absences, financed purchase payments, and net pension liabilities with payments made from the District's general fund and the bonds payable from the debt service fund.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on all serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2023	\$ 2,510,000	\$ 1,249,373	\$ 3,759,373
2024	1,938,000	1,158,723	3,096,723
2025	1,975,000	1,095,738	3,070,738
2026	2,035,000	1,031,550	3,066,550
2027	2,095,000	965,413	3,060,413
2028-2032	11,485,000	3,763,825	15,248,825
2033-2037	12,925,000	1,775,312	14,700,312
Thereafter	2,600,000	91,000	2,691,000
	<u>\$ 37,563,000</u>	<u>\$ 11,130,934</u>	<u>\$ 48,693,934</u>

In October 2015, the District issued \$7,740,000 of Refunding School Bonds to provide resources to refund a portion of the District's outstanding debt. The bonds are due to mature in 2023 with a final payment of \$1,210,000 at an annual interest rate of 4.00%.

In April 2018, the District issued \$40,318,000 of School Bonds to complete an Educational, Athletic & Infrastructure Enhancement capital project. The bonds are due to mature annually through the 2038 fiscal year in installments ranging from \$1,300,000 to \$2,600,000 at annual interest rates ranging from 3.25% to 3.50%.

Leases

The School District has entered into financed purchase agreements for equipment purchases and to fund Capital Projects. All financed purchase agreements are for terms of five to fifteen years. The equipment, asset and other purchases made by the District through the financed purchase agreements with the MCI A belong to the District outright and immediately. The following is a schedule of the remaining future minimum lease payments as of June 30, 2022:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

	Lease Amount
Year:	
2023	\$ 447,158
2024	279,761
2025	282,133
2026	112,521
2027	115,215
2028-2032	618,480
2033	132,737
Total minimum lease payments	1,988,005
Less amounts representing interest	(281,105)
Present value of net minimum lease payments	\$ 1,706,900

Leases were acquired to purchase the following assets:

	Governmental Activities
Asset:	
Buildings and Building Improvements	\$ 1,475,000
Machinery, equipment and vehicles	3,724,151
Less: Accumulated depreciation	(1,928,582)
Total	\$ 3,270,569

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer defined benefit plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer defined benefit plan.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of *N.J.S.A. 18A:66* to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of *N.J.S.A. 43:15A* to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS have increased to the final phase in rate of 7.5% of employees' annual compensation, effective July 1, 2018. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2022, the State of New Jersey contributed \$12,172,159 to the TPAF for normal costs of pension, post-retirement medical and long-term disability insurance benefits on behalf of the District. Also, in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$2,010,544 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements. The District's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021, and 2020 were \$1,279,398, \$1,157,181, and \$1,135,551, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$11,705,537 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.0988100903%, which was a decrease of 0.0045047277% from its proportion measured as of June 30, 2020.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

For the year ended June 30, 2022, the District recognized full accrual pension expense of \$2,788,498 in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,611	\$ 83,798
Changes of assumptions	60,962	4,167,247
Net difference between projected and actual earnings on pension plan investments		3,083,546
Changes in proportion	94,918	1,173,089
District contributions subsequent to the measurement date	1,279,398	
	\$ 1,619,889	\$ 8,507,680

\$1,279,398 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. 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 ended June 30:	
2023	\$ (3,028,273)
2024	(2,313,023)
2025	(1,613,761)
2026	(1,187,815)
2027	(24,317)
	\$ (8,167,189)

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2021
Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Mortality Rates

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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

	June 30, 2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.35%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	0.95%
Investment grade credit	8.00%	1.68%
High yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
US Equity	27.00%	8.09%
Non-US developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 15,940,568	\$ 11,705,537	\$ 8,111,513

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

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

Collective deferred outflows of resources	\$ 1,164,738,169
Collective deferred inflows of resources	8,339,123,762
Collective net pension liability	11,972,782,878
 District's Proportion	 0.0988100903

Collective pension expense for the Local Group for the measurement period ended June 30, 2021 is \$1,599,674,464.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, and 5.72 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18:66-33*. Therefore, these local participating employers are 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 local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2021 was \$114,124,985. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2020, which was rolled forward to June 30, 2021.

The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined.

At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2373885319%, which was an increase of 0.0026644647% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$9,264,603 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2021</u>
Inflation rate	2.75%
Wage rate	3.25%
Salary increases	
2011-2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment rate of return	7.00%

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

	June 30, 2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	3.35%
Cash equivalents	4.00%	0.50%
U.S. treasuries	5.00%	0.95%
Investment grade credit	8.00%	1.68%
High yield	2.00%	3.75%
Private credit	8.00%	7.40%
Real assets	3.00%	9.15%
Real estate	8.00%	9.56%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

6. Pension Plans (continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 135,028,920	\$ 114,124,985	\$ 96,566,993

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances at June 30, 2021 are as follows:

Collective deferred outflows of resources	\$ 6,356,228,800
Collective deferred inflows of resources	27,175,330,929
Collective net pension liability	48,075,188,642
 District's Proportion	 0.2373885319%

Collective pension expense for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.93, 7.99, 8.04, 8.29, 8.30, 8.30, and 8.30 years, respectively.

7. Post-retirement Benefits

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-retirement Benefits (continued)

The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with *N.J.S.A. 52:14-17.32*, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, *N.J.S.A. 52:14-17.26* provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with *N.J.S.A. 52:14-17.32f*. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,850,970 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$2,304,689, \$2,203,685, and \$2,192,650, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2021 was \$131,436,478. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on pensions and OPEB can be assessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	2.75 - 5.65%	3.00 - 7.00%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) 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 disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions

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

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

	1% Decrease (1.16%)	At Current Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 157,440,267	\$ 131,436,478	\$ 110,960,055

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease	At Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 106,398,256	\$ 131,436,478	\$ 165,060,960

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer 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 healthcare cost trend rate:

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Balance at June 30, 2021			\$ 147,602,806
Increased by:			
Service cost	\$ 6,712,390		
Interest cost	3,409,601		
Changes of assumptions	129,672		
Member contributions	87,167		
		10,338,830	
Decreased by:			
Differences between expected and actual experience	23,679,450		
Changes of benefit terms	139,898		
Gross benefit payments	2,685,810		
		26,505,158	
Balance at June 30, 2022			\$ 131,436,478

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education	June 30, 2021
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Total Plan Members	364,328

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,316,217 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2021 are as follows:

Deferred outflows of resources			\$ 24,447,624,783
Deferred inflows of resources			\$(19,225,423,829)
Collective OPEB expense			\$ 3,527,672,060
District's Proportion			0.21%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

8. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2022 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 995,214	\$ 79,000
Special Revenue Fund	79,000	932,260
Capital Projects Fund	72,929	107,705
Debt Service Fund	73,194	
Childcare Programs Enterprise Fund		101,372
	<u>\$ 1,220,337</u>	<u>\$ 1,220,337</u>

The interfund receivable in the general fund resulted primarily from a cash loan to the special revenue fund to clear a pooled cash deficit in the amount of \$824,720. The other interfunds of \$79,000 in the special revenue interfund receivable was due to athletic fees collected in the general fund, \$72,929 receivable for the SDA emergent Grant, and \$73,194 was from the repayment of loan balance. Since this project was initially funded with a bond referendum, the funds are due back to the debt service fund. There was also a portion of the \$107,705 capital projects payable for \$34,511 associated with the security grant out of the general fund. The \$101,372 payable from the childcare programs is due to the general fund for employee payroll and health benefits.

9. 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.

10. Contingent Liabilities

Grants

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies. The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

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 reimbursements to the State for benefits paid and the ending balance of the school District's unemployment compensation fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 120,533		\$ 347,089
2020-2021	99,115		226,556

During fiscal year 2021 and 2022, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal years above are estimated, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2022, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

Joint Insurance Pool

The School District also participates in the Monmouth Ocean County Shared Service Fund and public entity risk pool. The pool provides its members with the following coverage: property – blanket building & grounds, boiler & machinery, School Board legal liability, general & automobile liability, workers' compensation, and comprehensive crime coverage.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

12. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with the Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, 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. The plan administrators are as follows: AXA Equitable, MetLife, Lincoln Investment Planning, Inc. Fidelity Investments, and Valic Investments.

13. Transfers – Reconciliation

The following presents a reconciliation of transfers during the fiscal year ended June 30, 2022:

	<u>In</u>	<u>Out</u>
Capital Projects Fund	\$ 106,255	\$ 113,643
General Fund	40,449	106,255
Debt Service Fund	73,194	
	<u>\$ 219,898</u>	<u>\$ 219,898</u>

The transfer from the capital projects fund to the general fund in the amount of \$40,449 represents a transfer of funds received after the close out of the project. The transfer of \$73,194 from the capital projects fund to the debt service fund represents a transfer of unused bond referendum funds for a completed capital project. The transfer from the general fund in the amount of \$106,255 to the capital projects fund was required for the close out of a capital project.

14. Capital Reserve Account

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, 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 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 to *N.J.S.A. 19:60-2*.

Pursuant to *N.J.A.C. 6A: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.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

14. Capital Reserve Account (continued)

The capital reserve activity for the July 01, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$ 3,500,000
Deposits:	
Interest Earned	1,000
Subtotal	<u>3,501,000</u>
Withdrawals:	
Budget withdrawal	<u>1,500,000</u>
Ending balance, June 30, 2022	<u>\$ 2,001,000</u>

15. Maintenance Reserve Account

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve.

A maintenance reserve account was established by the District by way of a Board approved resolution 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. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Beginning balance, July 1, 2021	\$ 2,488,313
Increase:	
Interest Earned	1,000
Subtotal	<u>2,489,313</u>
Withdrawals:	
Budget withdrawal	<u>301,821</u>
Ending balance, June 30, 2022	<u>\$ 2,187,492</u>

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance 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. The 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 to *N.J.S.A. 19:60-2*.

Pursuant to *NJ.AC. 6A:23A-14.2(g)*, the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year. The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2022.

Holmdel Township School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

16. Commitments

There was \$1,085,422 of contractual commitments at June 30, 2022 to vendors related to ongoing construction projects which is reported as restricted for capital projects in the capital projects fund. There were contractual commitments in the general fund in the amount of \$1,839,334 which are reported as assigned to other purposes, and in the special revenue fund in the amount of \$236,921 which are reported as encumbrances for various supplies and equipment at June 30, 2022.

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for Pensions
and OPEBs
(GASB 68 and GASB 75)**

Holmdel Township School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	June 30, 2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset) - Local Group	0.09777%	0.10331%	0.10522%	0.10535%	0.10699%	0.10202%	0.96340%	0.95330%	0.93620%	N/A
District's proportionate share of the net pension liability (asset)	\$ 11,705,537	\$ 16,847,945	\$ 18,958,369	\$ 20,743,837	\$ 24,905,133	\$ 30,214,761	\$ 21,626,749	\$ 17,847,912	\$ 17,893,541	N/A
District's covered-employee payroll	\$ 7,538,440	\$ 6,692,527	\$ 7,219,278	\$ 7,342,601	\$ 7,816,493	\$ 7,843,575	\$ 7,535,615	\$ 7,072,860	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	155.28%	251.74%	262.61%	282.51%	318.62%	385.22%	286.99%	252.34%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability - Local Group	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

N/A - information not available

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate remained flat at 7.00% for the years ended June 30, 2020 and June 30, 2021.

