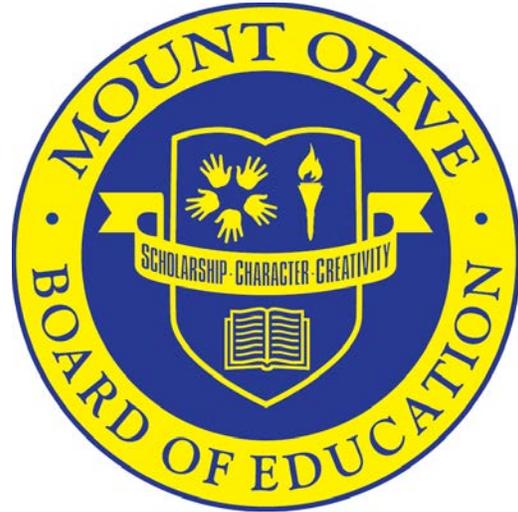


Mount Olive
Township
School District



“Students are our first priority”



“Home of the Marauders”

Mount Olive Board of Education
227 US Route 206
Flanders, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT

227 US HIGHWAY 206, SUITE 10

FLANDERS, NEW JERSEY, 07836

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

Prepared by: Lynn Jones, CPA
Board Secretary
Business Office

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Letter of Transmittal For the Fiscal Year Ended June 30, 2018

Honorable President, Board Members, and Citizens
of the Mount Olive Township School District
County of Morris
Mount Olive, New Jersey

We are pleased to present to you the Comprehensive Annual Financial Report ("CAFR") of the Mount Olive Township School District ("District") for the fiscal year ended June 30, 2018. State statutes require the issuance of a CAFR by every school district as the basis for the annual audit. This CAFR was prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as applicable to governmental entities.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Mount Olive Township Board of Education ("Board"). 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 the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report, provides a narrative overview and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The *Introductory Section* contains the Transmittal Letter, the Organizational Chart of the School District, and a List of Principal Officials, Consultants, and Advisors.
- The *Financial Section* begins with the Independent Auditors' Report and includes the MD&A, the Basic Financial Statements and Notes, and Other Supplementary Information that is required by the State Department of Education.
- The *Statistical Section* includes select information on financial trends, revenue capacity and debt capacity, along with demographic and economic information and other select operating information in accordance with GASB Statement 44.
- The *Single Audit Section* – In addition to meeting the requirements set forth in state statutes, the District is required to undergo an annual single audit in conformity with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal controls and compliance with applicable laws, regulations, contracts and grant requirements, along with findings and questioned costs, are included in the single audit section of this report.

Profile of the Mount Olive Township School District

Mount Olive Township is located in northwest New Jersey in Morris County, approximately 45 miles west of New York City. The Mount Olive community is primarily residential with support from varied commercial and retail property. Geographically, the Township is comprised of the Budd Lake and Flanders areas, which total approximately 32 square miles and has a population of just over 29,000 residents. The District currently stands as the fourth largest school district in Morris County with an enrollment of nearly 4,600 students. The District is comprised of six schools: four elementary schools serving grades Pre-K through 5, one middle school serving grades 6 through 8, and one high school serving grades 9 through 12.

An elected nine-member Board of Education serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of School District tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Business Administrator is the chief financial officer, responsible for the overall financial and budgetary operations of the District. The Board Secretary is the District's accountant, responsible for producing the financial statements, maintaining the financial accounts, and reconciling the accounting records.

Reporting Entity

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Mount Olive Township Board of Education and its six schools constitute the District's reporting entity.

Internal Accounting Controls

The management of the District is responsible for establishing and maintaining internal controls, policies, and procedures to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control system 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 derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state awards, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

Accounting System and Reports

In accordance with state statutes, each District must maintain a uniform system of financial bookkeeping and reporting that is consistent with GAAP. The District's accounting records reflect the accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds, as described in the "Notes to the Basic Financial Statements," Note 1.

The District's accounting records are prepared in accordance with the *Uniform Minimum Chart of Accounts for New Jersey Public Schools* prepared by the State of New Jersey Department of Education. The District's accounting records include an expanded minimum chart of accounts using dimensions to define location and subject area for internal management purposes.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either liquidated or are included as reappropriations of fund balance in the subsequent fiscal year. Those amounts to be reappropriated are reported as committed and/or assigned fund balance at fiscal year-end.

Budget Development and Controls

The District's budget is developed annually by the administration with input from all stakeholders in the District. The District utilizes zero-based budgeting practices as well as historical trend analysis to prepare its budget. In March of each year, a tentative budget is adopted by the Board, which is presented to the New Jersey Department of Education's Executive County Superintendent of Schools for approval. Upon approval by the Executive County Superintendent, the budget is then advertised for public input and a budget hearing is scheduled. Public commentary at the hearing may result in modifications to the budget. The final budget approved by the Board must be posted to the District's website forty-eight hours after the public hearing.

The District monitors actual vs. budgeted amounts on a monthly basis and provides monthly reports to the Board. Line-item transfers must be made whenever a budgeted line item is in danger of going into a deficit condition. All line-item transfers from an advertised appropriation account require a two-thirds affirmative vote of the Board. In addition, line-item transfers, which on a cumulative basis exceed 10% of the amount included in the original budget, and transfers to capital outlay require Executive County Superintendent approval.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education and the Executive County Superintendent. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section of this report.

Economic Condition and Financial Outlook

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 17.5% of the District's original 2018 operating budget while local property taxes accounted for 74.8% of budgeted revenue. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, and mandated special education costs present an enormous challenge for the District's administration. Thus far, the 2% increase in local tax revenue and modest increases in state aid, coupled with the District's stringent budgetary measures, have been sufficient to allow the District to maintain its existing programs and services. Nevertheless, the District's administration continues to closely monitor the cost of operations and to search for new funding sources in order to maintain the quality educational services that the Mount Olive School District is accustomed to providing.

District Facilities and Housing Trends

The District's three original elementary schools were built between 1969 and 1974. In 1997 Township voters approved a referendum to convert the middle school, which was built in 1966, into a fourth elementary school and construct a new middle school. The new middle school was completed and opened in 2001. The high school opened in 1972 as a regional high school and was operated by the West Morris Regional High School District until 1978, when Township voters elected to leave the regional district. The class of 1978 was the last graduating class under the regional administration. In the 1978-1979 school year, the high school building and associated faculty became part of the Mount Olive Township School District.

All of the District's buildings are exceptionally well maintained. In the 1998-99 fiscal year, the Board established a capital reserve account to provide for the accumulation of funds for capital outlay expenditures. Since then, the Board has used capital reserve funds to replace roofs, boilers, and windows at all buildings, to purchase and install a turf field at Mount Olive High School, to upgrade the tennis courts at Mount Olive Middle School, to resurface the exterior walls at Mount Olive High School, to construct a maker space and recording studio at Mount Olive High School, to construct a grandstand at the Mt. Olive High School football field, and to renovate the Mt. View Elementary School media center.

The 1997 building referendum, which converted the former middle school to the Chester M. Stephens Elementary School and constructed the new middle school, also expanded and upgraded the three original elementary schools. In 2004 Township voters approved a \$46.9 million building expansion project for Mount Olive High School, which included 10 new science labs, 21 new classrooms, an auxiliary gymnasium, a new Performing Arts Center, and an artificial turf field.

The following is a status report of new residential development in progress within the Township.

Morris Chase Development - The development is located between Mount Olive Road to the west, Dyrham Castle Road to the east, Gold Mine Road to the north and Flanders Road to the south. Phase I consisted of 281 single family dwellings and townhouses, which have been built and are now occupied. Phase II remains undeveloped. It comprises another 137 units (a mix of single family homes and townhouses) however; it is not clear at this time if, or when, Phase II will move forward.

Marveland Crescent - Marveland Crescent is the affordable housing component of the age-restricted development known as Regency at Flanders. The 57 rental units (9 one-bedroom; 30 two-bedroom; 18 three-bedroom) for moderate income families are fully occupied.

Mountain Ridge Estates - Mountain Ridge Estates is located along the east-bound lanes of Route 46 bordered by Chamberlain Lane to the southwest, comprising lots 80, 83, and 84 in Block 4100. This development will provide 216 market townhouse units and 54 low and moderate family rental units. Site work is now underway with model units in place. The project will be developed in phases subject to market conditions.

FTZ-4 Zoning Modification - In December 2017 the Township Council adopted an ordinance to modify the existing commercial zoning for the FTZ-4 district to permit residential use at a density of six units per acre. The Township now has concept plans from Ryan Homes to develop 110 acres with 502 residential units comprising a mix of single family homes and townhouse units.

Village Green - The Township recently had preliminary discussions with the new owners of the Village Green who are interested in adding new buildings for an additional 75 to 90 units. They are now in the process of conducting tests to determine if sufficient potable water capacity is available.

The District's enrollment reported on the Application for State School Aid ("ASSA") in October 2017 was 4,598 students compared to 4,575 students the previous year. Enrollment has been relatively stable with minor fluctuations for the past several years. At the present time, there is adequate capacity within the District to meet the general classroom enrollment projections, both now and in the near future. However, the Board is mindful of the potential impact these housing developments might have on class sizes within the District. As a result, the Board continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

Educational Programs and Services

"The Mount Olive Township School District, a guiding and unifying partner in a dynamic community, educates, challenges and inspires all learners within a safe, nurturing environment to discover and develop their unique abilities as literate, ethical and contributing citizens of the world."

-- Mission Statement of the Mount Olive Township Board of Education

The Mount Olive Township School District provides a full range of educational programs appropriate to grade levels K through 12. These include regular, college preparatory, honors and vocational programs, as well as a wide variety of in-class support services, resource centers, and self-contained special education programs for students with special needs. In addition, the District offers two distinct gifted and talented programs for students in grades K-8 and dozens of advanced placement courses for high school students seeking a highly challenging and rigorous curriculum at the college level.

Extended learning summer and after school programs are also offered such as the extended school year program for disabled students, the K-Excel program for kindergarten students, and the summer STEM Camp for students in grades K through 9. Vocational course offerings include a wide variety of related arts and business/technology programs such as architecture, robotics, nutrition and culinary science, woodworking, engineering, industrial design, accounting, advertising and promotion, economics, fashion, finance, marketing, and television production.

The District had 6 students enrolled in charter schools for the 2017-18 school year. Charter school students who reside in the District are reported to the Department of Education through the District's Application for State School Aid ("ASSA") and are considered "resident students" for purposes of calculating the District's state aid. Pursuant to state statutes, the school district of residence must pay the charter school "an amount equal to 90% of the sum of the budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation". In addition, the school district of residence shall pay directly to the charter school the security categorical aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school and, if applicable, 100% of preschool education aid.

In addition to its curricular offerings, the District offers an extensive extracurricular and athletic program. Extracurricular programs provide opportunities for students to participate in student government, various academic, social and vocational clubs, National Honor Societies, drama and musical performance productions. The District's athletic program features 26 male and female sports teams at the high school level and 12 male and female sports teams at the middle school level in addition to its renowned, award winning marching band program. In the 2017-18 school year, Mount Olive won 9 conference championships and 22 of the District's athletic programs qualified for state tournaments.

Student and School Performance

The Mount Olive Township School District places a high degree of emphasis on student performance as evidenced by the District's exemplary record of standardized test scores. The District uses a wide variety of internal assessment tools and data evaluation programs to determine whether a student exceeds, meets, or does not meet grade level standards. Such tools and programs have enabled students in the Mount Olive School District to score well on standardized test scores, regularly exceeding state and federal averages in nearly every measurable category.

Recently released ESSA accountability profiles designate Mount Olive as a very high performing district. Data released by the New Jersey Department of Education supports this status, showing that Mount Olive students in grades 3 through 11 scored significantly higher on PARCC assessments than their peers around the state. With the exception of grade 8 math, the percentage of Mount Olive students who "met or exceeded expectations" on the 2017-2018 PARCC exams was consistently higher than the state averages, as evidenced by the following chart:

Grade	English Language Arts		Math	
	District	State	District	State
Grade 3	73.1%	51.7%	68.7%	53.0%
Grade 4	81.0%	58.0%	66.4%	49.4%
Grade 5	80.4%	58.0%	65.8%	48.8%
Grade 6	81.0%	56.2%	66.8%	43.5%
Grade 7	91.0%	62.7%	70.5%	43.4%
Grade 8	82.6%	60.4%	19.8%	28.2%
Grade 9	79.7%	54.7%		
Grade 10	87.1%	51.0%		
Grade 11	88.7%	38.9%		
Grades 9-11 Algebra I			56.4%	45.8%
Grades 9-11 Algebra II			47.9%	28.6%
Grades 9-11 Geometry			48.8%	29.5%

Two hundred sixty-one students from the class of 2018 took the Scholastic Aptitude Test (SAT), which represents 75% of the class. The District's combined average SAT score was 1159, which is 65 points higher than the state average and 91 points above the national average.

Eighty-seven percent of the school's 2018 graduates will be pursuing post-secondary education, with sixty-one percent attending four-year colleges and universities. Four members of the 2018 graduating class were recognized as National Merit Commended Students and two were National Merit finalists.

Educational Initiatives and Academic Accomplishments

During the 2017-2018 school year, the Board and administration undertook a number of challenging educational initiatives and received recognition for various academic accomplishments. The following is a summary of these initiatives and accomplishments.

JROTC Training Program – The District implemented a Junior ROTC Training Program for the 2017-2018 school year, sponsored by the United States Air Force, which was offered to students in grades 9 through 12. The program assists students in developing leadership skills, self-confidence, self-discipline and character, and educates students on military history and customs. Sixty-nine students, including twenty-three seniors, participated in the program's inaugural year.

Marauder Maker Fest – The first annual Marauder Maker Fest was held at Mount Olive High School in March 2018, showcasing the vital role that STEAM disciplines (Science, Technology, Engineering, Art, and Mathematics) play in both the education sector and the workplace. STEAM projects from students at the elementary, middle, and high school levels were on display. The Maker Fest also included a drone competition and incorporated the District's annual elementary science and innovation fair in its festivities.

Mindfulness Learning Center – The Mindfulness Learning Center is a new resource center that was established at Mount Olive Middle School to help students who are struggling academically or emotionally. Students obtain personalized instruction and guidance, learn techniques on how to become more attentive in class, and obtain a better understanding of how their bodies and minds react to stressors, which can become obstacles for learning.

Innovation and Design Classes – Three newly created innovation and design classes were added at Mount Olive Middle School for each grade level. The classes explore how the STEAM disciplines are integrated and applied in the real world. The classes take students through the complete engineering design process, from brainstorming and planning to construction and redesign, while also testing their ingenuity and teamwork skills.

Preschool Inclusion Program – A tuition based, inclusionary preschool program was established for the 2017-2018 school year. The program provides Pre-K children with the opportunity to learn and play with peers while developing an acceptance of the differences of others. The goal of the program is to provide each child with access to quality preschool instruction and the individualized supports needed to help them succeed.

International Education Program – In 2017 the District partnered with Edu-Link, a consulting firm that builds alliances between international schools and those in the U.S. to establish an international transfer program. During the 2017-2018 school year, the District accepted 12 students from China, which generated more than \$200,000 in tuition income. In addition to the increased revenue the program generates, the international education program allows Mount Olive students to experience a different culture and to understand how different education is in the United States compared to other countries. As part of the District's ongoing efforts to nurture a relationship between the two countries, Mount Olive High School hosted a contingent of 95 principals from China and Edu-Link sponsored a trip to China, which was attended by various representatives of the Mount Olive School District.

National Rankings – Mount Olive School District was named one of the best K-12 school systems in the country according to Niche, a website that compiles data in order to rank the nation's best places to live, work, and learn. In its most recent report, Mount Olive earned an "A" rating and is ranked #484 out of 10,758 school districts in America, placing it in the top 5% nationwide. The Mount Olive School District was also named as one of the best school districts in the United States by the National Council for Home and Security. Of more than 9,500 school districts, Mount Olive was ranked 160th, placing it in the top 2% nationwide.

Advanced Placement (AP) Honors – Mount Olive High School was named to the College Board's 8th Annual AP District Honor Roll as a "National District of Honor". The distinction recognizes the school's efforts in increasing the number of students from underrepresented demographics who take advanced placement courses, while also increasing or maintaining the percentage of students earning AP exam scores of 3 or higher. Mount Olive High School is one of just 39 New Jersey high schools to receive the distinction and is also in the top 5% of school districts in the United States to be given the honor.

Silver Award - Mount Olive High School was recently named a “silver award winner” by US News and World Report. The rankings include data on more than 20,500 public high schools in 50 states and the District of Columbia. Schools were awarded gold, silver or bronze medals based on their performance on state assessments and how well they prepare students for college. Mount Olive High School was ranked #1767 nationally and #53 for the State of New Jersey.

Marine Advanced Technology Education (MATE) - The Mount Olive MATE Team received several recognitions during the 2017-2018 school year, earning the “Design Elegance Award” and the “Pilot’s Award” and placing first in Sportsmanship in the annual MATE competition. In addition, the team earned a second place finish for technical presentation, a second place finish for product demonstration, and an overall third place finish, which qualified the team to compete in the international competition in Seattle, WA.

Technology Student Association (TSA) – Twenty-four Mount Olive Middle School students participated in the school’s Technology Student Association (TSA) competition, winning 17 awards, including 7 first place trophies, against almost two dozen other New Jersey middle schools. Student projects incorporated all aspects of the District’s STEAM program, which showcased the students’ knowledge, skills, and research in several fields. The student projects included designing and creating a programmable model of an automated parking system, the mass production of a 3-D geometric puzzle, presenting research on current bio-technology and medical technology topics, and building a solar powered car.

Mount Olive Robotics Team (MORT) – The Mount Olive Robotics Team received several recognitions during the 2017-2018 school year, including the prestigious “District Chairman’s Award”, and were quarterfinalists in the Mount Olive District event and the Montgomery event. The MORT Beta Team was also recognized for their achievements during the 2017-2018 school year, which included receiving the “Team Spirit Award” at the Mount Olive District event and becoming a Mount Olive District event quarterfinalist.

Gifted and Talented Student Recognition – Mount Olive Middle School students in the gifted and talented program were awarded “Best Transportation System” at the regional Future City Competition held at Rutgers University. The students were challenged to use their knowledge of science, engineering, technology, art, and math to design and construct a city that is age-friendly. The Mount Olive Middle School team was honored for its systems that were designed to help senior citizens stay mobile and independent. In addition, middle school gifted and talented students participated in the Junior Model United Nations Conference at Drew University, which gave them the opportunity to immerse themselves in issues now facing the world and a chance to practice the art of diplomacy. The middle school delegation won two awards for representing their respective countries with distinction and two awards for best position papers.

Drama Club Awards – The Drama Club won 8 awards this year at the Bucks County Playhouse Drama Festival and was nominated for 3 awards at the Paper Mill Playhouse Rising Star Awards, winning for “Best Student Lighting Design”.

Staff Recognitions – Mount Olive High School art teacher, Diane Phares, was named Morris County Teacher of the Year by the New Jersey Department of Education. In addition, Sandshore Elementary School teachers, Tricia Mitchell and Lorri Vaccaro, were featured on the PBS network show “Classroom Close-up”, a public television series focusing on innovative educators and educational programs in New Jersey’s public schools. The teachers explored their experiences with flipping math, the teaching technique of reversing the traditional roles of homework and classwork in math instruction.

Alumnus Recognition – Mount Olive alumnus, Keturah Orji, was recently named as the most decorated track and field athlete in NCAA history. Ms. Orji won two national championships while participating in the NCAA Championship in Oregon, winning the gold medal for the triple jump and placing first in the long jump.

Other Initiatives/Accomplishments

Technology Upgrades – The District continues to devote significant financial resources to technology integration to provide students with the necessary tools and technical skills to succeed in the future. During the 2017-2018 school year, the District completed several projects to further improve the District’s technological capabilities. The projects include system upgrades to Windows 10 and Microsoft Office 2016, a wireless management appliance upgrade, an active directory upgrade, a storage upgrade for the data center, the implementation of a new anti-virus/anti-malware enterprise solution, the addition of new firewalls and internet content filters, and the district-wide installation of a Voice Over Internet Protocol (VOIP) system.

K-Excel Program – In the 2017-2018 school year, the Mount Olive School District took over the management of the Kindergarten Excel program from the Mount Olive Child Care and Learning Center. The tuition based program, which was first implemented in the 2013-14 school year in partnership with the Mount Olive Child Care and Learning Center, was designed to provide a full day kindergarten experience and to better prepare at-risk children for the first grade.

Energy Conservation Program – The Mount Olive School District partnered with Cenergistic, an energy conservation company, to identify ways to reduce power consumption. Heating, ventilation and air conditioning, computers, and peripherals are monitored to determine how consumption can be reduced. Saving money on the cost of utilities has long been a high priority of the District, which has routinely installed more energy efficient building components to replace outdated energy consuming equipment and systems.

Self-Insurance – Effective July 1, 2017 the District entered into a self-funded insurance plan with Horizon Blue Cross/Blue Shield for medical and prescription coverage for the 2017-2018 school year. To mitigate any potential losses, the District purchased stop loss insurance for claims in excess of \$100,000. The move to a self-insured plan resulted in a savings of more than \$2.5 million.

New Childcare Partner – The Board awarded a contract to AlphaBEST Education for before-and-after school childcare services beginning with the 2017-18 school year. The before-and-after school program, which had previously been run by the Mount Olive Child Care and Learning Center, generated revenue of approximately \$75,000 for the 2017-2018 school year.

Facility Upgrades – The District undertook and completed a number of capital improvements and facilities upgrades in the 2017-2018 school year. These projects included the renovation of the Mount Olive High School football field, the construction of a new high school auxiliary gym, high school locker renovations, the completion of a library/media center at Mt. View School, the installation of new boilers at Mount Olive Middle School and Tinc Road Elementary School, parking lot renovations, the construction of a district warehouse, the purchase of several new school buses, the renovation of Tinc Road Elementary School, the renovation of several high school classrooms and the high school biotech lab, and the construction of a maker space at Mount Olive Middle School.

Marauder Dome – In December 2017, an air dome was installed over the existing soccer field to allow students to use the field during physical education classes in the winter months. In addition, the dome is also available for rent by community organizations, thus generating additional revenue for the District.

School Security Upgrades – The District implemented a 9-point security plan, which includes additional security personnel, updated security kiosks and cameras, improved “code red” training, and limiting student and public access to the buildings. The additional security personnel provides the middle school and high school with three armed security officers along with one armed security officer for each of the four elementary schools. The District also instituted a “Say Something” campaign to encourage students to talk to a trusted adult about potential concerns. In addition, the Township funded two additional police officers for school security purposes.

New Leadership – In August 2017, Mr. Scott Lipson joined the Mount Olive School District from the Westfield School System as the new principal at Tinc Road Elementary School, replacing retired principal, Dr. Richard Fair. In August 2018, Mr. Matthew Robinson, a Mount Olive alumnus, became the new principal at Mount Olive Middle School, replacing Ms. Susan Breton, who was promoted to central office as the District’s Director of Curriculum and Instruction.

Beginning in October 2018, Dr. Robert Zywicki will take over the helm of the Mount Olive School District as Superintendent of Schools, replacing Dr. Larrie Reynolds who retired in September 2018. Dr. Zywicki has recently served as Superintendent of the Weehawken School District, where he has implemented several successful initiatives. These initiatives include the infusion of blended learning strategies, establishing a comprehensive Response to Intervention Program, and the adoption of the AP Capstone Diploma Program. The Board has great confidence that Dr. Zywicki will continue to advance the District’s educational, extracurricular, and other initiatives so that Mount Olive continues to be one of the top school districts in the nation.

Relevant Financial Policies

The District recognizes the importance of sound financial policies and their importance in supporting the school program. The Board employs a policy consultant, Strauss Esmay Associates, LLP to develop customized policy and regulation manuals that are consistent with State and Federal laws and are in compliance with State and Federal monitoring standards. District administration works closely with the Business Committee and the Policy Committee, two subcommittees of the Board, to review and update the financial policies as needed.

Risk Management

The District purchases insurance for all identified risks from the School Alliance Insurance Fund, an insurance pool of New Jersey school districts, which provides property coverage, general liability insurance, auto insurance, workers' compensation, and legal liability insurance. The District is self-insured for medical and prescription insurance claims with supplemental stop-loss insurance limiting the District's total exposure.

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

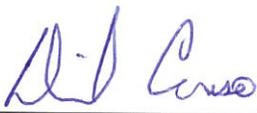
Acknowledgments

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

Respectfully submitted,

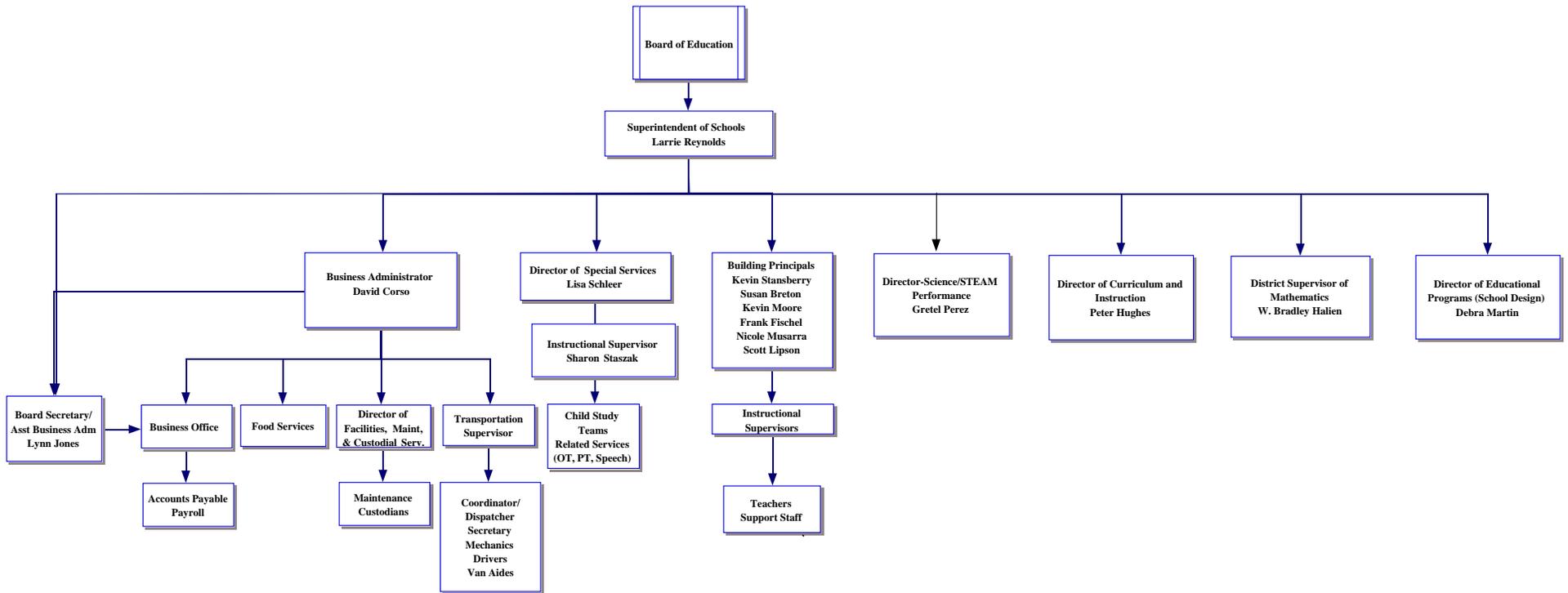


Lynn Jones, CPA
Board Secretary/Asst. Business Administrator



David Corso
Business Administrator

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ORGANIZATIONAL CHART
JUNE 30, 2018**



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires December 31,</u>
Elizabeth Ouimet, President	2018
Antoine Gayles, Vice-President	2020
Asunta Beardsley	2020
Anthony Giordano	2019
Rhonda Lake-Cohen	2018
John Petrie	2020
William Robinson	2019
Brian Schaechter	2019
Anthony Strillacci	2018

Other Officials

Larrie Reynolds, Ed.D. Superintendent
David Corso, Business Administrator
Lynn Jones, CPA, Board Secretary/Assistant Business Administrator
Sherry Kolody, Treasurer of School Monies

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

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Roseland, NJ 07068

Architect/Engineer

Gianforcaro Architects, Engineers, Planners
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Chester, NJ 07930

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Bordentown, NJ 08505

Risk Management Consultant

The Morville Agency
55 Newton Sparta Road
Newton, New Jersey 07860

Health Benefits Broker

Derek A. Daily
Hudson Shore Insurance Consulting Group
141 West Front Street
Red Bank, NJ 07701

Property Management Services

Fairclough Enterprises
265 Sparta Avenue
Sparta, NJ 07871

Official Depositories

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342 Route 46 West
Budd Lake, NJ 07828

Sussex Bank
15 Trinity Street
Newton, NJ 07860

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Township of Mount Olive School District
County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Honorable President and
Members of the Board of Education
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, State of New Jersey, as of June 30, 2018, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 2 to the basic financial statements in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions and Schedules Related to Accounting and Reporting for Other Post-Employment Benefits identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mount Olive Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

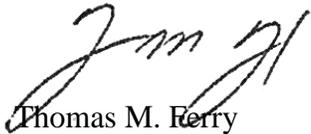
The introductory section and statistical data section have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable President and
Members of the Board of Education
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2019 on our consideration of the Township of Mount Olive Board of Education’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 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 Township of Mount Olive Board of Education’s internal control over financial reporting and compliance.



Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkocz, Cerullo & Cuva
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Newton, New Jersey

January 25, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
MOUNT OLIVE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

As management of the Mount Olive Township School District (District), we offer readers of the District's financial statements this narrative discussion and analysis (MD&A), which will provide a general overview of the District's financial performance and activities for the fiscal year ended June 30, 2018. While the intent of this MD&A is to examine the District's financial performance as a whole, we encourage readers to review it in conjunction with the transmittal letter and the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- ❖ Net position at year-end totaled \$23,470,290, which represents an increase of \$3,997,810, or 20.5%, over the prior year net position balance of \$19,472,480.
- ❖ Assets increased by \$4,001,816. Current assets such as cash and cash equivalents, accounts receivable, prepaid expenses, and inventory decreased by \$482,038 while capital assets such as land, buildings, machinery and equipment increased by \$4,483,854.
- ❖ Liabilities decreased by \$9,608,320. Current liabilities such as accounts payable, unearned revenue, and accrued liabilities increased by \$1,134,201 while long-term liabilities such as bonds payable, capital leases payable, net pension liability payable, unamortized bond premium, and accrued compensated absences payable decreased by \$10,742,521. The increase in current liabilities is primarily due to the District's accrued liability for insurance claims in the amount of \$839,268, which resulted from the District's transition from a traditional health insurance plan to a self-insured plan. The decrease in long-term liabilities was primarily due to a decrease in the District's net pension liability for PERS employees totaling \$8,699,861.
- ❖ Deferred outflows of resources decreased by \$3,424,627 while deferred inflows of resources increased by \$6,187,699. These fluctuations are attributable to differences between expected and actual experience, changes of assumptions, changes in proportion, and the net difference between projected and actual investment earnings on pension plan investments.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$81,799,413, which represents 67% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which comprised 85% of general revenues and 57% of total revenues. Program specific revenues in the form of charges for services and grants and contributions totaled \$40,023,978, the remaining 33% of total revenue. Overall, total revenues increased \$5,907,262, or 5.1% over the prior year.
- ❖ Expenses totaled \$117,862,820. Of this amount, only \$40,023,978 was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, unrestricted state and federal aid, investment earnings, and miscellaneous income) of \$81,799,413 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$3,779,051, or 3.3% over the prior year.
- ❖ During the 2018 fiscal year, the District experienced extraordinary and special items totaling \$37,239 from the net revaluation, sale and/or disposal of capital assets.

Overview of the Financial Statements

The Comprehensive Annual Financial Report (CAFR) consists of this MD&A, a series of basic financial statements, and required supplementary information. The CAFR is organized so that the reader can understand the Mount Olive Township School District as a financial whole, an entire operating entity. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The required supplementary information contains data that further explains and supports the financial statements, including a comparison of the District's budget for the fiscal year.

1) District-wide financial statements

The district-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. Two statements make up the district-wide financial statements - the Statement of Net Position and the Statement of Activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the assets and liabilities of the District, with the difference between the two 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 (e.g., uncollected taxes and earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities, District operations are divided into two distinct kinds of activities:

- **Governmental activities** – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type activities** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The operations of the food service program, the District's summer programs, and the building rental account are reported as business-type activities.

2) Fund financial statements

Fund financial statements provide the next level of detail. 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-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 district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds: the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The District adopts an annual appropriated budget for its General Fund, Special Revenue Fund, and Debt Service Fund. Budgetary comparison statements have been provided for these funds as supplementary information to demonstrate compliance with the adopted budget.

Proprietary funds. Proprietary funds are used to account for services for which the District charges a fee and are reported in the government-wide financial statements. There are two types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost of providing goods or services are financed or recovered primarily through user charges. The District uses enterprise funds to account for revenues and expenses pertaining to the District’s food service operations, the District’s summer programs, and the rental of Building #2 at the administrative complex. Enterprise funds are presented as business-type activities in the government-wide financial statements.

Internal service funds are used to account for goods or services that are provided to other funds of the District. The District operates an internal service fund for its self-insurance activities. The internal service fund has been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds include payroll and student activities funds and employee contributions to the unemployment compensation insurance fund and the flexible spending account trust fund. Fiduciary funds are not reflected in the district-wide financial statements because the District cannot use these assets to finance its operations.

3) Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

District-wide Financial Analysis

The District’s financial position is the product of various financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. Table 1 provides a summary of the School District’s net position at June 30, 2018 and June 30, 2017.

**Table 1
Net Position**

	2018	2017
Assets		
Current and Other Assets	\$14,993,170	\$15,475,208
Capital Assets	79,907,926	75,424,072
Total Assets	94,901,096	90,899,280
Deferred Outflows of Resources	9,624,628	13,049,255
Liabilities		
Current Liabilities	4,377,622	3,243,421
Long-Term Liabilities	69,760,012	80,502,533
Total Liabilities	74,137,634	83,745,954
Deferred Inflows of Resources	6,917,800	730,101
Net Position		
Invested in Capital Assets, Net of Related Debt	43,863,867	37,642,698
Restricted	5,512,261	9,196,464
Unrestricted/(Deficit)	(25,905,838)	(27,366,682)
Total Net Position	\$23,470,290	\$19,472,480

A significant portion of the District's combined net position reflects the District's investment in capital assets (e.g., land, buildings and improvements, furniture and equipment) less any related outstanding debt that was used to acquire those assets. At June 30, 2018 the District's investment in capital assets, net of depreciation, amounted to \$79,907,926 while the District's outstanding debt and debt related charges amounted to \$36,044,059, resulting in a net investment in capital assets of \$43,863,867.

Another significant portion of the District's combined net position represents resources that are subject to external restrictions. The restricted net position balance of \$5,512,261 has been earmarked for the following purposes:

- \$4,249,136 is restricted for capital projects. This amount represents funds set aside in the capital reserve account to fund future capital projects.
- \$6,495 is restricted to pay future debt service obligations.
- \$1,256,630 is restricted to finance subsequent year's expenditures. This figure represents current and prior year excess surplus amounts which must be appropriated and included as anticipated revenue in future budgets. Of this amount, \$1,015,483 has been appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2019.

The remaining unrestricted deficit balance of \$25,905,838 represents the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. It represents the residual product of various transactions, including the net results of activities. The deficit balance is due to transactions related to the net pension liability for PERS employees, which reduced the District's unrestricted net position by more than \$30 million. However, this does not indicate that the District is facing financial difficulties as evidenced by the District's increase in net position the past two years. Table 2 provides a summary of this increase for the fiscal years ended June 30, 2018 and June 30, 2017.

**Table 2
Changes in Net Position**

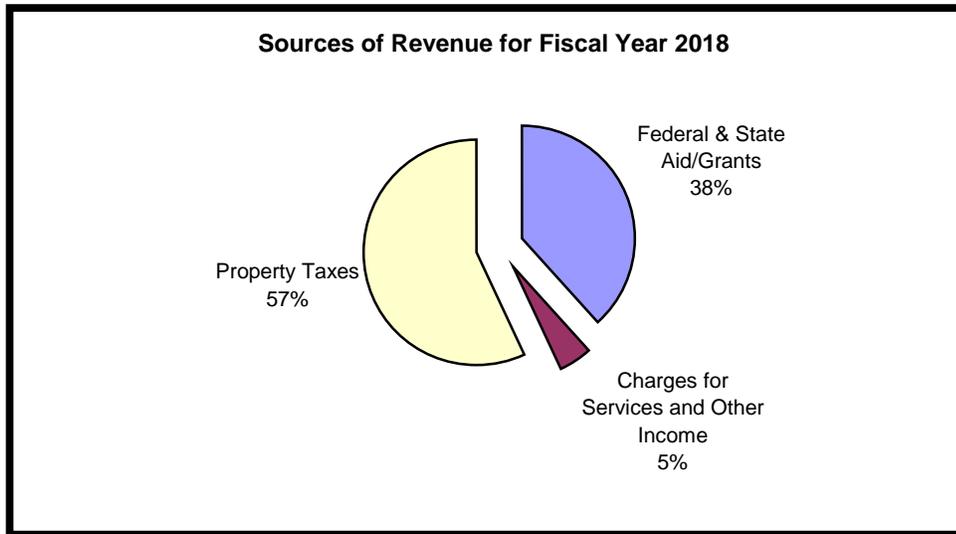
	2018	2017
Revenues		
Program Revenues:		
Charges for services	\$5,144,879	\$1,973,486
Grants and contributions	34,879,099	34,366,902
General revenues:		
Property taxes	69,509,061	67,556,582
Grants and entitlements	11,893,389	11,648,609
Other	396,963	370,550
Total Revenues	121,823,391	115,916,129
Program Expenses		
Instruction	61,923,271	61,237,255
Support Services:		
Pupils and instructional staff	18,614,679	18,084,481
General administration, school administration, business and other support services	10,881,300	10,899,007
Plant operations and maintenance	17,006,640	14,845,383
Pupil transportation	6,813,857	6,386,281
Interest and other debt related charges	1,101,186	1,200,544
Food service operations	1,058,506	988,099
Other	463,381	442,719
Total Program Expenses	117,862,820	114,083,769
Extraordinary and Special Items		
Net revaluation, sale and/or disposal of capital assets	37,239	1,514,154
Cancellation of prior year receivable	-	(2,416)
Increase in Net Position	\$3,997,810	\$3,344,098

In addition to the net pension liability described above and the net results of activities shown on the previous table, the following transactions had a significant impact on the Statement of Net Position:

- The principal retirement of debt related to bonds, loans, and capital leases totaling \$3,890,511.
- Investments in capital assets exceeded depreciation on capital assets by \$4,446,615.
- The issuance of new debt in the form of a capital lease in the amount of \$2,400,000.

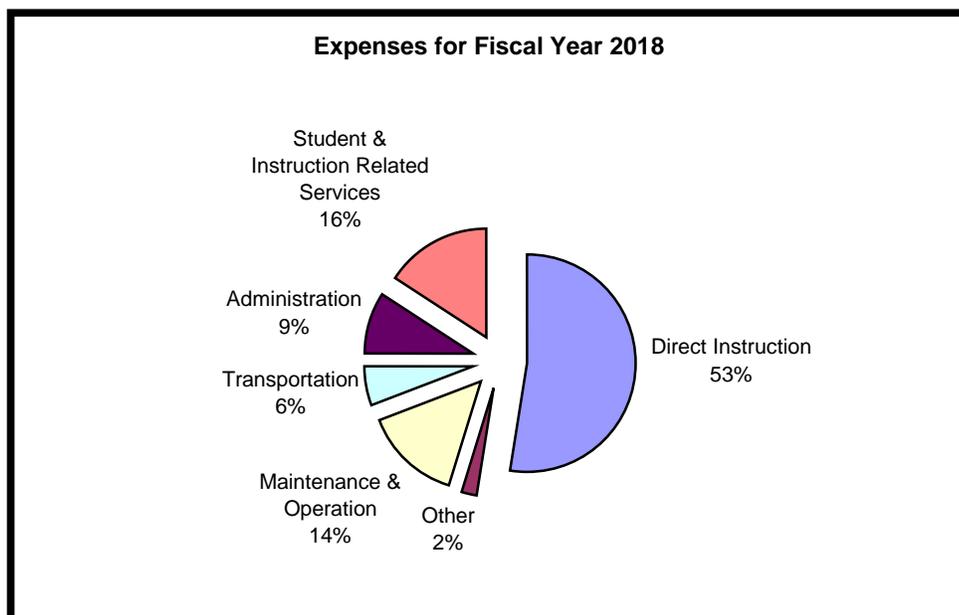
Revenues

Property taxes made up 57% of total revenue for the Mount Olive Township School District for the fiscal year 2018. Federal, state, and local aid and grants accounted for 38% of revenue. The remaining 5% of revenue was derived from charges for services and other revenue, such as tuition income, transportation fees, interest earnings, and miscellaneous income. The following chart illustrates the sources of revenue for the fiscal year 2018:



Expenses

The total cost of all programs and services was \$117,862,820. Direct instruction and instruction related services comprised 69% of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2018:



Direct instruction includes activities directly related to the interaction between teachers and students. Instruction includes all regular and special education programs, basic skills/remedial programs, bilingual education, before and after school programs, school sponsored co-curricular activities, and athletic programs.

Student and instruction related services includes out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as one-on-one aides, speech, physical therapy, occupational therapy, and services provided by child study team members.

Administration includes those expenses associated with school management and the overall administrative and financial supervision of the District. This includes all costs associated with the activities of the school board, the superintendent, the board secretary, the treasurer, the personnel office, the business office, the technology department, and the administrative team of each school.

Maintenance and operation includes all costs associated with the activities of the District's buildings and grounds department. This includes all expenses related to keeping the facilities open, clean, comfortable, and safe for use or in its original condition, including repairs and replacements to building systems and fixtures. Salaries for all maintenance, custodial, and security personnel are recorded here, along with contracted maintenance, repairs and cleaning services, property insurance and utilities.

Transportation includes all costs associated with the conveyance of students to and from school, including transportation to and from school activities, as provided by state law. This includes the salaries of all transportation personnel, contracted transportation, the maintenance and repair of transportation vehicles, and transportation insurance.

Other expenses includes unallocated depreciation, interest on debt and debt related charges, and the activities of the food service operations, the summer school programs, and building rental accounts.

Financial Analysis of the District's Funds

Governmental Funds

The District maintains four individual governmental funds: the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. The following is a summary of the financial activities of the individual funds:

- ❖ In the General Fund, revenues and other financing sources totaled \$96,754,484 and expenditures and other financing uses totaled \$98,561,251, resulting in a net decrease in fund balance of \$1,806,767. The decrease in fund balance is primarily attributable to the District's large investment in capital outlay. During the 2018 fiscal year, the District transferred \$2,743,760 into the equipment account to fund unbudgeted equipment, machinery, and vehicle purchases and \$1,138,840 into the construction services account to fund unanticipated facility improvements and capital projects.
- ❖ In the General Fund, the year-end fund balance amounted to \$11,857,519. Of this amount, \$4,249,136 has been restricted for capital reserve, \$1,256,630 has been restricted as excess surplus, which will be appropriated and included as anticipated revenue in future operating budgets, \$1,858,255 is committed for specific purposes approved by the Board, \$2,254,066 is assigned for subsequent year's expenditures; and \$551,762 is assigned for year-end encumbrances. The remaining balance of \$1,687,670 is unassigned and represents the maximum undesignated/unreserved (2%) fund balance of \$3,210,330 less the final state aid payment of \$1,522,660 which is not recognized for GAAP purposes.
- ❖ In the Special Revenue Fund, both revenues and expenditures totaled \$1,332,634 resulting in a year-end fund balance of \$0. A zero fund balance is customary in the Special Revenue Fund as grant revenues are recognized only to the extent of grant expenditures.
- ❖ In the Capital Projects Fund, other financing sources totaled \$2,900,000 and expenditures and other financing uses totaled \$2,900,000, resulting in a year-end fund balance of \$0. Both of the District's budgeted capital projects were completed within one year. A zero fund balance is customary when there are no uncompleted capital projects at year-end.
- ❖ In the Debt Service Fund, revenues totaled \$4,750,282 and expenditures totaled \$4,754,870, resulting in a net decrease in fund balance of \$4,588. The year-end fund balance amounted to \$6,495, which has been appropriated and included as anticipated revenue in the 2019 Debt Service budget.

Enterprise Funds

The District maintains five enterprise funds to account for all revenues and expenses pertaining to the District’s food service operations, the District’s summer programs, and the rental of Building #2 at the administrative complex. The following is a summary of the financial activities of the individual funds:

- ❖ In the Food Service Fund, revenues totaled \$1,133,423 and expenses totaled \$1,058,506, resulting in an increase in net position of \$74,917. Charges for services, which represent amounts paid by patrons for meals, amounted to 69% of total revenue. Non-operating revenues, which include state and federal subsidies, interest earnings, and miscellaneous income accounted for the remaining 31% of total revenue. Personnel costs, including payroll taxes and employee benefits, and cost of sales accounted for 86% of operating expenses. The ending net position at June 30, 2018 amounted to \$381,749. Of this amount, \$54,266 reflects the Fund’s investment in capital assets and \$327,483 is unrestricted. The Board employs an outside food service management company to oversee its food service operations.
- ❖ Overall, revenues from summer programs totaled \$175,223 and expenses totaled \$169,991, resulting in a net income of \$5,232. However, two of the District’s three summer programs sustained losses for the 2018 fiscal year and the General Fund had to subsidize the remedial summer school program in order to maintain a positive net position. As a result, the District is exploring ways to make their summer programs more profitable including, but not limited to, an increase in tuition.
- ❖ The property rental account is used to account for the revenues and expenses related to the rental of commercial office space in Building #2 of the administrative office complex located at 227 US Route 206 in Flanders NJ. Charges for services, which represent amounts paid by renters for office space, amounted to \$367,966, or 100% of total revenue. Operating expenses, such as building management fees, depreciation, real estate taxes, utilities, interest, and maintenance and repairs amounted to \$238,458, thereby resulting in an increase in net position of \$129,508 for the 2018 fiscal year. The ending net position at June 30, 2018 amounted to \$382,764. Of this amount, \$235,300 reflects the Fund’s investment in capital assets and \$147,464 is unrestricted. The Board employs Fairclough Realtors of Sparta, NJ to oversee the property rental account.

Internal Service Fund

In the 2018 fiscal year, the District established an internal service fund to account for its self-insurance activities. The following is a summary of the financial activities of the fund:

- ❖ Operating revenues, which are comprised of health benefit contributions from the General Fund and the District’s employees, amounted to \$12,452,688 for the 2018 fiscal year. Expenses, which are comprised of insurance claims, excess liability insurance premiums, and administrative fees amounted to \$12,296,856, resulting in an operating income of \$155,832 and an ending net position of \$168,685.
- ❖ Based on budgeted premiums, the 2017-2018 plan year produced a net positive experience of \$2,585,520, resulting in a refund of \$510,291 to District employees.

Analysis of Governmental Fund Activity – Comparison to Prior Year

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 governmental fund revenues for the fiscal year ended June 30, 2018 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percentage Increase (Decrease)</u>
Local Sources	\$71,090,225	70.79%	\$1,765,039	2.55%
State Sources	27,920,961	27.80%	2,138,762	8.30%
Federal Sources	1,416,714	1.41%	(43,995)	-3.01%
	<u>\$100,427,900</u>	<u>100.00%</u>	<u>\$3,859,806</u>	<u>4.00%</u>

The increase in *local sources* is attributable to an increase in the local tax levy. The local tax levy increased \$1,952,479, which represents a 2% rise over the prior year levy - the maximum growth rate permitted by current legislation without voter approval. Revenue from other local sources decreased \$187,440.

The increase in *state sources* is primarily attributable to an increase in state on-behalf pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions totaling \$1,519,740. The District's contribution to the Teachers Pension and Annuity Fund (TPAF) and the District's share of social security related to TPAF members is made by the State of New Jersey on behalf of the Board. The increase in on-behalf payments accounted for 71% of the increase in state sources.

The decrease in *federal sources* is attributable to a decrease in revenues recognized for federally funded grant programs.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2018 and the amount and percentage of increase in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percentage Increase (Decrease)</u>
Current:				
Distributed Expenditures-Instruction	\$32,555,775	31.11%	\$725,829	2.28%
Undistributed Expenditures	58,079,311	55.51%	3,538,112	6.49%
Capital Outlay	9,248,199	8.84%	3,752,746	68.29%
Debt Service	4,754,870	4.54%	(147,040)	-3.00%
	<u>\$104,638,155</u>	<u>100.00%</u>	<u>\$7,869,647</u>	<u>8.13%</u>

Distributed Expenditures-Instruction includes all activities associated with the instructional programs including regular and special education, basic skills and remedial instruction, bilingual education, before and after school programs, and school sponsored co-curricular and athletic programs. The increase in distributed expenditures is attributable to an increase in instructional salaries totaling \$1,130,154. Like most service entities, salaries comprise the vast majority of the District's expenses. Salary increases are the result of negotiated pay rates, coupled with the need for additional instructional staff to meet the demands of the educational program and students with special needs.

Undistributed Expenditures includes all support activities that facilitate and enhance the instructional programs including out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as speech, physical therapy, occupational therapy, and services provided by child study team members. This category also includes all school and general administrative services, custodial and maintenance services, and pupil transportation services. Approximately 75% of the increase in undistributed expenditures is attributable to increases in salaries and employee benefits, including payments made by the State of New Jersey on behalf of the Board.

Capital Outlay includes machinery and equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. During the 2018 fiscal year, machinery and equipment purchases totaled \$1,437,833 and facilities acquisition and construction services totaled \$5,410,366. The District also entered into a capital lease in the amount of \$2,400,000 for the purchase and installation of an air dome at Mount Olive High School. The significant amount invested in capital outlay reflects the District's continued commitment to improve its facilities, to upgrade its fleet of vehicles, to replace obsolete machinery and equipment, and to provide enhanced technology to its students.

Debt Service includes all of the District's bonded debt and loan obligations. The District's debt service requirements are driven by the amount of annual maturities and the corresponding interest payments for each debt obligation. In the 2018 fiscal year, the District's principal payments decreased by \$230,000 while associated interest payments increased by \$82,960.

General Fund Budgeting Highlights

The District's budget is prepared in accordance with New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District uses program based budgeting, which is designed to tightly control total program budgets, while providing flexibility for program management. The most significant budgeted fund is the General Fund.

Statements showing the District's original and final budget compared with actual operating results are provided in this CAFR beginning on page 74 for the General Fund. The District's actual year-end results were significantly better than had been projected, as conservative budgetary practices are customary.

The following points highlight key areas of the 2017-2018 General Fund budget:

- The Board twice amended the 2017-2018 General Fund budget to appropriate unbudgeted tuition revenue from the K-Excel extended kindergarten program in the amount of \$162,607 and additional state aid in the amount of \$311,127.
- On-behalf TPAF pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions ("on-behalf payments") are not required to be included in the original budget; however, these items are reflected as revenue and expenditures in the financial statements in accordance with GASB Statement No. 24 paragraphs 7 through 13.
- Excluding on-behalf payments, revenues exceeded budgeted estimates by \$2,484,882, or 3.1% of anticipated revenues. Nearly 60% of the excess is attributable to extraordinary aid, which amounted to \$1,475,494 for the current fiscal year. Extraordinary aid is state aid for special education students whose individual program costs exceed certain monetary levels established by the state. This aid is not budgeted since the amount the state will fund is unknown at the time the budget is prepared. In recognition of this, the state allows extraordinary aid to be excluded from the excess surplus calculation and to be appropriated in the subsequent year's budget without prior approval from the Executive County Superintendent.
- Tuition income is derived from the K-Excel program, the international education partnership with Edu-Link, and tuition received from other school districts located within New Jersey for educating students that reside within the paying district. Tuition is budgeted based on the number of projected incoming students at the time the budget is prepared. In the 2018 fiscal year tuition income exceeded budgeted estimates by \$374,439.
- Interest income is budgeted based on historical cash balances and existing interest rates. For the 2018 fiscal year, rising interest rates produced interest income in excess of budgeted estimates by \$182,681.
- Transportation fees are derived from transportation jointures with surrounding school districts, fees paid by students for transportation on school field trips, and from fees charged to the Township Recreation Department and the Mount Olive Child Care and Learning Center for special transportation needs. In the 2018 fiscal year, transportation fees exceeded budgeted estimates by \$16,146.
- Miscellaneous income includes revenue collected for book fines, parking permit fees, facilities usage, prior year refunds, Sunset Academy fees, and other unanticipated revenues. Miscellaneous income can fluctuate dramatically from year to year, based on the uncertain nature of these receipts. In the 2018 fiscal year, actual revenues exceeded budgeted estimates by \$321,274. The difference is largely attributable to the rental of the air dome totaling \$233,495.
- Excluding capital leases and state on-behalf payments, unexpended budget appropriations totaled \$3,929,372, or 4.7% of the final budget. Of this amount, \$2,410,017 has been reserved for encumbrances, which will be expended in the subsequent fiscal year. The percentage of unexpended budget appropriations falls to 1.8% when taking into account the amount reserved for encumbrances.
- The 2017-18 budget was adopted based on existing and known factors at the time the budget was prepared. Accordingly, the District amended its General Fund budget as needed, based on the actual results of operations. Throughout the course of the year, the Board approved line item transfers whenever a line item was in danger of falling into a deficit balance. Balances remaining in under-expended line items were sufficient to cover those line items requiring additional funds. Line item transfers, which on a cumulative basis exceed 10 percent of the amount included in the original budget, require the approval of the Executive County Superintendent as well as the Board. During the 2017-18 school year, the Board sought County authorization to exceed the 10 percent transfer limit eight times. The Executive County Superintendent approved transfers from the out-of-district tuition account and the health benefits account to fund the installation of a water line at the Chester M. Stephens Elementary School, the construction of a pole building at Mount Olive High School, the purchase of 10 54-passenger school buses and 4 24-passenger school vans, the purchase of equipment related to year-end technology upgrades, and the replacement of a boiler at Mt. View Elementary School.

Capital Assets

The capitalization threshold used by school districts in the State of New Jersey is \$2,000. Acclaim Inventory LLC conducts an annual inventory of the District's capital assets. At June 30, 2018, the District had \$79,907,926 invested in land, site improvements, buildings, furniture, machinery and equipment. The following table illustrates the District's investment in capital assets, net of depreciation.

**Table 3
Capital Assets (Net of Depreciation)**

	2018	2017
Land	\$ 2,028,259	\$ 2,028,259
Site and site improvements	7,218,811	5,164,305
Building and building improvements	64,254,391	62,309,085
Furniture, equipment and machinery	6,406,465	5,922,423
Total Capital Assets	\$ 79,907,926	\$ 75,424,072

Overall, the District invested \$9,131,737 in capital assets for the fiscal year 2018. Of this amount, \$2,429,847 was invested in site and site improvements, \$5,342,301 was invested in building and building improvements, and \$1,359,589 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$4,685,122. In addition, the sale and/or disposition of capital assets resulted in a net reduction of \$47,750 and the physical inventory performed by Acclaim Inventory LLC resulted in a net revaluation adjustment of \$84,989.

Additional information on the District's capital assets can be found in Note 8 of the notes to the basic financial statements.

Debt Administration

At June 30, 2018, the District had \$69,760,012 in long-term outstanding debt, of which \$6,557,711 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2018 and June 30, 2017.

**Table 4
Outstanding Debt**

	2018	2017
Outstanding Bonds, Loans and Notes		
2011 Refunding Bonds - ERIP Liability	\$ 605,000	\$ 790,000
2012 Refunding Bonds - High School Additions and Renovations	2,490,000	3,705,000
2014 Refunding Bonds - Mt. Olive Middle School/District Expansion	11,085,000	13,030,000
2016 Refunding Bonds - High School Additions and Renovations	7,430,000	7,430,000
2016 Refunding Bonds - High School Additions and Renovations	7,985,000	7,985,000
Other Noncurrent Liabilities		
Capital Leases Payable	3,209,081	1,193,296
Building Lease Payable	1,388,748	1,550,044
Net Pension Liability	30,272,597	38,972,458
Unamortized Bond Issuance Premium	3,542,737	4,152,161
Accrued Compensated Absences Payable	1,751,849	1,694,574
Total Long-term Outstanding Debt	\$ 69,760,012	\$ 80,502,533

State statutes limit the amount of bonded debt a school district may issue. As a result, the Mount Olive School District's debt is limited to 4% of the average equalized valuation of taxable property. The current debt limitation for the Mount Olive School District is \$125,914,346, resulting in an available borrowing margin of \$96,319,346 at June 30, 2018.

At June 30, 2018 the District had no authorized but unissued debt.

Additional information on the District's long-term outstanding debt can be found in Note 9 of the notes to the basic financial statements.

