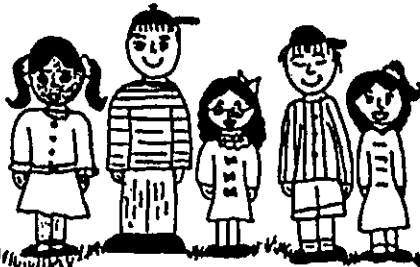
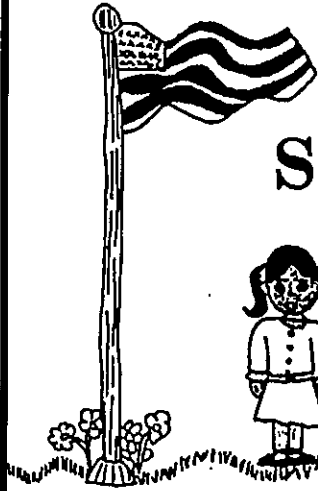


**Mt. Olive
Township
School District**



“Students Are Our First Priority”

**Mount Olive Board of Education
Budd Lake, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015**

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, 2015

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, 2015**

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INTRODUCTORY SECTION

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December 8, 2015

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

Dear Board Members:

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, 2015. This CAFR includes the District's Basic Financial Statements, which are prepared in accordance with generally accepted governmental accounting standards. 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 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. This report will provide the taxpayers of the Mount Olive Township School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs.

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 Management's Discussion and Analysis, 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* – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and New Jersey OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

School District Organization

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 more than 25,000 residents. The Mount Olive Township School District is the third largest school district in Morris County with an enrollment of nearly 5,000 students. The District is comprised of six schools: four elementary schools serving grades 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 Mount Olive Township School 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.

Economic Condition and 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 19% of the District's original 2015 operating budget while local property taxes accounted for 75%. 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 growth has remained steady over the past several years; however, there are currently a few major housing developments at various stages of completion that could impact student enrollment. Overall, 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.

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 and vocational programs, as well as special education programs for students with educational disabilities. A wide variety of in-class support services, resource centers, and self-contained programs are available to students with special needs. In addition, the District offers three 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 and the summer STEM Camp. Vocational course offerings include a wide variety of related arts and business technology programs such as marketing, accounting, architectural drafting and design, robotics engineering, nutrition and culinary science, woodworking, and television production.

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 10 male and female sports teams at the middle school level in addition to its renowned, award winning marching band program. In the 2014-15 school year, Mount Olive won 7 conference championships and 19 of the District's athletic programs qualified for state tournaments.

The District recognizes the importance of technology in the world today and every effort is made to provide distance learning opportunities for the students. Virtually all of the classrooms in the District are equipped with computers and have online access. The administration regularly updates the District's technology plan, which includes a description of the new software programs, technology equipment, and infrastructure upgrades that are being implemented and planned for future years.

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.

In the 2014-15 school year, 264 students from Mount Olive High School took the Scholastic Aptitude Test (SAT). The District's combined average SAT score was 1574, which is 54 points above the state average and 84 points above the national average. Eighty-five percent of the school's 2015 graduates will be pursuing post-secondary education, with 52% attending four-year colleges and universities. One member of the 2015 graduating class was recognized as a finalist in the National Merit Scholarship program, while 14 others were recognized as commended students.

Tinc Road Elementary School and Sandshore Elementary School ranked among the best elementary schools in the state according to the independent organization, SchoolDigger.com. SchoolDigger, a website that compares U.S. schools exclusively on standardized test scores, ranked Tinc Road School 99th and Sandshore School 125th out of 1,238 public elementary schools in New Jersey, placing both schools in the top 10%.

Mt. View Elementary School was ranked eighth in the nation among K-8 schools participating in the *First In Math* online program, based on their ability to solve more than 6 million total math problems since the program's inception.

Mt. Olive Middle School students in the Science Olympiad/Technology Student Association (TSA) club took home an impressive 11 awards at the TSA state finals, which was held at the College of New Jersey.