Holmdel Township School District
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	June 30, 2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,279,398	\$ 1,157,181	\$ 1,130,213	\$ 1,023,450	\$ 1,054,168	\$ 991,131	\$ 906,312	\$ 828,279	\$ 785,866	N/A
Contributions in relation to the contractually required contribution	(1,279,398)	(1,157,181)	(1,130,213)	(1,023,450)	(1,054,168)	(991,131)	(906,312)	(828,279)	(785,866)	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
District's covered-employee payroll	\$ 7,538,440	\$ 6,692,527	\$ 7,219,278	\$ 7,342,601	\$ 7,816,493	\$ 7,843,575	\$ 7,535,615	\$ 7,072,860	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.97%	17.29%	15.66%	13.94%	13.49%	12.64%	12.03%	11.71%		

Holmdel Township School District
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
Teachers' Pension and Annuity Fund
Required Supplementary Information

Last Ten Fiscal Years*

	2022	2021	2020	2019	June 30, 2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	114,124,985	154,562,974	145,193,512	152,096,376	160,527,896	185,493,497	149,028,526	128,555,940	122,905,106
Total proportionate share of the net pension liability (asset) associated with the District	<u>114,124,985</u>	<u>154,562,974</u>	<u>\$ 145,193,512</u>	<u>\$ 152,096,376</u>	<u>\$ 160,527,896</u>	<u>185,493,497</u>	<u>149,028,526</u>	<u>128,555,940</u>	<u>122,905,106</u>
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	28.22%	25.41%	22.33%	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

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

Holmdel Township School District
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District
State Health Benefit Local Education Retired Employees Plan
Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021	Year Ended June 30, 2022
State's proportion of the OPEB Liability associated with the District -	0.22%	0.22%	0.22%	0.22%	0.21%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	115,969,509	100,883,111	91,014,921	147,602,806	131,436,478
Total proportionate share of the OPEB liability associated with the District	<u>\$ 115,969,509</u>	<u>\$ 100,883,111</u>	<u>\$ 91,014,921</u>	<u>\$ 147,602,806</u>	<u>\$ 147,602,806</u>
Beginning Balance at July 1	\$ 124,961,251	\$ 115,969,509	\$ 100,883,111	\$ 91,014,921	\$ 147,602,806
Increased by:					
Diff. between expected and actual exp.				25,149,843	
Service cost	4,919,251	4,085,846	3,634,991	3,696,180	6,712,390
Interest cost	3,664,986	4,251,774	3,992,889	3,271,658	3,409,601
Changes of assumptions			1,357,040	26,961,961	129,672
Member contributions	98,909	93,233	82,819	77,886	87,167
	8,683,146	8,430,853	9,067,739	59,157,528	10,338,830
Decreased by:					
Diff. between expected and actual exp.			(16,142,042)		(23,679,450)
Changes of assumptions	(14,988,788)	(9,242,831)			(139,898)
Gross benefit payments	(2,686,100)	(2,697,578)	(2,793,887)	(2,569,643)	(2,685,810)
	(17,674,888)	(23,517,251)	(18,935,929)	(2,569,643)	(26,505,158)
Balance	<u>\$ 115,969,509</u>	<u>\$ 100,883,111</u>	<u>\$ 91,014,921</u>	<u>\$ 147,602,806</u>	<u>\$ 131,436,478</u>
Covered by employee payroll	\$ 35,055,197	\$ 33,303,773	\$ 33,336,235	\$ 33,783,174	\$ 34,966,856
Total OPEB liability as a percentage of covered employee payroll.	330.82%	302.92%	273.02%	436.91%	375.89%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate was 2.21% as of June 30, 2020 and 2.16% as of June 30, 2021.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 56,538,485		\$ 56,538,485	\$ 56,538,485	
Tuition from individuals				120	\$ 120
Tuition from LEAs within state				288,389	288,389
Interest on investments	2,000		2,000	4,637	2,637
Other miscellaneous revenues	448,000		448,000	411,740	(36,260)
Total revenues - local sources	<u>56,988,485</u>		<u>56,988,485</u>	57,243,371	254,886
State sources:					
Categorical transportation aid	721,124		721,124	721,124	
Reimbursed non-public transportation aid				40,882	40,882
Extraordinary aid	269,058		269,058	1,098,790	829,732
Categorical special education aid	2,501,950		2,501,950	2,501,950	
Categorical security aid	139,118		139,118	139,118	
Other state aid				223,788	223,788
On-behalf TPAF pension contributions (non-budgeted)				9,864,258	9,864,258
On-behalf TPAF post-retirement medical contributions (non-budgeted)				2,304,689	2,304,689
On-behalf TPAF long-term disability insurance contributions (non-budgeted)				3,212	3,212
Reimbursed TPAF social security contributions (non-budgeted)				2,010,544	2,010,544
Total - state sources	<u>3,631,250</u>		<u>3,631,250</u>	18,908,355	15,277,105
Federal sources:					
Medical reimbursement	19,326		19,326	19,201	(125)
Total federal sources	<u>19,326</u>		<u>19,326</u>	19,201	(125)
Total revenues	<u>60,639,061</u>	-	<u>60,639,061</u>	76,170,927	15,531,866
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	698,127	80,838	778,965	778,965	
Grades 1-5	6,501,105	45,617	6,546,722	6,546,722	
Grades 6-8	4,047,959	168,276	4,216,235	4,216,235	
Grades 9-12	6,153,394	224,521	6,377,915	6,377,915	
Home instruction - regular programs:					
Salaries of teachers	23,174	31,150	54,324	54,324	
Purchased professional-educational services	8,000	6,514	14,514	14,514	
Undistributed instruction - regular programs:					
Purchased professional-educational services	15,700	2,000	17,700	17,700	
Other purchased services	1,013		1,013	212	801
General supplies	1,051,493	54,049	1,105,542	1,002,406	103,136
Textbooks	260,755	52	260,807	260,573	234
Other objects	144,300	(31,150)	113,150	106,898	6,252
Total instruction - regular programs	<u>18,905,020</u>	<u>581,867</u>	<u>19,486,887</u>	19,376,464	110,423

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Learning and/or language disabilities:					
Salaries of teachers	\$ 166,591	\$ (8,514)	\$ 158,077	\$ 158,077	
Other salaries for instruction	567,504	(50,908)	516,596	516,596	
General supplies	15,000		15,000	6,446	\$ 8,554
Total learning and/or language disabilities	749,095	(59,422)	689,673	681,119	8,554
Visual impairments:					
Salaries of teachers	197,776	5,852	203,628	203,628	
Purchased professional ed services	10,500	(10,500)			
Total visual impairments:	208,276	(4,648)	203,628	203,628	-
Multiple disabilities:					
Salaries of teachers	389,552	12,284	401,836	401,836	
Other salaries for instruction	450,086	66,549	516,635	516,635	
General supplies	6,000	10,037	16,037	12,227	3,810
Total multiple disabilities	845,638	88,870	934,508	930,698	3,810
Resource room/center:					
Salaries of teachers	4,059,514	252,380	4,311,894	4,311,894	
General supplies	22,000	16,190	38,190	37,682	508
Total resource room/center	4,081,514	268,570	4,350,084	4,349,576	508
Preschool disabilities - part time:					
Salaries of teachers	210,308	4,764	215,072	215,072	
Other salaries for instruction	243,178	67,019	310,197	310,197	
General supplies	500		500	367	133
Total preschool disabilities - part time	453,986	71,783	525,769	525,636	133
Home instruction:					
Salaries of teachers	42,500	(6,346)	36,154	25,526	10,628
Purchased professional-educational services	10,000		10,000	2,623	7,377
Total home instruction	52,500	(6,346)	46,154	28,149	18,005
Total special education	6,391,009	358,807	6,749,816	6,718,806	31,010

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 758,657	\$ 88,427	\$ 847,084	\$ 847,084	
Total basic skills/remedial - instruction	758,657	88,427	847,084	847,084	-
Bilingual education - instruction:					
Salaries of teachers	145,929	1,582	147,511	147,511	
General supplies	200		200	184	\$ 16
Total bilingual education - instruction	146,129	1,582	147,711	147,695	16
School - sponsored cocurricular activities:					
Salaries	239,873	(12,716)	227,157	204,122	23,035
Supplies and materials	21,018		21,018	11,601	9,417
Total school spn. cocurricular activities	260,891	(12,716)	248,175	215,723	32,452
School - sponsored athletics - instruction:					
Salaries	467,515	12,716	480,231	480,231	
Supplies and materials	84,300	14,798	99,098	90,587	8,511
Other objects	129,720		129,720	124,719	5,001
Total school - sponsored athletics - instruction	681,535	27,514	709,049	695,537	13,512
Total instruction	27,143,241	1,045,481	28,188,722	28,001,309	187,413
Undistributed expenditures:					
Instruction:					
Tuition to county voc. school dist. - regular	765,731	(62,061)	703,670	703,670	
Tuition to county voc. school dist. - special	7,752		7,752	4,845	2,907
Tuition to private schools for the disabled - within state	639,542	(69,977)	569,565	530,592	38,973
Total instruction	1,413,025	(132,038)	1,280,987	1,239,107	41,880

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Health services:					
Salaries	\$ 391,086	\$ (33,052)	\$ 358,034	\$ 358,034	
Purchased professional and technical services	87,248		87,248	83,021	\$ 4,227
Supplies and materials	9,661	234	9,895	9,855	40
Other objects	219,560	(25,500)	194,060	170,527	23,533
Total health services	707,555	(58,318)	649,237	621,437	27,800
Speech, OT, PT, and related services related services:					
Salaries	1,020,445	(44,259)	976,186	976,185	1
Supplies and materials	48,892		48,892	47,744	1,148
Other objects	184,736		184,736	182,348	2,388
Total Speech, OT, PT, and related services	1,254,073	(44,259)	1,209,814	1,206,277	3,537
Other support services - students - extra services:					
Salaries	1,102,319	442,376	1,544,695	1,544,694	1
Purchased professional educational services	10,000	(10,000)			
Supplies and materials	4,500	(3,649)	851	851	
Total other support services - students - extra services	1,116,819	428,727	1,545,546	1,545,545	1
Guidance:					
Salaries of other professional staff	979,500	(28,324)	951,176	951,176	
Salaries of secretarial and clerical assistants	157,968	15,915	173,883	173,883	
Purchased professional educational services	199,550	(36,870)	162,680	162,680	
Supplies and materials	13,465	844	14,309	7,456	6,853
Other objects	3,319		3,319	1,949	1,370
Total guidance	1,353,802	(48,435)	1,305,367	1,297,144	8,223
Child Study Team:					
Salaries of other professional staff	1,202,266	(13,841)	1,188,425	1,153,190	35,235
Salaries of secretarial and clerical assistants	118,320	2,320	120,640	118,900	1,740
Travel	1,500		1,500	662	838
Supplies and materials	12,500		12,500	11,687	813
Other objects	9,993		9,993	5,493	4,500
Total child study team	1,344,579	(11,521)	1,333,058	1,289,932	43,126

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 683,089	\$ (14,813)	\$ 668,276	\$ 602,836	\$ 65,440
Salaries of other professional staff	235,000	(62,000)	173,000	153,204	19,796
Salaries of secretaries and clerical assistants	370,267	(1,185)	369,082	320,064	49,018
Other purchased prof. and tech. services	59,500	1,185	60,685	60,685	
Other purchased services	2,000		2,000	108	1,892
Supplies and materials	2,180		2,180	1,976	204
Other objects	16,123	100	16,223	8,238	7,985
Total improvement of instructional services	1,368,159	(76,713)	1,291,446	1,147,111	144,335
Educational media services/school library:					
Salaries	877,633	14,813	892,446	892,446	
Supplies and materials	43,960	993	44,953	43,135	1,818
Total educational media services/school library	921,593	15,806	937,399	935,581	1,818
Instructional staff training services:					
Salaries of other professional staff	76,704	(75,000)	1,704	1,504	200
Other objects	79,900		79,900	76,266	3,634
Total instructional staff training services	156,604	(75,000)	81,604	77,770	3,834
Support services-general administration:					
Salaries	275,876	(73,623)	202,253	195,935	6,318
Legal services	145,000	38,988	183,988	151,546	32,442
Audit fees	35,995		35,995	35,995	
Other purchased professional services	60,000		60,000	50,321	9,679
Travel / Mileage	1,000		1,000		1,000
Communications/telephone	65,927	368	66,295	59,559	6,736
General supplies	28,500		28,500	22,390	6,110
Miscellaneous expenditures	67,680	(20,126)	47,554	47,261	293
BOE membership dues and fees	14,350		14,350	3,954	10,396
Total support services-general administration	694,328	(54,393)	639,935	566,961	72,974

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/assistant principals program directors	\$ 1,200,364	\$ 46,695	\$ 1,247,059	\$ 1,230,776	\$ 16,283
Salaries of secretarial and clerical assistants	509,794		509,794	501,617	8,177
Supplies and materials	18,000	1,152	19,152	19,152	
Other objects	17,873	(1,152)	16,721	9,023	7,698
Total support services-school administration	1,746,031	46,695	1,792,726	1,760,568	32,158
Central services:					
Salaries	888,944	(28,661)	860,283	842,980	17,303
Purchased professional services	5,100		5,100	5,100	
Interest on current loans	59,900	(20,901)	38,999	38,999	
Miscellaneous expenditures	5,000		5,000	2,772	2,228
Total central services	958,944	(49,562)	909,382	889,851	19,531
Administrative information technology:					
Salaries	65,914	2,583	68,497	68,497	
Other objects	2,250	(2,174)	76		76
Total administrative information technology	68,164	409	68,573	68,497	76
Required maintenance for school facilities:					
Salaries	628,582	30,998	659,580	643,899	15,681
Cleaning, repair and maintenance services	699,594	285,084	984,678	906,358	78,320
General supplies	241,300	96,929	338,229	277,607	60,622
Total required maintenance for school facilities	1,569,476	413,011	1,982,487	1,827,864	154,623
Custodial Services:					
Salaries	2,088,982	(41,347)	2,047,635	2,046,820	815
Salaries of non-instructional aides	700,751	(55,462)	645,289	645,289	
Purchased professional and technical services	14,950	(8,678)	6,272	6,272	
Cleaning, repair and maintenance services	42,000	192	42,192	42,192	
Other purchased property services	202,300	4,784	207,084	207,084	
Insurance	658,805	(37,948)	620,857	620,857	
General supplies	132,400	2,893	135,293	66,675	68,618
Energy - natural gas	301,700	61,343	363,043	363,043	
Energy - electricity	442,500	206,848	649,348	649,348	
Other objects	17,500	(10,139)	7,361	5,730	1,631
Energy savings impr prog bonds - interest	39,288		39,288	39,287	1
Energy savings impr prog bonds - principal	63,100		63,100	63,100	
Total custodial services	4,704,276	122,486	4,826,762	4,755,697	71,065
Care & upkeep of grounds:					
Salaries	191,638	7,982	199,620	199,620	
Cleaning, repair and maintenance services	195,000	(67,928)	127,072	127,072	
General supplies	45,000	6,549	51,549	50,654	895
Total care & upkeep of grounds	431,638	(53,397)	378,241	377,346	895