Factors Bearing on the District's Future

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 17.5% of the District's original 2018 operating budget while local property taxes accounted for 74.8% of budgeted revenue. As a result, the financial well-being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

The School District resides in a primarily residential community with support from varied commercial and retail property. The Township's population has steadily increased over the past 10 years, while student enrollment has decreased. However, there are several major housing developments at various stages of completion that could impact student enrollment. At the present time, there is adequate capacity within the District to meet the general classroom enrollment projections, both now and in the near future. However, the Board is mindful of the potential impact these housing developments might have on the enrollment of individual schools within the District. As a result, the Board continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, and mandated special education costs present an enormous challenge for the District's administration. Thus far, the 2% increase in local tax revenue and modest increases in state aid, coupled with the District's stringent budgetary measures, have been sufficient to allow the District to maintain its existing programs and services. Nevertheless, the District's administration continues to closely monitor the cost of operations and to search for new funding sources in order to maintain the quality educational services that the Mount Olive School District is accustomed to providing.

The District employs three separate bargaining units: the Education Association of Mt. Olive ("EAMO"), the International Brotherhood of Teamsters Local 97 ("Teamsters"), and the Mt. Olive Administrators and Supervisors Association. All labor agreements are currently settled through 2020. Each bargaining unit agreement has a significant impact on the District's future operating budgets as salaries and benefits comprise more than three-quarters of the District's operating budget.

The Board is 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 is either unknown, or will not have a material adverse effect on the financial position of the District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Board Secretary, Lynn Jones, at the Mount Olive Township School District Administration Building, 227 US Route 206, Flanders, NJ 07836. Please visit our website at www.mtoliveboe.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-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. Two statements make up the district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide information about the financial activities of the whole District, except for fiduciary activities, and present both an aggregate view and a longer-term view of the school district's finances. The statements include all assets and liabilities using the accrual basis of accounting, which takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between the governmental and business-type activities of the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,721,034	\$ 680,396	\$ 8,401,430
Receivables, net	2,277,198	35,420	2,312,618
Inventory	-	13,115	13,115
Restricted assets:			
Cash and cash equivalents	11,930	4,941	16,871
Capital reserve account - cash	4,249,136	-	4,249,136
Capital assets, non-depreciable	1,377,059	651,200	2,028,259
Capital assets, depreciable, net	76,852,553	1,027,114	77,879,667
Total Assets	<u>92,488,910</u>	<u>2,412,186</u>	<u>94,901,096</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on defeasance of debt	1,131,598	-	1,131,598
Deferred amounts related to PERS pension liability	8,493,030	-	8,493,030
Total Deferred Outflows of Resources	<u>9,624,628</u>	<u>-</u>	<u>9,624,628</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,678,094	60,377	2,738,471
Unearned revenue	27,400	108,334	135,734
Escrow deposits payable	-	4,941	4,941
Accrued interest payable	592,611	66,597	659,208
Accrued liability for insurance claims	839,268	-	839,268
Noncurrent liabilities:			
Due within one year	6,467,643	90,068	6,557,711
Due beyond one year	61,903,621	1,298,680	63,202,301
Total Liabilities	<u>72,508,637</u>	<u>1,628,997</u>	<u>74,137,634</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to PERS pension liability	6,917,800	-	6,917,800
Total Deferred Inflows of Resources	<u>6,917,800</u>	<u>-</u>	<u>6,917,800</u>
NET POSITION			
Net investment in capital assets	43,574,301	289,566	43,863,867
Restricted for:			
Capital projects	4,249,136	-	4,249,136
Debt service	6,495	-	6,495
Excess surplus	1,256,630	-	1,256,630
Unrestricted/(Deficit)	<u>(26,399,461)</u>	<u>493,623</u>	<u>(25,905,838)</u>
Total Net Position	<u>\$ 22,687,101</u>	<u>\$ 783,189</u>	<u>\$ 23,470,290</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular programs	\$ 44,217,503	\$ 1,424,544	\$ 14,764,414	\$ -	\$ (28,028,545)	\$ -	\$ (28,028,545)
Special education programs	12,801,445	557,530	7,427,744	-	(4,816,171)	-	(4,816,171)
Other instructional programs	2,319,502	52,352	990,734	-	(1,276,416)	-	(1,276,416)
School sponsored programs	2,584,821	405,793	249,876	-	(1,929,152)	-	(1,929,152)
Support services:							
Tuition	2,458,205	-	1,475,494	-	(982,711)	-	(982,711)
Student & instruction related services	16,156,474	387,884	4,849,192	-	(10,919,398)	-	(10,919,398)
School administrative services	6,565,270	169,964	1,983,122	-	(4,412,184)	-	(4,412,184)
Other administrative services	4,316,030	82,991	471,473	-	(3,761,566)	-	(3,761,566)
Plant operations and maintenance	17,006,640	567,500	797,181	-	(15,641,959)	-	(15,641,959)
Pupil transportation	6,813,857	168,288	1,011,109	-	(5,634,460)	-	(5,634,460)
Unallocated depreciation	54,932	-	-	-	(54,932)	-	(54,932)
Interest and other debt related charges	1,101,186	-	516,219	-	(584,967)	-	(584,967)
Total governmental activities	<u>116,395,865</u>	<u>3,816,846</u>	<u>34,536,558</u>	<u>-</u>	<u>(78,042,461)</u>	<u>-</u>	<u>(78,042,461)</u>
Business-type activities:							
Food service	1,058,506	786,157	342,541	-	-	70,192	70,192
Summer programs	169,991	173,910	-	-	-	3,919	3,919
Property rentals	238,458	367,966	-	-	-	129,508	129,508
Total business-type activities	<u>1,466,955</u>	<u>1,328,033</u>	<u>342,541</u>	<u>-</u>	<u>-</u>	<u>203,619</u>	<u>203,619</u>
Total primary government	<u>\$117,862,820</u>	<u>\$5,144,879</u>	<u>\$ 34,879,099</u>	<u>\$ -</u>	<u>\$ (78,042,461)</u>	<u>\$ 203,619</u>	<u>\$ (77,838,842)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 65,274,998	\$ -	\$ 65,274,998
Taxes levied for debt service					4,234,063	-	4,234,063
Federal and State aid not restricted					11,893,389	-	11,893,389
Investment earnings					257,534	6,038	263,572
Miscellaneous income					133,391	-	133,391
Extraordinary item - loss on sale of capital assets					(47,750)	-	(47,750)
Extraordinary item - appraisor adjustment to capital assets					84,989	-	84,989
Transfers					(1,100)	1,100	-
Total general revenues, special items, extraordinary items and transfers					<u>81,829,514</u>	<u>7,138</u>	<u>81,836,652</u>
Change in Net Position					<u>3,787,053</u>	<u>210,757</u>	<u>3,997,810</u>
Net Position - Beginning					<u>18,900,048</u>	<u>572,432</u>	<u>19,472,480</u>
Net Position - Ending					<u>\$ 22,687,101</u>	<u>\$ 783,189</u>	<u>\$ 23,470,290</u>

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

FUND FINANCIAL STATEMENTS

The fund financial statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 6,177,713	\$ -	\$ -	\$ -	\$ 6,177,713
Restricted cash and cash equivalents	4,249,136	-	5,435	6,495	4,261,066
Due from other funds	357,709	-	-	-	357,709
Receivables from other governments	1,713,083	453,286	-	-	2,166,369
Other accounts receivable	83,175	-	-	-	83,175
Total assets	\$ 12,580,816	\$ 453,286	\$ 5,435	\$ 6,495	\$ 13,046,032
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 689,172	\$ 109,137	\$ -	\$ -	\$ 798,309
Deposits payable	6,725	-	-	-	6,725
Due to other funds	-	344,149	5,435	-	349,584
Unearned revenue	27,400	-	-	-	27,400
Total liabilities	723,297	453,286	5,435	-	1,182,018
Fund balances:					
Restricted for:					
Capital reserve	4,249,136	-	-	-	4,249,136
Excess surplus - current year	241,147	-	-	-	241,147
Excess surplus - subsequent year expenditures	1,015,483	-	-	-	1,015,483
Debt service	-	-	-	6,495	6,495
Committed to:					
Other purposes	1,858,255	-	-	-	1,858,255
Assigned to:					
Unreserved - subsequent year expenditures	2,254,066	-	-	-	2,254,066
Other purposes	551,762	-	-	-	551,762
Unassigned	1,687,670	-	-	-	1,687,670
Total fund balances	11,857,519	-	-	6,495	11,864,014
Total liabilities and fund balances	\$ 12,580,816	\$ 453,286	\$ 5,435	\$ 6,495	\$ 13,046,032

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
JUNE 30, 2018

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Total fund balances - governmental funds	\$	11,864,014	
<p>The activities of the District's self-insurance fund are reported in the internal service fund. In the statement of net position the assets and liabilities of the internal service fund are included with governmental activities.</p>			
			168,685
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>			
Cost of capital assets	\$	141,377,034	
Accumulated depreciation		<u>(63,147,422)</u>	
			78,229,612
<p>Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued, but are capitalized in the statement of net position.</p>			
Bond premium		(5,543,443)	
Accumulated amortization		<u>2,000,706</u>	
			(3,542,737)
<p>Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.</p>			
Deferred loss on defeasance of debt		1,793,009	
Accumulated amortization		<u>(661,411)</u>	
			1,131,598
<p>Amounts related to the net pension liability for PERS employees are not reported in the governmental funds. However, in the government-wide statements, the net pension liability is reported as a noncurrent liability due beyond one year and the related inflows and outflows are deferred and amortized in the statement of net position.</p>			
Net pension liability		(30,272,597)	
Deferred outflows of resources related to PERS pension liability		8,493,030	
Deferred inflows of resources related to PERS pension liability		<u>(6,917,800)</u>	
			(28,697,367)
<p>The subsequent pension contribution is reported in the governmental funds as an expenditure in the year paid. In the government-wide statements, the subsequent pension contribution is recorded as an accounts payable.</p>			
			(1,318,163)
<p>Long-term liabilities and the corresponding interest accruals are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (See Note 9) Liabilities at year end consist of:</p>			
Bonds payable		(29,595,000)	
Capital leases payable		(3,209,081)	
Accrued interest on bonds, notes, and capital leases		(592,611)	
Accrued compensated absences		<u>(1,751,849)</u>	
			<u>(35,148,541)</u>
Net position of governmental activities	\$		<u><u>22,687,101</u></u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 65,274,998	\$ -	\$ -	\$ 4,234,063	\$ 69,509,061
Tuition charges	837,046	-	-	-	837,046
Transportation fees	21,146	-	-	-	21,146
Interest on investments	188,512	-	-	-	188,512
Interest earned on capital reserve funds	56,169	-	-	-	56,169
Miscellaneous	478,291	-	-	-	478,291
Total - Local Sources	<u>66,856,162</u>	<u>-</u>	<u>-</u>	<u>4,234,063</u>	<u>71,090,225</u>
State sources	27,404,742	-	-	516,219	27,920,961
Federal sources	84,080	1,332,634	-	-	1,416,714
Total revenues	<u>94,344,984</u>	<u>1,332,634</u>	<u>-</u>	<u>4,750,282</u>	<u>100,427,900</u>
EXPENDITURES					
Current:					
Regular instruction	22,834,265	22,535	-	-	22,856,800
Special education instruction	6,202,614	585,040	-	-	6,787,654
Other instructional programs	1,020,975	195,913	-	-	1,216,888
School sponsored programs	1,694,433	-	-	-	1,694,433
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,458,205	-	-	-	2,458,205
Student & instruction related services	8,547,326	397,944	-	-	8,945,270
School administrative services	3,456,160	-	-	-	3,456,160
Other administrative services	3,080,416	-	-	-	3,080,416
Plant operations and maintenance	10,146,895	-	-	-	10,146,895
Pupil transportation	4,953,581	-	-	-	4,953,581
Unallocated employee benefits	24,910,313	128,471	-	-	25,038,784
Capital outlay	6,354,968	2,731	2,890,500	-	9,248,199
Debt service:					
Principal	-	-	-	3,345,000	3,345,000
Interest and other charges	-	-	-	1,409,870	1,409,870
Total expenditures	<u>95,660,151</u>	<u>1,332,634</u>	<u>2,890,500</u>	<u>4,754,870</u>	<u>104,638,155</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(1,315,167)</u>	<u>-</u>	<u>(2,890,500)</u>	<u>(4,588)</u>	<u>(4,210,255)</u>
OTHER FINANCING SOURCES (USES)					
Capital Leases (non-budgeted)	2,400,000	-	-	-	2,400,000
Operating Transfers:					
Transfers in	9,500	-	2,900,000	-	2,909,500
Transfers out	<u>(2,901,100)</u>	<u>-</u>	<u>(9,500)</u>	<u>-</u>	<u>(2,910,600)</u>
Total other financing sources and uses	<u>(491,600)</u>	<u>-</u>	<u>2,890,500</u>	<u>-</u>	<u>2,398,900</u>
Net change in fund balances	(1,806,767)	-	-	(4,588)	(1,811,355)
Fund balance—July 1	13,664,286	-	-	11,083	13,675,369
Fund balance—June 30	<u>\$ 11,857,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,495</u>	<u>\$ 11,864,014</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Total net change in fund balances - governmental funds (from B-2)	\$ (1,811,355)
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The activities of the District's self-insurance fund are reported in the internal service fund. In the statement of activities the revenues and expenses of the internal service fund are included with governmental activities.	168,685
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Capital outlays are reported in the governmental funds as expenditures in the year purchased. However, in the statement of activities, the cost of capital assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital outlays	\$ 9,118,737	
Depreciation expense	(4,657,104)	
(Net) Appraiser adjustment to capital assets	84,989	
		4,546,622

The sale of capital assets is recorded in the governmental funds as revenue in the year the asset is sold. However, in the statement of activities, the sale is recorded as an extraordinary item as the difference between the sale price and the asset's net book value.

Cost of capital assets	(1,192,164)	
Accumulated depreciation	1,144,414	
		(47,750)

In the governmental funds, capital leases are reported as other financing sources and lease payments are reported as expenditures in the year paid. In the district-wide statements, capital leases are reported as noncurrent liabilities and lease payments are recorded as a reduction to the liability.

Capital leases	(2,400,000)	
Lease payments	384,215	
		(2,015,785)

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	3,345,000
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Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, in the district-wide statements, bond premiums are amortized and expensed over the life of the bonds.	609,424
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Refunding bond proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balances. In the district-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.	(194,529)
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In the governmental funds, interest on long term debt and capital leases is reported when due. In the statement of activities, interest is accrued, regardless of when due.	62,212
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts related to the net pension liability for PERS employees do not require the use of current financial resources and are therefore not reported in the governmental funds. In the statement of activities, the change in net pension liability is reported as an adjustment to expenses and the related inflows and outflows are deferred and amortized.

Change in net pension liability	8,699,861	
Change in deferred outflows of resources related to PERS pension liability	(3,330,358)	
Change in deferred inflows of resources related to PERS pension liability	<u>(6,187,699)</u>	(818,196)

Per GASB Statement No. 68 non-employer contributing entities are required to record a revenue and a corresponding expense for on-behalf TPAF pension payments paid by the State of New Jersey on the statement of activities that are in excess of those amounts reported in the fund financial statements.

Increase in state revenues for on-behalf TPAF pension payments	9,702,456	
Increase in on-behalf TPAF pension expense	<u>(9,702,456)</u>	-

Per GASB Statement No. 75 non-employer contributing entities are required to record a revenue and a corresponding expense for on-behalf other post-employment benefits (OPEB) paid by the State of New Jersey on the statement of activities that are in excess of those amounts reported in the fund financial statements.

Increase in state revenues for on-behalf OPEB payments	7,450,882	
Increase in on-behalf OPEB expense	<u>(7,450,882)</u>	-

In the governmental funds, compensated absences are reported as expenditures in the year paid. In the statement of activities, compensated absences are measured by the amounts earned during the year. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

		<u>(57,275)</u>
Change in net position of governmental activities		<u><u>\$ 3,787,053</u></u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Major Fund
	Non-Major	Major	Total	Internal
	Funds	Fund	Enterprise Funds	Service Fund Self Insurance Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 464,013	\$ 216,383	\$ 680,396	\$ 1,543,321
Restricted cash and cash equivalents	-	4,941	4,941	-
Intergovernmental accounts receivable	22,017	-	22,017	-
Other accounts receivable	4,403	9,000	13,403	94,334
Inventories	13,115	-	13,115	-
Total current assets	<u>503,548</u>	<u>230,324</u>	<u>733,872</u>	<u>1,637,655</u>
Noncurrent assets:				
Capital assets	448,294	1,700,000	2,148,294	-
Less accumulated depreciation	394,028	75,952	469,980	-
Total noncurrent assets	<u>54,266</u>	<u>1,624,048</u>	<u>1,678,314</u>	<u>-</u>
Total assets	<u>557,814</u>	<u>1,854,372</u>	<u>2,412,186</u>	<u>1,637,655</u>
LIABILITIES				
Current liabilities:				
Accounts payable	60,377	-	60,377	554,897
Unearned revenue	97,012	11,322	108,334	-
Escrow deposits payable	-	4,941	4,941	-
Accrued interest payable	-	66,597	66,597	-
Interfund payable	-	-	-	74,805
Accrued liability for insurance claims	-	-	-	839,268
Noncurrent liabilities:				
Due within one year	-	90,068	90,068	-
Due beyond one year	-	1,298,680	1,298,680	-
Total liabilities	<u>157,389</u>	<u>1,471,608</u>	<u>1,628,997</u>	<u>1,468,970</u>
NET POSITION				
Invested in capital assets, net of related debt	54,266	235,300	289,566	-
Unrestricted	346,159	147,464	493,623	168,685
Total net position	<u>\$ 400,425</u>	<u>\$ 382,764</u>	<u>\$ 783,189</u>	<u>\$ 168,685</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Internal Service Fund
	Non-Major Funds	Major Fund	Total Enterprise Funds	Self Insurance Fund
OPERATING REVENUES:				
Daily sales - reimbursable programs	\$ 773,009	\$ -	\$ 773,009	\$ -
Daily sales - non-reimbursable programs	13,148	-	13,148	-
Rental income	-	367,966	367,966	-
Tuition	173,910	-	173,910	-
Charges for services	-	-	-	12,452,688
Total operating revenues	<u>960,067</u>	<u>367,966</u>	<u>1,328,033</u>	<u>12,452,688</u>
OPERATING EXPENSES:				
Salaries and other personnel costs	482,525	-	482,525	-
Payroll taxes and employee benefits	94,668	-	94,668	-
Management fees	45,450	12,000	57,450	-
Cost of sales - reimbursable programs	287,293	-	287,293	-
Cost of sales - non-reimbursable programs	156,249	-	156,249	-
Supplies and materials	110,180	-	110,180	-
Depreciation	7,041	20,976	28,017	-
Maintenance and repairs	17,077	37,228	54,305	-
Real estate taxes	-	49,896	49,896	-
Utilities	-	44,741	44,741	-
Purchased services	-	7,020	7,020	-
Interest expense	-	66,597	66,597	-
Other objects	28,014	-	28,014	-
Insurance claims	-	-	-	10,466,826
Excess liability insurance premiums	-	-	-	1,288,775
Administrative fees	-	-	-	541,255
Total operating expenses	<u>1,228,497</u>	<u>238,458</u>	<u>1,466,955</u>	<u>12,296,856</u>
OPERATING INCOME (LOSS)	<u>(268,430)</u>	<u>129,508</u>	<u>(138,922)</u>	<u>155,832</u>
NON-OPERATING REVENUES:				
State sources:				
State school lunch program	9,031	-	9,031	-
Federal sources:				
School breakfast program	26,528	-	26,528	-
National school lunch program	234,941	-	234,941	-
After school snack program	733	-	733	-
Special milk program	1,048	-	1,048	-
Food donation program	70,260	-	70,260	-
Interest income	6,038	-	6,038	12,853
Total nonoperating revenues	<u>348,579</u>	<u>-</u>	<u>348,579</u>	<u>12,853</u>
NET INCOME (LOSS)	80,149	129,508	209,657	168,685
OTHER FINANCING SOURCES:				
Transfer from General Fund	1,100	-	1,100	-
Change in net position	81,249	129,508	210,757	168,685
Total net position - beginning	<u>319,176</u>	<u>253,256</u>	<u>572,432</u>	<u>-</u>
Total net position - ending	<u>\$ 400,425</u>	<u>\$ 382,764</u>	<u>\$ 783,189</u>	<u>\$ 168,685</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds			Major Fund Internal Service Fund
	Non-Major Funds	Major Fund	Total Enterprise Funds	Self Insurance Fund
	CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 937,983	\$ 367,731	\$ 1,305,714	\$ 13,037,784
Payments for employees and employee benefits	(569,988)	-	(569,988)	(11,010,667)
Payments to suppliers for goods and services	(560,517)	(153,379)	(713,896)	(496,649)
Net cash used in operating activities	<u>(192,522)</u>	<u>214,352</u>	<u>21,830</u>	<u>1,530,468</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State sources	8,956	-	8,956	-
Federal sources	263,492	-	263,492	-
Other income	1,100	-	1,100	-
Net cash provided by non-capital financing activities	<u>273,548</u>	<u>-</u>	<u>273,548</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	(231,647)	(231,647)	-
Purchase of capital assets	(44,012)	-	(44,012)	-
Net cash used for capital and related financing activities	<u>(44,012)</u>	<u>(231,647)</u>	<u>(275,659)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	6,038	-	6,038	12,853
Net increase (decrease) in cash and cash equivalents	43,052	(17,295)	25,757	1,543,321
Cash and cash equivalents - beginning of year	420,961	233,678	654,639	-
Cash and cash equivalents - end of year	<u>\$ 464,013</u>	<u>\$ 216,383</u>	<u>\$ 680,396</u>	<u>\$ 1,543,321</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (268,430)	\$ 129,508	\$ (138,922)	\$ 155,832
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and interest expense	7,041	87,573	94,614	-
Food donation program	70,260	-	70,260	-
(Increase) decrease in accounts receivable, net	(600)	(5,905)	(6,505)	(94,334)
(Increase) decrease in interfund receivable	200	-	200	-
(Increase) decrease in prepaid expenses	9,134	-	9,134	-
(Increase) decrease in inventories	10,113	-	10,113	-
Increase (decrease) in accounts payable, net	1,444	(2,494)	(1,050)	554,897
Increase (decrease) in interfund payable, net	-	-	-	74,805
Increase (decrease) in accrued liability	-	-	-	839,268
Increase (decrease) in deferred revenue	(21,684)	5,670	(16,014)	-
Total adjustments	<u>75,908</u>	<u>84,844</u>	<u>160,752</u>	<u>1,374,636</u>
Net cash used in operating activities	<u>\$ (192,522)</u>	<u>\$ 214,352</u>	<u>\$ 21,830</u>	<u>\$ 1,530,468</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 358,920	\$ 30,707	\$ 432,802
Interfund receivable	-	-	75,505
Accounts receivable	-	-	5,103
Total assets	<u>358,920</u>	<u>30,707</u>	<u>513,410</u>
LIABILITIES			
Accounts payable	21,193	-	8,761
Payroll deductions and withholdings	-	-	98,644
Interfund payable	-	-	8,825
Due to student groups	-	-	397,180
Total liabilities	<u>21,193</u>	<u>-</u>	<u>513,410</u>
NET POSITION			
Held in trust for unemployment claims	337,727	-	-
Held in trust for medical and dependent care claims	-	30,707	-
TOTAL NET POSITION	<u>\$ 337,727</u>	<u>\$ 30,707</u>	<u>\$ -</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust
ADDITIONS:		
Contributions:		
Plan members	\$ 145,011	\$ 87,904
Total contributions	<u>145,011</u>	<u>87,904</u>
Investment earnings:		
Interest	4,781	348
Total investment earnings	<u>4,781</u>	<u>348</u>
Total additions	<u>149,792</u>	<u>88,252</u>
DEDUCTIONS:		
Quarterly contribution reports	62,671	-
Unemployment claims	13,692	-
Qualified medical and dependent care claims	-	79,118
Service charges	-	2,405
Total deductions	<u>76,363</u>	<u>81,523</u>
Change in net position	73,429	6,729
Net position-beginning of the year	<u>264,298</u>	<u>23,978</u>
Net position-end of the year	<u>\$ 337,727</u>	<u>\$ 30,707</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Mount Olive Township School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The purpose of the District is to educate students in grades K-12. The District is a Type II district whose operations include the elementary, middle and high schools located in the County of Morris, State of New Jersey. As a Type II district, the District functions independently through a Board of Education ("Board"). The Board is comprised of nine members elected to three-year terms and is responsible for the fiscal control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Board's accounting policies are described below.

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide Financial Statements, including a statement of net position and a statement of activities, and Fund Financial Statements which provide a more detailed level of financial information.

District-Wide Financial Statements:

The *statement of net position* and the *statement of activities* present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Fund Types

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by Board resolution.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Basis of Presentation: (Cont'd)

Governmental Fund Types (Cont'd)

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

Proprietary Fund Types

Proprietary Funds are used to account for activities that are similar to business operations in the private sector. There are two categories of Proprietary Funds -- Enterprise Funds and Internal Service Funds. The following is a description of the Proprietary Funds of the District:

Enterprise Fund: The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (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. The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's food service operations, its summer programs, and building rentals. The building rental account is considered a major fund of the District.

Internal Service Fund: The Internal Service Fund is utilized to finance, administer and account for activities that provide goods and/or services to other departments or agencies on a cost-reimbursement basis. GASB Statement No. 10 permits school districts to use an Internal Service Fund to account for risk financing activities, such as self-insurance funds. Accordingly, the District uses the Internal Service Fund to account for its self-insurance activities and is considered a major fund of the District.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, the Payroll Agency Fund, the Flexible Spending Account Trust Fund, and the Unemployment Compensation Insurance Trust Fund.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Measurement Focus and Basis of Accounting:

Measurement focus and basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and capital leases and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

Like the district-wide financial statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting in which revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as revenue. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net position presents increases and decreases in total net position. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

Due to the differences in the measurement focus and basis of accounting used on the district-wide statements and the governmental fund financial statements, the basic financial statements contain a full reconciliation of these items on Schedules B-1a and B-3.

C. Budgets/Budgetary Control:

An annual appropriated budget is prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget is submitted to the County Office for approval by the Executive County Superintendent before it is formally adopted by the Board of Education. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund, as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by the Board of Education. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget, which have been adjusted for legally authorized revisions of the annual budget during the fiscal year.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Budgets/Budgetary Control: (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of those instances described in the succeeding paragraphs. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

The General Fund budgetary revenue differs from GAAP revenue due to the difference in revenue recognition of the final two state aid payments. These payments, which are recognized as revenue for budgeting purposes, must be excluded from revenue on the GAAP financial statements since the State records the payments in the subsequent fiscal year. N.J.S.A. 18A:22-44.2 provides that, in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

However, for intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the final two state aid payments in the subsequent fiscal year, school districts cannot recognize this revenue on the GAAP financial statements until the year the State records the payable.

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to the difference in revenue recognition of grant funds awarded by the New Jersey Schools Development Authority (SDA). On the budgetary basis, SDA grants are recognized in full when the grant is awarded. On the GAAP financial statements, SDA funds are recognized as they are expended and requested for reimbursement.

GASB 34 requires a reconciliation of inflows and outflows from the budgetary comparison schedules to the GAAP basis funds statements. The reconciliation between budgetary inflows and outflows and GAAP revenues and expenditures is detailed on Schedule C-3 in the required supplementary information section of this report.

D. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Cash and Cash Equivalents and Investments: (Cont'd)

New Jersey school districts are limited as to type 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 Governmental 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

E. Interfund Transactions:

On the fund financial statements, receivables and payables resulting from interfund transactions are classified as "Due to/from Other Funds" when there is an expectation of repayment. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds and after non-operating revenue/expenses in the Enterprise Fund.

On the district-wide financial statements, interfund balances between governmental funds are eliminated in the statement of net position and the net residual amounts due between governmental and business-type activities is presented as internal balances.

F. Encumbrances:

Under encumbrance accounting, purchase orders, contracts and/or other commitments that are issued in the current year that will be honored in the subsequent year are considered reservations of fund balance in order to reserve a portion of the applicable appropriation. Open encumbrances do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the Special Revenue Fund, are reported as restricted, committed, and/or assigned fund balances at fiscal year-end, depending on their level of restriction. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount at the end of the current fiscal year.

Open encumbrances in the Special Revenue Fund for which the district has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

G. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed over the twelve-month fiscal year; however, salaries may be accrued at year-end for unsettled employment contracts. At June 30, 2018 the District had no unsettled employment contracts.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Capital Assets:

The capitalization threshold used by school districts in the State of New Jersey is \$2,000. In the district-wide financial statements, all capital assets, with the exception of land, are recorded at original cost and are depreciated over the estimated useful life of the asset. Land has been recorded at the estimated historical cost at the time the land was acquired and is not depreciated. Donated capital assets are valued at their estimated fair market value on the date received. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost.