Mount Olive High School consistently ranks in the top 100 of New Jersey's best high schools. *US News and World Report* recently ranked Mount Olive High School as the 50th best high school in New Jersey and in the top 8% of schools nationwide. The school earned a silver award for the distinction.

Academic Initiatives

During the 2014-15 school year, the Board and administration established and/or implemented a number of academic initiatives. The following is a summary of these initiatives:

Distinguished Pathway Diploma Program – In the 2014-2015 school year, Mount Olive High School introduced career-oriented curriculums in several subject areas and multiple types of diplomas based on a student's course choices. Four different types of diplomas are offered reflecting the level and subject matter of a student's high school study: the traditional diploma, the pathway diploma, the honors diploma, and the AP capstone diploma.

STEM Initiative – In the summer of 2014, the Mount Olive School District hosted its first annual *Innovation Station* summer program. The program provides students in grades 1-8 with fun, hands-on learning experiences in science, technology, engineering and math. More than 400 students participated in the program, which received rave reviews from students and parents alike.

In addition, Mount Olive High School offered a new robotics course featuring the innovative NAO humanoid robots in a new, specially designed laboratory classroom. At the Middle School, a new SOLO (Student Organized Learning Organization) project known as “*The Brain Game*” was launched in the fall. Exciting new technology products such as drones and flying machines were deployed across several science and technology classes.

Technology Integration – At the beginning of the 2014-15 school year, the District rolled out its Chromebook initiative for grades 9 and 10 at Mt. Olive High School, along with the implementation of *Google Classroom*. The initiative is part of a multi-year technology plan that calls for providing a laptop device to every high school student by the 2016-17 school year. At the middle school level, eighth grade students were equipped with the newly redesigned Amplify Intel tablets for use with Google applications.

Stars Afterschool Program – The District implemented a new elementary afterschool program to help reinforce the language arts and math skills of fourth and fifth graders. Approximately 200 students participated in the program, which is run in the District’s four elementary schools and allows for more personal teacher-student interaction within a problem-based learning design.

Special Education Summit Recommendations – The District implemented a number of Special Education Summit recommendations including more frequent parent meetings, a redesigned responsible inclusion model of service, and new reporting and accounting systems, including the video report card where students report what they are learning to parents via camera-based devices.

Educational Software – Mt. Olive Schools now have access to the exciting Accelus and Dreambox programs, in addition to the existing Compass and Mindplay programs. The Accelus program was originally used in the District’s credit recovery summer school program. This artful video-based program provides personalized support to special educators and intervention programs. Dreambox offers students a video game-like format for math remediation and reinforcement. The program will be of particular use in the District’s after school environments. Camtasia screencasting software will also be available district-wide, allowing teachers to create videos and “flip” their classes.

Standards-Based Report Cards – The District amended its elementary school report cards in grades 3-5 to better mirror the Common Core standards and to create a more comprehensive and improved system of grade reporting for parents.

PowerSchool for Grades 3-5 – The elementary schools implemented the PowerSchool grading system for grades 3, 4 and 5.

LED Lighting Curtain – The District purchased and installed a portable, LED lighting curtain for use by the Fine Arts Department. This technology provided a new, exciting texture to our student and public performances and offered students an additional source of vocational training in the area of theatre production.

MOTV Upgrades – The Mt. Olive High School television production studio was upgraded with a host of powerful digital audio and video recording and editing equipment. The new devices greatly enhanced the television production program and further enhanced the District’s reputation for quality vocational training.

Other Initiatives

In addition to the program improvements and academic initiatives described above, the District undertook the following projects in the 2015 fiscal year:

New Administration Building – At the end of the 2015 fiscal year, the Board entered into an agreement to purchase property located at 227 US Route 206 in Flanders NJ. The property is comprised of two three-story buildings – one of which will be used as the new administration building while the other building will be rented as commercial office space.