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 52,338		\$ 52,338	\$ 51,927	\$ 411
Purchased professional and technical services	250,000	\$ 184,013	434,013	434,013	
Total Security	302,338	184,013	486,351	485,940	411
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	77,999	2,257	80,256	80,256	
Other purchased prof. and tech. services	500	(500)			
Vendors - special ed	635,021	132,038	767,059	767,059	
Vendors - between home & school	1,783,626	71,302	1,854,928	1,854,928	
Vendors - other between home & school	185,889	(19,954)	165,935	164,675	1,260
Joint agreements - special ed	475,427	65,833	541,260	541,260	
Aid in lieu - nonpublic	54,000	(14,500)	39,500	39,500	
Miscellaneous purchased services	4,699		4,699	4,699	
General supplies	1,000	(522)	478	478	
Transportation supplies	6,000	(1,439)	4,561	4,561	
Other objects	1,414	(887)	527	527	
Total student transportation services	3,225,575	233,628	3,459,203	3,457,943	1,260
Unallocated benefits:					
Social security contributions	823,000	195,782	1,018,782	935,306	83,476
Other retirement contributions - PERS	1,180,000	14,818	1,194,818	1,194,818	
Unemployment compensation	25,000		25,000		25,000
Worker's compensation	520,903	(122,224)	398,679	391,292	7,387
Health insurance	9,034,423	(1,144,308)	7,890,115	7,271,197	618,918
Tuition reimbursement	120,000		120,000	92,122	27,878
Other employee benefits	180,000		180,000	168,037	11,963
Total unallocated benefits	11,883,326	(1,055,932)	10,827,394	10,052,772	774,622
On-behalf TPAF pension contributions (non-budgeted)					
				9,864,258	(9,864,258)
On-behalf TPAF Ppst-retirement medical contributions (non-budgeted)					
				2,304,689	(2,304,689)
On-behalf TPAF long-term disability insurance contributions (non-budgeted)					
				3,212	(3,212)
Reimbursed TPAF social security contributions (non-budgeted)					
				2,010,544	(2,010,544)
Total personal services: benefits	11,883,326	(1,055,932)	10,827,394	24,235,475	(13,408,081)
Interest deposit to maintenace reserve	1,000		1,000		1,000
Total undistributed expenditures	35,221,305	(214,793)	35,006,512	47,786,046	(12,779,534)
Total current expenditures	62,364,546	830,688	63,195,234	75,787,355	(12,592,121)

Holmdel Township School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Instruction	\$ 30,000		\$ 30,000	\$ 30,000	
Required maintenance for school facilities	20,000		20,000	6,810	\$ 13,190
Total equipment	50,000	-	50,000	36,810	13,190
Facilities acquisition and construction services:					
Lease purchase agreements - principal	304,000		304,000	304,000	
Assessment for debt service of SDA funding	69,515		69,515	69,515	
Architectural / engineering					
Construction services		\$ 1,500,000	1,500,000	61,060	1,438,940
Total facilities acquisition and construction services	373,515	1,500,000	1,873,515	434,575	1,438,940
Interest deposit to capital reserve	1,000		1,000		1,000
Total expenditures - capital outlay	424,515	1,500,000	1,924,515	471,385	1,453,130
Total expenditures	62,789,061	2,330,688	65,119,749	76,258,740	(11,138,991)
(Deficiency) excess of revenues (under) over expenditures	(2,150,000)	(2,330,688)	(4,480,688)	(87,813)	4,392,875
Other financing sources (uses):					
Transfers in (capital projects fund)				40,449	40,449
Transfers out (capital projects fund)				(106,255)	(106,255)
Total other financing sources				(65,806)	(65,806)
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(2,150,000)	(2,330,688)	(4,480,688)	(153,619)	4,327,069
Fund balances, July 1	11,525,939		11,525,939	11,525,939	4,864,520
Fund balances, June 30	\$ 9,375,939	\$ (2,330,688)	\$ 7,045,251	\$ 11,372,320	\$ 9,191,589
Recapitulation of excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (2,150,000)		\$ (2,150,000)	\$ 1,875,249	\$ 4,025,249
Withdrawal from maintenance reserve		\$ (301,820)	(301,820)		301,820
Withdrawal from capital reserve		(1,500,000)	(1,500,000)	(1,500,000)	
Adjustment for prior year encumbrances		(528,868)	(528,868)	(528,868)	
Total	\$ (2,150,000)	\$ (2,330,688)	\$ (4,480,688)	\$ (153,619)	\$ 4,327,069
Recapitulation of fund balance:					
Restricted for:					
Maintenance reserve				\$ 2,187,492	
Capital reserve				2,001,000	
Unemployment reserve				169,810	
Assigned to:					
Year end encumbrances				1,839,334	
Designated for subsequent year's expenditures				2,150,000	
Unassigned fund balance				3,024,684	
				11,372,320	
Reconciliation to government funds statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(323,110)	
Fund balance per government funds (GAAP) (B-1)				\$ 11,049,210	

Holmdel Township School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 613,911	\$ 192,667	\$ 806,578	\$ 802,224	\$ (4,354)
Federal sources	1,456,433	1,718,985	3,175,418	1,550,295	(1,625,123)
Other sources	100,000	608,233	708,233	585,902	(122,331)
Total revenues	2,170,344	2,519,885	4,690,229	2,938,421	(1,751,808)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	101,082	541,704	642,786	286,245	356,541
Purchased professional technical services	395,633	81,592	477,225	473,037	4,188
Purchased professional educational services		143,061	143,061	141,016	2,045
Tuition	517,510	127,183	644,693	644,693	
Supplies and materials	715,568	148,268	863,836	330,504	533,332
Other objects		94,123	94,123	12,269	81,854
Total instruction	1,729,793	1,135,931	2,865,724	1,887,764	977,960
Support services:					
Salaries of teachers	22,060	44,540	66,600	36,531	30,069
Personal services—employee benefits	28,038	16,741	44,779	44,779	
Purchased professional educational services	138,326	584,339	722,665	205,538	517,127
Other purchased professional services	56,226	18,352	74,578	64,862	9,716
Supplies and materials	6,182	113,560	119,742	97,194	22,548
Other objects	5,566	17,127	22,693	89	22,604
Scholarships awarded		35,666	35,666	5,450	30,216
Student activities		457,653	457,653	259,080	198,573
Total support services	256,398	1,287,978	1,544,376	713,523	830,853
Capital outlay:					
Facilities acquisition and construction services:					
Construction services	184,153	23,047	207,200	207,154	46
Instructional equipment		72,929	72,929	72,929	
Total facilities acquisition and construction services	184,153	95,976	280,129	280,083	46
Total expenditures	2,170,344	2,519,885	4,690,229	2,881,370	1,808,859
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ 57,051	\$ 57,051
Fund balance, July 1				219,109	
Fund balance, June 30				\$ 276,160	
Recapitulation:					
Restricted:					
Scholarships				\$ 36,666	
Student activities				239,494	
Total fund balance				\$ 276,160	

Holmdel Township School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2022

Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 76,170,927	\$ 2,938,421
Differences - 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		60,758
Current year		(236,921)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	260,535	
Current year	(323,110)	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 76,108,352	\$ 2,762,258
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 76,258,740	\$ 2,881,370
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		60,758
Current year		(236,921)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 76,258,740	\$ 2,705,207

Supplementary Information

Special Revenue Fund

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2022

	Title I		I.D.E.A.		Title II Part A Regular	Title IV Drug Free Regular	Coronavirus Relief Fund	Elementary and Secondary School Funds (ESSER)		Coronavirus Response and Relief Supplemental Appropriations Act	CRRSA - Learning Acceleration	
	Regular Part A	Part B Regular	Part B Preschool	ARP Regular				ARP Preschool	CARES Act Education Stabilization Fund			ARP ESSER
Revenues:												
State sources												
Federal sources	\$ 143,759	\$ 744,387	\$ 29,988	\$ 141,016	\$ 14,928	\$ 23,043	\$ 6,002	\$ 2,003	\$ 357,007	\$ 25,881	\$ 17,281	\$ 45,000
Other sources												
Total revenues	\$ 143,759	\$ 744,387	\$ 29,988	\$ 141,016	\$ 14,928	\$ 23,043	\$ 6,002	\$ 2,003	\$ 357,007	\$ 25,881	\$ 17,281	\$ 45,000
Expenditures:												
Current expenditures:												
Instruction:												
Salaries of teachers	\$ 68,732		\$ 27,694		\$ 13,785				\$ 158,620	\$ 3,880.00	\$ 10,456	
Tuition		\$ 609,960							34,733			
Purchased professional technical services												
Purchased professional educational services				\$ 141,016								
Supplies and materials	8,393				\$ 3,672	\$ 4,452	\$ 768		50,706	1,470		
Other objects									5,244		6,825	
Total instruction	77,125	609,960	27,694	141,016	13,785	3,672	4,452	768	249,303	5,350	17,281	
Support services:												
Salaries of other professional staff	23,200					4,976			8,355			
Personal services--employee benefits services	41,342	134,427	2,294		1,143				5,580	20,531		\$ 45,000
Other purchased professional services	525					13,683	1,550					
Supplies and materials	1,567					623		1,235	93,769			
Other objects						89						
Scholarships awarded												
Student Activities												
Total support services	66,634	134,427	2,294		1,143	19,371	1,550	1,235	107,704	20,531		45,000
Capital outlay:												
Facilities acquisition and construction services:												
Construction services												
Total facilities acquisition and construction services												
Equipment:												
Instructional equipment												
Total equipment												
Total capital outlay												
Total expenditures	\$ 143,759	\$ 744,387	\$ 29,988	\$ 141,016	\$ 14,928	\$ 23,043	\$ 6,002	\$ 2,003	\$ 357,007	\$ 25,881	\$ 17,281	\$ 45,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2022

New Jersey Non-Public Aid									
	Comp Ed Regular Program	ESL Regular Program	Exam & Class Regular Program	Corrective Speech Regular Program	Supple - mentary Instruction Regular Program	Nursing Regular Program	Tech Prf Svs Regular Program	Text - books Regular Program	Security Regular Program
Revenues:									
State sources	\$ 88,236	\$ 2,466	\$ 88,607	\$ 12,648	\$ 78,388	\$ 132,375	\$ 49,104	\$ 70,317	\$ 207,154
Federal sources									
Other sources									
Total revenues	<u>\$ 88,236</u>	<u>\$ 2,466</u>	<u>\$ 88,607</u>	<u>\$ 12,648</u>	<u>\$ 78,388</u>	<u>\$ 132,375</u>	<u>\$ 49,104</u>	<u>\$ 70,317</u>	<u>\$ 207,154</u>
Expenditures:									
Current expenditures:									
Instruction:									
Salaries of teachers									
Tuition									
Purchased professional technical services	\$88,236	\$2,466	\$ 88,607	\$ 12,648	\$ 78,388	\$ 132,375		\$ 70,317	
Purchased professional educational services									
Supplies and materials									
Other objects									
Total instruction	<u>88,236</u>	<u>2,466</u>	<u>88,607</u>	<u>12,648</u>	<u>78,388</u>	<u>132,375</u>		<u>70,317</u>	
Support services:									
Salaries of other professional staff									
Personal services-employee benefits services									
Other purchased professional services							\$ 49,104		
Supplies and materials									
Other objects									
Scholarships awarded									
Student Activities									
Total support services							49,104		
Capital outlay:									
Facilities acquisition and construction services:									
Construction services									\$ 207,154
Total facilities acquisition and construction services									<u>207,154</u>
Equipment:									
Instructional equipment									
Total equipment									
Total capital outlay									<u>207,154</u>
Total expenditures	<u>\$ 88,236</u>	<u>\$ 2,466</u>	<u>\$ 88,607</u>	<u>\$ 12,648</u>	<u>\$ 78,388</u>	<u>\$ 132,375</u>	<u>\$ 49,104</u>	<u>\$ 70,317</u>	<u>\$ 207,154</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Holmdel Township School District
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2022