Depreciation is computed using the straight-line method in accordance with the following schedule of useful lives:

	Estimated Useful Life
Buildings and building improvements	25-50 years
Tools and machinery	10-15 years
Vehicles	10 years
Public safety and security related equipment	10-20 years
Recreational and fine arts equipment	12-15 years
Office equipment	7-10 years
Furnishings	10-20 years
Computer hardware	5 years
Kitchen equipment	12 years
Laboratory, scientific and medical apparatus	10 years
Audiovisual and communications equipment	7-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental funds upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations, such as accrued compensated absences and net pension liability, are reported as liabilities in the applicable governmental or business-type activities. Bond discounts and deferred interest on refunding bonds are reported as deferred charges and are amortized over the term of the related debt using the straight-line method of amortization. Premiums received on debt issuances are reported as current liabilities and are expensed over the term of the related debt using the straight-line method of amortization. In the fund financial statements, transactions related to new bond issues are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the year incurred.

J. Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Unearned revenue in the general and enterprise funds represents cash which has been received but not yet earned, such as tuition and facility rental fees. Unearned revenue in the special revenue fund represents grants and entitlement funds received before the eligibility requirements have been met.

K. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Inventories:

Inventories are presented at cost, which approximates market, using the first-in, first-out ("FIFO") method and are expensed when used. Inventories of proprietary funds consist of food and goods held for resale, including supplies, and are expensed when used.

M. Compensated Absences:

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

District employees are granted personal days and vacation and sick leave in varying amounts in accordance with the District's employment contracts. Upon termination, resignation or retirement employees are paid for accrued vacation. Unused sick leave benefits begin vesting after 15 years of continuous service with the District for employees covered under the EAMO contract and 10 years of service for employees covered by the Administrators' contract. Accumulated sick leave is paid out at fixed maximum amounts in accordance with the appropriate employment contract.

In the district-wide Statement of Net Position, compensated absences are reported as liabilities and are broken down between those that are due within one year and those payable beyond one year.

N. Revenue - Exchange and Nonexchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified-accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, tuition, unrestricted grants, and interest.

O. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Restrictions, Commitments, and Assignments:

The District reports its fund balance classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which 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.

The *restricted* fund balance category includes amounts constrained for specific purposes as stipulated by external parties, constitutional provision, or enabling legislation. At June 30, 2018 the District had restricted fund balances of \$4,249,136 for capital projects, \$6,495 for future debt service payments, and \$1,256,630 for excess surplus, which will be appropriated and included as anticipated revenue in future operating budgets.

The *committed* fund balance classification includes amounts that can be used only for specific purposes as determined by formal action of the District's highest level of decision-making authority. The Board of Education has the authority to formally commit resources for specific purposes through a formal motion or resolution that is passed by a majority of the members of the Board of Education at a public meeting. Such process must also be used to remove or change the commitment of resources. At June 30, 2018 the District had committed resources totaling \$1,858,255 for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Purchase of (10) 54-passenger school buses	\$921,223
Purchase of (4) 24-passenger special education vans	236,878
Air dome lease	557,469
Replacement of boiler at Mountain View Elementary School	110,000
Athletic supplies and equipment	32,685
	<u>\$1,858,255</u>

Amounts in the *assigned* fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. At June 30, 2018 the District had assigned resources for outstanding encumbrances totaling \$551,762 and for amounts designated for subsequent year's expenditures totaling \$2,254,066.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. At June 30, 2018 the District had unassigned resources totaling \$1,687,670. In funds other than the General Fund, the unassigned classification would be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Q. Calculation of Excess Surplus:

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C. 73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). The law limits the maximum unassigned fund balance which regular districts may have at year end to 2 percent of adjusted General Fund expenditures. The amount in excess of the 2 percent limitation must be restricted and appropriated and included as anticipated revenue in a subsequent year's budget. At June 30, 2018 the District had fund balance restricted for excess surplus in the amount of \$1,256,630. Of this amount, \$1,015,483 has been appropriated and included as anticipated revenue in the 2018-2019 budget and \$241,147 will be appropriated and included as anticipated revenue in the 2019-2020 budget. The excess surplus calculation is included in the Auditor's Management Report (AMR).

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. At June 30, 2018, the District had \$1,131,598 in deferred outflows of resources for deferred loss on defeasance of debt arising from the issuance of refunding bonds and \$8,493,030 for deferred amounts related to the PERS pension liability. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. At June 30, 2018, the District had \$6,917,800 in deferred inflows of resources for the deferred amounts related to the PERS pension liability.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Operating Revenue and Expenses:

Operating revenue are those revenue that are generated directly from the primary activity of the Enterprise Fund. For the District, these revenue are sales from food service operations and tuition for the community school and summer school programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

T. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence.

U. Allocation of Indirect Expenses:

Expenses that can be directly attributable to a specific function are reported by function in the Statement of Activities. Indirect expenses, which are not clearly identifiable with a function, are allocated to functions where practicable. Employee benefits and depreciation expense are two examples of indirect expenses. Employee benefits that cannot be directly attributable to a specific function, such as social security, pension contributions, workers compensation, and medical and dental benefits are allocated based on the salaries of that function. Depreciation expense on capital assets purchased after July 1, 2002 is allocated by function. However, depreciation expense on capital assets purchased prior to July 1, 2002 is unallocated and is reported as unallocated depreciation on the Statement of Activities.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Accounting and Financial Reporting for Pensions:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires state or local government employers (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. Deferred outflows and inflows of resources are recognized for differences between expected and actual experience, changes of assumptions, the net difference between projected and actual investment earnings on pension plan investments, changes in proportion, and differences between employer contributions and proportionate share of contributions.

Note 12 provides a full description of the pension plans offered by the District along with the related accounting and financial data.

W. Recent Accounting Pronouncements:

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017 and was implemented by the District for the year ended June 30, 2018.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The District does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The District implemented this statement for the year ended June 30, 2018.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Recent Accounting Pronouncements: (Cont'd)

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District had no transactions of this type for the year ended June 30, 2018.

In June 2017, the Government Accounting Standards Board issued GASB Statement 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District is currently reviewing what effect, if any, this Statement may have on future financial statements.

In March 2018, the Government Accounting Standards Board issued GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The District believes this may impact the disclosures relating to debt in the notes to the financial statements.

X. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Y. Deficit Net Position:

At June 30, 2018, the District has a deficit in unrestricted net position of \$26,399,461 in governmental activities. The deficit is directly attributable to the District's allocated share of the net pension liability for PERS employees, which totaled \$30,272,597 at year-end. The deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board 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.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Credit Risk - The District limits its investments to those authorized in its cash management plan which are permitted under state statute as detailed below.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which 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.

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, and

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.

Permissible Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities, provided they meet the following criteria detailed in the statute:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2018, cash and cash equivalents of the District consisted entirely of amounts deposited in interest bearing checking, savings, and money market accounts as follows:

	Carrying Amount	Bank Balance
Governmental Funds - Unrestricted	\$6,177,713	\$7,466,649
Governmental Funds - Restricted	4,261,066	4,251,566
Proprietary Funds - Unrestricted	2,223,717	2,224,642
Proprietary Funds - Restricted	4,941	4,941
Agency Funds	432,802	554,072
Trust Funds	389,627	392,349
	\$13,489,866	\$14,894,219

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by resolution of the Board of Education during the 1998-99 fiscal year to provide for the accumulation of funds for 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 State 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. 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. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the 2017-18 fiscal year is as follows:

Beginning balance, July 1, 2017		\$5,983,467
Increased by:		
Additional increase authorized by Board resolution	\$1,100,000	
Funds returned from unexpended project balance	9,500	
Interest earnings	56,169	
		1,165,669
		7,149,136
Decreased by:		
Budgeted withdrawal from capital reserve		2,900,000
Ending balance, June 30, 2018		\$4,249,136

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2018 is \$16,280,000.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 5. RECEIVABLES

Receivables at June 30, 2018 consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. No allowance for uncollectible accounts has been recorded as all receivables are considered collectible in full. The following is a summary of the principal receivable items.

State aid receivable	\$ 1,576,003
Federal grants receivable	473,408
Intergovernmental accounts receivable	137,805
Other accounts receivable	<u>125,402</u>
Total receivables	<u>\$ 2,312,618</u>

A detailed schedule of state aid and federal grants receivable can be found on Schedules K-3 and K-4 of this report.

NOTE 6. INTERFUND BALANCES AND TRANSFERS

The District had the following interfund balances on the various balance sheets at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$357,709	
Special Revenue Fund		\$344,149
Capital Projects Fund		5,435
Proprietary Fund		74,805
Fiduciary Fund	<u>75,505</u>	<u>8,825</u>
	<u>\$433,214</u>	<u>\$433,214</u>

The interfund balance between the General Fund and the Special Revenue Fund is comprised of funds advanced to cover deficit cash balances while awaiting collection of federal grant reimbursements. The interfund balance between the General Fund and the Capital Projects Fund and Fiduciary Fund is comprised of interest earnings not yet transferred at year-end. The interfund balance between the Proprietary Fund and the Fiduciary Fund is comprised of self-insurance funds due to the payroll agency account for employee contribution refunds. All interfund transfers are expected to be repaid within one year.

During the fiscal year, the District made the following interfund transfers from and to the General Fund:

Transfer from Capital Reserve to Capital Projects Fund for local share of capital projects	(\$2,900,000)
Transfer from General Fund to Enterprise Fund for deficit account balance	(1,100)
Transfer from Capital Projects Fund to Capital Reserve for unexpended project balance	<u>9,500</u>
Net Transfers from General Fund	<u>(\$2,891,600)</u>

NOTE 7. INVENTORIES

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$ 8,365
Non-Food Items	<u>4,750</u>
	<u>\$ 13,115</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

NOTE 8. CAPITAL ASSETS

The District appointed Acclaim Inventory LLC to conduct a physical inventory of its capital assets as of June 30, 2018. The following schedule details the district's capital asset activity for the year ended June 30, 2018:

	Beginning Balance	Additions	Sold	Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,377,059	\$ -	\$ -	\$ -	\$ 1,377,059
Total capital assets not being depreciated	<u>1,377,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,377,059</u>
Capital assets being depreciated:					
Site and site improvements	8,570,020	2,429,847	-	-	10,999,867
Building and building improvements	110,463,029	5,342,301	-	-	115,805,330
Machinery and equipment	12,640,972	1,346,589	(1,192,164)	399,381	13,194,778
Total capital assets being depreciated	<u>131,674,021</u>	<u>9,118,737</u>	<u>(1,192,164)</u>	<u>399,381</u>	<u>139,999,975</u>
Governmental activities capital assets	<u>133,051,080</u>	<u>9,118,737</u>	<u>(1,192,164)</u>	<u>399,381</u>	<u>141,377,034</u>
Less accumulated depreciation for:					
Site and site improvements	(3,405,715)	(375,341)	-	-	(3,781,056)
Building and improvements	(49,147,768)	(3,376,019)	-	-	(52,523,787)
Machinery and equipment	(6,766,857)	(905,744)	1,144,414	(314,392)	(6,842,579)
Total accumulated depreciation	<u>(59,320,340)</u>	<u>(4,657,104)</u>	<u>1,144,414</u>	<u>(314,392)</u>	<u>(63,147,422)</u>
Government activities capital assets, net	<u>\$ 73,730,740</u>	<u>\$ 4,461,633</u>	<u>\$ (47,750)</u>	<u>\$ 84,989</u>	<u>\$ 78,229,612</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 651,200	\$ -	\$ -	\$ -	\$ 651,200
Total capital assets not being depreciated	<u>651,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,200</u>
Capital assets being depreciated:					
Building and building improvements	1,048,800	-	-	-	1,048,800
Machinery and equipment	435,294	13,000	-	-	448,294
Total capital assets being depreciated	<u>1,484,094</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>1,497,094</u>
Business-type activities capital assets	<u>2,135,294</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>2,148,294</u>
Less accumulated depreciation for:					
Building and improvements	(54,976)	(20,976)	-	-	(75,952)
Machinery and equipment	(386,986)	(7,042)	-	-	(394,028)
Total accumulated depreciation	<u>(441,962)</u>	<u>(28,018)</u>	<u>-</u>	<u>-</u>	<u>(469,980)</u>
Business-type activities capital assets, net	<u>\$ 1,693,332</u>	<u>\$ (15,018)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,678,314</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular programs – instruction	\$ 123,933
Student and instruction related services	262,275
School administrative services	4,870
Other administrative services	55,012
Plant operations and maintenance	3,889,684
Pupil transportation	263,330
School sponsored co-curricular activities	3,068
Unallocated depreciation	<u>54,932</u>
Total depreciation expense	<u>\$ 4,657,104</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018 the following changes occurred in long-term obligations reported in the district-wide financial statements:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Serial bonds payable	\$ 32,940,000	\$ -	\$ 3,345,000	\$ 29,595,000
Capital leases payable	1,193,296	2,400,000	384,215	3,209,081
Unamortized bond issuance premium	4,152,161	-	609,424	3,542,737
Net pension liability	38,972,458		8,699,861	30,272,597
Compensated absences payable	1,694,574	229,999	172,724	1,751,849
Total governmental activities	<u>78,952,489</u>	<u>2,629,999</u>	<u>13,211,224</u>	<u>68,371,264</u>
Business-type activities:				
Building lease payable	<u>1,550,044</u>	<u>-</u>	<u>161,296</u>	<u>1,388,748</u>
Total long-term liabilities	<u>\$ 80,502,533</u>	<u>\$ 2,629,999</u>	<u>\$ 13,372,520</u>	<u>\$ 69,760,012</u>

	<u>Due Within One Year</u>	<u>Due Beyond One Year</u>	<u>Total</u>
Governmental activities:			
Serial bonds payable	\$ 3,485,000	\$ 26,110,000	\$ 29,595,000
Capital leases payable	907,746	2,301,335	3,209,081
Unamortized bond issuance premium	609,424	2,933,313	3,542,737
Net pension liability	1,318,163	28,954,434	30,272,597
Compensated absences payable	147,310	1,604,539	1,751,849
Total governmental activities	<u>6,467,643</u>	<u>61,903,621</u>	<u>68,371,264</u>
Business-type activities:			
Building lease payable	<u>90,068</u>	<u>1,298,680</u>	<u>1,388,748</u>
Total long-term liabilities	<u>\$ 6,557,711</u>	<u>\$ 63,202,301</u>	<u>\$ 69,760,012</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Serial 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.

Bonds payable at June 30, 2018 are comprised of the following issues:

Purpose	Issue Date	Original Amount Issued	Interest Rates	Date of Maturity	Principal Balance at June 30, 2018
Middle School Construction	10/29/2014	\$16,740,000	3.00-5.00%	1/15/2023	\$11,085,000
Early Retirement Incentive	12/20/2011	1,535,000	2.61-3.48%	2/01/2021	605,000
High School Addition	05/31/2012	6,175,000	3.00-4.00%	7/15/2019	2,490,000
High School Addition	04/20/2016	7,540,000	3.00-5.00%	7/15/2029	7,430,000
High School Addition	04/20/2016	8,095,000	3.00-5.00%	7/15/2025	7,985,000
					<u>\$29,595,000</u>

Bond Obligations:

Debt service requirements on serial bonds payable at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 3,485,000	\$ 1,283,069	\$ 4,768,069
2020	3,540,000	1,146,068	4,686,068
2021	3,720,000	1,004,208	4,724,208
2022	3,660,000	855,400	4,515,400
2023	3,835,000	684,950	4,519,950
2024	1,455,000	506,250	1,961,250
2025	1,515,000	439,275	1,954,275
2026	1,395,000	366,525	1,761,525
2027	1,640,000	290,650	1,930,650
2028	1,710,000	206,900	1,916,900
2029	1,785,000	128,450	1,913,450
2030	1,855,000	46,375	1,901,375
	<u>\$ 29,595,000</u>	<u>\$ 6,958,120</u>	<u>\$ 36,553,120</u>

Capital Leases Payable:

The District has outstanding leases for school buses, LED lighting upgrades, and the air dome at Mount Olive High School. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under capital leases:

Fiscal Year Ending June 30,	Future Minimum Lease Payments
2019	\$ 907,746
2020	808,866
2021	671,015
2022	545,192
2023	276,262
	<u>\$ 3,209,081</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Unamortized Bond Issuance Premium:

At June 30, 2018, the District had unamortized premiums on four refunding bond issues totaling \$3,542,737 as follows:

Issue Date	Unamortized Premium
05/31/2012	\$ 87,943
10/29/2014	1,179,978
04/20/2016	1,297,682
04/20/2016	977,134
	\$ 3,542,737

Amortization expense for the fiscal year ended June 30, 2018 amounted to \$609,424. Bond premiums are amortized using the straight-line method over the life of the specific bonds as follows:

Fiscal Year Ending June 30,	Amortization Expense
2019	\$ 609,424
2020	528,516
2021	524,999
2022	524,999
2023	393,890
2024	262,781
2025	238,949
2026	119,786
2027	119,786
2028	119,786
2029	99,821
	\$ 3,542,737

Net Pension Liability:

At June 30, 2018, the District reported a liability of \$30,272,597 for its proportionate share of the Public Employees' Retirement System's (PERS) net pension liability. Of this amount, \$1,318,163 is due within one year and \$28,954,434 is due beyond one year.

See Note 12 for further information on the PERS pension plan.

Compensated Absences Payable:

The liability for compensated absences reported in the District-wide financial statements consists of unpaid accumulated vacation and sick leave balances as of June 30, 2018. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The entire compensated absence liability is reported on the District-wide financial statements.

The total liability for compensated absences amounted to \$1,751,849 at June 30, 2018. Of this amount, \$147,310 is due within one year and \$1,604,539 is due beyond one year. Compensated absences will be liquidated by the General Fund.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Building Lease Payable:

In July 2015, the District entered into an agreement to purchase property located at 227 US Route 206 in Flanders NJ. The property is comprised of two, nearly identical three-story buildings – one of which is being used as the new administration building, while the other (known as “Building 2”) is being rented as commercial office space. The new administration building was purchased outright for cash at a cost of \$1,700,000. The Board of Education entered into a lease agreement to purchase the second building, which entitles the former owner to earn \$2,350,000 (the “earnout amount”) from the net rents collected from the operation of Building 2. The term of the Building 2 lease is the period of time required for the former owner to receive the entire earnout amount, but shall not exceed 15 years. The difference between the earnout amount of \$2,350,000 and the \$1,700,000 capitalized cost is considered interest, imputed at the rate of 4.35%, which will be expensed over the earnout period, or 15 years, whichever comes first.

During the 2017-18 fiscal year, the District made a payment of \$231,647. Of this amount, \$70,351 was considered interest and the remaining balance of \$161,296 was applied as principal, bringing the outstanding payable balance to \$1,388,748.

NOTE 10. DEFERRED LOSS ON DEFEASANCE OF DEBT

Deferred loss on defeasance of debt arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. The amount is amortized using the straight-line method over the life of the related debt as a component of interest expense. As of June 30, 2018, the District has recorded an unamortized balance of \$1,131,598 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2018 was \$194,529.

NOTE 11. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets 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. The net investment in capital assets is calculated as follows:

Governmental activities:	
Capital assets, net of depreciation	\$ 78,229,612
Outstanding bond obligations used to build or acquire capital assets	(28,990,000)
Capital leases payable	(3,209,081)
Deferred loss on defeasance of debt used to build or acquire capital assets	1,086,507
Unamortized deferred premium	<u>(3,542,737)</u>
Total governmental activities	<u>\$ 43,574,301</u>
Business-type activities:	
Capital assets, net of depreciation	\$ 1,678,314
Outstanding lease obligations used to build or acquire capital assets	<u>(1,388,748)</u>
Total business-type activities	<u>\$ 289,566</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS

Substantially all of the Board's employees participate in one of the three contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey; the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. The District's contribution to PERS amounted to \$1,217,903 for fiscal year 2018. The employee contribution rate as of July 1, 2017 was 7.34% of base salary.

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

At June 30, 2018, the District reported a liability of \$30,272,597 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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 members, actuarially determined. At June 30, 2017, the District's proportion was 0.13%, which was a decrease of 0.0016% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$2,038,134. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience – 2015	\$ 401,335	
Difference between expected and actual experience – 2016	130,764	
Difference between expected and actual experience – 2017	180,716	
Changes in assumptions – 2014	343,410	
Changes in assumptions – 2015	1,446,537	
Changes in assumptions – 2016	4,308,938	\$ 6,076,525
Difference between projected and actual investment earnings – 2014	(362,754)	
Difference between projected and actual investment earnings – 2015	309,450	
Difference between projected and actual investment earnings – 2016	1,297,483	
Difference between projected and actual investment earnings - 2017	<u>(1,038,043)</u>	
	\$7,017,836	<u>6,076,525</u>
Changes in proportion	157,031	\$841,275
District contributions subsequent to the measurement date	<u>1,318,163</u>	
	<u>\$ 8,493,030</u>	<u>\$ 6,917,800</u>

District contributions subsequent to the measurement date (\$1,318,163) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Pension Expense
2018	\$ 712,646
2019	1,075,401
2020	651,638
2021	(866,680)
2022	(631,694)
	\$ 941,311

Changes in Proportion

The previous amounts do not include deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts are recognized (amortized) over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014, respectively.

Actuarial Assumptions

The pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary Increases:	
Through 2026	1.65 - 4.15% (based on age)
Thereafter	2.65 - 5.15% (based on age)
Investment Rate of Return	7.00%

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining 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 collective net pension liability as of June 30, 2017 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:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
District's proportionate share of net pension liability	\$37,555,212	\$30,272,597	\$24,205,277

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

At June 30, 2017, the plan fiduciary net position as a percentage of the total pension liability was 48.10%, which represents an increase of 7.96% over the prior year. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarially determined amount.

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, 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 must disclose the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2018, the State of New Jersey contributed \$4,790,196 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$14,492,652. The employee contribution rate was 7.34% of base salary for the 2018 fiscal year.

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$209,204,843. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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 members, actuarially determined. At June 30, 2017, the District's proportion was 0.3103%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2016.

District's proportionate share of the net pension liability	\$	-0-
State's proportionate share of the net pension liability associated with the district		209,204,843
Total	\$	209,204,843

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$14,492,652. In accordance with GASB Statement No. 24 paragraphs 7 through 13, the District recognized pension expense and revenue in the same amount in the June 30, 2018 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Amortization Period In Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions - 2014	8.5	\$1,383,974,317	
Changes in assumptions - 2015	8.3	3,776,126,119	
Changes in assumptions - 2016	8.3	8,218,154,928	
Changes in assumptions - 2017	8.3		\$11,684,858,458
Difference between expected and actual experience - 2014	8.5		\$13,181,413
Difference between expected and actual experience - 2015	8.3	233,218,057	
Difference between expected and actual experience - 2016	8.3		102,199,790
Difference between expected and actual experience - 2017	8.3	207,898,332	
Net difference between projected and actual investment earnings on pension plan investments - 2014	5	(435,309,142)	
Net difference between projected and actual investment earnings on pension plan investments - 2015	5	385,284,122	
Net difference between projected and actual investment earnings on pension plan investments - 2016	5	1,295,565,574	
Net difference between projected and actual investment earnings on pension plan investments - 2017	5	(904,033,050)	
		<u>\$14,160,879,257</u>	<u>\$11,800,239,661</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Pension Expense
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
	<u>\$ 2,360,639,596</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuary determined contributions. 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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 State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the State's 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:

	At 1% Decrease (3.25%)	At Current Discount Rate (4.25%)	At 1% Increase (5.25%)
State's proportionate share of the net pension liability associated with the District	\$249,450,963	\$209,204,843	\$177,445,437

Pension Plan Fiduciary Net Position

At June 30, 2017, the plan fiduciary net position as a percentage of the total pension liability was 25.41%, which represents an increase of 3.08% over the prior year. Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the Deferred Compensation Retirement Plan (DCRP). The DCRP was established effective July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was later expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment. Employees enrolled in the DCRP contribute 5.5% of their annual compensation, as defined by the plan, which is matched by a 3% employer contribution. Prudential Financial jointly administers the DCRP investments with the New Jersey Division of Pensions and Benefits.

For the fiscal year ended June 30, 2018, the District recognized DCRP pension expense of \$107,081.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Plan Description and Benefits Provided:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers’ Pension and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Employees Covered by Benefit Terms:

At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

OPEB Liability Associated with the District:

The State, a nonemployer 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 GASB 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 following information is reported in the audited Schedule of State of New Jersey’s Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee’s Plan, which can be found at <https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb75-sehbp-audit-2017.pdf>.

The portion of the OPEB liability that was associated with the District recognized at June 30, 2018 was as follows:

District's proportionate share of OPEB liability	\$	-0-
State's proportionate share of OPEB liability associated with the District		<u>181,332,808</u>
Total OPEB liability associated with the District		<u>\$ 181,332,808</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

Changes in the District's Proportionate Share of the State OPEB Liability:

District's proportionate share of OPEB liability - beginning	\$ 195,903,168
Changes for the year:	
Service cost	\$ 7,347,823
Interest cost	5,735,411
Changes in assumptions	(23,608,197)
Member contributions	154,656
Gross benefit payments	<u>(4,200,053)</u>
Net changes	<u>(14,570,360)</u>
District's proportionate share of OPEB liability - ending	<u>\$ 181,332,808</u>

For the fiscal year ended June 30, 2018, the State recognized OPEB expense on behalf of the District in the amount of \$10,544,768. In accordance with GASB Statement No. 24 paragraphs 7 through 13, the District recognized OPEB expense and revenue in the same amount in the June 30, 2018 district-wide financial statements.

Actuarial Assumptions and Other Imputes:

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.5%	
	<u>TPAF/APB</u>	<u>PERS</u>
Salary increases through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Salary increases thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

Actuarial Assumptions and Other Imputes: (Cont'd)

Health Care Trend Assumptions:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate:

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. 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.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate:

The total nonemployer OPEB liability as of June 30, 2017 reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was \$53,639,841,858. The following presents the total nonemployer OPEB liability as of June 30, 2017, calculated using the discount rate disclosed above, as well as what the total nonemployer OPEB 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 discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total Nonemployer OPEB Liability	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953

Because the District's proportionate share of the OPEB liability is zero, potential changes in the discount rate have no bearing on the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total nonemployer OPEB liability as of June 30, 2017, calculated using the healthcare trend rate disclosed above, as well as what the total nonemployer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total Nonemployer OPEB Liability	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457

Because the District's proportionate share of the OPEB liability is zero, potential changes in the healthcare cost trend rate have no bearing on the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Nonemployer OPEB:

The following table illustrates the deferred outflows of resources and deferred inflows of resources as of June 30, 2017 related to retired school employee's OPEB as reported by the State:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs		\$6,343,769,032
Contributions made after the measurement date	\$1,190,373,242	
Total	\$1,190,373,242	\$6,343,769,032

In accordance with GASB Statement No. 75, the District's proportionate share of the OPEB liability is zero; therefore, the proportionate share of deferred outflows of resources and deferred inflows of resources is not reported on the district-wide financial statements.

NOTE 14. ON-BEHALF TPAF SOCIAL SECURITY CONTRIBUTIONS

In addition to the TPAF pension and other post-employment benefits paid on behalf of the District, the State also reimbursed the District for the employer's share of social security contributions for TPAF members, as calculated on their base salaries, in accordance with N.J.S.A. 18A:66-66. The following is a summary of TPAF social security reimbursements made by the State:

Funding Year June 30,	Annual Reimbursement
2018	\$ 2,390,917
2017	2,356,123
2016	2,321,216

On-behalf TPAF social security contributions have been included in the district-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24 paragraphs 7 through 13.

NOTE 15. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The tax sheltered annuity plans, which are administered by the entities listed below, permit 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.

Deferred compensation plans are available from the following providers:

- Ameriprise Financial
- AXA Equitable Financial
- Brighthouse Financial
- Sun America Mutual Funds
- Valic
- Vanguard
- National Education Association (NEA)

The District's Business Administrator acts as the plan administrator for the District's deferred compensation plans.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 16. RISK MANAGEMENT

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

Commercial Insurance – The District maintains commercial insurance coverage for property, general liability, auto, worker’s compensation, 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 Comprehensive Annual Financial Report.

Self-Insurance – Effective July 1, 2017 the District entered into a self-funded insurance plan with Horizon Blue Cross/Blue Shield for medical and prescription coverage and an internal service fund was established to account for its self-insurance activities. To mitigate any potential losses, the District purchased stop loss insurance for claims in excess of \$100,000. An accrued liability in the amount of \$839,268 has been recorded in the internal service fund financial statements for incurred but not reported claims (IBNR). The IBNR liability for medical and prescription claims has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has an unrestricted net position of \$168,685 for future medical and prescription claims.