Facility Upgrades – The District undertook and/or completed a number of capital improvements and facilities upgrades in the 2015 fiscal year, including new windows at the Chester M. Stephens School, a new roof at Tinc Road School, a new boiler at Sandshore School, and an artificial turf field with exterior lighting at the Mt. Olive Middle School. The High School was upgraded with a new STEM lab, various related arts classroom renovations, a new roof over the older sections of the building, new windows, and a new football field surface and track.

Food Service Management Company – After back-to-back years of losses in the \$100,000 range, the Board hired Maschio’s Food Services, Inc. to oversee its food service operations for the 2014-15 school year. The measure proved successful as the Food Service Fund produced an overall net profit of \$47,387.

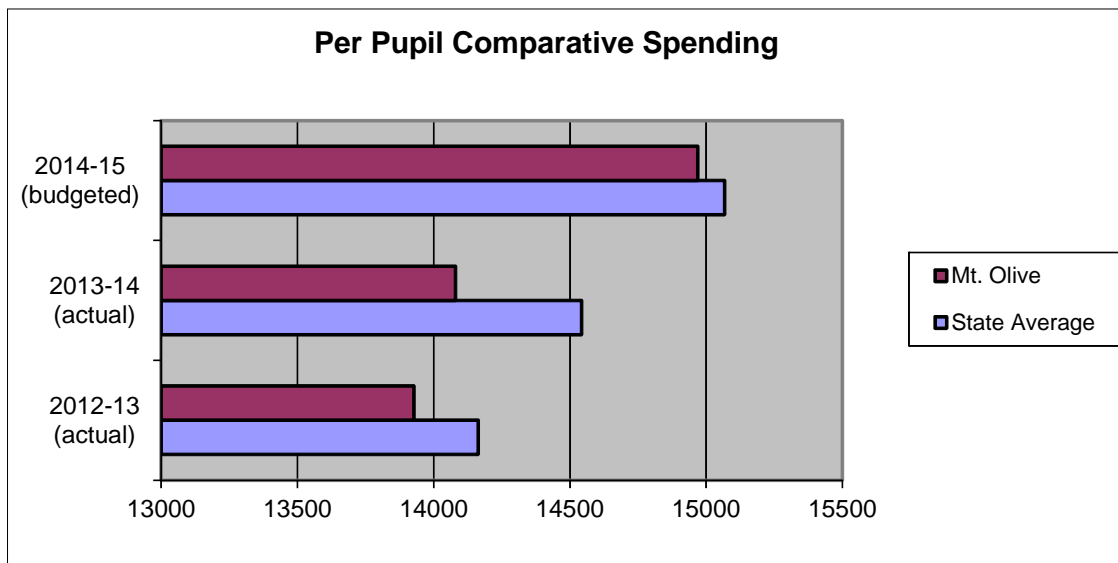
AESOP Substitute Placement and Absence Management System – In the 2014-15 school year, the District began using the new AESOP system, the nation’s leading automated substitute placement and absence management system. The web and phone-based system provides the fastest, most efficient and most flexible way to manage employee absences and get qualified substitutes into the classroom.

Purchase Order Requisition System – In June 2014, the District implemented an automated remote purchase order requisition system to replace its existing antiquated purchase order system beginning in the 2014-15 school year. The new system provides principals and program managers greater control over their budgets while increasing efficiency in the business office process and utilizing the computerized accounting system to its maximum capabilities.

BoardDocs Program – In August 2014, the Board transitioned to a paperless board meeting solution called “BoardDocs”. The BoardDocs program is an easy-to-use internet application that provides more open communications with the public while saving time, taxpayer dollars and the environment.

Per Pupil Comparative Spending

On an annual basis, the New Jersey Department of Education releases its *Taxpayers’ Guide to Education Spending* for all school districts in the State of New Jersey. The guide compares various per pupil cost factors among similar type districts. The Mount Olive Township School District was compared to 103 other K-12 school districts with an enrollment over 3,500 students. The 2014-15 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$14,969 per pupil while the state average for similar districts was \$15,067. Of the 103 districts, the Mount Olive Township School District ranked 55th in budgeted per pupil spending in 2014-15. The following chart illustrates per pupil comparative spending for the last three years. It is interesting to note that while the District’s budgeted costs closely approximate the state average, actual costs remain well below the state average, which speaks to the administration’s prudent cost control measures.