	SDA Emergent	Scholarship	Student Activities	Local Programs	Totals
Revenues:					
State sources	\$ 72,929				\$ 802,224
Federal sources					1,550,295
Other sources		\$ 12,650	\$ 308,931	\$ 264,321	585,902
Total revenues	\$ 72,929	\$ 12,650	\$ 308,931	\$ 264,321	\$ 2,938,421
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers				\$ 3,078	\$ 286,245
Tuition					644,693
Purchased professional technical services					473,037
Purchased professional educational services					141,016
Supplies and materials				261,043	330,504
Other objects				200	12,269
Total instruction				264,321	1,887,764
Support services:					
Salaries of other professional staff					\$ 36,531
Personal services—employee benefits services					44,779
Other purchased professional services					205,538
Supplies and materials					64,862
Other objects					97,194
Scholarships awarded		\$ 5,450			89
Student Activities			\$ 259,080		5,450
Total support services		5,450	259,080		259,080
Capital outlay:					
Facilities acquisition and construction services:					
Construction services					\$ 207,154
Total facilities acquisition and construction services					207,154
Equipment:					
Instructional equipment	\$ 72,929				72,929
Total equipment	72,929				72,929
Total capital outlay					280,083
Total expenditures	\$ 72,929	\$ 5,450	\$ 259,080	\$ 264,321	\$ 2,881,370
Excess (deficiency) of revenues over (under) expenditures	-	7,200	49,851	-	57,051
Net change in fund balance	-	7,200	49,851	-	57,051
Fund Balance, July 1	-	29,466	189,643	-	219,109
Fund Balance, June 30	\$ -	\$ 36,666	\$ 239,494	\$ -	\$ 276,160

Capital Projects Fund

Holmdel Township School District
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2022

Revenues and other financing sources	
Contribution from lease proceeds	\$ 820,972
Other state revenue	169,986
Transfer from capital reserve	<u>106,255</u>
Total revenues	1,097,213
Expenditures	
Professional technical services	5,811
Land and improvements	
Construction services	1,966,731
Equipment	<u>856,564</u>
Total expenditures	2,829,106
Other financing uses	
Transferred to general fund	(40,449)
Transferred to debt service	(72,929)
Cancellation of SDA grant awards	<u>(106,255)</u>
Total other financing uses	(219,633)
(Deficiency) of revenues (under) expenditures and other financing sources	(1,951,526)
Fund Balance, July 1	<u>2,812,072</u>
Fund Balance, June 30	<u>\$ 860,546</u>
Fund balance, budgetary-basis	\$ 860,546
Less difference in grant revenue recognized	<u>(135,475)</u>
Fund balance, GAAP-basis	<u>\$ 725,071</u>

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 882,000	\$ (106,255)	\$ 775,745	\$ 775,745
Other state revenue		169,986	169,986	169,986
Contribution from bond proceeds	40,318,000		40,318,000	40,318,000
Contribution from lease proceeds	2,323,201	820,972	3,144,173	3,144,173
Transfer from capital reserve	1,433,549	106,255	1,539,804	1,539,804
Transfers from other capital projects	547		547	547
Total revenues	<u>44,957,297</u>	<u>990,958</u>	<u>45,948,255</u>	<u>\$ 45,948,255</u>
Professional technical services				
Expenditures and Other Financing Uses				
Purchased professional/tech services	4,159,188	(28,700)	4,130,488	
Land and improvements	26,515,883		26,515,883	
Construction services	9,439,811	1,966,731	11,406,542	
Equipment	1,754,514	891,075	2,645,589	
Transfers Out	<u>275,829</u>	<u>113,378</u>	<u>389,207</u>	
Total expenditures	42,145,225	2,942,484	45,087,709	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,812,072</u>	<u>\$ (1,951,526)</u>	<u>\$ 860,546</u>	

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Window Replacements - Various Schools

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 882,000	\$ (106,255)	\$ 775,745	\$ 775,745
Other state revenue				
Contribution from bond proceeds				
Contribution from lease proceeds				
Transfer from capital reserve	1,323,000	106,255	1,429,255	1,429,255
Transfers from other capital projects				
Total revenues	<u>2,205,000</u>	<u>-</u>	<u>2,205,000</u>	<u>\$ 2,205,000</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services	1,929,171		1,929,171	
Equipment				
Transfers Out	<u>275,829</u>		<u>275,829</u>	
Total expenditures	2,205,000	-	2,205,000	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Additional project information				
Project numbers:	2230-020-14-1003			
	2230-030-14-1003			
	2230-050-14-1005			
	2230-020-14-1002			
Grant date	12/28/2018			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,205,000			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 2,205,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	12/31/2020			
Revised target completion date	12/31/2020			

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Educational, Athletic & Infrastructure Enhancements - Various Schools

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant				
Other state revenue		\$ 169,986	\$ 169,986	\$ 169,986
Contribution from bond proceeds	\$ 40,318,000		40,318,000	40,318,000
Contribution from lease proceeds				
Transfer from capital reserve				
Transfers from other capital projects				
Total revenues	<u>40,318,000</u>	<u>169,986</u>	<u>40,487,986</u>	<u>\$ 40,487,986</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services	3,820,798	\$ 38,629	3,859,427	
Land and improvements	25,424,333		25,424,333	
Construction services	7,510,640	1,966,731	9,477,371	
Equipment	1,027,574	112,916	1,140,490	
Transfers Out				
Total expenditures	<u>37,783,345</u>	<u>2,118,276</u>	<u>39,901,621</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,534,655</u>	<u>\$ (1,948,290)</u>	<u>\$ 586,365</u>	
Additional project information				
Project number	N/A			
Grant date	5/27/2014			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 40,318,000			
Additional Authorized Cost	\$ 169,986			
Revised Authorized Cost	\$ 40,487,986			
Percentage Increase over Original Authorized Cost	0.42%			
Percentage completion	98.55%			
Original target completion date	5/27/2014			
Revised target completion date	12/31/2022			

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

ESIP Lighting and Other Capital Project Upgrades - Various Schools

From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant				
Other state revenue				
Contribution from bond proceeds				
Contribution from lease proceeds	\$ 1,475,000		\$ 1,475,000	\$ 1,475,000
Transfer from capital reserve	110,549		110,549	110,549
Transfers from other capital projects	547		547	547
	<u>1,586,096</u>	<u>-</u>	<u>1,586,096</u>	<u>\$ 1,586,096</u>
Total revenues				
Expenditures and Other Financing Uses				
Purchased professional/tech services	338,390	(67,329)	271,061	
Land and improvements	1,091,550		1,091,550	
Construction services				
Equipment				
Transfers Out		113,378	113,378	
	<u>1,429,940</u>	<u>46,049</u>	<u>1,475,989</u>	
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 156,156</u>	<u>\$ (46,049)</u>	<u>\$ 110,107</u>	
Additional project information				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,475,000			
Additional Authorized Cost	\$ 111,096			
Revised Authorized Cost	\$ 1,586,096			
Percentage Increase over Original Authorized Cost	7.53%			
Percentage completion	93.06%			
Original target completion date	12/31/2019			
Revised target completion date	12/31/2022			

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

MCIA Capital Equipment Lease - 2019
From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant				
Other state revenue				
Contribution from bond proceeds				
Contribution from lease proceeds	\$ 848,201		\$ 848,201	\$ 848,201
Transfer from capital reserve				
Transfers from other capital projects				
Total revenues	<u>848,201</u>	<u>-</u>	<u>848,201</u>	<u>\$ 848,201</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services				
Equipment	726,940	\$ 87,988	814,928	
Transfers Out				
Total expenditures	<u>726,940</u>	<u>87,988</u>	<u>814,928</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 121,261</u>	<u>\$ (87,988)</u>	<u>\$ 33,273</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 815,476			
Additional Authorized Cost	32,725			
Revised Authorized Cost	\$ 848,201			
Percentage Increase over Original Authorized Cost		4.01%		
Percentage completion		96.08%		
Original target completion date		9/1/2021		
Revised target completion date		N/A		

Holmdel Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

MCIA Capital Equipment Lease - 2021
From Inception and for the year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant				
Other state revenue				
Contribution from bond proceeds				
Contribution from lease proceeds		\$ 820,972	\$ 820,972	\$ 820,972
Transfer from capital reserve				
Transfers from other capital projects				
Total revenues	\$ -	820,972	820,972	<u>\$ 820,972</u>
Expenditures and Other Financing Uses				
Purchased professional/tech services				
Land and improvements				
Construction services				
Equipment		690,171	690,171	
Transfers Out				
Total expenditures	-	690,171	690,171	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 130,801</u>	<u>\$ 130,801</u>	
Additional project information				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	574,000		
Additional Authorized Cost		246,972		
Revised Authorized Cost	\$	820,972		
Percentage Increase over Original Authorized Cost		43.03%		
Percentage completion		100.00%		
Original target completion date		6/30/2021		
Revised target completion date		N/A		

Holmdel Township School District
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 (Budgetary Basis)
 June 30, 2022

Issue/Project Title	Appropriations	Expenditures to Date		Reimbursements	Closed Out Projects Funds Transferred Out to Debt Service	Closed Out Projects Funds Transferred Out to General	Unexpended Balance
		Prior Years	Current Year				
MCIA Capital Equipment Lease - 2019	\$ 848,201	\$ 726,940	\$ 87,988				\$ 33,273
Educational, Athletic & Infrastructure Enhancements	40,487,986	37,783,345	2,118,276				586,365
ESIP Lighting and Other Capital Project Upgrades	1,586,096	1,429,940	5,600	\$ 72,229	\$ (72,229)	\$ (40,449)	110,107
MCIA Capital Equipment Lease - 2021	820,972		690,171				130,801
	<u>\$ 43,743,255</u>	<u>\$39,940,225</u>	<u>\$ 2,902,035</u>	<u>\$ 72,229</u>	<u>\$ (72,229)</u>	<u>\$ (40,449)</u>	<u>\$ 860,546</u>

Long-Term Debt

Holmdel Township School District
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 30, 2021	Retired	Balance June 30, 2022
			Date	Amount				
Refunding of 2015 Bonds	10/28/2015	\$ 7,740,000	3/15/2023	\$ 1,210,000	4.000%	\$ 2,300,000	\$ 1,090,000	\$ 1,210,000
General Obligation Bonds Series 2018	4/24/2018	40,318,000	2/1/2023	1,300,000	3.250	37,718,000	1,365,000	36,353,000
			2/1/2024	1,938,000	3.250			
			2/1/2025	1,975,000	3.250			
			2/1/2026	2,035,000	3.250			
			2/1/2027	2,095,000	3.250			
			2/1/2028	2,155,000	3.250			
			2/1/2029	2,220,000	3.250			
			2/1/2030	2,295,000	3.250			
			2/1/2031	2,370,000	3.250			
			2/1/2032	2,445,000	3.250			
			2/1/2033	2,525,000	3.250			
			2/1/2034	2,600,000	3.250			
			2/1/2035	2,600,000	3.375			
			2/1/2036	2,600,000	3.375			
			2/1/2037	2,600,000	3.500			
			2/1/2038	2,600,000	3.500			
						<u>\$ 40,018,000</u>	<u>\$ 2,455,000</u>	<u>\$ 37,563,000</u>

Holmdel Township School District
Long-Term Debt

Schedule of Financed Purchases Payable

June 30, 2022

Issue	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 30, 2021	Additions	Retired	Balance June 30, 2022
			Principal	Interest					
2017 MCIA Equipment	10/11/2017	5 years	\$ 747,000	\$ 109,666	4.000-5.000 %	\$ 323,000		\$ 158,000	\$ 165,000
2019 MCIA Equipment	10/16/2019	5 years	755,000	114,909	5.000 %	627,000		146,000	481,000
2021 MCIA Equipment	9/1/2021	5 years	747,000	107,599	4.000-5.000 %		\$ 747,000		747,000
2018 Energy Savings Improvement Program	4/27/2018	15 years	1,475,000	410,763	3.545 %	1,124,000		63,100	1,060,900
						<u>\$ 2,074,000</u>	<u>\$ 747,000</u>	<u>\$ 367,100</u>	<u>\$ 2,453,900</u>

Holmdel Township School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 2,850,578		\$ 2,850,578	\$ 2,850,578	
State sources:					
Debt Service Aid	524,461		524,461	524,461	
Total revenues	<u>3,375,039</u>		<u>3,375,039</u>	<u>3,375,039</u>	-
Expenditures:					
Principal on bonds	2,455,000		2,455,000	2,455,000	
Interest on bonds	1,337,334		1,337,334	1,337,334	
Total expenditures	<u>3,792,334</u>		<u>3,792,334</u>	<u>3,792,334</u>	-
Deficiency/(excess) of revenues under expenditures	<u>(417,295)</u>		<u>(417,295)</u>	<u>(417,295)</u>	
Other financing sources					
Transfers in				73,194	\$ 73,194
(Deficiency) Excess of revenues (under) over expenditures and other financing sources	(417,295)		(417,295)	(344,101)	73,194
Fund balance, July 1	747,762		747,762	747,762	
Fund balance, June 30	<u>\$ 330,467</u>	<u>\$ -</u>	<u>\$ 330,467</u>	<u>\$ 403,661</u>	<u>\$ 73,194</u>

Statistical Section (Unaudited)

Other Information

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

Holmdel Township School District
 Net Position by Component
 Last Ten Fiscal Years