NOTE 17. 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 the District’s contributions, member contributions, interest earnings, quarterly billings, and reimbursements to the State for benefits paid and the ending balance of the District’s unemployment trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Plan Member Contributions</u>	<u>Board Contributions</u>	<u>Interest Earnings</u>	<u>Quarterly Billings</u>	<u>Reimbursed to State</u>	<u>Ending Balance</u>
2017-2018	\$145,011	\$-0-	\$4,781	\$62,671	\$13,692	\$337,727
2016-2017	\$138,779	\$-0-	\$1,360	\$58,971	\$43,370	\$264,298
2015-2016	\$131,272	\$80,000	\$622	\$53,543	\$65,069	\$226,500

NOTE 18. FUND BALANCE APPROPRIATED

General Fund - Of the \$11,857,519 General Fund balance at June 30, 2018, \$2,410,017 is committed or assigned for outstanding encumbrances, \$3,269,549 has been designated for subsequent year expenditures, \$241,147 has been restricted as excess surplus to be appropriated and included as anticipated revenue in the 2019-20 school district budget, \$4,249,136 has been restricted as capital reserve, and \$1,687,670 is unassigned.

Debt Service Fund – The entire Debt Service Fund balance of \$6,495 at June 30, 2018 has been appropriated and included as anticipated revenue in the 2018-19 school district budget.

NOTE 19. 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 benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19. TAX ABATEMENTS (Cont'd)

The Township of Mount Olive recognized revenue in the amount of \$384,526 from three payment in lieu of taxes ("PILOT") agreements. The taxes that would have been paid on these properties for 2017 without the abatement would have been \$749,688.

The tax abatement agreements entered into by the Township of Mount Olive do not affect the school district's local tax revenue because N.J.S.A. 54:4-76 requires the school district's proportionate share of property taxes to be paid when due in accordance with the payment schedule established by N.J.S.A. 54:4-75. Should there not be sufficient funds in the treasury available for such payments, the governing body shall immediately borrow sufficient money and pay such taxes when due.

NOTE 20. 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, may have an adverse effect on the District's programs and activities.

NOTE 21. CONTINGENT LIABILITIES

Grant Programs:

The District participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies and are subject to program compliance audits by grantors or their representatives. To the extent that the District has not complied with the rules and regulations governing the grants, the school district is potentially liable for expenditures which may be disallowed pursuant to the terms of the grant agreements. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Pending Litigation:

The District is currently involved in two special education placement disputes, which are incidental to the District's operations. The District has ample funds in its tuition budget to cover the cost of an unfavorable settlement.

The Board's attorney is unaware of any other potential claims against the District that would materially affect the financial condition of the District.

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 25, 2019 the date which the financial statements were available to be issued, and no other items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 65,274,998	\$ -	\$ 65,274,998	\$ 65,274,998	\$ -
Tuition charges	300,000	162,607	462,607	837,046	374,439
Transportation fees	5,000	-	5,000	21,146	16,146
Interest on investments	50,000	-	50,000	188,512	138,512
Interest earned on capital reserve funds	12,000	-	12,000	56,169	44,169
Miscellaneous	157,017	-	157,017	478,291	321,274
Total - Local Sources	65,799,015	162,607	65,961,622	66,856,162	894,540
State sources:					
Categorical special education aid	2,959,145	-	2,959,145	2,959,145	-
Equalization aid	11,538,909	311,127	11,850,036	11,850,036	-
Categorical security aid	106,585	-	106,585	106,585	-
Transportation aid	544,347	-	544,347	544,347	-
PARCC readiness aid	44,640	-	44,640	44,640	-
Per pupil growth aid	44,640	-	44,640	44,640	-
Professional learning community aid	44,020	-	44,020	44,020	-
Extraordinary aid	-	-	-	1,475,494	1,475,494
Nonpublic transportation aid	20,000	-	20,000	37,279	17,279
Homeless tuition aid	-	-	-	61,066	61,066
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	4,790,196	4,790,196
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	3,093,886	3,093,886
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	8,418	8,418
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,390,917	2,390,917
Total - State Sources	15,302,286	311,127	15,613,413	27,450,669	11,837,256
Federal sources:					
Medicaid Reimbursement	47,577	-	47,577	84,080	36,503
Total - Federal Sources	47,577	-	47,577	84,080	36,503
TOTAL REVENUES	81,148,878	473,734	81,622,612	94,390,911	12,768,299

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Preschool	\$ 40,596	\$ -	\$ 40,596	40,207	\$ 389
Kindergarten	523,922	34,725	558,647	557,567	1,080
Grades 1 - 5	7,613,380	(202,233)	7,411,147	7,411,047	100
Grades 6 - 8	5,480,388	(267,530)	5,212,858	5,212,701	157
Grades 9 - 12	7,727,805	18,688	7,746,493	7,746,338	155
Regular programs - home instruction:					
Salaries of teachers	22,500	17,625	40,125	40,041	84
Purchased professional - educational services	30,000	14,795	44,795	41,966	2,829
Regular programs - undistributed instruction:					
Other salaries for instruction	198,084	-	198,084	194,126	3,958
Purchased professional - educational services	38,000	(6,700)	31,300	28,300	3,000
Other purchased services	278,900	69,190	348,090	207,651	140,439
General supplies	1,414,937	(68,505)	1,346,432	1,273,808	72,624
Textbooks	159,087	(69,391)	89,696	71,527	18,169
Other objects	14,058	-	14,058	8,986	5,072
Total Regular Programs - Instruction	23,541,657	(459,336)	23,082,321	22,834,265	248,056
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	1,270,780	(648,143)	622,637	618,600	4,037
Other salaries for instruction	44,541	39,427	83,968	74,661	9,307
Total Learning and/or Language Disabilities	1,315,321	(608,716)	706,605	693,261	13,344
Behavioral disabilities:					
Salaries of teachers	238,591	52,021	290,612	289,060	1,552
Other salaries for instruction	119,223	8,515	127,738	126,838	900
Total Behavioral Disabilities	357,814	60,536	418,350	415,898	2,452

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 303,433	\$ 78,999	\$ 382,432	\$ 373,127	\$ 9,305
Other salaries for instruction	62,930	(5,724)	57,206	40,926	16,280
Other objects	200	2,000	2,200	2,167	33
Total Multiple Disabilities	366,563	75,275	441,838	416,220	25,618
Resource room/resource center:					
Salaries of teachers	2,979,473	558,509	3,537,982	3,526,260	11,722
Other salaries for instruction	684,834	(165,565)	519,269	519,142	127
General supplies	3,000	-	3,000	-	3,000
Total Resource Room/Resource Center	3,667,307	392,944	4,060,251	4,045,402	14,849
Autism:					
Salaries of teachers	179,020	(14,919)	164,101	153,766	10,335
Other salaries for instruction	187,153	(30,150)	157,003	156,119	884
Other objects	3,000	-	3,000	-	3,000
Total Autism	369,173	(45,069)	324,104	309,885	14,219
Preschool disabilities - Part-Time:					
Salaries of teachers	196,345	15,255	211,600	211,592	8
Other salaries for instruction	74,250	-	74,250	60,278	13,972
Total Preschool Disabilities - Part-Time	270,595	15,255	285,850	271,870	13,980
Home instruction:					
Salaries of teachers	20,000	8,625	28,625	28,603	22
Purchased professional - educational services	16,800	3,355	20,155	20,107	48
Other purchased services	6,500	(4,500)	2,000	1,368	632
Total Home Instruction	43,300	7,480	50,780	50,078	702
Total Special Education - Instruction	6,390,073	(102,295)	6,287,778	6,202,614	85,164

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 701,218	\$ (62,013)	\$ 639,205	\$ 625,490	\$ 13,715
General supplies	23,910	(15,900)	8,010	2,447	5,563
Total Basic Skills/Remedial - Instruction	<u>725,128</u>	<u>(77,913)</u>	<u>647,215</u>	<u>627,937</u>	<u>19,278</u>
Bilingual education - instruction:					
Salaries of teachers	395,973	-	395,973	392,358	3,615
General supplies	3,672	-	3,672	680	2,992
Textbooks	4,000	-	4,000	-	4,000
Total Bilingual Education - Instruction	<u>403,645</u>	<u>-</u>	<u>403,645</u>	<u>393,038</u>	<u>10,607</u>
Total Other Instructional Programs	<u>1,128,773</u>	<u>(77,913)</u>	<u>1,050,860</u>	<u>1,020,975</u>	<u>29,885</u>
School sponsored other instructional programs:					
School sponsored co/extra curricular activities - instruction:					
Salaries	257,423	69,315	326,738	326,286	452
Purchased services	37,500	57,247	94,747	38,311	56,436
Supplies and materials	8,600	26,339	34,939	26,421	8,518
Other objects	18,360	-	18,360	17,027	1,333
Total School Sponsored Co/Extra Curricular Activities - Instruction	<u>321,883</u>	<u>152,901</u>	<u>474,784</u>	<u>408,045</u>	<u>66,739</u>
School sponsored athletics - instruction:					
Salaries	656,353	44,400	700,753	700,380	373
Purchased services	111,260	144,794	256,054	136,621	119,433
Supplies and materials	98,000	59,298	157,298	120,008	37,290
Other objects	51,500	(15,000)	36,500	26,909	9,591
Total School Sponsored Athletics - instruction	<u>917,113</u>	<u>233,492</u>	<u>1,150,605</u>	<u>983,918</u>	<u>166,687</u>
School sponsored before/after school programs - instruction:					
Salaries of teachers	25,000	228,807	253,807	243,486	10,321
Other salaries for instruction	20,000	(2,925)	17,075	7,513	9,562
Salaries of teacher tutors	80,000	(39,300)	40,700	33,591	7,109
Purchased services	-	1,000	1,000	550	450
Supplies and materials	8,050	9,000	17,050	13,041	4,009
Other objects	1,500	-	1,500	789	711
Total School Sponsored Before/After School Programs - Instruction	<u>134,550</u>	<u>196,582</u>	<u>331,132</u>	<u>298,970</u>	<u>32,162</u>

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Community services programs:					
Purchased services	-	282,235	282,235	3,500	278,735
Total Community Services Programs	-	282,235	282,235	3,500	278,735
Total School Sponsored Other Instructional Programs	1,373,546	865,210	2,238,756	1,694,433	544,323
TOTAL DISTRIBUTED EXPENDITURES	\$ 32,434,049	\$ 225,666	\$ 32,659,715	\$ 31,752,287	\$ 907,428
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	-	63,735	63,735	63,624	111
Tuition to other LEAs within the state - special	105,828	31,025	136,853	135,037	1,816
Tuition to county vocational school districts - regular	650,000	-	650,000	645,699	4,301
Tuition to county vocational school districts - special	50,000	-	50,000	35,000	15,000
Tuition to CSSSD and regional day schools	364,492	(70,875)	293,617	206,306	87,311
Tuition to private schools for the disabled - within state	1,675,286	(314,021)	1,361,265	1,211,726	149,539
Tuition - state facilities	65,904	-	65,904	65,904	-
Tuition - other	13,862	-	13,862	3,436	10,426
Total Undistributed Expenditures - Instruction	2,925,372	(290,136)	2,635,236	2,366,732	268,504
Health services:					
Salaries	665,268	27,511	692,779	692,708	71
Purchased professional and technical services	51,000	2,375	53,375	53,288	87
Other purchased services	3,177	-	3,177	2,393	784
Supplies and materials	33,139	(1,099)	32,040	30,206	1,834
Total Health Services	752,584	28,787	781,371	778,595	2,776
Other support services - students - related services:					
Salaries	1,087,186	(97,380)	989,806	981,699	8,107
Purchased professional - educational services	313,910	11,125	325,035	301,813	23,222
Other objects	460	-	460	65	395
Total Other Support Services - Students - Related Services	1,401,556	(86,255)	1,315,301	1,283,577	31,724
Other support services - students - extraordinary services:					
Salaries	961,674	287,648	1,249,322	1,216,227	33,095
Purchased professional - educational services	239,216	(13,700)	225,516	219,967	5,549
Total Other Support Services - Students - Extra. Serv.	1,200,890	273,948	1,474,838	1,436,194	38,644

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - regular:					
Salaries of other professional staff	\$ 1,361,934	\$ (7,090)	\$ 1,354,844	\$ 1,352,184	\$ 2,660
Salaries of secretarial and clerical assistants	85,190	825	86,015	86,013	2
Other purchased professional and technical services	18,900	-	18,900	14,890	4,010
Other purchased services	49,176	10,500	59,676	58,376	1,300
Supplies and materials	22,155	(3,993)	18,162	8,207	9,955
Other objects	3,000	-	3,000	2,857	143
Total Other Support Services - Students - Regular	1,540,355	242	1,540,597	1,522,527	18,070
Other support services - students - special:					
Salaries of other professional staff	1,406,793	98,845	1,505,638	1,501,257	4,381
Salaries of secretarial and clerical assistants	246,767	-	246,767	245,952	815
Purchased professional - educational services	55,000	(12,085)	42,915	41,560	1,355
Other purchased professional and technical services	31,959	(5,500)	26,459	26,277	182
Miscellaneous purchased services	9,000	-	9,000	8,286	714
Supplies and materials	9,000	(1,940)	7,060	4,828	2,232
Total Other Support Services - Students - Special	1,758,519	79,320	1,837,839	1,828,160	9,679
Improvement of instructional services:					
Salaries of supervisors of instruction	734,307	67,354	801,661	801,631	30
Salaries of other professional staff	40,000	30,230	70,230	70,218	12
Salaries of secretarial and clerical assistants	244,377	(10,209)	234,168	233,588	580
Unused vacation payments to terminated/retired staff		18,934	18,934	18,934	-
Other purchased professional and technical services	1,800	-	1,800	-	1,800
Other purchased services	20,801	(2,500)	18,301	16,826	1,475
Supplies and materials	16,500	(4,801)	11,699	9,588	2,111
Other objects	6,000	-	6,000	5,139	861
Total Improvement of Instruction Services	1,063,785	99,008	1,162,793	1,155,924	6,869

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	\$ 425,710	\$ (69,000)	\$ 356,710	\$ 355,397	\$ 1,313
Other purchased services	63,477	-	63,477	50,746	12,731
Supplies and materials	102,859	(2,325)	100,534	91,213	9,321
Total Educational Media Services/School Library	592,046	(71,325)	520,721	497,356	23,365
Instructional staff training services:					
Salaries of other professional staff	20,000	(10,000)	10,000	4,523	5,477
Purchased professional - educational services	8,700	10,000	18,700	17,850	850
Other purchased services	23,400	-	23,400	16,927	6,473
Supplies and materials	10,200	-	10,200	5,693	4,507
Other objects	1,500	-	1,500	-	1,500
Total Instructional Staff Training Services	63,800	-	63,800	44,993	18,807
Support services - general administration:					
Salaries	516,900	-	516,900	509,252	7,648
Legal services	150,000	10,499	160,499	154,591	5,908
Audit fees	32,500	-	32,500	32,500	-
Other purchased professional services	23,750	1,800	25,550	25,510	40
Communications/telephone	273,690	3,000	276,690	275,624	1,066
BOE other purchased services	5,000	5,200	10,200	7,055	3,145
Other purchased services	424,220	(82,270)	341,950	340,554	1,396
General supplies	9,180	565	9,745	9,427	318
Judgements against the school district	-	7,901	7,901	7,891	10
Miscellaneous expenditures	12,500	36,475	48,975	48,928	47
BOE membership dues and fees	27,700	(700)	27,000	26,732	268
Total Support Services - General Administration	1,475,440	(17,530)	1,457,910	1,438,064	19,846

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,620,012	\$ (41,654)	\$ 1,578,358	\$ 1,578,326	\$ 32
Salaries of other professional staff	988,372	9,642	998,014	998,014	-
Salaries of secretarial and clerical assistants	712,868	15,524	728,392	728,183	209
Unused vacation payments to terminated/retired staff	-	19,784	19,784	19,783	1
Other purchased services	14,700	12,200	26,900	24,747	2,153
Supplies and materials	84,590	(5,706)	78,884	76,027	2,857
Other objects	38,550	(5,500)	33,050	31,080	1,970
Total Support Services - School Administration	3,459,092	4,290	3,463,382	3,456,160	7,222
Central services:					
Salaries	531,665	2,735	534,400	534,025	375
Unused vacation payments to terminated/retired staff	-	5,690	5,690	5,689	1
Miscellaneous purchased services	113,300	14,675	127,975	127,901	74
Supplies and materials	13,515	199	13,714	12,796	918
Interest on lease purchase agreements	-	21,467	21,467	21,467	-
Miscellaneous expenditures	1,600	-	1,600	1,540	60
Total Central Services	660,080	44,766	704,846	703,418	1,428
Administrative information technology:					
Salaries	567,353	5,125	572,478	570,268	2,210
Other purchased services	224,450	124,287	348,737	342,049	6,688
Supplies and materials	48,000	(20,383)	27,617	26,042	1,575
Other objects	3,600	(3,025)	575	575	-
Total Administrative Information Technology	843,403	106,004	949,407	938,934	10,473
Required maintenance for school facilities:					
Salaries	210,071	42,775	252,846	250,444	2,402
Cleaning, repair and maintenance services	988,495	68,436	1,056,931	1,015,882	41,049
General supplies	268,220	31,238	299,458	289,751	9,707
Other objects	6,840	-	6,840	4,910	1,930
Total Required Maintenance for School Facilities	1,473,626	142,449	1,616,075	1,560,987	55,088

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Salaries	\$ 3,155,846	\$ 288,035	\$ 3,443,881	\$ 3,432,816	\$ 11,065
Salaries of non-instructional aides	361,909	-	361,909	354,039	7,870
Unused vacation payments to terminated/retired staff	-	4,743	4,743	4,743	-
Purchased professional and technical services	45,000	145,784	190,784	188,173	2,611
Cleaning, repair and maintenance services	217,843	55,450	273,293	267,195	6,098
Rental of land and buildings other than lease purchase	-	24,000	24,000	24,000	-
Other purchased property services	413,624	99,000	512,624	501,910	10,714
Insurance	183,750	30,518	214,268	214,268	-
Miscellaneous purchased services	15,600	135,200	150,800	109,682	41,118
General supplies	430,542	346,338	776,880	770,263	6,617
Energy (natural gas)	550,000	(85,000)	465,000	397,342	67,658
Energy (electricity)	1,052,000	(190,000)	862,000	816,455	45,545
Energy (oil)	9,743	-	9,743	4,129	5,614
Energy (gasoline)	55,000	(15,000)	40,000	38,350	1,650
Other objects	3,750	-	3,750	3,274	476
Total Custodial Services	6,494,607	839,068	7,333,675	7,126,639	207,036
Care and upkeep of grounds:					
Salaries	311,379	52,525	363,904	363,123	781
Purchased professional and technical services	5,000	-	5,000	2,000	3,000
Cleaning, repair and maintenance services	272,300	396,745	669,045	650,271	18,774
General supplies	149,460	4,750	154,210	151,061	3,149
Total Care and Upkeep of Grounds	738,139	454,020	1,192,159	1,166,455	25,704
Security:					
Salaries	127,694	80,000	207,694	199,650	8,044
Purchased professional and technical services	44,000	(2,675)	41,325	41,324	1
Cleaning, repair and maintenance services	20,000	(3,400)	16,600	9,473	7,127
General supplies	61,000	(18,235)	42,765	42,348	417
Other objects	-	200	200	19	181
Total Security	252,694	55,890	308,584	292,814	15,770
Total Operation and Maintenance of Plant Services	8,959,066	1,491,427	10,450,493	10,146,895	303,598

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries of non-instructional aides	\$ 163,615	\$ 30,800	\$ 194,415	\$ 194,403	\$ 12
Salaries for pupil trans. (between home & school) - regular	1,946,143	158,500	2,104,643	2,104,556	87
Salaries for pupil trans. (between home & school) - special ed.	402,218	(69,050)	333,168	331,012	2,156
Salaries for pupil trans. (other than between home & school)	150,000	(19,575)	130,425	130,408	17
Salaries for pupil trans. (between home & school) - nonpublic	97,885	2,525	100,410	100,410	-
Unused vacation payments to terminated/retired staff	12,000	-	12,000	2,799	9,201
Management fees - ESC & CTSA transportation programs	24,968	4,000	28,968	27,019	1,949
Cleaning, repair and maintenance services	74,715	-	74,715	66,639	8,076
Lease purchase payments - school buses	325,058	-	325,058	325,058	-
Contracted services - aid in lieu payments - nonpublic schools	67,184	15,100	82,284	82,271	13
Contracted services - aid in lieu payments - charter schools	8,840	(3,000)	5,840	5,000	840
Contracted services - aid in lieu payments - choice schools	7,072	8,250	15,322	15,300	22
Contracted services (other than bet. home & school) - vendors	42,240	(7,100)	35,140	17,858	17,282
Contracted services (between home & school) - joint agreements	8,900	-	8,900	8,141	759
Contracted services (special ed. students) - vendors	28,000	52,848	80,848	70,630	10,218
Contracted services (regular students) - ESCs & CTSA's	132,549	347,927	480,476	480,476	-
Contracted services (special ed. students) - ESCs & CTSA's	626,382	(312,823)	313,559	313,559	-
Miscellaneous purchased services	125,812	10,000	135,812	132,929	2,883
Fuel and general supplies	342,000	(105,698)	236,302	230,064	6,238
Transportation supplies	352,995	(33,662)	319,333	312,185	7,148
Miscellaneous expenditures	1,825	1,100	2,925	2,864	61
Total Student Transportation Services	4,940,401	80,142	5,020,543	4,953,581	66,962
Unallocated employee benefits:					
Social security contributions	1,173,625	87,700	1,261,325	1,239,300	22,025
Other retirement contributions - PERS	1,337,700	(107,902)	1,229,798	1,226,503	3,295
Other retirement contributions - regular	80,000	28,000	108,000	107,081	919
Workers compensation	845,850	(49,480)	796,370	796,370	-
Health benefits	14,003,030	(3,218,916)	10,784,114	10,329,953	454,161
Tuition reimbursement	275,000	31,450	306,450	299,737	6,713
Other employee benefits	520,000	(10,488)	509,512	507,176	2,336
Unused sick payments to terminated/retired staff	250,000	(128,899)	121,101	120,776	325
Total Unallocated Benefits - Employee Benefits	18,485,205	(3,368,535)	15,116,670	14,626,896	489,774

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf payments:					
TPAF on-behalf pension contribution (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 4,790,196	\$ (4,790,196)
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	3,093,886	(3,093,886)
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	8,418	(8,418)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,390,917	(2,390,917)
Total On-behalf Payments	-	-	-	10,283,417	(10,283,417)
TOTAL UNDISTRIBUTED EXPENDITURES	50,121,594	(1,625,847)	48,495,747	57,461,423	(8,965,676)
TOTAL EXPENDITURES - CURRENT	82,555,643	(1,400,181)	81,155,462	89,213,710	(8,058,248)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1 - 5	23,000	1,282	24,282	24,263	19
Grades 6 - 8	13,000	44,675	57,675	37,683	19,992
Grades 9 - 12	69,000	5,610	74,610	59,310	15,300
Other instructional programs:					
School sponsored athletics	16,000	44,982	60,982	60,481	501
Undistributed expenditures:					
Educational media services/school library	-	9,950	9,950	9,929	21
School administration	-	12,650	12,650	12,648	2
Central services	-	3,800	3,800	3,784	16
Information technology services	73,000	412,875	485,875	229,892	255,983
Required maintenance for school facilities	32,500	115,525	148,025	25,683	122,342
Custodial services	93,830	251,987	345,817	300,079	45,738
Care and upkeep of grounds	43,900	120,173	164,073	161,513	2,560
Security services	19,096	97,339	116,435	35,031	81,404
Student transportation services - non-instructional equipment	10,000	47,782	57,782	57,782	-
School buses - regular	-	1,288,036	1,288,036	366,811	921,225
School buses - special	-	236,880	236,880	-	236,880
Non-instructional services	-	50,214	50,214	50,213	1
Total Equipment	393,326	2,743,760	3,137,086	1,435,102	1,701,984

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities acquisition and construction services:					
Architectural and engineering services	\$ 230,000	\$ 70,268	\$ 300,268	\$ 298,068	\$ 2,200
Construction services	1,025,000	1,068,572	2,093,572	2,093,557	15
Assessment for debt service on SDA funding	128,241	-	128,241	128,241	-
Total Facilities Acquisition and Construction Services:	<u>1,383,241</u>	<u>1,138,840</u>	<u>2,522,081</u>	<u>2,519,866</u>	<u>2,215</u>
Assets acquired under capital leases (non-budgeted):					
Air Dome at Mt. Olive High School	-	-	-	2,400,000	(2,400,000)
Total Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>	<u>(2,400,000)</u>
TOTAL CAPITAL OUTLAY	<u>1,776,567</u>	<u>3,882,600</u>	<u>5,659,167</u>	<u>6,354,968</u>	<u>(695,801)</u>
CHARTER SCHOOL:					
Allocation of funds to charter school	74,217	17,260	91,477	91,473	4
Total Charter School	<u>74,217</u>	<u>17,260</u>	<u>91,477</u>	<u>91,473</u>	<u>4</u>
TOTAL EXPENDITURES	<u>84,406,427</u>	<u>2,499,679</u>	<u>86,906,106</u>	<u>95,660,151</u>	<u>(8,754,045)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,257,549)</u>	<u>(2,025,945)</u>	<u>(5,283,494)</u>	<u>(1,269,240)</u>	<u>(4,014,254)</u>
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-budgeted)	-	-	-	2,400,000	(2,400,000)
Transfers In:					
Transfer from Capital Projects Fund	-	-	-	9,500	(9,500)
Transfers Out:					
Capital Reserve - Transfer to Capital Projects	(2,900,000)	-	(2,900,000)	(2,900,000)	-
Transfer to Enterprise Fund	-	(1,100)	(1,100)	(1,100)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,900,000)</u>	<u>(1,100)</u>	<u>(2,901,100)</u>	<u>(491,600)</u>	<u>(2,409,500)</u>

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(6,157,549)	(2,027,045)	(8,184,594)	(1,760,840)	(6,423,754)
FUND BALANCE, July 1	15,141,019	-	15,141,019	15,141,019	-
FUND BALANCE, June 30	<u>\$ 8,983,470</u>	<u>\$ (2,027,045)</u>	<u>\$ 6,956,425</u>	<u>\$ 13,380,179</u>	<u>\$ (6,423,754)</u>
Recapitulation of excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:					
Adjustment for prior year encumbrances	\$ -	\$ (2,027,045)	\$ (2,027,045)	\$ (2,027,045)	\$ -
Budgeted fund balance	(3,269,549)	-	(3,269,549)	2,010,036	(5,279,585)
Budgeted withdrawal from capital reserve	(2,900,000)	-	(2,900,000)	(2,900,000)	-
Increase in capital reserve:					
Principal	-	-	-	1,100,000	(1,100,000)
Interest	12,000	-	12,000	56,169	(44,169)
	<u>\$ (6,157,549)</u>	<u>\$ (2,027,045)</u>	<u>\$ (8,184,594)</u>	<u>\$ (1,760,840)</u>	<u>\$ (6,423,754)</u>
Recapitulation of Balances:					
Restricted Fund Balance:					
Capital reserve				\$ 4,249,136	
Excess surplus - current year				241,147	
Excess surplus - designated for subsequent year's expenditures				1,015,483	
Committed Fund Balance:					
Year-end encumbrances				1,858,255	
Assigned Fund Balance:					
Year-end encumbrances				551,762	
Unreserved - designated for subsequent year's expenditures - fund balance appropriated				2,254,066	
Unassigned Fund Balance				<u>3,210,330</u>	
				13,380,179	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(1,522,660)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,857,519</u>	

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,271,804	\$ 161,158	\$ 1,432,962	\$ 1,303,641	\$ 129,321
TOTAL REVENUES	\$ 1,271,804	\$ 161,158	\$ 1,432,962	\$ 1,303,641	\$ 129,321
EXPENDITURES:					
Instruction:					
Personal services - salaries	\$ 748,320	\$ (38,471)	\$ 709,849	\$ 702,089	\$ 7,760
Purchased professional - educational services	400	1,320	1,720	1,410	310
Other purchased services	5,000	4,726	9,726	9,383	343
General supplies	86,440	30,846	117,286	78,536	38,750
Other objects	2,000	2,926	4,926	-	4,926
Total Instruction	842,160	1,347	843,507	791,418	52,089
Support Services:					
Personal services - salaries	96,365	(53,433)	42,932	42,072	860
Personal services - employee benefits	86,397	43,588	129,985	128,471	1,514
Purchased professional - educational services	153,242	169,201	322,443	279,529	42,914
Other purchased services	49,275	(790)	48,485	26,620	21,865
Supplies and materials	39,365	696	40,061	32,800	7,261
Total Support Services	424,644	159,262	583,906	509,492	74,414
Equipment:					
Instructional equipment	2,500	3,049	5,549	2,731	2,818
Non-instructional equipment	2,500	(2,500)	-	-	-
Total Equipment	5,000	549	5,549	2,731	2,818
TOTAL EXPENDITURES	\$ 1,271,804	\$ 161,158	\$ 1,432,962	\$ 1,303,641	\$ 129,321