Internal Accounting Controls

The management of the District is responsible for establishing and maintaining an internal control system designed 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.

Internal Accounting Controls (Cont'd)

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.

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Township. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

Accounting System and Reports

The District's accounting records reflect 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 "Notes to the Basic Financial Statements," Note 1.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan which 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

The Board carries various forms of insurance, including but not limited to, comprehensive general and automobile liability insurance, workers' compensation, legal liability insurance, hazard and theft insurance on property and contents, and fidelity bonds. A complete schedule of insurance is included on schedule J-20 in the statistical section of this report.

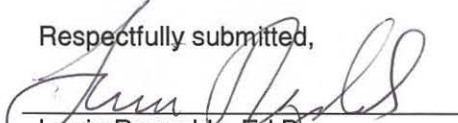
Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo & Cuva, P.A. was selected by the Board in June 2013. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendments of 1996, and the related Federal and State OMB Circulars A-133 and 04-04. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit were included in the single audit section of this report.

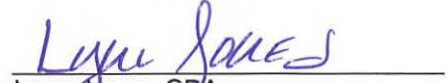
Acknowledgments

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.

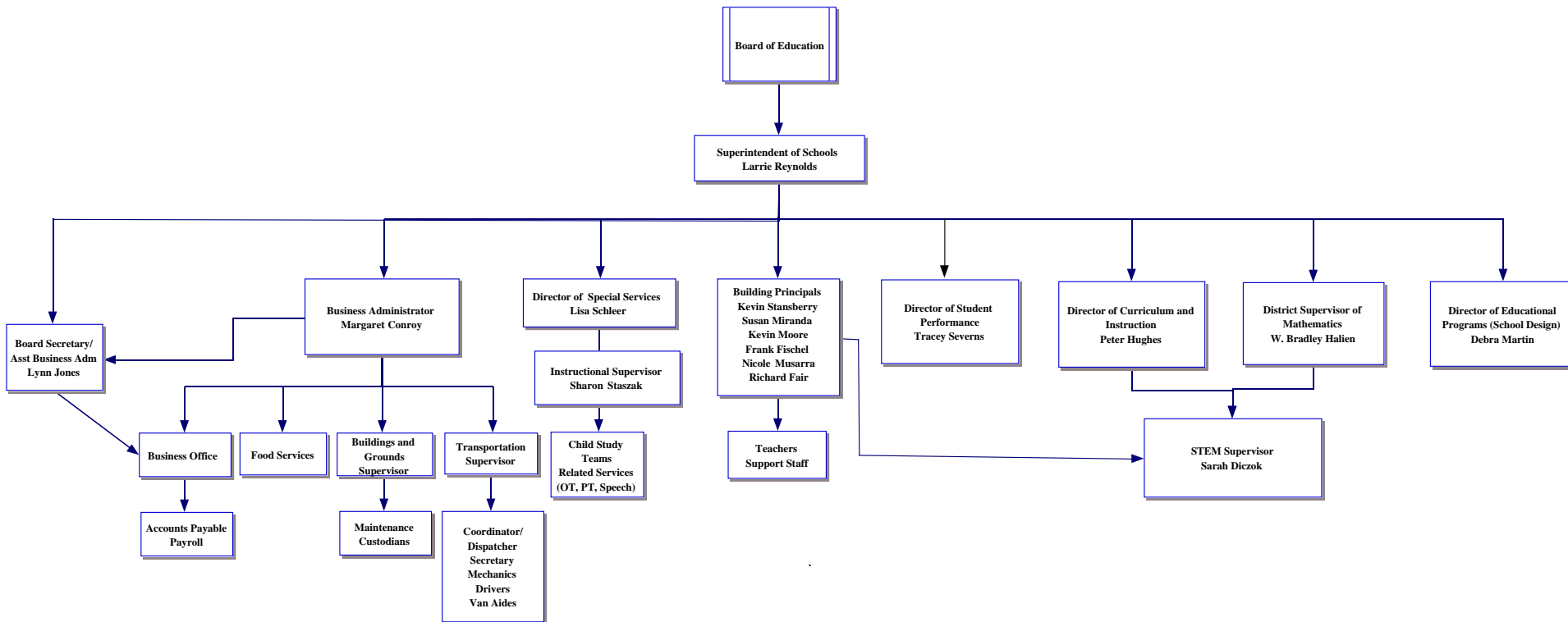
Respectfully submitted,


Larrie Reynolds, Ed.D.
Superintendent of Schools


Margaret Conroy, SFO
Business Administrator


Lynn Jones, CPA
Board Secretary
Assistant Business Administrator

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires December 31,</u>
Anthony Giordano, President	2016
Rhonda Lake-Cohen, Vice-President	2015
Antoine Gayles, Ed.D.	2017
John Kehmna	2017
Elizabeth Ouimet	2015
William Robinson	2016
Brian Schaechter	2016
Anthony Strillacci	2015
Mark Werner	2017

Other Officials

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

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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, 2015, 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 an opinion 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.

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.

Opinions

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 Township of Mount Olive Board of Education, in the County of Morris, State of New Jersey, as of June 30, 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information and Pension Trend Information as 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

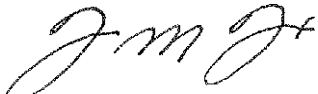
The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 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

Honorable President and
Members of the Board of Education
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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

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Certified Public Accountants

Newton, New Jersey

December 8, 2015

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, 2015