(accrual basis of accounting)
 Unaudited

	2013	2014	2015	June 30, 2016	2017	2018	2019	2020 (Restated)	2021	2022
Governmental activities										
Net investment in capital assets	\$ 32,468,038	\$ 32,022,178	\$ 36,136,561	\$ 41,411,753	\$ 39,981,673	\$ 2,021,935	\$ 44,421,713	\$ 46,106,571	\$ 42,696,500	\$ 42,739,284
Restricted	3,178,902	3,229,987	4,024,437	3,918,554	1,314,521	44,332,739	5,231,957	6,617,817	6,555,774	4,634,462
Unrestricted (deficit)	536,516	2,231,548	(18,185,134)	(21,737,003)	(19,924,435)	(20,001,708)	(20,075,176)	(19,795,416)	(18,323,463)	(14,200,684)
Total governmental activities net position	\$ 36,183,456	\$ 37,483,713	\$ 21,975,864	\$ 23,593,304	\$ 21,371,759	\$ 26,352,966	\$ 29,578,494	\$ 32,928,972	\$ 30,928,811	\$ 33,173,062
Business-type activities										
Investment in capital assets	\$ 12,816	\$ 8,283	\$ 5,014	\$ 45,077	\$ 41,296	\$ 54,810	\$ 48,559	\$ 89,693	\$ 81,596	\$ 73,499
Unrestricted	1,005,613	1,104,679	234,175	1,353,994	1,661,476	2,004,224	640,453	514,065	268,144	354,944
Total business-type activities net position	\$ 1,018,429	\$ 1,112,962	\$ 239,189	\$ 1,399,071	\$ 1,702,772	\$ 2,059,034	\$ 689,012	\$ 603,758	\$ 349,740	\$ 428,443
District-wide										
Net investment in capital assets	\$ 32,480,854	\$ 32,030,461	\$ 36,141,575	\$ 41,456,830	\$ 40,022,969	\$ 2,076,745	\$ 44,470,272	\$ 46,196,264	\$ 42,778,096	\$ 42,812,783
Restricted	3,178,902	3,229,987	4,024,437	3,918,554	1,314,521	44,332,739	5,231,957	6,617,817	6,555,774	4,634,462
Unrestricted (deficit)	1,542,129	3,336,227	(17,950,959)	(20,383,009)	(18,262,959)	(17,997,484)	(19,434,723)	(19,281,351)	(18,055,319)	(13,845,740)
Total district net position	\$ 37,201,885	\$ 38,596,675	\$ 22,215,053	\$ 24,992,375	\$ 23,074,531	\$ 28,412,000	\$ 30,267,506	\$ 33,532,730	\$ 31,278,551	\$ 33,601,505

Source: ACFR Schedule A-1 and District records.

Notes: The significant increases in governmental activities net position, net investment in capital assets is the result of the increase in construction in progress for ongoing capital projects.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$31,810,285. This amount is not reflected in the June 30, 2014 Net Position, above.

Holmdel Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								(Restated)		
Expenses										
Governmental activities										
Instruction	\$ (23,069,139)	\$ (23,223,017)	\$ (23,546,118)	\$ (23,999,528)	\$ (24,207,792)	\$ (47,707,941)	\$ (45,123,562)	\$ (41,543,568)	\$ (48,634,366)	\$ (48,327,296)
Support services:										
Tuition	(944,986)	(1,086,353)	(1,091,888)	(1,210,030)	(1,302,565)	(2,110,183)	(1,806,541)	(1,745,707)	(2,045,656)	(1,852,741)
Student & Instruction Related Services	(7,897,495)	(7,602,496)	(7,722,598)	(7,982,066)	(8,071,936)	(12,259,534)	(11,814,609)	(10,482,147)	(12,550,237)	(11,701,706)
School Administrative Services	(1,424,352)	(1,462,340)	(1,508,715)	(1,517,276)	(1,517,821)	(859,615)	(857,666)	(2,646,776)	(2,999,112)	(2,886,083)
General administration	(567,061)	(595,703)	(640,945)	(589,819)	(633,485)	(1,275,574)	(2,787,087)	(834,730)	(886,371)	(715,288)
Central Services	(1,159,659)	(761,297)	(827,851)	(804,968)	(848,939)	(88,017)	(1,570,038)	(1,425,438)	(1,544,749)	(1,439,421)
Administrative Information Technology	(53,921)	(55,400)	(57,001)	(58,874)	(59,686)	(2,228,569)	(109,453)	(107,918)	(119,074)	(112,934)
Plant operations & maintenance	(6,629,954)	(6,466,333)	(5,812,803)	(5,935,866)	(5,959,314)	(8,754,012)	(8,155,816)	(8,107,811)	(10,495,884)	(10,208,530)
Pupil transportation	(2,234,729)	(2,473,004)	(2,529,060)	(2,739,126)	(2,743,808)	(3,967,280)	(3,128,120)	(3,026,137)	(3,361,181)	(3,703,134)
Employee benefits	(14,171,537)	(13,845,065)	(20,306,796)	(23,803,361)	(18,852,441)					
Interest on long-term debt	(755,989)	(785,967)	(596,009)	(647,845)	(397,033)	(443,500)	(1,422,833)	(1,410,366)	(1,258,356)	(1,193,013)
Unallocated depreciation and amortization	(948,409)	(1,333,877)	(881,860)	(730,814)	(845,072)					
Total governmental activities	<u>(59,857,231)</u>	<u>(59,690,852)</u>	<u>(65,521,644)</u>	<u>(70,019,573)</u>	<u>(65,439,892)</u>	<u>(79,694,225)</u>	<u>(76,775,725)</u>	<u>(71,330,598)</u>	<u>(83,894,986)</u>	<u>(82,140,146)</u>
Business-type activities:										
Food service	(1,295,986)	(1,297,381)	(1,372,242)	(1,363,947)	(1,270,466)	(1,235,326)	(1,413,816)	(966,160)	(243,371)	(857,804)
Childcare programs	(190,113)	(195,071)	(425,614)	(413,051)	(406,452)	(476,568)	(580,107)	(217,222)	(163,651)	(488,933)
primetime	(156,389)	(150,383)	(141,422)	(141,413)	(151,244)	(201,089)	(206,045)	(216,712)		
Summer Enrichment	(33,724)	(30,283)	(31,777)	(16,219)	(6,731)	(1,050)	(27,750)			
Early Childhood		(14,405)	(252,415)	(255,419)	(248,477)	(274,429)	(346,312)	(510)		
Total business-type activities expense	<u>(1,486,099)</u>	<u>(1,492,452)</u>	<u>(1,797,856)</u>	<u>(1,776,998)</u>	<u>(1,676,918)</u>	<u>(1,711,894)</u>	<u>(1,993,923)</u>	<u>(1,183,382)</u>	<u>(407,022)</u>	<u>(1,346,737)</u>
Total district expenses	<u>\$ (61,343,330)</u>	<u>\$ (61,183,304)</u>	<u>\$ (67,319,500)</u>	<u>\$ (71,796,571)</u>	<u>\$ (67,116,810)</u>	<u>\$ (81,406,119)</u>	<u>\$ (78,769,648)</u>	<u>\$ (72,513,980)</u>	<u>\$ (84,302,008)</u>	<u>\$ (83,486,883)</u>
Program Revenues										
Governmental activities:										
Charges for services - tuition	\$ 436,062	\$ 389,993	\$ 407,835	\$ 481,597	\$ 575,567		\$ 501,246	\$ 283,048	\$ 282,306	\$ 288,509
Charges for services - student activities									235,325	308,931
Operating grants and contributions	1,495,762	1,316,644	12,274,445	14,545,145	1,641,813	\$ 21,419,236	1,635,067	1,854,180	2,361,517	2,453,327
Capital grants and contributions							8,000			34,511
Total governmental activities program revenues	<u>1,931,824</u>	<u>1,706,637</u>	<u>12,682,280</u>	<u>15,026,742</u>	<u>2,217,380</u>	<u>21,419,236</u>	<u>2,144,313</u>	<u>2,137,228</u>	<u>2,879,148</u>	<u>3,085,278</u>
Business-type activities:										
Charges for services										
Food service	1,360,620	1,305,863	1,325,674	1,305,801	1,388,441	1,478,602	1,436,958	949,613	65,184	889,652
Childcare programs	199,296	230,622	552,722	576,584	553,722	589,554	657,179	117,886	73,779	513,355
PrimeTime	163,524	187,334	181,479	171,339	180,151	193,156	208,447	110,942		
Summer Enrichment	35,772	43,288	23,282	15,931	976	1,300	27,525			
Early Childhood			347,961	389,314	372,595	395,098	421,207	6,944		
Total business type activities program revenues	<u>1,559,916</u>	<u>1,536,485</u>	<u>1,878,396</u>	<u>1,882,385</u>	<u>1,942,163</u>	<u>2,068,156</u>	<u>2,094,137</u>	<u>1,067,499</u>	<u>138,963</u>	<u>1,403,007</u>
Total district program revenues	<u>\$ 3,491,740</u>	<u>\$ 3,243,122</u>	<u>\$ 14,560,676</u>	<u>\$ 16,909,127</u>	<u>\$ 4,159,543</u>	<u>\$ 23,487,392</u>	<u>\$ 4,238,450</u>	<u>\$ 3,204,727</u>	<u>\$ 3,018,111</u>	<u>\$ 4,488,285</u>
Net (Expense)/Revenue										
Governmental activities	\$ (57,925,407)	\$ (57,984,215)	\$ (52,839,364)	\$ (54,992,831)	\$ (63,222,512)	\$ (58,274,989)	\$ (74,631,412)	\$ (69,193,370)	\$ (81,015,838)	\$ (79,054,868)
Business-type activities	73,817	44,033	80,540	105,387	265,245	356,262	100,214	(115,883)	(268,059)	56,270
Total district-wide net expense	<u>\$ (57,851,590)</u>	<u>\$ (57,940,182)</u>	<u>\$ (52,758,824)</u>	<u>\$ (54,887,444)</u>	<u>\$ (62,957,267)</u>	<u>\$ (57,918,727)</u>	<u>\$ (74,531,198)</u>	<u>\$ (69,309,253)</u>	<u>\$ (81,283,897)</u>	<u>\$ (78,998,598)</u>

Holmdel Township School District
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 47,770,126	\$ 48,450,529	\$ 49,414,695	\$ 50,648,047	\$ 52,197,343	\$ 53,241,290	\$ 53,906,806	\$ 55,660,279	\$ 56,773,485	\$ 56,538,485
Taxes levied for debt service	3,051,483	2,971,232	2,800,957	2,794,727	2,494,218	2,483,081	2,990,356	2,922,993	2,865,153	2,850,578
Unrestricted grants and contributions	8,353,200	7,563,872	2,714,555	2,627,277	9,334,333	3,424,423	18,467,401	12,869,261	19,019,592	21,493,414
Investment earnings							738,544	554,642	55,654	4,902
Miscellaneous income	255,383	430,375	207,141	320,155	151,597	305,506	253,833	151,638	301,793	411,740
Restricted grants and entitlements			105,698	220,075	28,455	596,917				
Transfers							1,500,000			
Total governmental activities	59,430,192	59,416,008	55,243,046	56,610,281	64,205,946	60,051,217	77,856,940	72,158,813	79,015,677	81,299,119
Business-type activities:										
Investment earnings							29,764	30,629	14,041	22,433
Miscellaneous income										
Transfers		50,499	45,687	54,495	38,456		(1,500,000)			
Total business-type activities	-	50,499	45,687	54,495	38,456	-	(1,470,236)	30,629	14,041	22,433
Total district-wide	\$ 59,430,192	\$ 59,466,507	\$ 55,288,733	\$ 56,664,776	\$ 64,244,402	\$ 60,051,217	\$ 76,386,704	\$ 72,189,442	\$ 79,029,718	\$ 81,321,552
Change in Net Position										
Governmental activities	\$ 1,504,785	\$ 1,431,793	\$ 2,403,682	\$ 1,617,450	\$ 983,434	\$ 1,776,228	\$ 3,225,528	\$ 2,965,443	\$ (2,000,161)	\$ 2,244,251
Business-type activities	73,817	94,532	126,227	159,882	303,701	356,262	(1,370,022)	(85,254)	(254,018)	78,703
Total district	\$ 1,578,602	\$ 1,526,325	\$ 2,529,909	\$ 1,777,332	\$ 1,287,135	\$ 2,132,490	\$ 1,855,506	\$ 2,880,189	\$ (2,254,179)	\$ 2,322,954

Source: CAFR Schedule A-2 and District records.