See Management's Discussion and Analysis section of this report for significant budget variances, original and final.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET-TO-GAAP RECONCILIATION
 NOTE TO RSI
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018
 UNAUDITED

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	\$ 94,390,911	\$ 1,303,641
Differences - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:		
Outstanding encumbrances at June 30, 2017	-	39,449
Outstanding encumbrances at June 30, 2018	-	(10,456)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2017	1,476,733	-
State aid receivable at June 30, 2018	(1,522,660)	-
	<u>\$ 94,344,984</u>	<u>\$ 1,332,634</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
	<u>\$ 94,344,984</u>	<u>\$ 1,332,634</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 95,660,151	\$ 1,303,641
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:		
Outstanding encumbrances at June 30, 2017	-	39,449
Outstanding encumbrances at June 30, 2018	-	(10,456)
	<u>\$ 95,660,151</u>	<u>\$ 1,332,634</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		
	<u>\$ 95,660,151</u>	<u>\$ 1,332,634</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB STATEMENT NO. 68)**

The following schedules are provided to report the District's proportionate share of the net pension liability for employees covered under the Public Employees Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF) under the provisions of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS *
 UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the net pension liability	0.1362101705%	0.1355951931%	0.1315875501%	0.1300458594%
District's proportionate share of the net pension liability	\$ 25,502,269	\$ 30,438,404	\$ 38,972,458	\$ 30,272,597
District's covered employee payroll	\$ 8,887,622	\$ 9,003,821	\$ 9,124,395	\$ 9,247,275
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	286.94%	338.06%	427.12%	327.37%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

* GASB requires that ten years of information be presented. However, this schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS *
 UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's contractually required contribution	\$ 1,122,897	\$ 1,165,755	\$ 1,175,092	\$ 1,217,903
District's contributions in relation to the contractually required contribution	<u>(1,122,897)</u>	<u>(1,165,755)</u>	<u>(1,175,092)</u>	<u>(1,217,903)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 8,887,622	\$ 9,003,821	\$ 9,124,395	\$ 9,247,275
Contributions as a percentage of covered employee payroll	12.63%	12.95%	12.88%	13.17%

* GASB requires that ten years of information be presented. However, this schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND
 LAST TEN FISCAL YEARS *
 UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.3049831893%	0.3090236578%	0.3120044643%	0.3102842692%
State's proportionate share of the net pension liability attributable to the District	\$ 163,003,589	\$ 195,316,148	\$ 245,442,577	\$ 209,204,843
District's covered employee payroll	\$ 31,174,125	\$ 32,178,744	\$ 32,708,076	\$ 33,333,476
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	522.88%	606.97%	750.40%	627.61%
District's proportionate share of the net pension liability **	-0-	-0-	-0-	-0-
District's proportionate share of the net pension liability as a percentage of the District's covered employee payroll **	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

* GASB requires that ten years of information be presented. However, this schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

** The net pension liability for employees of the Teachers' Pension and Annuity Fund is considered a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the pension fund. The District (employer) does not contribute to the fund and the District's proportionate share of the net pension liability is zero.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST TEN FISCAL YEARS *
 UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's contractually required contribution	\$ 8,771,123	\$ 11,925,809	\$ 18,441,594	\$ 14,492,652
State's contributions in relation to the contractually required contribution	<u>(1,670,695)</u>	<u>(2,498,029)</u>	<u>(3,490,087)</u>	<u>(4,790,196)</u>
Contribution deficiency/(excess)	<u>\$ 7,100,428</u>	<u>\$ 9,427,780</u>	<u>\$ 14,951,507</u>	<u>\$ 9,702,456</u>
District's covered employee payroll	\$ 31,174,125	\$ 32,178,744	\$ 32,708,076	\$ 33,333,476
Contributions as a percentage of covered employee payroll	28.14%	37.06%	56.38%	43.48%

* GASB requires that ten years of information be presented. However, this schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return and the municipal bond index rate. The discount rate changed from 3.98% as of the prior measurement date (June 30, 2016) to 5.00% as of the current measurement date (June 30, 2017). The municipal bond rate changed from 2.85% to 3.58% and the long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return and the municipal bond index rate. The discount rate changed from 3.22% as of the prior measurement date (June 30, 2016) to 4.25% as of the current measurement date (June 30, 2017). The municipal bond rate changed from 2.85% to 3.58% and the long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER
POST EMPLOYMENT BENEFITS (GASB STATEMENT NO. 75)**

The following schedules are provided to report the District's proportionate share of the State post-retirement medical benefits liability under the provisions of GASB Statement No. 75 "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions".

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE STATE OPEB LIABILITY
 LAST TEN FISCAL YEARS *
 UNAUDITED

	2018
Service cost	\$ 7,347,823
Interest cost	5,735,411
Changes in assumptions	(23,608,197)
Member contributions	154,656
Gross benefit payments	(4,200,053)
Net Change in Total Share of OPEB Liability	(14,570,360)
Total OPEB Liability - Beginning	195,903,168
Total OPEB Liability - Ending	\$ 181,332,808
District's Proportionate Share of OPEB Liability **	\$ -
State's Proportionate Share of OPEB Liability **	181,332,808
Total OPEB Liability - Ending	\$ 181,332,808
District's Covered Employee Payroll	\$ 42,580,751
District's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	0%

* GASB requires that ten years of information be presented. However, this schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

** Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The District (employer) does not contribute to the plan and the District's OPEB liability is zero.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Elementary and Secondary Education Act (ESEA)				Individuals with Disabilities Education Act (IDEA)		Emergency Impact Aid	Carl D. Perkins Career and Technical Education Grant	Total
	Title I	Title II	Title III	Title IV	Part B	Part B			
	Part A	Part A			Basic	Preschool			
REVENUES:									
Federal sources	\$ 232,635	\$ 49,224	\$ 19,257	\$ 3,648	\$ 923,536	\$ 46,109	\$ 9,750	\$ 19,482	\$ 1,303,641
TOTAL REVENUES	\$ 232,635	\$ 49,224	\$ 19,257	\$ 3,648	\$ 923,536	\$ 46,109	\$ 9,750	\$ 19,482	\$ 1,303,641
EXPENDITURES:									
Instruction:									
Personal services - salaries	\$ 173,106	\$ -	\$ -	\$ -	\$ 497,943	\$ 23,626	\$ 7,414	\$ -	\$ 702,089
Purchased professional - educational services	-	-	-	-	-	-	-	1,410	1,410
Other purchased services	-	-	-	-	9,383	-	-	-	9,383
General supplies	5,001	-	19,257	-	27,573	13,248	-	13,457	78,536
Total Instruction	178,107	-	19,257	-	534,899	36,874	7,414	14,867	791,418
Support Services:									
Personal services - salaries	-	-	-	-	40,322	-	-	1,750	42,072
Personal services - employee benefits	54,528	-	-	-	69,666	1,807	2,336	134	128,471
Purchased professional - educational services	-	14,457	-	2,060	255,584	7,428	-	-	279,529
Other purchased services	-	14,969	-	-	11,651	-	-	-	26,620
Supplies and materials	-	19,798	-	1,588	11,414	-	-	-	32,800
Total Support Services	54,528	49,224	-	3,648	388,637	9,235	2,336	1,884	509,492
Equipment:									
Instructional equipment	-	-	-	-	-	-	-	2,731	2,731
Total Equipment	-	-	-	-	-	-	-	2,731	2,731
TOTAL EXPENDITURES	\$ 232,635	\$ 49,224	\$ 19,257	\$ 3,648	\$ 923,536	\$ 46,109	\$ 9,750	\$ 19,482	\$ 1,303,641

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Year	Project Title	Appropriation	GAAP Expenditures to Date		Unexpended Balance
			Prior Years	Current Year	
2018	Grandstand Improvements at Mt. Olive High School	1,823,500	-	1,823,500	-
2018	Media Center Renovation at Mt. View Elementary School	1,067,000	-	1,067,000	-
		<u>\$ 2,890,500</u>	<u>\$ -</u>	<u>\$ 2,890,500</u>	<u>\$ -</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUES AND OTHER FINANCING SOURCES:	
Transfer from capital reserve	<u>\$ 2,900,000</u>
 TOTAL REVENUES AND OTHER FINANCING SOURCES	 <u>2,900,000</u>
 EXPENDITURES AND OTHER FINANCING USES:	
Construction services	2,890,500
Transfer to General Fund	<u>9,500</u>
 TOTAL EXPENDITURES AND OTHER FINANCING USES	 <u><u>\$ 2,900,000</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 MOUNT OLIVE HIGH SCHOOL GRANDSTAND IMPROVEMENTS
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ -	\$ 1,823,500	\$ 1,823,500	\$ 1,823,500
TOTAL REVENUES AND OTHER FINANCING SOURCES	-	1,823,500	1,823,500	1,823,500
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	-	1,823,500	1,823,500	1,823,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ 1,823,500	\$ 1,823,500	\$ 1,823,500

ADDITIONAL PROJECT INFORMATION:

Project number	not applicable
Grant date	not applicable
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 1,823,500
Additional authorized cost	-
Revised authorized cost	\$ 1,823,500
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	Sep-17
Revised target completion date	Sep-17

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 MOUNTAIN VIEW ELEMENTARY SCHOOL MEDIA CENTER RENOVATIONS
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ -	\$ 1,076,500	\$ 1,076,500	\$ 1,067,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	-	1,076,500	1,076,500	1,067,000
EXPENDITURES AND OTHER FINANCING USES				
Construction services	-	1,067,000	1,067,000	1,067,000
Transfer to General Fund	-	9,500	9,500	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ 1,076,500	\$ 1,076,500	\$ 1,067,000

ADDITIONAL PROJECT INFORMATION:

Project number	not applicable
Grant date	not applicable
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 1,076,500
Additional authorized cost	(9,500)
Revised authorized cost	\$ 1,067,000
Percentage increase over original authorized cost	-0.88%
Percentage completion	100.00%
Original target completion date	Sep-17
Revised target completion date	Sep-17

**ENTERPRISE FUNDS
DETAIL STATEMENTS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District’s board is that the costs of providing goods or services be financed through user charges.

Food Service Fund – This fund accounts for the operation of food services in all schools within the District.

Summer Programs – This fund accounts for the operation of the District’s summer school and summer STEM camp programs.

Property Rentals - This fund accounts for the operations of the rental properties located in Building Two of the administrative complex.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Non-Major Funds					Major Fund	
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp	Total	Property Rentals	
ASSETS:							
CURRENT ASSETS:							
Cash and cash equivalents	\$ 361,953	\$ 67	\$ 75,169	\$ 26,824	\$ 464,013	\$ 216,383	\$ 680,396
Restricted cash and cash equivalents	-	-	-	-	-	4,941	4,941
Accounts receivable:							
State	725	-	-	-	725	-	725
Federal	21,292	-	-	-	21,292	-	21,292
Other	4,403	-	-	-	4,403	9,000	13,403
Inventories	13,115	-	-	-	13,115	-	13,115
Total Current Assets	401,488	67	75,169	26,824	503,548	230,324	733,872
NONCURRENT ASSETS:							
Capital assets	448,294	-	-	-	448,294	1,700,000	2,148,294
Less: accumulated depreciation	394,028	-	-	-	394,028	75,952	469,980
Total Noncurrent Assets	54,266	-	-	-	54,266	1,624,048	1,678,314
TOTAL ASSETS	455,754	67	75,169	26,824	557,814	1,854,372	2,412,186
LIABILITIES:							
Current liabilities:							
Accounts payable	60,377	-	-	-	60,377	-	60,377
Unearned revenue	13,628	-	83,384	-	97,012	11,322	108,334
Escrow deposits payable	-	-	-	-	-	4,941	4,941
Accrued interest payable	-	-	-	-	-	66,597	66,597
Noncurrent liabilities:							
Due within one year	-	-	-	-	-	90,068	90,068
Due beyond one year	-	-	-	-	-	1,298,680	1,298,680
TOTAL LIABILITIES	74,005	-	83,384	-	157,389	1,471,608	1,628,997
NET POSITION:							
Invested in capital assets, net of related debt	54,266	-	-	-	54,266	235,300	289,566
Unrestricted	327,483	67	(8,215)	26,824	346,159	147,464	493,623
TOTAL NET POSITION	\$ 381,749	\$ 67	\$ (8,215)	\$ 26,824	\$ 400,425	\$ 382,764	\$ 783,189

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Non-Major Funds				Total	Major Fund	
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp		Property Rentals	
OPERATING REVENUES:							
Charges for services:							
Daily sales - reimbursable programs	\$ 773,009	\$ -	\$ -	\$ -	\$ 773,009	\$ -	\$ 773,009
Daily sales - non-reimbursable programs	13,148	-	-	-	13,148	-	13,148
Rental income	-	-	-	-	-	367,966	367,966
Tuition	-	20,385	125,775	27,750	173,910	-	173,910
Total Operating Revenues	<u>786,157</u>	<u>20,385</u>	<u>125,775</u>	<u>27,750</u>	<u>960,067</u>	<u>367,966</u>	<u>1,328,033</u>
OPERATING EXPENSES:							
Salaries and other personnel costs	382,079	31,445	69,001	-	482,525	-	482,525
Payroll taxes and employee benefits	86,983	2,406	5,279	-	94,668	-	94,668
Management fees	45,450	-	-	-	45,450	12,000	57,450
Cost of sales - reimbursable programs	287,293	-	-	-	287,293	-	287,293
Cost of sales - non-reimbursable programs	156,249	-	-	-	156,249	-	156,249
Supplies and materials	48,320	47	60,623	1,190	110,180	-	110,180
Depreciation	7,041	-	-	-	7,041	20,976	28,017
Cleaning, repair and maintenance services	17,077	-	-	-	17,077	37,228	54,305
Real estate taxes	-	-	-	-	-	49,896	49,896
Utilities	-	-	-	-	-	44,741	44,741
Purchased services	-	-	-	-	-	7,020	7,020
Interest expense	-	-	-	-	-	66,597	66,597
Other expenses	28,014	-	-	-	28,014	-	28,014
Total Operating Expenses	<u>1,058,506</u>	<u>33,898</u>	<u>134,903</u>	<u>1,190</u>	<u>1,228,497</u>	<u>238,458</u>	<u>1,466,955</u>
OPERATING INCOME (LOSS)	<u>(272,349)</u>	<u>(13,513)</u>	<u>(9,128)</u>	<u>26,560</u>	<u>(268,430)</u>	<u>129,508</u>	<u>(138,922)</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Non-Major Funds				Major Fund Property Rentals		
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp			
NON-OPERATING REVENUES:							
State sources:							
State school lunch program	9,031	-	-	-	9,031	-	9,031
Federal sources:							
School breakfast program	26,528	-	-	-	26,528	-	26,528
National school lunch program	234,941	-	-	-	234,941	-	234,941
After school snack program	733	-	-	-	733	-	733
Special milk program	1,048	-	-	-	1,048	-	1,048
Food donation program	70,260	-	-	-	70,260	-	70,260
Interest income	4,725	204	845	264	6,038	-	6,038
Total Non-Operating Revenues	347,266	204	845	264	348,579	-	348,579
NET INCOME (LOSS)	74,917	(13,309)	(8,283)	26,824	80,149	129,508	209,657
OTHER FINANCING SOURCES:							
Transfer from General Fund	-	1,100	-	-	1,100	-	1,100
Change in net position	74,917	(12,209)	(8,283)	26,824	81,249	129,508	210,757
Total net position - beginning	306,832	12,276	68	-	319,176	253,256	572,432
Total net position - ending	\$ 381,749	\$ 67	\$ (8,215)	\$ 26,824	\$ 400,425	\$ 382,764	\$ 783,189

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Fund						
	Non-Major Funds				Major Fund		
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp	Total	Property Rentals	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 787,108	\$ 7,943	\$ 115,182	\$ 27,750	\$ 937,983	\$ 367,731	\$ 1,305,714
Payments for employees and employee benefits	(461,857)	(33,851)	(74,280)	-	(569,988)	-	(569,988)
Payments to suppliers for goods and services	(498,657)	(47)	(60,623)	(1,190)	(560,517)	(153,379)	(713,896)
Net cash used in operating activities	<u>(173,406)</u>	<u>(25,955)</u>	<u>(19,721)</u>	<u>26,560</u>	<u>(192,522)</u>	<u>214,352</u>	<u>21,830</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES							
State sources	8,956	-	-	-	8,956	-	8,956
Federal sources	263,492	-	-	-	263,492	-	263,492
Transfer from General Fund	-	1,100	-	-	1,100	-	1,100
Net cash provided by non-capital financing activities	<u>272,448</u>	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>273,548</u>	<u>-</u>	<u>273,548</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	-	-	-	-	-	(231,647)	(231,647)
Purchase of capital assets	(44,012)	-	-	-	(44,012)	-	(44,012)
Net cash used for capital and related financing activities	<u>(44,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,012)</u>	<u>(231,647)</u>	<u>(275,659)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends	4,725	204	845	264	6,038	-	6,038
Net increase (decrease) in cash and cash equivalents	59,755	(24,651)	(18,876)	26,824	43,052	(17,295)	25,757
Cash and cash equivalents - beginning of year	302,198	24,718	94,045	-	420,961	233,678	654,639
Cash and cash equivalents - end of year	<u>\$ 361,953</u>	<u>\$ 67</u>	<u>\$ 75,169</u>	<u>\$ 26,824</u>	<u>\$ 464,013</u>	<u>\$ 216,383</u>	<u>\$ 680,396</u>
Reconciliation of operating loss to net cash used in operating activities:							
Operating income (loss)	\$ (272,349)	\$ (13,513)	\$ (9,128)	\$ 26,560	\$ (268,430)	\$ 129,508	\$ (138,922)
Adjustments to reconcile operating loss to net cash used in operating activities:							
Depreciation and interest expense	7,041	-	-	-	7,041	87,573	94,614
Food donation program	70,260	-	-	-	70,260	-	70,260
(Increase) decrease in accounts receivable, net	(600)	-	-	-	(600)	(5,905)	(6,505)
(Increase) decrease in interfund receivable	-	-	200	-	200	-	200
(Increase) decrease in prepaid expenses	9,134	-	-	-	9,134	-	9,134
(Increase) decrease in inventories	10,113	-	-	-	10,113	-	10,113
Increase (decrease) in accounts payable, net	1,444	-	-	-	1,444	(2,494)	(1,050)
Increase (decrease) in deferred revenue	1,551	(12,442)	(10,793)	-	(21,684)	5,670	(16,014)
Total adjustments	<u>98,943</u>	<u>(12,442)</u>	<u>(10,593)</u>	<u>-</u>	<u>75,908</u>	<u>84,844</u>	<u>160,752</u>
Net cash used in operating activities	<u>\$ (173,406)</u>	<u>\$ (25,955)</u>	<u>\$ (19,721)</u>	<u>\$ 26,560</u>	<u>\$ (192,522)</u>	<u>\$ 214,352</u>	<u>\$ 21,830</u>

**INTERNAL SERVICE FUNDS
DETAIL STATEMENTS**

Internal Service Funds are utilized to finance, administer and account for activities that provide goods and/or services to other departments or agencies on a cost-reimbursement basis. GASB Statement No. 10 permits school districts to use an Internal Service Fund to account for risk financing activities, such as self-insurance funds. The District uses the Internal Service Fund to account for its self-insurance activities.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	Major Fund Self Insurance Fund
ASSETS:	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,543,321
Accounts receivable - other	94,334
TOTAL ASSETS	1,637,655
LIABILITIES:	
Current liabilities:	
Accounts payable	554,897
Interfund payable	74,805
Accrued liability for insurance claims	839,268
TOTAL LIABILITIES	1,468,970
NET POSITION:	
Unrestricted	168,685
TOTAL NET POSITION	\$ 168,685

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund Self Insurance Fund
OPERATING REVENUES:	
Charges for services	\$ 12,452,688
Total Operating Revenues	12,452,688
OPERATING EXPENSES:	
Insurance claims	10,466,826
Excess liability insurance premiums	1,288,775
Administrative fees	541,255
Total Operating Expenses	12,296,856
OPERATING INCOME	155,832
NON-OPERATING REVENUES:	
Interest income	12,853
Total Non-Operating Revenues	12,853
Change in net position	168,685
Total net position - beginning	-
Total net position - ending	\$ 168,685

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 13,037,784
Payments for employees and employee benefits	(11,010,667)
Payments to suppliers for goods and services	(496,649)
Net cash used in operating activities	1,530,468
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	12,853
Net increase (decrease) in cash and cash equivalents	1,543,321
Cash and cash equivalents - beginning of year	-
Cash and cash equivalents - end of year	\$ 1,543,321
Reconciliation of operating loss to net cash used in operating activities:	
Operating income (loss)	\$ 155,832
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in accounts receivable, net	(94,334)
Increase (decrease) in accounts payable, net	554,897
Increase (decrease) in interfund payable	74,805
Increase (decrease) in accrued liability	839,268
Total adjustments	1,374,636
Net cash used in operating activities	\$ 1,530,468

<p style="text-align: center;">FIDUCIARY FUNDS DETAIL STATEMENTS</p>

Fiduciary Funds are used to account for funds received by the school district for a specific purpose – Agency or Trust Funds.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student activity funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

Trust Funds have a trust agreement, a higher degree of management involvement, and a longer holding period of the fund resources.

Unemployment Compensation Insurance Trust Fund – This trust fund is used to account for funds held to pay quarterly unemployment contributions and unemployment claims billed by the State.

Flexible Spending Account Trust Fund – This trust fund is used to account for funds held to pay qualified medical and dependent care claims.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AS OF JUNE 30, 2018

	Agency Funds			Unemployment Compensation Insurance Trust	Flexible Spending Account Trust
	Student Activity	Payroll	Total Agency Funds		
ASSETS:					
Cash and cash equivalents	\$ 400,138	\$ 32,664	\$ 432,802	\$ 358,920	\$ 30,707
Interfund receivable	700	74,805	75,505	-	-
Accounts receivable	5,103	-	5,103	-	-
TOTAL ASSETS	405,941	107,469	513,410	358,920	30,707
LIABILITIES:					
Accounts payable	8,761	-	8,761	21,193	-
Payroll deductions and withholdings	-	98,644	98,644	-	-
Interfund payable	-	8,825	8,825	-	-
Due to student groups	397,180	-	397,180	-	-
TOTAL LIABILITIES	405,941	107,469	513,410	21,193	-
NET POSITION:					
Held in trust for unemployment claims	-	-	-	337,727	-
Held in trust for medical and dependent care claims	-	-	-	-	30,707
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ 337,727	\$ 30,707

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust
ADDITIONS:		
Contributions:		
Plan members	\$ 145,011	\$ 87,904
Total contributions	<u>145,011</u>	<u>87,904</u>
Investment earnings:		
Interest	4,781	348
Total investment earnings	<u>4,781</u>	<u>348</u>
Total additions	<u>149,792</u>	<u>88,252</u>
DEDUCTIONS:		
Quarterly contribution reports	62,671	-
Unemployment claims	13,692	-
Qualified medical and dependent care claims	-	79,118
Service charges	-	2,405
Total deductions	<u>76,363</u>	<u>81,523</u>
Change in net position	73,429	6,729
Net position-beginning of the year	<u>264,298</u>	<u>23,978</u>
Net position-end of the year	<u>\$ 337,727</u>	<u>\$ 30,707</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Accounts Payable/ (Receivable)	Balance June 30, 2018
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 18,594	\$ 14,720	\$ 14,366	\$ (75)	\$ 19,023
Mountain View School	35,418	18,375	40,340	(27)	13,480
Tinc Road School	16,924	7,192	8,057	(1,170)	17,229
CMS Elementary School	24,387	20,139	29,644	(1,061)	15,943
TOTAL ELEMENTARY SCHOOLS	95,323	60,426	92,407	(2,333)	65,675
MIDDLE SCHOOL:					
Mount Olive Middle School	148,784	269,566	254,170	(4,678)	168,858
TOTAL MIDDLE SCHOOL	148,784	269,566	254,170	(4,678)	168,858
HIGH SCHOOL:					
Mount Olive High School	146,387	383,661	379,738	(7,605)	157,915
Athletic Account	9,211	134,916	140,541	(1,146)	4,732
TOTAL HIGH SCHOOL	155,598	518,577	520,279	(8,751)	162,647
TOTAL ALL SCHOOLS	\$ 399,705	\$ 848,569	\$ 866,856	\$ (15,762)	\$ 397,180

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
Payroll deductions and withholdings	\$ 148,160	\$ 24,898,941	\$ 24,948,457	\$ 98,644
Interfund receivable	-	-	74,805	(74,805)
Interfund payable	3,893	8,825	3,893	8,825
Total	\$ 152,053	\$ 24,907,766	\$ 25,027,155	\$ 32,664

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2017	RETIRED	BALANCE JUNE 30, 2018
			DATE	AMOUNT				
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	10/06/14	\$ 16,740,000	1/15/2019	\$ 2,025,000	4.00%	\$ 13,030,000	\$ 1,945,000	\$ 11,085,000
			1/15/2020	2,115,000	4.00%			
			1/15/2021	2,210,000	4.00%			
			1/15/2022	2,305,000	5.00%			
			1/15/2023	2,430,000	5.00%			
Early Retirement Incentive Program - Refunding Bonds	12/20/11	1,535,000	2/1/2019	195,000	3.18%	790,000	185,000	605,000
			2/1/2020	200,000	3.38%			
			2/1/2021	210,000	3.48%			
Addition/Renovations to Mt. Olive High School -	05/31/12	6,175,000	7/15/2018	1,265,000	4.00%	3,705,000	1,215,000	2,490,000
			7/15/2019	1,225,000	4.00%			
Addition/Renovations to Mt. Olive High School - Refunding Bonds	04/20/16	7,540,000	7/15/2025	440,000	5.00%	7,430,000	-	7,430,000
			7/15/2026	1,640,000	5.00%			
			7/15/2027	1,710,000	5.00%			
			7/15/2028	1,785,000	4.00%			
			7/15/2029	1,855,000	5.00%			
Addition/Renovations to Mt. Olive High School - Refunding Bonds	04/20/16	8,095,000	7/15/2020	1,300,000	4.00%	7,985,000	-	7,985,000
			7/15/2021	1,355,000	4.00%			
			7/15/2022	1,405,000	4.00%			
			7/15/2023	1,455,000	4.00%			
			7/15/2024	1,515,000	5.00%			
			7/15/2025	955,000	5.00%			
						<u>\$ 32,940,000</u>	<u>\$ 3,345,000</u>	<u>\$ 29,595,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance			Balance June 30, 2018
			Principal	Interest		July 1, 2017	Issued	Retired	
(4) 2015 30-Passenger School Buses and (1) 2015 54-Passenger School Bus	06/16/14	5 Years	\$ 552,000	\$ 22,001	1.434%	\$ 225,543	\$ -	\$ 111,966	\$ 113,577
(4) 2016 30-Passenger School Buses and (1) 2016 50-Passenger School Bus	08/06/15	5 Years	540,000	24,864	1.768%	328,675	-	107,636	221,039
LED Lighting Improvements at Mt. Olive Middle School	12/15/15	5 Years	370,000	19,366	1.877%	262,606	-	73,286	189,320
(4) 2017 30-Passenger School Buses	06/01/16	5 Years	466,000	21,815	1.677%	376,472	-	91,327	285,145
Air Dome at Mt. Olive High School	08/31/17	5 Years	2,400,000	130,075	1.780%	-	2,400,000	-	2,400,000
						<u>\$ 1,193,296</u>	<u>\$ 2,400,000</u>	<u>\$ 384,215</u>	<u>\$ 3,209,081</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,234,063	\$ -	\$ 4,234,063	\$ 4,234,063	\$ -
Total local sources	4,234,063	-	4,234,063	4,234,063	-
State sources:					
Debt service aid type II	516,219	-	516,219	516,219	-
Total state sources	516,219	-	516,219	516,219	-
TOTAL REVENUES	4,750,282	-	4,750,282	4,750,282	-
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	25,745	-	25,745	25,745	-
Interest on loans and serial bonds	1,384,125	-	1,384,125	1,384,125	-
Redemption of principal - early retirement bonds	185,000	-	185,000	185,000	-
Redemption of principal - loans and serial bonds	3,160,000	-	3,160,000	3,160,000	-
Total Regular Debt Service	4,754,870	-	4,754,870	4,754,870	-
TOTAL EXPENDITURES	4,754,870	-	4,754,870	4,754,870	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,588)	-	(4,588)	(4,588)	-
FUND BALANCE, July 1	11,083	-	11,083	11,083	-
FUND BALANCE, June 30	\$ 6,495	\$ -	\$ 6,495	\$ 6,495	\$ -
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Budgeted Fund Balance	\$ (4,588)	\$ -	\$ (4,588)	\$ (4,588)	\$ -
Recapitulation of Balances:					
Restricted for:					
Debt service				\$ 6,495	