Note: GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

Holmdel Township School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund	(Restated)										
Reserved	\$ 1,358,880	\$ 2,340,278	\$ 3,099,131	\$ 2,981,372	\$ 2,967,645						
Unreserved	1,119,138	831,399	240,949	415,315	816,304						
Restricted	251,916	180,145	103,549			\$ 1,504,979	\$ 2,962,560	\$ 4,968,794	\$ 5,273,348	\$ 6,158,123	\$ 4,356,302
Assigned						1,524,075	1,955,222	2,004,820	3,510,434	528,868	1,839,334
Unassigned						1,885,784	1,427,302	1,446,685	1,397,898	4,578,413	4,853,574
Total general fund	<u>\$ 2,729,934</u>	<u>\$ 3,351,822</u>	<u>\$ 3,443,629</u>	<u>\$ 3,396,687</u>	<u>\$ 3,783,949</u>	<u>\$ 4,914,838</u>	<u>\$ 6,345,084</u>	<u>\$ 8,420,299</u>	<u>\$ 10,181,680</u>	<u>\$ 11,265,404</u>	<u>\$ 11,049,210</u>
All Other Governmental Funds											
Restricted reported in:											
Capital projects fund	\$ 48,114	\$ 31,266	\$ 125,289	\$ 46,471	\$ 1,040,135	\$ 996,679	\$ 41,300,474	\$ 30,441,884	\$ 14,197,957	\$ 2,705,817	\$ 725,071
Special revenue - student activities										189,643	239,494
Special revenue - scholarships										29,466	36,666
Debt service fund	1	1					69,705	917,409	1,118,069	747,762	403,661
Unreserved (deficit), reported in:											
Capital projects fund	18,122	15,206									
Assigned, reported in:											
Debt service fund			62,470	1	100,765	1					
Total all other governmental funds	<u>\$ 66,237</u>	<u>\$ 46,473</u>	<u>\$ 187,759</u>	<u>\$ 46,472</u>	<u>\$ 1,140,900</u>	<u>\$ 996,680</u>	<u>\$ 41,370,179</u>	<u>\$ 31,359,293</u>	<u>\$ 15,316,026</u>	<u>\$ 3,672,688</u>	<u>\$ 1,404,892</u>

Source: ACFR Schedule B-1 and District records.

Note 1: GASB #54 was implemented in the 2011 fiscal year, which required the presentations of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above and are not required to be.

Note 2: GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for scholarship and student activity accounts

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	Year Ended June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues											
Local sources:											
Local tax levy	\$ 50,294,229	\$ 50,821,609	\$ 51,421,761	\$ 52,215,652	\$ 53,442,774	\$ 54,691,561	\$ 55,724,371	\$ 56,897,162	\$ 58,583,272	\$ 59,638,638	\$ 59,389,063
Tuition charges	368,221	436,062	389,993	407,835	481,597	575,567	596,917	501,246	283,048	282,306	288,509
Interest earnings								738,544	554,642	55,654	4,902
Miscellaneous	541,681	295,592	451,751	246,629	294,350	186,602	344,244	294,516	320,442	708,786	847,785
Total local sources	51,204,131	51,553,263	52,263,505	52,870,116	54,218,721	55,453,730	56,665,532	58,431,468	59,741,404	60,685,384	60,530,259
State sources	6,801,622	8,832,495	8,045,997	8,475,459	9,313,976	9,926,261	11,676,116	12,531,925	13,827,398	16,413,404	20,206,976
Federal sources	1,099,016	976,258	806,917	936,994	854,791	1,043,335	949,602	1,003,707	995,598	1,552,928	1,543,190
Total revenue	59,104,769	61,362,016	61,116,419	62,282,569	64,387,488	66,423,326	69,291,250	71,967,100	74,564,400	78,651,716	82,280,425
Expenditures											
Intruction:											
Regular instruction	15,893,613	17,241,917	17,205,888	17,264,938	17,567,455	17,657,280	17,528,145	25,591,180	16,869,049	27,867,008	29,780,692
Special education instruction	4,198,398	4,505,111	4,619,880	4,931,631	5,123,476	5,187,350	5,266,072		5,929,991		
Other special instruction	547,908	621,996	698,285	626,652	555,063	587,638			2,750,266		
School-Sponsored/Other Instruction	689,942	700,115	698,964	740,897	767,862	775,524	1,446,345		1,086,050	1,059,033	1,239,107
Undistributed:											
Tuition	976,976	944,986	1,086,353	1,091,888	1,210,030	1,302,565	1,470,147	1,256,378	1,140,595	1,244,920	1,206,277
Student and instruction related services		7,897,495	7,602,496	7,722,598	7,982,066	8,071,936	7,886,554	1,117,653	3,974,415	4,760,034	4,778,362
Health services							654,564	603,361	476,134	555,259	621,437
Support services - students	642,581						598,887	6,369,847	2,116,353	2,204,831	2,082,692
Support services - instructional staff	5,361,581						888,682	112,997	110,148	136,144	77,770
General administration	887,646	567,061	595,703	640,945	589,819	633,485		649,052	649,959	619,164	568,961
School administrative services	440,816	1,424,352	1,462,340	1,508,715	1,517,821	1,517,821	61,321	1,608,965	1,620,296	1,710,533	1,760,568
Central services	1,455,006	1,159,659	761,297	827,851	804,968	848,939	1,552,626	925,838	885,962	905,592	889,851
Admin. Information technology	1,086,021	53,921	55,400	57,001	58,874	59,686	6,079,111		63,064	66,118	68,497
Plant operations and maintenance	54,285	6,550,875	6,466,333	5,812,803	5,935,866	5,959,314		5,830,812	5,832,439	7,032,670	7,446,847
Pupil transportation	7,220,703	2,234,729	2,473,004	2,529,060	2,739,126	2,743,808	2,763,972	2,865,485	2,831,811	2,860,779	3,457,943
Employee benefits	2,204,895	14,186,141	13,858,310	14,458,376	15,916,589	16,660,955	18,518,582	20,011,604	20,980,982	22,350,007	24,235,475
Capital outlay	12,333,765	523,377	1,083,549	874,714	1,709,503	92,291	2,959,667	11,515,339	18,800,794	12,014,255	3,580,574
Special revenue	857,430										
Debt Service:	1,555,252										
Principal	2,200,000	2,230,000	2,300,000	2,285,000	2,300,000	2,624,000	2,494,000	1,685,000	2,415,000	2,400,000	2,455,000
Interest and other charges	913,858	821,483	682,530	578,426	486,083	419,497	352,596	1,196,196	1,536,016	1,423,585	1,337,334
Total expenditures	59,520,676	61,663,218	61,650,332	61,951,495	65,264,056	65,142,089	70,521,271	81,402,771	90,072,378	89,211,330	85,585,387
(Deficiency) excess of revenues (under) over expenditures	(415,907)	(301,202)	(533,913)	331,074	(876,568)	1,281,237	(1,230,021)	(9,435,671)	(15,507,978)	(10,559,614)	(3,304,962)
Other Financing sources (uses)											
Proceeds from bond issuance			5,699,361		8,430,680		41,793,000				
Cancellation of prior year accounts payable					37,890						
Payment to escrow agent			(5,625,594)		(8,338,560)						
Transfers in				158,549	1,323,000			2,238,544	1,479,527	322,542	219,898
Transfers out				(158,549)	(1,323,000)			(738,544)	(1,479,527)	(322,542)	(219,898)
Proceeds from MCIA lease	500,000		726,000		744,000		747,000		755,000		761,000
Premium on lease								86,057			59,972
Total other financing sources (uses)	500,000	-	799,767	-	874,010	-	42,540,000	1,500,000	841,057	-	820,972
Net change in fund balances	84,093	(301,202)	265,854	331,074	(2,558)	1,281,237	41,309,979	(7,935,671)	(14,666,921)	(10,559,614)	(2,483,990)
Fund balance, July 1, as restated	(1,558,118)	(1,474,025)	(1,775,227)	(1,509,373)	5,126,605	5,124,047	6,405,284	47,715,263	39,779,592	25,497,706	14,938,092
Fund balance, June 30	<u>\$ (1,474,025)</u>	<u>\$ (1,775,227)</u>	<u>\$ (1,509,373)</u>	<u>\$ (1,178,299)</u>	<u>\$ 5,124,047</u>	<u>\$ 6,405,284</u>	<u>\$ 47,715,263</u>	<u>\$ 39,779,592</u>	<u>\$ 25,112,671</u>	<u>\$ 14,938,092</u>	<u>\$ 12,454,102</u>
Debt service as a percentage of noncapital expenditures	5.52%	5.21%	5.08%	4.85%	8.46%	4.90%	4.21%	4.12%	5.54%	4.95%	4.62%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

The beginning fiscal year 2016 fund balance was restated as a direct result of the implementation of Governmental Accounting Standards Board Statement No.72, Fair Measurement and Application.

Holmdel Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

Year Ended June 30,	Tuition from Individuals	Tuition from Other LEAs	Miscellaneous	Interest on Investments	Prior Years' Refunds	Rental Income	Annual Totals
2013	\$ 115,163	\$ 320,899	\$ 17,812		\$ 59,857	\$ 177,714	\$ 691,445
2014	107,414	282,579	22,987	\$ 713	210,339	132,922	756,954
2015	333,209	74,626	14,774	785	105,390	86,192	614,976
2016	69,020	400,492	44,945	4,708	120,492	106,095	745,752
2017	106,436	491,857	(13,117)	12,153	39,111	90,724	727,164
2018		523,660	5,839	67,418	87,175	95,894	779,986
2019	28,363	472,883	185,359		10,074	58,400	755,079
2020	50,841	232,207	61,052	75,115	54,380	36,206	509,801
2021	6,147	276,159	282,139	1,407	1,427	14,152	581,431
2022	120	288,389	303,964	4,637	1,513	106,263	704,886

Source: District records

Holmdel Township School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value*	Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable*	Total Direct School Tax Rate ^b
2013	\$ 40,447,700	\$ 3,358,515,299	\$ 18,887,700	\$ 1,039,200	\$ 340,138,200	\$ 62,643,700	\$ 7,715,300	\$ 3,829,387,099	\$ 388,449,600	\$ 6,481,288	\$ 3,447,418,787	1.341
2014	42,676,700	3,352,543,699	15,544,000	1,008,100	339,525,100	62,643,700	7,715,300	3,821,656,599	389,407,700	6,481,288	3,441,733,187	1.363
2015	67,212,400	3,575,479,300	17,828,300	988,100	357,433,400	48,932,400	8,450,000	4,076,323,900	400,353,800	6,690,727	4,083,014,627	1.309
2016	73,610,200	3,597,054,500	17,216,200	912,000	378,721,400	50,838,200	8,975,000	4,127,327,500	444,537,000	6,679,675	4,134,007,175	1.323
2017	82,545,200	3,591,420,200	17,301,400	885,200	382,805,000	37,361,900	9,510,600	4,121,829,500	473,852,500	6,703,393	4,128,532,893	1.350
2018	87,003,500	3,661,677,300	17,745,700	864,300	399,092,000	37,933,600	9,651,800	4,213,968,200	500,894,900	6,830,315	4,220,798,515	1.348
2019	67,554,600	3,723,175,100	19,175,800	890,300	405,760,500	38,334,500	9,755,300	4,264,646,100	554,593,400	6,934,879	4,271,580,979	1.372
2020	59,134,900	3,787,165,900	18,756,900	889,800	382,502,100	41,957,200	9,819,500	4,300,226,300	732,210,200	7,099,933	4,307,326,233	1.385
2021	52,307,500	3,867,226,300	18,190,800	852,500	373,194,400	36,740,700	9,610,600	4,358,122,800	830,808,800	7,423,818	4,365,546,618	1.360
2022	54,796,000	4,298,775,500	22,979,400	703,600	403,909,700	38,577,800	10,383,500	4,830,125,500	911,601,600	7,333,671	4,837,459,171	1.220

Source: District records, Tax list summary & Municipal Tax Assessor & Collector, abstract of ratables, County Board of Taxation.

Note: 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 the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

Holmdel Township School District
 Property Tax Rates-Direct and Overlapping Governments
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Unaudited

Year Ended June 30,	Holmdel Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Holmdel Township	Monmouth County	
2013	N/A	N/A	1.34	0.39	0.33	2.06
2014	N/A	N/A	1.36	0.37	0.32	2.06
2015	N/A	N/A	1.31	0.34	0.32	1.96
2016	N/A	N/A	1.32	0.32	0.32	1.96
2017	N/A	N/A	1.35	0.25	0.26	1.87
2018	N/A	N/A	1.35	0.37	0.30	2.02
2019	N/A	N/A	1.37	0.37	0.29	2.03
2020	N/A	N/A	1.39	0.34	0.24	1.96
2021	N/A	N/A	1.36	0.34	0.23	1.93
2022	N/A	N/A	1.22	0.31	0.20	1.73

Source: District Records and Municipal Tax Collector.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

^b Rates for debt service are based on each year's requirements.

Holmdel Township School District
Principal Property Tax Payers
Current Year and Nine Years Ago

Unaudited

	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Kimco Realty Corp	\$ 50,000,000	1.15%	\$ 55,564,500	1.61%
Holmdel Commons, LLC C/O Kimco Realty	50,000,000	1.15%	51,911,100	1.50%
Mack-Cali Holmdel LLC-D Danscuk	35,875,000	0.82%	34,000,000	0.99%
Hlm Plzlp/Gbr Hlmllc C/O Natl Rlty	25,623,700	0.59%	20,000,000	0.58%
Holmdel Realty Development LLC	29,394,800	0.67%	N/A	0.00%
Lowe's Home Ctr/Tax Dept	16,500,000	0.38%	19,295,400	0.56%
Holmdel Investments, LLC	10,718,500	0.25%	11,701,200	0.34%
Eighteen Realty Company	N/A	0.00%	8,612,700	0.25%
Holmdel Venture/Bergman Realty	7,811,700	0.18%	8,774,700	0.25%
Safeguard Properties, LLC	8,942,700	0.20%	4,968,000	0.14%
Holmdel Realty Garden Group, LLC	7,320,400	0.17%	N/A	0.00%
LTI-NJ Finance	6,346,300	0.15%	5,731,300	0.17%
Croddick Real Estate Holdings, LLC	N/A	0.00%	18,665,200	0.54%
Total	\$ 248,533,100	5.38%	\$ 239,224,100	6.93%

Source: District ACFR & Holmdel Municipal Tax Assessor.

Holmdel Township School District
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 50,821,609	\$ 50,821,609	100.00%		\$ 50,821,609	100.00%
2014	51,421,761	51,421,761	100.00%		51,421,761	100.00%
2015	52,215,652	52,215,652	100.00%		52,215,652	100.00%
2016	53,442,774	53,442,774	100.00%		53,442,774	100.00%
2017	54,691,561	54,691,561	100.00%		54,691,561	100.00%
2018	55,724,371	55,724,371	100.00%		55,724,371	100.00%
2019	56,897,162	56,897,162	100.00%		56,897,162	100.00%
2020	58,583,275	58,583,275	100.00%		58,583,275	100.00%
2021	59,638,638	59,638,638	100.00%		59,638,638	100.00%
2022	59,389,063	59,389,063	100.00%		59,389,063	100.00%

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

a. School Taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount prior to the end of the school year.

Holmdel Township School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Unaudited

Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Financed Purchases Payable			
2013	\$ 18,055,000	\$ 723,000	\$ 18,778,000	1.50%	\$ 716.00
2014	15,660,000	1,195,000	16,855,000	1.62%	1,008.38
2015	10,645,000	1,302,000	11,947,000	1.14%	715.65
2016	10,645,000	1,302,000	11,947,000	1.09%	716.63
2017	8,400,000	923,000	9,323,000	0.81%	561.49
2018	46,518,000	2,851,000	49,369,000	4.16%	2,966.89
2019	44,833,000	2,244,600	47,077,600	4.01%	2,827.82
2020	42,418,000	2,574,600	44,992,600	3.77%	2,689.18
2021	40,018,000	2,074,000	42,092,000	3.53%	2,515.81
2022	37,563,000	2,453,900	40,016,900	2.78%	2,299.69

Source: District ACFR Schedules I-1, I-2 and District records.

Note: Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

- a** See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Governmental Standards Board No. 87 (GASB87) was implemented by the District for the year ended June 30, 2022. Under GASB 87, a single model approach exists, meaning a distinction between operating and capital leases no longer exists. As a result, GASB 87 now requires all agreements meeting the definition of a lease to be classified as either a financed purchased lease or an obligation under lease.

Holmdel Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

General Bonded Debt Outstanding

Year Ended June 30,	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
2013	\$ 18,055,000	\$ 18,055,000	0.47%	\$ 1,082
2014	15,660,000	15,660,000	0.41%	937
2015	10,645,000	10,645,000	0.26%	638
2016	10,645,000	10,645,000	0.26%	639
2017	8,400,000	8,400,000	0.20%	506
2018	46,518,000	46,518,000	1.10%	2796
2019	44,833,000	44,833,000	1.05%	2693
2020	42,418,000	42,418,000	0.99%	2535
2021	40,018,000	40,018,000	0.92%	2392
2022	37,563,000	37,563,000	0.78%	2159

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

Note: Details regarding the District's outstanding debt can be found in note 5 to the basic financial statements.

Holmdel Township School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Holmdel	\$ 36,714,000	100.000%	\$ 36,714,000
Monmouth County General Obligation Debt - Township's share	16,489,677	3.130%	<u>516,127</u>
Subtotal, overlapping debt			37,230,127
Holmdel School District Direct Debt			<u>37,563,000</u>
Total direct and overlapping debt			<u><u>\$ 74,793,127</u></u>

Sources: Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Holmdel. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- 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.

Holmdel Township School District
 Legal Debt Margin Information
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis

2020	\$	4,363,082,814
2021		4,540,524,292
2022		4,830,125,500
[A]	\$	<u>13,733,732,606</u>

Average equalized valuation of taxable property

[A/3]	\$	4,577,910,868.67
--------------	-----------	-------------------------

Debt limit (4 % of average equalization value)

[B]		183,116,435	a
------------	--	-------------	----------

Total Net Debt Applicable to Limit

[C]		37,563,000	b
------------	--	------------	----------

Legal debt margin

[B-C]	\$	<u>145,553,435</u>
--------------	-----------	---------------------------

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 168,559,253	\$ 163,973,953	\$ 162,676,626	\$ 163,785,344	\$ 165,668,654	\$ 167,450,770	\$ 113,231,727	\$ 171,406,164	\$ 175,667,174	\$ 183,116,435
Total net debt applicable to limit	18,055,000	15,660,000	13,375,000	10,645,000	8,400,000	46,518,000	44,833,000	42,418,000	40,018,000	37,563,000
Legal debt margin	\$ 150,504,253	\$ 148,313,953	\$ 149,301,626	\$ 153,140,344	\$ 157,268,654	\$ 120,932,770	\$ 68,398,727	\$ 128,988,164	\$ 135,651,174	\$ 145,553,435
Total net debt applicable to the limit as a percentage of debt limit	10.71%	9.55%	8.22%	6.50%	5.07%	27.78%	39.59%	24.75%	22.78%	20.51%

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

a Limit set by *NJSA 18A:24-19* for a K through 12 district; other % limits would be applicable for other district types.

b J-12

Holmdel Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population ^a	Personal Income ^b	Per Capita	Unemployment
2013	16,688	\$ 1,248,629,536	\$ 74,822	8.63%
2014	16,715	1,038,335,800	62,120	6.76%
2015	16,694	1,047,665,358	62,757	4.80%
2016	16,671	1,100,602,749	66,019	4.80%
2017	16,604	1,152,483,640	69,410	3.80%
2018	16,640	1,185,383,680	71,237	3.60%
2019	16,648	1,174,616,288	70,556	3.70%
2020	16,731	1,193,890,698	71,358	2.80%
2021	16,731	1,193,890,698	71,358	2.80%
2022	17,401	1,441,098,617	82,817	2.50%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

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

Holmdel Township School District
Principal Employers
Current Year and Ten Years Ago

Unaudited

Employer	2022			2013		
	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment	# of Employees/ Employee Size Range	Rank [Optional]	Percentage of Total Municipal Employment
Bell Works	1001-5000					
Vonage	1800-2200					
iCIMS	800-1000					
Bayshore Medical Center	501-1000				Not Available	
PNC Bank Arts Center	200-500					
Workwave	225					
Intuitive Technology Partners	50-200					
Pierce Professional Resources	50-200					
Holmdel School District	478					
Holmdel Township	136					

Source: Township of Holmdel

**HOLMDEL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:											
Regular	196.10	197.20	196.50	197.70	205.00	204.50	205.40	219.10	213.00	208.00	213.00
Special Education	68.50	68.10	70.00	79.30	80.00	80.00	80.00	91.00	93.00	98.00	119.00
Support Services:											
Tuition											
Student and Instruction Related Services	92.90	99.30	105.00	109.00	111.50	99.00	97.00	91.00	88.00	80.00	81.00
General Administrative Services	6.00	7.00	7.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00	3.00
School Administrative Services	17.00	16.50	17.00	17.00	17.00	17.00	17.00	17.00	17.00	16.00	17.00
Business Administrative Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00
Information Technology	5.50	5.50	5.50	5.50	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Plant Operations and Maintenance	48.50	48.50	48.50	48.50	48.50	48.50	48.50	42.00	40.00	44.00	37.00
Pupil Transportation	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Total	442.00	449.60	457.00	469.50	479.50	467.50	466.40	478.10	467.00	463.00	482.00

**HOLMDEL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^d</u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	3,089	\$ 53,012,874	\$ 18,781	4.34%	265	3,091	3,011	0.06%	97.41%
2014	3,092	53,227,846	19,074	1.56%	267	3,019	2,944	-2.33%	97.52%
2015	3,021	53,114,932	17,582	-7.82%	277	3,027	2,883	0.26%	95.24%
2016	2,975	54,873,393	18,445	4.91%	283	2,973	2,850	-1.78%	95.86%
2017	3,002	55,335,677	18,433	-0.06%	284	3,002	2,857	0.97%	95.17%
2018	3,004	57,188,165	19,037	3.28%	285	3,004	2,840	0.07%	94.55%
2019	2,986	58,370,553	19,548	2.68%	307	2,996	2,851	-0.27%	95.15%
2020	2,971	58,356,102	19,642	0.48%	301	2,981	2,871	-0.50%	96.31%
2021	2,872	62,054,759	21,607	10.00%	292	2,880	2,730	-3.39%	94.79%
2022	2,937	78,212,479	26,630	23.25%	299	2,937	2,740	1.98%	93.29%

Source: 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).

**HOLMDEL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>Elementary</u>										
Village School (1952)										
Square Feet	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104	122,104
Capacity (students)	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Enrollment	831	835	821	805	824	796	751	775	793	797
Indian Hill (1961)										
Square Feet	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733	120,733
Capacity (students)	940	940	940	940	940	940	940	940	940	940
Enrollment	733	711	707	713	735	757	752	747	665	670
<u>Junior High School</u>										
WR Satz Jr. High (1962)										
Square Feet	86,537	86,537	86,537	86,537	86,537	86,537	86,537	93,061	93,061	93,061
Capacity (students)	669	669	669	669	669	669	669	669	669	669
Enrollment	504	538	531	513	522	514	521	528	526	525
<u>High School</u>										
Holmdel High School (1958)										
Square Feet	193,021	193,021	193,021	193,021	193,021	193,021	193,021	202,135	202,135	202,135
Capacity (students)	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173
Enrollment	1,021	1,008	962	944	921	937	962	937	944	945

Other

Number of Schools at June 30, 2022:

Elementary = 2

Junior High School = 1

High School = 1

Enrollment 2,937

Source: District records

**HOLMDEL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

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

<u>*School Facilities</u>						
	<u>Project # (s)</u>	<u>Holmdel High School</u>	<u>William R. Satz</u>	<u>Indian Hill</u>	<u>Village</u>	<u>Total</u>
2013	N/A	\$ 1,241,906	\$ 278,900	\$ 375,391	\$ 356,326	\$ 2,252,523
2014	N/A	762,754	287,704	610,089	349,147	2,009,694
2015	N/A	505,306	224,668	277,516	314,356	1,321,846
2016	N/A	495,154	241,165	324,607	362,881	1,423,807
2017	N/A	474,567	218,233	295,806	321,995	1,310,601
2018	N/A	484,936	286,201	303,856	345,137	1,420,130
2019	N/A	452,449	205,941	276,120	347,500	1,282,010
2020	N/A	442,702	222,558	293,779	334,926	1,293,965
2021	N/A	606,138	305,993	398,552	434,191	1,744,874
2022	N/A	659,550	309,163	418,593	440,558	1,827,864
Total School Facilities		<u>\$ 6,125,462</u>	<u>\$ 2,580,525</u>	<u>\$ 3,574,309</u>	<u>\$ 3,607,017</u>	<u>\$ 15,887,314</u>

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

Source: District records

**HOLMDEL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2022
(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents and EDP (All Locations)	\$ 167,744,483	\$ 10,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	
Comprehensive Crime Coverage:		
Money and Securities	25,000	500
Comprehensive Crime Coverage:		
Forgery and Alteration	250,000	1,000
Valuable Papers and Records	10,000,000	10,000
Boiler and Machinery - Property Damage	100,000,000	25,000
School Leaders Errors and Admissions	31,000,000	30,000
Public Employees' Faithful Performance		
Blanket Position Bond	250,000	1,000
Public Officials:		
Board Secretary/Business Administrator	115,000	
Assistant Board Secretary/Assistant Business Administrator	115,000	
Treasurer	340,000	
Flood Insurance	75,000,000 (Pool Agg)	10,000
Earthquake Insurance	50,000,000 (Pool Agg)	10,000
Athletic Accident (Base Policy, Class I)	25,000	80% Co-Ins.
Athletic Accident (Cat. Policy, Class II)	1,000,000	25,000
Environmental Liability (Beazley, Primary)	1,000,000	10,000 / Various Apply to Microbial Matter Claims

Source: District records

Single Audit Section

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District
County of Monmouth
Holmdel, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund information of the Holmdel Township School District, in the County of Monmouth, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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.

**The Honorable President and Members
of the Board of Education
Holmdel Township School District**

K-1
Page 2

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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 the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

March 10, 2023
Cranford, New Jersey

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant
No. 2486

**Report on Compliance For Each Major Federal and State Program and
on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB Circular 15-08**

Independent Auditors' Report

**The Honorable President and Members
of the Board of Education
Holmdel Township School District
County of Monmouth
Holmdel, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Holmdel Township School District's, in the County of Monmouth, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements 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 Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 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. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, 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 the 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 the 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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. 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.