STATISTICAL SECTION

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INTRODUCTION TO THE STATISTICAL SECTION**

<u>Contents</u>	<u>Pages</u>
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.	117-124
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	125-128
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.	129-132
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.	133-134
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.	135-139

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
(accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	<i>(Restated)</i> 2016	<i>(Restated)</i> 2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Invested in capital assets, net of related debt	\$ 43,574,301	\$ 37,499,410	\$ 32,147,230	\$ 27,314,078	\$ 20,304,261	\$ 20,889,514	\$ 18,234,468	\$ 16,698,417	\$ 17,763,304	\$ 18,734,871
Restricted	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776	2,563,951	1,210,035	20,411	32,181
Unrestricted (Deficit)	(26,399,461)	(27,795,826)	(26,704,489)	(24,606,865)	(21,296,812)	2,414,935	1,488,319	2,276,040	483,740	(3,576,575)
Total governmental activities net position	<u>\$ 22,687,101</u>	<u>\$ 18,900,048</u>	<u>\$ 15,744,245</u>	<u>\$ 12,572,484</u>	<u>\$ 5,762,538</u>	<u>\$ 26,546,225</u>	<u>\$ 22,286,738</u>	<u>\$ 20,184,492</u>	<u>\$ 18,267,455</u>	<u>\$ 15,190,477</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 289,566	\$ 143,288	\$ (6,107)	\$ 23,029	\$ 34,263	\$ 40,823	\$ 52,592	\$ 64,463	\$ 77,966	\$ 91,469
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	493,623	429,144	390,244	164,949	109,048	100,029	192,031	170,029	161,095	193,661
Total business-type activities net position	<u>\$ 783,189</u>	<u>\$ 572,432</u>	<u>\$ 384,137</u>	<u>\$ 187,978</u>	<u>\$ 143,311</u>	<u>\$ 140,852</u>	<u>\$ 244,623</u>	<u>\$ 234,492</u>	<u>\$ 239,061</u>	<u>\$ 285,130</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 43,863,867	\$ 37,642,698	\$ 32,141,123	\$ 27,337,107	\$ 20,338,524	\$ 20,930,337	\$ 18,287,060	\$ 16,762,880	\$ 17,841,270	\$ 18,826,340
Restricted	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776	2,563,951	1,210,035	20,411	32,181
Unrestricted (Deficit)	(25,905,838)	(27,366,682)	(26,314,245)	(24,441,916)	(21,187,764)	2,514,964	1,680,350	2,446,069	644,835	(3,382,914)
Total district net position	<u>\$ 23,470,290</u>	<u>\$ 19,472,480</u>	<u>\$ 16,128,382</u>	<u>\$ 12,760,462</u>	<u>\$ 5,905,849</u>	<u>\$ 26,687,077</u>	<u>\$ 22,531,361</u>	<u>\$ 20,418,984</u>	<u>\$ 18,506,516</u>	<u>\$ 15,475,607</u>

Source: District records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 44,217,503	\$ 44,124,968	\$ 39,955,470	\$ 34,496,285	\$ 30,374,097	\$ 31,494,232	\$ 30,440,311	\$ 29,279,680	\$ 29,253,267	\$ 28,874,002
Special education programs	12,801,445	12,790,046	11,266,201	9,951,711	9,095,697	9,002,194	8,480,211	8,473,838	8,464,554	7,299,941
Other instructional programs	2,319,502	2,479,822	2,214,619	2,250,135	2,033,353	1,796,657	1,661,105	1,529,506	1,578,165	1,308,443
School sponsored programs	2,584,821	1,842,419	1,625,029	1,537,598	1,413,971	1,128,260	1,138,941	1,123,417	1,079,690	1,012,670
Community services programs	-	-	34,540	37,655	40,784	29,698	46,610	53,148	40,789	-
Support Services:										
Tuition	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876	2,862,242	2,964,008	3,151,685	3,457,909
Student & instruction related services	16,156,474	15,462,791	13,779,605	13,018,212	11,795,770	11,742,227	11,246,504	11,222,504	11,405,017	10,549,571
School administrative services	6,565,270	6,604,221	5,866,902	4,982,172	4,534,163	4,532,706	4,780,646	4,352,318	4,441,668	4,456,645
Other administrative services	4,316,030	4,294,786	3,742,696	3,629,252	3,475,143	3,272,978	3,312,477	3,077,718	2,968,343	3,055,916
Plant operations and maintenance	17,006,640	14,845,383	13,818,421	12,084,724	12,148,221	11,366,854	11,842,279	11,953,154	12,115,937	12,259,725
Pupil transportation	6,813,857	6,386,281	5,616,420	5,188,897	5,079,433	5,033,828	5,138,677	5,204,635	5,890,727	6,048,492
Charter schools	91,473	95,706	77,188	98,784	155,488	134,935	95,957	75,946	72,424	
Interest and other debt related charges	1,101,186	1,200,544	1,395,096	1,714,681	2,176,498	2,344,683	2,955,477	2,774,929	2,721,148	2,835,064
Unallocated depreciation	54,932	52,672	55,632	56,360	50,568	52,755	55,909	65,277	79,015	86,339
Total governmental activities expenses	<u>116,395,865</u>	<u>112,705,623</u>	<u>101,883,415</u>	<u>91,802,726</u>	<u>85,104,126</u>	<u>84,643,883</u>	<u>84,057,346</u>	<u>82,150,078</u>	<u>83,262,429</u>	<u>81,244,717</u>
Business-type activities:										
Food service	1,058,506	988,099	987,989	1,027,741	1,198,103	1,221,314	1,272,852	1,266,957	1,341,549	1,348,421
Community school	-	-	-	-	-	-	40,056	113,517	160,173	195,828
Summer programs	169,991	145,409	147,656	129,906	34,965	42,822	40,410	50,824	57,488	42,759
Property rentals	238,458	244,638	223,046	-	-	-	-	-	-	-
Total business-type activities expenses	<u>1,466,955</u>	<u>1,378,146</u>	<u>1,358,691</u>	<u>1,157,647</u>	<u>1,233,068</u>	<u>1,264,136</u>	<u>1,353,318</u>	<u>1,431,298</u>	<u>1,559,210</u>	<u>1,587,008</u>
Total district expenses	<u>\$ 117,862,820</u>	<u>\$ 114,083,769</u>	<u>\$ 103,242,106</u>	<u>\$ 92,960,373</u>	<u>\$ 86,337,194</u>	<u>\$ 85,908,019</u>	<u>\$ 85,410,664</u>	<u>\$ 83,581,376</u>	<u>\$ 84,821,639</u>	<u>\$ 82,831,725</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs	\$ 1,424,544	\$ 107,649	\$ 4,100	\$ -	\$ 4,164	\$ -	\$ -	\$ -	\$ -	\$ -
Special education programs	557,530	478,299	375,088	234,015	166,822	47,494	56,178	87,350	113,801	103,408
Other instructional programs	52,352	9,000	7,600	11,700	11,400	5,400	7,053	-	-	-
School sponsored programs (tuition, sports and activity fees)	405,793	-	-	-	-	-	81,658	85,155	63,787	-
Student & instruction related services	387,884									
School administrative services	169,964									
Other administrative services	82,991									
Plant operations and maintenance (building usage, parking)	567,500	118,204	124,822	124,822	109,545	101,755	158,787	56,007	70,875	50,572
Pupil transportation (transportation fees)	168,288	27,238	6,227	7,180	5,597	57,357	229,595	213,067	24,362	30,235
Operating grants and contributions	34,536,558	34,035,893	26,314,500	20,954,270	13,170,198	14,069,996	12,135,738	12,226,330	16,160,847	11,825,243
Capital grants and contributions	-	-	90,547	1,356,982	-	247,696	266,917	15,454	68,465	-
Total governmental activities program revenues	<u>38,353,404</u>	<u>34,776,283</u>	<u>26,922,884</u>	<u>22,688,969</u>	<u>13,467,726</u>	<u>14,529,698</u>	<u>12,935,926</u>	<u>12,683,363</u>	<u>16,502,137</u>	<u>12,009,458</u>
Business-type activities:										
Charges for services:										
Food service	786,157	729,382	703,531	693,762	724,307	774,919	922,334	950,217	1,001,572	1,059,598
Community school	-	-	-	-	-	-	20,271	94,059	152,901	183,467
Summer programs	173,910	129,236	144,040	133,103	30,466	42,904	50,372	36,295	33,813	51,258
Property rentals	367,966	374,478	346,462	-	-	-	-	-	-	-
Operating grants and contributions	342,541	331,009	359,641	380,496	365,754	340,497	364,214	345,789	343,921	291,976
Total business-type activities program revenues	<u>1,670,574</u>	<u>1,564,105</u>	<u>1,553,674</u>	<u>1,207,361</u>	<u>1,120,527</u>	<u>1,158,320</u>	<u>1,357,191</u>	<u>1,426,360</u>	<u>1,532,207</u>	<u>1,586,299</u>
Total district program revenues	<u>\$ 40,023,978</u>	<u>\$ 36,340,388</u>	<u>\$ 28,476,558</u>	<u>\$ 23,896,330</u>	<u>\$ 14,588,253</u>	<u>\$ 15,688,018</u>	<u>\$ 14,293,117</u>	<u>\$ 14,109,723</u>	<u>\$ 18,034,344</u>	<u>\$ 13,595,757</u>
Net (Expense)/Revenue										
Governmental activities	\$ (78,042,461)	\$ (77,929,340)	\$ (74,960,531)	\$ (69,113,757)	\$ (71,636,400)	\$ (70,114,185)	\$ (71,121,420)	\$ (69,466,715)	\$ (66,760,292)	\$ (69,235,259)
Business-type activities	203,619	185,959	194,983	49,714	(112,541)	(105,816)	3,873	(4,938)	(27,003)	(709)
Total district-wide net (expense)/revenue	<u>\$ (77,838,842)</u>	<u>\$ (77,743,381)</u>	<u>\$ (74,765,548)</u>	<u>\$ (69,064,043)</u>	<u>\$ (71,748,941)</u>	<u>\$ (70,220,001)</u>	<u>\$ (71,117,547)</u>	<u>\$ (69,471,653)</u>	<u>\$ (66,787,295)</u>	<u>\$ (69,235,968)</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 65,274,998	\$ 63,322,510	\$ 62,080,892	\$ 60,863,620	\$ 59,670,216	\$ 58,500,212	\$ 57,353,149	\$ 56,228,577	\$ 56,099,419	\$ 53,189,858
Taxes levied for debt service	4,234,063	4,234,072	4,285,754	4,587,826	4,592,970	4,576,028	4,611,674	4,598,981	4,478,743	4,458,369
Unrestricted grants and contributions	11,893,389	11,648,609	11,680,396	11,672,926	11,616,865	11,638,067	11,351,096	10,199,501	9,121,265	10,956,684
Extraordinary items	37,239	1,514,154	(66,165)	(1,278,015)	624,852	21,398	(220,988)	-	-	-
Investment earnings	257,534	92,985	70,942	43,546	10,892	7,604	8,685	12,354	5,987	44,741
Miscellaneous income	133,391	275,229	80,774	33,800	69,929	68,690	126,251	344,339	111,856	270,079
Transfers	(1,100)	(2,416)	(301)	-	(115,000)	-	(6,201)	-	20,000	42,000
Total governmental activities	81,829,514	81,085,143	78,132,292	75,923,703	76,470,724	74,811,999	73,223,666	71,383,752	69,837,270	68,961,731
Business-type activities:										
Investment earnings	6,038	1,903	875	486	-	1,345	57	369	934	1,648
Miscellaneous income	-	433	-	384	-	-	-	-	-	-
Extraordinary items	-	-	-	(5,917)	-	700	-	-	-	-
Transfers	1,100	-	301	-	115,000	-	6,201	-	(20,000)	(42,000)
Total business-type activities	7,138	2,336	1,176	(5,047)	115,000	2,045	6,258	369	(19,066)	(40,352)
Total district-wide	\$ 81,836,652	\$ 81,087,479	\$ 78,133,468	\$ 75,918,656	\$ 76,585,724	\$ 74,814,044	\$ 73,229,924	\$ 71,384,121	\$ 69,818,204	\$ 68,921,379
Change in Net Position										
Governmental activities	\$ 3,787,053	\$ 3,155,803	\$ 3,171,761	\$ 6,809,946	\$ 4,834,324	\$ 4,697,814	\$ 2,102,246	\$ 1,917,037	\$ 3,076,978	\$ (273,528)
Business-type activities	210,757	188,295	196,159	44,667	2,459	(103,771)	10,131	(4,569)	(46,069)	(41,061)
Total district	\$ 3,997,810	\$ 3,344,098	\$ 3,367,920	\$ 6,854,613	\$ 4,836,783	\$ 4,594,043	\$ 2,112,377	\$ 1,912,468	\$ 3,030,909	\$ (314,589)

Source: District records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Restricted	\$ 5,505,766	\$ 9,189,969	\$ 9,696,004	\$ 9,429,497	\$ 6,937,450	\$ 3,235,107	\$ 2,208,841	\$ 803,360	\$ 16,243	\$ 15,986
Committed	1,858,255	849,781	95,229	555,996	1,276,855	1,105,729	980,583	183,000	-	-
Assigned	2,805,828	2,260,692	1,559,697	3,354,681	4,180,921	4,726,347	3,641,657	4,180,839	3,659,053	1,068,269
Unassigned	1,687,670	1,363,844	1,306,648	1,732,824	1,907,453	1,889,251	2,119,323	2,406,080	1,737,601	392,743
Total general fund	<u>\$ 11,857,519</u>	<u>\$ 13,664,286</u>	<u>\$ 12,657,578</u>	<u>\$ 15,072,998</u>	<u>\$ 14,302,679</u>	<u>\$ 10,956,434</u>	<u>\$ 8,950,404</u>	<u>\$ 7,573,279</u>	<u>\$ 5,412,897</u>	<u>\$ 1,476,998</u>
All Other Governmental Funds										
Restricted for:										
Capital projects	\$ -	\$ -	\$ 600,912	\$ 142,439	\$ -	\$ -	\$ 350,454	\$ 403,689	\$ 1,129	\$ 2,200
Debt service	6,495	6,495	4,588	149,121	1,113	3,683	2,986	1	-	1
Assigned	-	4,588	149,121	144,214	3,683	2,986	1,670	2,985	3,039	13,994
Unassigned	-	-	-	-	(187,157)	-	-	-	-	-
Total all other governmental funds	<u>\$ 6,495</u>	<u>\$ 11,083</u>	<u>\$ 754,621</u>	<u>\$ 435,774</u>	<u>\$ (182,361)</u>	<u>\$ 6,669</u>	<u>\$ 355,110</u>	<u>\$ 406,675</u>	<u>\$ 4,168</u>	<u>\$ 16,195</u>

Source: District records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Tax levy	\$ 69,509,061	\$ 67,556,582	\$ 66,366,646	\$ 65,451,446	\$ 64,263,186	\$ 63,076,240	\$ 61,964,823	\$ 60,827,558	\$ 60,578,162	\$ 57,648,227
Tuition charges	837,046	585,948	375,088	234,015	170,986	47,494	56,178	87,350	113,801	103,408
Interest earnings	244,681	92,985	70,942	43,546	10,892	7,604	8,685	12,354	5,987	44,741
Transportation fees	21,146	27,238	6,227	7,180	5,597	57,357	229,595	213,067	24,362	30,235
Miscellaneous	478,291	1,062,433	212,311	235,322	815,726	197,243	373,749	485,501	246,518	321,443
State sources	27,920,961	25,782,199	24,689,601	25,392,851	23,286,891	24,651,784	22,171,339	20,416,124	21,225,043	21,612,738
Federal sources	1,416,714	1,460,709	1,465,683	1,425,899	1,500,172	1,303,975	1,582,412	2,025,161	4,125,534	1,168,397
Total revenue	100,427,900	96,568,094	93,186,498	92,790,259	90,053,450	89,341,697	86,386,781	84,067,115	86,319,407	80,929,189
Expenditures										
Instruction:										
Regular Instruction	22,856,800	22,611,055	23,014,678	21,663,620	21,605,660	22,034,273	21,865,872	20,949,176	20,465,844	20,375,044
Special education instruction	6,787,654	6,696,905	6,594,041	6,287,558	6,453,080	6,123,026	6,029,745	6,126,413	5,812,533	5,183,587
Other instructional programs	1,216,888	1,263,566	1,278,794	1,404,332	1,476,002	1,232,256	1,186,752	1,102,572	1,081,345	933,563
School sponsored programs	1,694,433	1,258,420	1,179,989	1,168,238	1,069,470	850,449	868,773	846,534	813,821	770,131
Community services programs	-	-	34,540	37,655	40,784	29,698	43,857	47,542	35,390	-
Support Services:										
Tuition	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876	2,862,242	2,964,008	3,151,685	3,392,265
Student & inst. related services	8,945,270	8,561,308	8,319,561	8,484,087	8,528,782	8,351,729	8,131,635	8,297,296	8,254,590	7,708,012
School administrative services	3,456,160	3,420,218	3,394,550	3,156,541	3,166,897	3,126,636	3,216,347	3,062,816	3,037,525	3,149,541
Other administrative services	3,080,416	3,098,526	2,831,023	2,872,144	2,745,813	2,582,402	2,599,568	2,401,104	2,335,164	2,453,562
Plant operations and maintenance	10,146,895	8,561,682	7,607,741	7,042,310	7,095,980	6,571,630	7,054,440	7,275,560	7,385,965	7,630,014
Pupil transportation	4,953,581	4,789,921	4,501,053	4,104,999	3,950,618	3,944,166	3,984,861	3,963,774	4,475,471	4,913,561
Employee benefits	25,038,784	23,487,854	21,638,981	19,726,960	20,031,310	21,147,769	19,306,765	18,667,448	20,039,281	18,697,449
Charter Schools	91,473	95,706	77,188	98,784	155,488	134,935	95,957	75,946	72,424	65,644
Capital outlay	9,248,199	5,495,453	8,395,312	8,271,043	2,549,967	3,686,049	2,613,856	1,051,275	511,925	701,203
Debt service:										
Principal	3,345,000	3,575,000	3,260,000	3,220,000	3,105,668	3,040,869	2,807,152	2,665,299	2,541,417	2,402,519
Interest and other charges	1,409,870	1,326,910	1,632,677	1,663,068	2,074,776	2,116,345	2,387,198	2,514,436	2,631,155	2,732,481
Total expenditures	104,638,155	96,768,508	96,195,724	91,957,599	86,781,235	87,684,108	85,055,020	82,011,199	82,645,535	81,108,576
Excess (Deficiency) of revenues over (under) expenditures	(4,210,255)	(200,414)	(3,009,226)	832,660	3,272,215	1,657,589	1,331,761	2,055,916	3,673,872	(179,387)

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing sources (uses)										
Refunding bonds	-	-	15,635,000	16,740,000	-	-	7,710,000	-	-	-
Original issue premium	-	-	2,844,176	2,097,739	-	-	601,529	-	-	-
Payments to escrow agent	-	-	(18,356,547)	(18,676,850)	-	-	(8,184,603)	-	-	-
Costs of issuance	-	-	(119,675)	(157,095)	-	-	(126,926)	-	-	-
Capital leases	2,400,000	466,000	910,000	552,000	-	-	-	506,973	230,000	480,269
Transfers in	2,909,500	3,533,275	3,050,288	2,190,388	3,021	47,176	337,355	427,999	126,028	42,000
Transfers out	(2,910,600)	(3,533,275)	(3,050,589)	(2,190,388)	(118,021)	(47,176)	(343,556)	(427,999)	(106,028)	-
Cancellation of prior year receivable	-	(2,416)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,398,900	463,584	912,653	555,794	(115,000)	-	(6,201)	506,973	250,000	522,269
Net change in fund balances	\$ (1,811,355)	\$ 263,170	\$ (2,096,573)	\$ 1,388,454	\$ 3,157,215	\$ 1,657,589	\$ 1,325,560	\$ 2,562,889	\$ 3,923,872	\$ 342,882
Debt service as a percentage of noncapital expenditures	4.98%	5.37%	5.57%	5.83%	6.15%	6.14%	6.30%	6.40%	6.30%	6.39%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Other administrative services includes general administration, central services, administrative information technology and business and other support services.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
 UNAUDITED

Fiscal Year Ended June 30,	Insurance Proceeds	Prior Year Tuition Adjustments	Lost Book Fees	Parking Permit Fees	Use of Facilities	Refund Prior Year Expenditures	Cancellation of Prior Year Checks and Payables	Sports and Activity Participation Fees	Sale or Lease of Assets	Sunset Academy Fees	Legal Settlement/ Restitution	Before and After Care Program	Other	Annual Totals
2009	\$ 126,500	\$ 4,607	\$ 6,746	\$ 19,225	\$ 50,572	\$ 90,647	\$ 1,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,232	\$ 308,708
2010	49,701	5,717	4,791	19,275	70,875	4,728	-	63,787	20,985	-	-	-	3,622	243,481
2011	52,661	51,633	8,097	27,615	56,007	3,595	1,709	85,155	45,560	9,979	133,000	-	7,506	482,517
2012	35,000	52,280	3,524	27,984	79,352	21,131	538	81,658	51,451	7,053	2,201	-	8,062	370,234
2013	-	4,229	4,522	24,880	76,875	12,043	1,105	-	61,007	5,400	-	-	5,248	195,309
2014	-	4,997	1,973	24,455	85,090	38,669	4,004	-	635,725	11,400	-	-	8,301	814,614
2015	78	-	5,002	25,925	98,897	10,154	277	-	11,827	11,700	1,237	-	3,997	169,094
2016	-	-	365	28,510	108,350	24,785	2,847	-	28,073	7,600	169	-	5,629	206,328
2017	9,898	-	1,376	28,180	90,024	89,814	1,810	-	17,679	9,200	141,654	-	2,167	391,802
2018	-	-	1,677	29,245	301,655	16,524	4,428	-	33,561	14,000	-	74,903	2,298	478,291

Source: District records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008*	\$ 134,976,400	\$ 2,374,738,900	\$ 14,894,800	\$ 1,371,600	\$ 523,154,950	\$ 368,387,300	\$ 250,006,700	\$ 3,667,530,650	\$ 5,632,793	\$ 3,673,163,443	\$ 210,106,100	\$ 3,667,530,650	\$ 1.55
2009	129,539,100	2,382,560,000	15,145,500	1,336,800	509,132,750	368,195,300	246,300,000	3,652,209,450	5,666,847	3,657,876,297	214,728,300	3,854,574,617	1.63
2010*	95,028,400	1,978,144,500	12,356,900	1,418,000	427,714,200	290,149,600	228,720,500	3,033,532,100	6,282,617	3,039,814,717	219,794,900	3,753,906,818	2.00
2011	90,315,200	1,959,429,800	12,448,800	1,314,200	418,373,900	272,732,300	248,650,000	3,003,264,200	5,217,039	3,008,481,239	219,757,600	3,539,081,075	2.04
2012	84,999,000	1,974,057,300	12,901,400	1,357,100	409,917,100	263,060,500	248,650,000	2,994,942,400	4,728,279	2,999,670,679	221,322,700	3,296,216,597	2.09
2013	80,606,800	1,993,152,600	12,304,800	1,228,700	389,881,600	262,472,000	248,250,000	2,987,896,500	5,583,077	2,993,479,577	227,248,700	3,192,892,823	2.13
2014	70,029,700	2,020,455,200	12,935,000	1,214,500	384,049,900	257,273,800	247,250,000	2,993,208,100	4,900,281	2,998,108,381	231,862,100	3,098,250,465	2.16
2015	75,181,800	2,052,952,100	12,935,000	1,084,100	371,303,400	260,266,400	247,250,000	3,020,972,800	-	3,020,972,800	232,890,400	2,963,850,508	2.18
2016	68,774,000	2,087,008,500	11,825,400	1,078,300	380,768,400	259,891,200	247,250,000	3,056,595,800	-	3,056,595,800	235,276,100	3,132,027,975	2.19
2017	63,309,600	2,122,926,200	11,705,000	1,077,200	380,352,200	250,753,600	296,350,000	3,126,473,800	-	3,126,473,800	235,183,000	3,180,572,002	2.19

Source: Municipal Tax Assessor

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.

* The Township underwent a revaluation of real property that became effective for the years 2008 and 2010. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

^a Taxable Value of Machinery Implements Equipment of Telephone Messenger System

^b Tax rates are per \$100

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)
 UNAUDITED

Fiscal Year Ended December 31,	Mount Olive 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	Mount Olive Township	Morris County	
2008*	\$ 1.44	\$ 0.11	\$ 1.55	\$ 0.48	\$ 0.24	\$ 2.27
2009	1.50	0.13	1.63	0.51	0.24	2.38
2010*	1.85	0.15	2.00	0.62	0.28	2.90
2011	1.89	0.15	2.04	0.63	0.28	2.95
2012	1.94	0.15	2.09	0.64	0.27	3.00
2013	1.98	0.15	2.13	0.66	0.27	3.06
2014	2.01	0.15	2.16	0.66	0.27	3.09
2015	2.03	0.15	2.18	0.66	0.25	3.09
2016	2.05	0.14	2.19	0.66	0.26	3.11
2017	2.06	0.14	2.19	0.66	0.27	3.12

Source: Municipal Tax Collector, Certificate and Report of School Taxes (Form A4F)

Note: Tax rates are per \$100

- * Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment. The Township underwent a revaluation of real property that became effective for the years 2008 and 2010.
- ^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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Taxpayer	2017 Top Ten Taxpayers			2007 Top Ten Taxpayers		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Oakwood Village Real Estate LLC	\$ 120,020,500	1	3.84%	\$ 50,300,000	1	2.54%
SDK Village Green LLC	109,012,200	2	3.49%	49,070,800	2	2.48%
Toys R Us Inc.	49,500,000	3	1.58%	39,200,000	4	1.98%
Eagle Rock Village Inc.	35,991,700	4	1.15%	23,537,200	7	1.19%
Big Box Property Owner East LLC	35,760,000	5	1.14%			
SCI ITC South Fund, LLC (Lowes, Babies R Us)	31,600,000	6	1.01%	22,350,200	8	1.13%
Siemens Healthcare Diagnostics Inc.	29,910,900	7	0.96%			
Kings Village LLC	23,000,000	8	0.74%			
SCI ITC South Fund, LLC (Old Navy, Michael's)	20,458,600	9	0.65%	16,104,800	10	0.81%
350 Clark Drive LLC	20,000,000	10	0.64%	34,200,000	5	1.73%
MTO Realty				44,775,000	3	2.26%
Mt. Olive Industrial Realty Co. LLC				33,945,000	6	1.72%
SCI North Fund, LLC (Staples, Sam's Club)				17,761,600	9	0.90%
Total	\$ 475,253,900		15.20%	\$ 331,244,600		16.74%

Source: Municipal Tax Assessor

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 56,786,067	\$ 56,786,067	100.00%	-
2009	59,532,178	59,532,178	100.00%	-
2010	60,702,860	60,702,860	100.00%	-
2011	61,396,191	61,396,191	100.00%	-
2012	62,520,531	62,520,531	100.00%	-
2013	63,669,713	63,669,713	100.00%	-
2014	64,857,316	64,857,316	100.00%	-
2015	65,909,046	65,909,046	100.00%	-
2016	66,961,614	66,961,614	100.00%	-
2017	68,532,822	68,532,822	100.00%	-

Source: Certificate and Report of School Taxes (Form A4F)

- 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 voted upon or certified prior to the end of the school year.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Sewer Connection Project Loan	Bond Anticipation Notes (BANs)			
2009	\$ 60,250,000	\$ 495,405	\$ -	\$ 60,745,405	3.30%	\$ 2,355
2010	57,775,000	428,988	-	58,203,988	2.77%	2,065
2011	55,175,000	363,689	-	55,538,689	2.54%	1,958
2012	52,715,000	291,537	-	53,006,537	2.32%	1,857
2013	49,745,000	220,668	-	49,965,668	2.15%	1,740
2014	46,720,000	140,000	-	46,860,000	1.94%	1,623
2015	42,040,000	95,000	-	42,135,000	1.65%	1,451
2016	36,465,000	50,000	-	36,515,000	1.41%	1,252
2017	32,940,000	-	-	32,940,000	N/A	1,126
2018	29,595,000	-	-	29,595,000	N/A	N/A

Source: District records

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

^a See Exhibit J-14 for personal income and population data. Personal income data is not available beyond 2016 and population data is not available beyond 2017.