Purpose of this Report

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

PKF O'Connor Davies, LLP

March 10, 2023
Cranford, New Jersey

Robert E. Provost

Robert Provost, CPA
Licensed Public School Accountant
No. 2486

Holmdel School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2022		Amount Provided to Subrecipients
						Unearned Revenue (Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	
U.S. Department of Health and Human Services															
General Fund:															
Medical Assistance Program-SEMI/MAC	93.778	2205NJ5MAP	100-054-7540-211	7/1/21-6/30/22	\$ 15,054				\$ 16,367	\$ (19,201)			\$ (2,834)		
Total General Fund						-	-	-	16,367	(19,201)	-	-	(2,834)	-	-
U.S. Department of Education—Passed-Through State															
Department of Education															
Special Revenue Fund:															
Special Education Cluster:															
I.D.E.A. Part B - Basic Flow-Through	84.027	S027A220100	100-034-5065-016	7/1/21-6/30/22	765,485				\$ 206,182	\$ (744,387)			\$ (538,205)		
I.D.E.A. Part B - Basic Flow-Through	84.027	S027A210100	100-034-5065-016	7/1/20-9/30/21	758,267	\$ (242,154)			242,154						
I.D.E.A. Part B - Basic Flow-Through	84.027	S027A200100	100-034-5065-016	7/1/19-9/30/20	720,267	(27,289)			27,289						
I.D.E.A. Part B, Preschool	84.173	S173A220114	100-034-5065-020	7/1/21-6/30/22	29,988				25,775	(29,988)			(4,213)		
I.D.E.A. Part B, Preschool	84.173	S173A210114	100-034-5065-020	7/1/20-9/30/21	29,501	(5,519)			5,519						
COVID-19 ARP I.D.E.A. Part B - Basic	84.027X	H027X220100	100-034-5065-094	7/1/21-6/30/22	174,770				57,688	(141,016)			(83,328)		
COVID-19 ARP I.D.E.A. Part B, Preschool	84.173X	H173X220114	100-034-5065-095	7/1/21-6/30/22	14,928				14,928	(14,928)					
Special Education Cluster Subtotal						(274,962)			579,535	(930,319)			(625,746)		
Title I, Part A	84.010	S010A220030	100-034-5064-194	7/1/21-9/30/22	136,290				69,359	(143,759)	\$ (5,931)		(80,331)		
Title I, Part A	84.010	S010A210030	100-034-5064-194	7/1/20-9/30/21	160,709	(62,282)			62,282						
Subtotal of Title I Part A						(62,282)			131,641	(143,759)	(5,931)		(80,331)		
Title II, Part A	84.367	S367A220029	100-034-5063-290	7/1/21-9/30/22	32,133					(11,696)	1,108		(10,588)		
Title II, Part A	84.367	S367A210029	100-034-5063-290	7/1/20-9/30/21	44,231	11,347				(11,347)					
Subtotal of Title II Part A						11,347				(23,043)	1,108		(10,588)		
Title IV	93.658	S424A220031	100-034-5064-187	7/1/21-9/30/22	11,731					(1,097)			(1,097)		
Title IV	93.658	S424A210031	100-034-5064-187	7/1/20-9/30/21	11,803	4,905				(4,905)					
Subtotal of Title IV Part A						4,905				(6,002)			(1,097)		
Elementary and Secondary Education ESSER Cluster:															
COVID-19 Technology Funds NP (Digital Divide)	84.425D	S425D220027	22-5120-513	3/13/20-9/30/22	53,854	144						(144)			
COVID-19 ESSER-CARES	84.425D	S425D220027	22-5120-513	7/1/21-6/30/22	174,580	(90,819)			92,902	(2,003)		(80)			
COVID-19 CRRSA-ESSER II	84.425D	S425D220027	22-5120-513	7/1/21-6/30/22	526,771	(156,231)			404,775	(357,007)			(108,463)		
COVID-19 CRRSA-ESSER II (Learning Acceleration)	84.425D	S425D220027	22-5120-513	7/1/21-6/30/22	33,806				10,456	(17,281)			(6,825)		
COVID-19 CRRSA-ESSER II (Mental Health)	84.425D	S425D220027	22-5120-513	7/1/21-6/30/22	45,000					(45,000)			(45,000)		
COVID-19 ARP-ESSER	84.425U	S425U210027	22-5120-513	7/1/21-6/30/22	1,183,884					(25,881)			(25,881)		
Elementary and Secondary Education ESSER Cluster Subtotal						(246,906)			508,133	(447,172)		(224)	(186,169)		
U.S. Department of Homeland Security															
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)															
	97.036	N/A	N/A	7/1/21-6/30/22	34,187	(34,187)			34,187						
Total Special Revenue Fund						(602,085)	-	-	1,253,496	(1,550,295)	-	(5,047)	(903,931)	-	-
Total Federal Awards						\$ (602,085)	\$ -	\$ -	\$ 1,269,863	\$ (1,569,496)	\$ -	\$ (5,047)	\$ (906,765)	\$ -	\$ -

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

Holmdel School District
Schedule of Expenditures of State Financial Assistance

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
				Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Budgetary Expenditures
State Department of Education														
General Fund:														
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/21-6/30/22	\$ 40,882				\$ (40,882)			\$ (40,882)				\$ 40,882
Reimbursed Non-Public Transportation Aid	495-034-5120-014	7/1/20-6/30/21	32,371	\$ (32,371)		\$								
Transportation Categorial Aid	495-034-5120-014	7/1/21-6/30/22	721,124				651,823	(721,124)					\$ (69,301)	721,124
Transportation Categorial Aid	495-034-5120-014	7/1/20-6/30/21	721,124	(68,887)			68,887							
Special Education Categorial Aid	495-034-5120-089	7/1/21-6/30/22	2,501,950				2,261,510	(2,501,950)					(240,440)	2,501,950
Special Education Categorial Aid	495-034-5120-089	7/1/20-6/30/21	1,967,125	(178,359)			178,359							
Security Categorial Aid	495-034-5120-084	7/1/21-6/30/22	139,118				125,749	(139,118)					(13,369)	139,118
Security Categorial Aid	495-034-5120-084	7/1/20-6/30/21	139,118	(13,289)			13,289							
Extraordinary Special Education Aid	100-034-5120-044	7/1/21-6/30/22	1,098,790				(1,098,790)			(1,098,790)				1,098,790
Extraordinary Special Education Aid	100-034-5120-044	7/1/20-6/30/21	1,185,505	(1,185,505)			1,185,505							
Reimbursed TPAF Social Security Contributions	495-034-5094-003	7/1/21-6/30/22	2,010,544	(97,112)			2,009,000	(2,010,544)					(98,566)	2,010,544
TPAF-Post Retirement Medical (Noncash Assistance)	495-034-5094-001	7/1/21-6/30/22	2,304,689				2,304,689							2,304,689
TPAF-Pension Contributions (Noncash Assistance)	495-034-5094-002	7/1/21-6/30/22	9,864,258				9,864,258	(9,864,258)						9,864,258
TPAF-Long-Term Disability Ins (Noncash Assistance)	495-034-5094-004	7/1/21-6/30/22	3,212				3,212	(3,212)						3,212
General state aid subtotal				(1,575,523)			18,698,742	(18,684,567)			(1,238,238)		(323,110)	18,684,567
New Jersey Office of Emergency Management														
Alternate Funding Source	N/A	7/1/21-6/30/22	223,788					(223,788)			(223,788)			223,788
Total General Fund				(1,575,523)	-	-	18,698,742	(18,908,355)	-	-	(1,462,026)	-	(323,110)	18,908,355
Special Revenue Fund:														
Non Public Auxiliary Services (Ch. 192):														
Compensatory Education	100-034-5120-067	7/1/21-6/30/22	88,236				88,236	(88,236)						88,236
ESL	100-034-5120-067	7/1/21-6/30/22	2,466				2,466	(2,466)						2,466
Home Instruction	100-034-5120-067	7/1/20-6/30/21	2,699	(2,699)			2,699							
Non Public Handicapped Services (Ch. 193):														
Examination and Classification	100-034-5120-066	7/1/21-6/30/22	92,536				92,536	(88,607)			\$ 3,929			88,607
Examination and Classification	100-034-5120-066	7/1/20-6/30/21	90,893		\$ 8,394		12,648	(12,648)	\$ (8,394)					12,648
Corrective Speech	100-034-5120-066	7/1/21-6/30/22	13,671		4,284		78,388	(78,388)	(4,284)					78,388
Corrective Speech	100-034-5120-066	7/1/20-6/30/21	78,388				80,140	(78,388)						78,388
Supplemental Instruction	100-034-5120-066	7/1/20-6/30/21	80,140		3,805		132,608	(132,375)				233		132,375
Non Public Nursing Services	100-034-5120-070	7/1/21-6/30/22	126,276		4,938		70,343	(70,317)				26		70,317
Non Public Nursing Services	100-034-5120-070	7/1/20-6/30/21	126,276				75,629	(75,629)					(238)	75,629
Non Public Textbooks Aid	100-034-5120-064	7/1/21-6/30/22	70,343				49,224	(49,104)				120		49,104
Non Public Textbooks Aid	100-034-5120-064	7/1/20-6/30/21	75,629		238		207,200	(207,154)				46		207,154
Non Public Technology Aid	100-034-5120-373	7/1/21-6/30/22	49,224				216,650							216,650
Non Public Security Aid	100-034-5120-509	7/1/21-6/30/22	207,200		6						(6)			
Non Public Security Aid	100-034-5120-509	7/1/20-6/30/21	216,650	(2,699)	21,665		736,348	(729,295)			(21,665)		4,354	729,295
Nonpublic program subtotal				(2,699)	21,665		736,348	(729,295)			(21,665)		4,354	729,295
School Development Authority NJSDA Emergent and Capital Maintenance Projects		7/1/20-6/30/21	72,929				72,929	(72,929)						72,929
Total Special Revenue Fund				(2,699)	21,665	-	809,277	(802,224)	(21,665)	-	-	4,354	-	802,224
Capital Projects Fund:														
Schools Development Authority:														
SDA School Security Grant	1245-0XX-14-XXXX-G04	Completion	169,986					(34,511)			(34,511)			34,511
Total Capital Projects Fund								(34,511)			(34,511)			34,511
Debt Service Fund:														
Debt Service Aid	100-034-3800-020	7/1/21-6/30/22	524,461				524,461	(524,461)						524,461
Total Debt Service Fund							524,461	(524,461)						524,461
Total State Financial Assistance				(1,578,222)	\$ 21,665	\$ -	\$ 20,032,480	\$ (20,269,551)	\$ (21,665)	\$ -	\$ (1,496,537)	\$ 4,354	\$ (323,110)	\$ 20,269,551
State Financial Assistance Not Subject to Single Audit Determination:														
TPAF-Post Retirement Medical (Noncash Assistance)	495-034-5094-001	7/1/21-6/30/22						2,304,689						
TPAF-Pension Contributions (Noncash Assistance)	495-034-5094-002	7/1/21-6/30/22						9,864,258						
TPAF-Long-Term Disability Ins (Noncash Assistance)	495-034-5094-004	7/1/21-6/30/22						3,212						
Total State Financial Assistance Subject to Single Audit								(8,097,392)						

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

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2022

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB 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, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2022

3. Relationship to Basic Financial Statements (Continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 last state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: Encumbrances	GAAP Basis
Federal	\$903,931	\$39,654	\$864,277

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$62,575) for the general fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ 19,201	\$ 18,845,780	\$ 18,864,981
Special revenue fund	1,523,989	802,224	2,326,213
Capital projects fund		34,511	34,511
Debt service fund		524,461	524,461
Total financial award revenues	<u>\$ 1,543,190</u>	<u>\$ 20,206,976</u>	<u>\$ 21,750,166</u>

Holmdel Township School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2022

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.

5. Other

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2022.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2022 amounted to \$12,172,159. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District did not use the 10% de minimis indirect cost rate.

7. Adjustments

The adjustments presented on the schedule of federal awards represent trivial adjustments to prior year accounts receivable balances.

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2022

Part I- Summary of Auditor's Results

Financial Statements Section

Type of report the auditor's issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X None reported

Is any noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

Assistance Listing Number(s)	FAIN Number	Name of Federal Program or Cluster
		<u>Elementary and Secondary Education</u>
		<u>ESSER Cluster:</u>
84.425D	S425D200027	COVID-19 ESSER II Grant Program
84.425D	S425D200027	COVID-19 CRRSA Learning Acceleration
84.425D	S425D200027	COVID-19 CRRSA Mental Health
84.425D	S425D200027	COVID-19 CRRSA ESSER II
84.425U	S425D200027	COVID-19 ARP ESSER

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2022

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

Auditee qualified as low-risk auditee? X Yes No

State Financial Assistance Section

Internal control over major state programs:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-014	Transportation Categorical Aid
100-034-5120-044	Extraordinary Special Education Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2022

Part II- Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Holmdel Township School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2022

**Part III- Schedule of Federal Award and State Financial Assistance Findings and
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 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

State Financial Assistance Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

Holmdel Township School District

Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2022

No prior year findings were noted.