N/A At the time of CAFR completion, this data was not yet available.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 60,250,000	-	\$ 60,250,000	1.64%	\$ 2,336
2010	57,775,000	-	57,775,000	1.58%	2,050
2011	55,175,000	-	55,175,000	1.82%	1,945
2012	52,715,000	-	52,715,000	1.75%	1,847
2013	49,745,000	-	49,745,000	1.66%	1,732
2014	46,720,000	-	46,720,000	1.56%	1,619
2015	42,040,000	-	42,040,000	1.40%	1,448
2016	36,465,000	-	36,465,000	1.21%	1,251
2017	32,940,000	-	32,940,000	1.08%	1,126
2018	29,595,000	-	29,595,000	0.95%	N/A

Source: District records

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

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

^b Population data can be found in Exhibit J-14. Population data is not available beyond 2017.

N/A At the time of CAFR completion, this data was not yet available.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2018
 UNAUDITED

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Mt. Olive ^b	\$ 21,680,325	100.00%	\$ 21,680,325
County of Morris ^c	217,187,521	3.41%	<u>7,409,648</u>
Subtotal, overlapping debt			29,089,973
Mt. Olive Township School District Direct Debt ^d			<u>29,595,000</u>
Total direct and overlapping debt			<u><u>\$ 58,684,973</u></u>

Source: 2017 Annual Debt Statements provided by the County of Morris and Mt. Olive Township
 2017 Abstract of Ratables for Morris County

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 Mt. Olive Township. 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 is estimated using taxable assessed property values. The applicable percentage was calculated by dividing the portion of Mt. Olive Township's taxable value by the total taxable value in Morris County as reported on the 2017 Abstract of Ratables for Morris County.

^b Net debt at December 31, 2017 as per the Township's Annual Debt Statement.

^c Net debt at December 31, 2017 as per the County's Annual Debt Statement.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2018 as per Schedule J-10.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

Legal Debt Margin Calculation as of December 31, 2017

		Equalized valuation basis	
		2017	\$ 3,244,239,701
		2016	3,106,612,257
		2015	3,092,723,997
		[A]	<u>\$ 9,443,575,955</u>
	Average equalized valuation of taxable property	[A/3]	\$ 3,147,858,652
	Debt limit (4% of average equalized valuation)	[B]	\$ 125,914,346 ^a
	Total net debt applicable to limit	[C]	29,595,000
	Legal debt margin	[B-C]	<u>\$ 96,319,346</u>

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 152,652,749	\$ 152,968,716	\$ 148,613,894	\$ 141,075,637	\$ 133,689,899	\$ 127,755,664	\$ 122,799,389	\$ 121,481,824	\$ 121,773,215	\$ 125,914,346
Total net debt applicable to limit ^b	60,250,000	57,775,000	55,175,000	52,715,000	49,745,000	46,720,000	42,040,000	36,465,000	32,940,000	29,595,000
Legal debt margin	<u>\$ 92,402,749</u>	<u>\$ 95,193,716</u>	<u>\$ 93,438,894</u>	<u>\$ 88,360,637</u>	<u>\$ 83,944,899</u>	<u>\$ 81,035,664</u>	<u>\$ 80,759,389</u>	<u>\$ 85,016,824</u>	<u>\$ 88,833,215</u>	<u>\$ 96,319,346</u>
Total net debt applicable to the limit as a percentage of debt limit	39.47%	37.77%	37.13%	37.37%	37.21%	36.57%	34.23%	30.02%	27.05%	23.50%

Source: Mount Olive Township Annual Debt Statement. 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 Net general bonded debt outstanding as of June 30 per Schedule J-11.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year Ended December 31,	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	25,769	\$ 1,912,317,490	\$ 74,210	4.3%
2009	25,795	1,840,756,995	71,361	8.8%
2010	28,183	2,098,506,180	74,460	8.9%
2011	28,364	2,189,899,348	77,207	8.2%
2012	28,542	2,284,130,634	80,027	8.3%
2013	28,718	2,322,367,224	80,868	7.0%
2014	28,866	2,415,708,942	83,687	5.2%
2015	29,043	2,552,763,528	87,896	4.4%
2016	29,155	2,596,690,075	89,065	4.1%
2017	29,253	N/A	N/A	3.8%

Source:

- ^a Population estimates provided by the New Jersey Department 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 based on average for Morris County. Information provided by the US Bureau of Economic Analysis. The most current year is a projected figure.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A At the time of CAFR completion, this data was not yet available.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR
UNAUDITED

Employer	Employees	Rank	Percentage of Total Municipal Employment ^a
Mt. Olive Township School District	837	1	5.41%
Siemens Medical Solutions	783	2	5.06%
Mars, Inc.	406	3	2.63%
Wal-Mart Stores Inc.	230	4	1.49%
Mount Olive Township	210	5	1.36%
Shop Rite of Flanders	208	6	1.35%
Givaudan Fragrances Corp.	202	7	1.31%
Lowe's Home Centers Inc.	195	8	1.26%
Weis Markets	120	9	0.78%
American Sensor Technologies	95	10	0.61%
	<u>3,286</u>		<u>21.25%</u>

Source: Original companies and estimates provided by the Morris County Economic Development Corporation (MCEDC). Estimates are updated annually by District personnel.

^a Based on 2017 annual average labor force estimates by municipality reported by the New Jersey Department of Labor and Workforce Development.

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction:										
Regular	307.5	286.0	282.0	270.0	279.8	285.0	290.3	301.0	297.2	287.1
Special education	114.5	121.5	125.0	125.0	106.4	131.4	141.7	149.0	142.7	142.3
Other instruction	11.5	11.5	16.0	16.0	15.2	19.0	16.6	18.6	18.2	16.0
School sponsored programs	-	-	-	-	-	1.0	1.0	1.0	1.0	8.6
Community services programs	1.0	1.0	0.3	0.3	-	-	-	-	-	-
Support Services:										
Student & instruction related services	118.0	124.5	129.8	130.3	134.8	143.6	116.6	111.3	128.8	133.8
General administration	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.6	4.6	5.1
School administrative services	36.0	39.0	40.0	40.0	39.0	40.0	37.0	37.0	37.0	38.0
Business and other support services	10.0	9.5	9.5	9.5	9.5	9.5	9.0	9.0	9.0	9.0
Administrative information technology	6.0	6.0	5.0	5.0	6.0	8.0	8.0	8.0	8.0	8.0
Plant operations and maintenance	86.5	88.5	84.0	85.0	85.0	112.0	85.7	92.3	92.7	96.0
Pupil transportation	75.0	73.5	66.0	66.0	69.0	70.5	65.7	70.9	73.1	71.7
Total	<u>771.0</u>	<u>766.0</u>	<u>762.6</u>	<u>752.1</u>	<u>749.7</u>	<u>824.9</u>	<u>776.1</u>	<u>802.7</u>	<u>812.4</u>	<u>815.6</u>

Source: District Records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Average Class Size ^d			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2009	4,966.5	\$ 75,272,373	\$ 15,156	-3.39%	451	19	21	18	4,906	4,668	-0.02%	95.1%
2010	4,941.5	76,961,038	15,574	2.76%	429	22	25	18	4,903	4,685	-0.06%	95.6%
2011	4,930.0	75,780,189	15,371	-1.30%	435	21	25	24	4,864	4,626	-0.80%	95.1%
2012	4,792.5	77,246,814	16,118	4.86%	434	18	20	17	4,735	4,515	-2.65%	95.4%
2013	4,631.0	78,840,845	17,025	5.62%	444	20	19	19	4,625	4,391	-2.32%	94.9%
2014	4,675.5	79,050,824	16,907	-0.69%	440	21	21	18	4,646	4,421	0.45%	95.2%
2015	4,700.5	78,803,488	16,765	-0.84%	450	23	18	23	4,664	4,423	0.39%	94.8%
2016	4,577.5	82,907,735	18,112	8.04%	454	22	20	21	4,565	4,330	-2.12%	94.8%
2017	4,574.5	86,371,145	18,881	4.25%	453	21	22	20	4,584	4,331	0.42%	94.5%
2018	4,598.0	90,635,086	19,712	4.40%	445	22	20	21	4,597	4,366	0.28%	95.0%

Source: District records

^a Enrollment is based on the annual October district count. The 2018 count represents student enrollment as of October 15, 2017.

^b Operating expenditures equal total expenditures per Schedule J-4 less debt service and capital outlay.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d Average class size is based on school report card data from the previous school year and excludes special education students in specialized classes.

^e Average daily enrollment and average daily attendance are obtained from the Annual School Register Summary (SRS).

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

<u>District Building</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Elementary (4)</u>										
Chester M. Stephens Elementary School (1966)										
Square Feet	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745
Capacity (students) ^a	880	880	880	887	887	887	887	887	887	887
Enrollment ^b	719	700	697	692	648	648	681	678	684	704
Mt. View Elementary School (1969)										
Square Feet	84,190	84,190	84,190	84,190	84,190	84,190	84,190	84,190	84,190	84,190
Capacity (students) ^a	886	886	886	866	866	866	866	866	866	866
Enrollment ^b	608	607	599	579	526	508	489	475	444	432
Sandshore Elementary School (1972)										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students) ^a	653	653	653	589	589	589	589	589	589	589
Enrollment ^b	451	426	422	384	374	376	373	387	403	427
Tinc Road Elementary School (1974)										
Square Feet	60,992	60,992	60,992	60,992	60,992	60,992	60,992	60,992	60,992	60,992
Capacity (students) ^a	676	676	676	688	688	688	688	688	688	688
Enrollment ^b	538	527	526	494	456	460	460	453	458	471
<u>Middle School (1)</u>										
Mt. Olive Middle School (2001)										
Square Feet	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934
Capacity (students) ^a	1,200	1,200	1,200	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment ^b	1,167	1,164	1,137	1,150	1,157	1,205	1,213	1,125	1,101	1,061
<u>High School (1)</u>										
Mt. Olive High School (1978)										
Square Feet	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000
Capacity (students) ^a	1,740	1,740	1,740	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment ^b	1,425	1,468	1,508	1,456	1,444	1,452	1,473	1,455	1,486	1,523
<u>Other (2)</u>										
Administrative Office Complex (2015)										
Building One - Square Feet	-	-	-	-	-	-	-	19,198	19,198	19,198
Building Two - Square Feet	-	-	-	-	-	-	-	19,198	19,198	19,198
Bus Garage										
Square Feet	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500

Source: District Facilities Office, Demographer's Report, ASSA Report

Note: Year of original construction/acquisition is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

^a Functional capacity for years 2012-2018 is based on the most recent Demographer's Report dated July 30, 2012. Functional capacities do not include rooms set aside for self-contained special education students and do not include pre-school space requirements. Actual capacity changes annually based on the number of special needs students and classrooms dedicated to specialized instruction. Capacities prior to 2012 are based on architect's estimate as of August 15, 1997.

^b Enrollment is based on the annual October district count. The 2018 count represents the number of on roll full-time and shared-time students as of October 15, 2017.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 LAST TEN FISCAL YEARS
 UNAUDITED

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

	School Facilities *						Other Facilities/ Unallocated ^a	Total
	Mt. Olive High School	Mt. Olive Middle School	Chester Stephens Elementary School	Tinc Road Elementary School	Sandshore Elementary School	Mt. View Elementary School		
2009	\$ 176,816	\$ 118,081	\$ 53,564	\$ 25,570	\$ 40,835	\$ 47,454	\$ 224,637	\$ 686,957
2010	218,053	112,706	71,865	47,964	37,751	39,253	253,529	781,121
2011	199,392	191,044	42,318	48,019	36,261	58,689	242,349	818,072
2012	471,156	170,190	97,969	57,161	69,420	117,897	273,003	1,256,796
2013	192,793	188,610	40,831	49,613	73,541	48,900	232,400	826,688
2014	205,502	136,529	40,812	81,134	49,783	91,195	262,770	867,725
2015	212,341	175,359	80,433	38,425	94,834	65,264	249,386	916,042
2016	195,614	154,969	68,374	53,068	71,272	110,151	415,804	1,069,252
2017	345,282	143,537	75,460	61,383	83,323	123,915	280,224	1,113,124
2018	652,930	208,900	75,919	110,646	52,248	112,548	347,796	1,560,987
Total School Facilities	\$ 2,869,879	\$ 1,599,925	\$ 647,545	\$ 572,983	\$ 609,268	\$ 815,266	\$ 2,781,898	\$ 9,896,764

Source: District records

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

^a Other facilities/unallocated includes the administration building, the bus garage, and unallocated maintenance salaries.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund		
Property:	\$ 500,000,000	
Building and personal property		\$ 2,500
Auto physical damage		\$ 1,000
General Liability including Auto and Employee Benefits:		
Per occurrence	\$ 5,000,000	
Fund annual aggregate	\$ 100,000,000	
Fire damage	\$ 2,500,000	
Medical expenses (excluding student athletes)	\$ 10,000	
Security Guard Liability	\$ 1,000,000	\$ 5,000
Environmental Impairment Liability:		
Per incident	\$ 1,000,000	\$ 10,000
Fund annual aggregate	\$ 25,000,000	
Crime Coverage	\$ 50,000	\$ 1,000
Blanket employee dishonesty bond	\$ 500,000	\$ 1,000
Boiler and machinery	\$ 100,000,000	\$ 2,500
Excess Liability (excludes school board legal liability)	\$ 15,000,000	
School Board Legal Liability	\$ 5,000,000	\$ 5,000
Cyber Liability	\$ 2,000,000	\$ 10,000
Workers' Compensation:	statutory	
Employer's liability	\$ 2,000,000	
Supplemental indemnity	statutory	
Selective Insurance		
Surety Bonds:		
Business Administrator	\$ 400,000	
Treasurer of School Monies	\$ 400,000	
Bollinger		
Student Accident Insurance	\$ 1,000,000	

Source: Insurance Agent

SINGLE AUDIT SECTION

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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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 AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Township of Mount Olive School District
County of Morris, New Jersey

We have audited, in accordance with 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 and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Mount Olive Board of Education's internal control over financial reporting (internal control) to determine the 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 Township of Mount Olive Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mount Olive Board of Education's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Mount Olive Board of Education'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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Township of Mount Olive School District in the separate Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance dated January 25, 2019.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Newton, New Jersey

January 25, 2019

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

Honorable President and
Members of the Board of Education
Township of Mount Olive School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Mount Olive School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Mount Olive School District's major federal and state programs for the fiscal year ended June 30, 2018. The Township of Mount Olive School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Mount Olive School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08

require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of Mount Olive School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Mount Olive Board of Education's compliance.

Unmodified Opinion on Each of the Major Federal and State Programs

In our opinion, the Township of Mount Olive Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the Summary of Auditor Results section of the accompanying Schedule of Finding and Questioned Costs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Township of Mount Olive School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Mount Olive School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Mount Olive School District's 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Thomas M. Ferry
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Newton, New Jersey

January 25, 2019

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period		Accounts Receivable June 30, 2017	Cash Received	Budgetary Expenditures	Prior Year Orders Cancelled	Adjustments	Accounts Receivable June 30, 2018	MEMO GAAP Receivable
				From	To							
U.S. Department of Health and Human Services												
Passed-through State Department of Education												
General Fund:												
Medicaid Administrative Claiming (MAC)	93.778	1705NJ5MAP	\$ 10,262	09/01/17	08/31/18	\$ -	\$ 10,262	\$ (10,262)	\$ -	\$ -	\$ -	\$ -
Special Education Medicaid Initiative (SEMI)	93.778	1705NJ5MAP	73,818	09/01/17	08/31/18	-	73,818	(73,818)	-	-	-	-
Total General Fund						-	84,080	(84,080)	-	-	-	-
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I Part A, Grants to Local Educational Agencies	84.010	S010A160030	238,907	07/01/16	06/30/17	(73,305)	73,306	-	-	(1)	-	-
Title I Part A, Grants to Local Educational Agencies	84.010	S010A170030	243,923	07/01/17	06/30/18	-	137,902	(232,635)	-	1	(94,732)	(94,334)
						(73,305)	211,208	(232,635)	-	-	(94,732)	(94,334)
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A160029	107,553	07/01/16	06/30/17	(33,282)	33,281	-	-	1	-	-
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A170029	99,597	07/01/17	06/30/18	-	10,017	(49,224)	-	(1)	(39,208)	(35,140)
						(33,282)	43,298	(49,224)	-	-	(39,208)	(35,140)
Title III, English Language Acquisition	84.365A	S365A170030	46,781	07/01/17	06/30/18	-	15,670	(19,257)	-	-	(3,587)	(2,535)
Title III Immigrant, English Language Acquisition	84.365A	S365A160030	23,750	07/01/16	06/30/17	(4,734)	4,734	-	-	-	-	-
Title IV Part A, Student Support and Academic Enrichment (SSAE) Program	84.358B	S358B170030	10,000	07/01/17	06/30/18	-	1,296	(3,648)	-	-	(2,352)	(2,352)
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027	H027A160100	1,030,093	07/01/16	06/30/17	(230,972)	231,137	-	-	(165)	-	-
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027	H027A170100	939,874	07/01/17	06/30/18	-	639,973	(923,536)	-	165	(283,398)	(283,398)
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	H173A160114	44,991	07/01/16	06/30/17	(13,245)	13,245	-	40	(40)	-	-
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173	H173A170114	46,465	07/01/17	06/30/18	-	25,416	(46,109)	-	40	(20,653)	(15,716)
						(244,217)	909,771	(969,645)	40	-	(304,051)	(299,114)
Career and Technical Education - Basic Grants (Perkins)	84.048A	V048A160030	19,451	07/01/16	06/30/17	(10,829)	10,830	-	-	(1)	-	-
Career and Technical Education - Basic Grants (Perkins)	84.048A	V048A170030	19,482	07/01/17	06/30/18	-	10,591	(19,482)	-	1	(8,890)	(8,891)
						(10,829)	21,421	(19,482)	-	-	(8,890)	(8,891)
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C180005	9,750	07/01/17	06/30/18	-	-	(9,750)	-	-	(9,750)	(9,750)
Total Special Revenue Fund						(366,367)	1,207,398	(1,303,641)	40	-	(462,570)	(452,116)
U.S. Department of Agriculture												
Passed-through State Department of Education												
Enterprise Fund:												
Food Donation	10.550		70,260	09/01/17	08/31/18	-	70,260	(70,260)	-	-	-	-
School Breakfast Program	10.553	171NJ304N1099	25,582	09/01/16	08/31/17	(2,398)	2,398	-	-	-	-	-
School Breakfast Program	10.553	181NJ304N1099	26,528	09/01/17	08/31/18	-	23,953	(26,528)	-	-	(2,575)	(2,575)
National School Lunch Program	10.555	171NJ304N1099	240,495	09/01/16	08/31/17	(19,008)	19,008	-	-	-	-	-
National School Lunch Program	10.555	181NJ304N1099	234,941	09/01/17	08/31/18	-	216,303	(234,941)	-	-	(18,638)	(18,638)
Special Milk Program for Children	10.556	171NJ304N1099	1,524	09/01/16	08/31/17	(128)	128	-	-	-	-	-
Special Milk Program for Children	10.556	181NJ304N1099	1,048	09/01/17	08/31/18	-	969	(1,048)	-	-	(79)	(79)
After School Snack	10.555	181NJ304N1099	733	09/01/17	08/31/18	-	733	(733)	-	-	-	-
Total Enterprise Fund						(21,534)	333,752	(333,510)	-	-	(21,292)	(21,292)
Sub-Total Federal Financial Awards						\$ (387,901)	\$ 1,625,230	\$ (1,721,231)	\$ 40	\$ -	\$ (483,862)	\$ (473,408)

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2017	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2018	MEMO			
									From	To	Budgetary Receivable	Cumulative Total
State Department of Education												
General Fund:												
Special Education Aid, Carryover	17-495-034-5120-089	2,959,145	07/01/16	06/30/17	\$ (295,914)	\$ 295,914	\$ -	\$ -	\$ -	\$ -		
Special Education Aid	18-495-034-5120-089	2,959,145	07/01/17	06/30/18	-	2,663,231	(2,959,145)	-	(295,914)	2,959,145		
					<u>(295,914)</u>	<u>2,959,145</u>	<u>(2,959,145)</u>	<u>-</u>	<u>(295,914)</u>	<u>2,959,145</u>		
Transportation Aid, Carryover	17-495-034-5120-014	544,347	07/01/16	06/30/17	(54,435)	54,435	-	-	-	-		
Transportation Aid	18-495-034-5120-014	544,347	07/01/17	06/30/18	-	489,912	(544,347)	-	(54,435)	544,347		
					<u>(54,435)</u>	<u>544,347</u>	<u>(544,347)</u>	<u>-</u>	<u>(54,435)</u>	<u>544,347</u>		
Extraordinary Special Education Costs Aid, Carryover	17-495-034-5120-044	1,182,701	07/01/16	06/30/17	(1,182,701)	1,182,701	-	-	-	-		
Extraordinary Special Education Costs Aid	18-495-034-5120-044	1,475,494	07/01/17	06/30/18	-	-	(1,475,494)	(1,475,494)	(1,475,494)	1,475,494		
					<u>(1,182,701)</u>	<u>1,182,701</u>	<u>(1,475,494)</u>	<u>(1,475,494)</u>	<u>(1,475,494)</u>	<u>1,475,494</u>		
Nonpublic School Transportation Aid, Carryover	17-495-034-5120-014	24,040	07/01/16	06/30/17	(24,040)	24,040	-	-	-	-		
Nonpublic School Transportation Aid	18-495-034-5120-014	37,279	07/01/17	06/30/18	-	-	(37,279)	(37,279)	(37,279)	37,279		
					<u>(24,040)</u>	<u>24,040</u>	<u>(37,279)</u>	<u>(37,279)</u>	<u>(37,279)</u>	<u>37,279</u>		
Homeless Tuition Reimbursement, Carryover	17-495-034-5120-005	57,908	07/01/16	06/30/17	(57,908)	57,908	-	-	-	-		
Homeless Tuition Reimbursement	18-495-034-5120-005	61,066	07/01/17	06/30/18	-	-	(61,066)	(61,066)	(61,066)	61,066		
					<u>(57,908)</u>	<u>57,908</u>	<u>(61,066)</u>	<u>(61,066)</u>	<u>(61,066)</u>	<u>61,066</u>		
Equalization Aid, Carryover	17-495-034-5120-078	11,538,909	07/01/16	06/30/17	(1,102,395)	1,102,395	-	-	-	-		
Equalization Aid	18-495-034-5120-078	11,850,036	07/01/17	06/30/18	-	10,701,714	(11,850,036)	-	(1,148,322)	11,850,036		
					<u>(1,102,395)</u>	<u>11,804,109</u>	<u>(11,850,036)</u>	<u>-</u>	<u>(1,148,322)</u>	<u>11,850,036</u>		
Security Aid, Carryover	17-495-034-5120-084	106,585	07/01/16	06/30/17	(10,659)	10,659	-	-	-	-		
Security Aid	18-495-034-5120-084	106,585	07/01/17	06/30/18	-	95,926	(106,585)	-	(10,659)	106,585		
					<u>(10,659)</u>	<u>106,585</u>	<u>(106,585)</u>	<u>-</u>	<u>(10,659)</u>	<u>106,585</u>		
PARCC Readiness Aid, Carryover	17-495-034-5120-098	44,640	07/01/16	06/30/17	(4,464)	4,464	-	-	-	-		
PARCC Readiness Aid	18-495-034-5120-098	44,640	07/01/17	06/30/18	-	40,176	(44,640)	-	(4,464)	44,640		
					<u>(4,464)</u>	<u>44,640</u>	<u>(44,640)</u>	<u>-</u>	<u>(4,464)</u>	<u>44,640</u>		
Per Pupil Growth Aid, Carryover	17-495-034-5120-097	44,640	07/01/16	06/30/17	(4,464)	4,464	-	-	-	-		
Per Pupil Growth Aid	18-495-034-5120-097	44,640	07/01/17	06/30/18	-	40,176	(44,640)	-	(4,464)	44,640		
					<u>(4,464)</u>	<u>44,640</u>	<u>(44,640)</u>	<u>-</u>	<u>(4,464)</u>	<u>44,640</u>		
Professional Learning Community Aid, Carryover	17-495-034-5120-101	44,020	07/01/16	06/30/17	(4,402)	4,402	-	-	-	-		
Professional Learning Community Aid	18-495-034-5120-101	44,020	07/01/17	06/30/18	-	39,618	(44,020)	-	(4,402)	44,020		
					<u>(4,402)</u>	<u>44,020</u>	<u>(44,020)</u>	<u>-</u>	<u>(4,402)</u>	<u>44,020</u>		
Reimbursed T.P.A.F. Social Security Tax	18-495-034-5094-003	2,390,917	07/01/17	06/30/18	(116,217)	2,507,134	(2,390,917)	-	-	2,390,917		
On-behalf T.P.A.F. Pension	18-495-034-5094-002	4,790,196	07/01/17	06/30/18	-	4,790,196	(4,790,196)	-	-	4,790,196		
On-behalf T.P.A.F. Non-Contributory Insurance	18-495-034-5094-004	8,418	07/01/17	06/30/18	-	8,418	-	-	-	8,418		
On-behalf T.P.A.F. Post Retirement Medical	18-495-034-5094-001	3,093,886	07/01/17	06/30/18	-	3,093,886	(3,093,886)	-	-	3,093,886		
					<u>(116,217)</u>	<u>10,399,634</u>	<u>(10,283,417)</u>	<u>-</u>	<u>-</u>	<u>10,283,417</u>		
Total General Fund					<u>(2,857,599)</u>	<u>27,211,769</u>	<u>(27,450,669)</u>	<u>(1,573,839)</u>	<u>(3,096,499)</u>	<u>27,450,669</u>		

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2017	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2018	MEMO	
			From	To					Budgetary Receivable	Cumulative Total Expenditures
State Department of Education										
Debt Service Fund:										
Debt Service Aid - State Support	18-495-034-5120-075	516,219	07/01/17	06/30/18	-	516,219	(516,219)	-	-	516,219
Total Debt Service Fund					-	516,219	(516,219)	-	-	516,219
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program - State Share, Carryover	17-100-010-3350-023	8,025	07/01/16	06/30/17	(650)	650	-	-	-	-
National School Lunch Program - State Share	18-100-010-3350-023	9,031	07/01/17	06/30/18	-	8,306	(9,031)	(725)	(725)	9,031
Total Enterprise Fund					(650)	8,956	(9,031)	(725)	(725)	9,031
Total State Financial Assistance					(2,858,249)	27,736,944	(27,975,919)	(1,574,564)	(3,097,224)	27,975,919
Less: On-Behalf Pension and Annuity Aid					-	7,892,500	(7,892,500)	-	-	7,892,500
Total For State Financial Assistance Determination					<u>\$ (2,858,249)</u>	<u>\$ 19,844,444</u>	<u>\$ (20,083,419)</u>	<u>\$ (1,574,564)</u>	<u>\$ (3,097,224)</u>	<u>\$ 20,083,419</u>

See Notes to Schedule of Expenditures of Federal and State Awards

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Township of Mount Olive School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 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 food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the 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 N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget 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 budget year due to the state deferral and recording of the last state aid payment 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 payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS,
(continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(45,927) for the general fund and \$28,993 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 5, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during the 2018 fiscal year was \$.

Financial award revenues are reported in the District’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$84,080	\$27,404,742	\$27,488,822
Special Revenue Fund	1,332,634	-	1,332,634
Capital Projects Fund	-	-	-
Debt Service	-	516,219	516,219
Food Service Fund	333,510	9,031	342,541
	<u>1,750,224</u>	<u>\$27,929,992</u>	<u>\$29,680,216</u>
Total Awards and Financial Assistance	<u>\$1,750,224</u>	<u>\$27,929,992</u>	<u>\$29,680,216</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2018. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Township of Mount Olive School District has elected not to use the 10 percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? yes X no
- 2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major federal programs:

- 1. Material weakness(es) identified? yes X no
- 2. Significant deficiencies identified that are not considered to be material weaknesses? 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 section 516(a) of the Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Fein Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>SPECIAL EDUCATION CLUSTER:</u>
<u>84.027</u>	<u>H027A170100</u>	<u>I.D.E.A. - Part B - Basic</u>
<u>84.173</u>	<u>H173A170114</u>	<u>I.D.E.A. - Part B - Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? X yes no

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Status of Prior Year Findings

All findings were corrected.