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, which will provide a general overview of the District's financial performance and activities for the fiscal year ended June 30, 2015. While the intent of this discussion and analysis is to examine the District's financial performance as a whole, we encourage readers to review 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 2015 are as follows:

- ❖ Net position at year-end totaled \$12,760,462, which represents a decrease of \$18,763,398 over the prior year net position balance of \$31,523,860. The decrease is largely attributable to the recording of a \$25.5 million net pension liability for PERS employees as required by GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27", which was implemented for the current fiscal year.
- ❖ Assets increased by \$4,139,742. Current assets such as cash and cash equivalents, accounts receivable, and inventory increased by \$1,368,383 while capital assets increased by \$2,771,359.
- ❖ Liabilities increased \$22,057,399. Current liabilities such as accounts payable, unearned revenue, accrued interest payable and unamortized bond premium increased by \$876,381. The increase in current liabilities is primarily attributable to the unamortized premium on the refunding bond that was issued in October 2014. Noncurrent liabilities such as bonds payable, loans payable, capital leases payable, net pension liability payable, and compensated absences payable increased by \$21,181,018. Again, the increase is largely attributable to the recording of the pension liability for PERS employees.
- ❖ Deferred outflows of resources increased by \$674,056 while deferred inflows of resources increased by \$1,519,797. Both increases are directly related to the pension liability. At June 30, 2015, the District reported deferred outflows of \$801,928 for changes in assumptions and \$350,102 for changes in proportion. Deferred inflows in the amount of \$1,519,797 were recognized for the net difference between projected and actual investment earnings.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$77,202,588, which represents 76.4% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$65,451,446, or 84.8%, of general revenues. Program specific revenues in the form of charges for services and grants and contributions totaled \$23,896,330, the remaining 23.6% of total revenue. Overall, total revenues increased \$10,549,793, or 11.65% over the prior year. A large portion of the increase is due to the recording of revenue in the amount of \$7,100,428, which represents the difference between the State of New Jersey's actual contribution to the Teachers' Pension and Annuity Fund (TPAF) and the State's contractually required contribution. This amount is required to be reported as both a revenue and expense under GASB Statement No. 68.
- ❖ Expenses totaled \$92,960,373. Of this amount, only \$23,896,330 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 \$77,202,588 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$6,623,179, or 7.67% over the prior year. Approximately \$7.1 million of the increase is due to the TPAF adjustment noted above.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) consists of a series of financial statements and notes to those statements. These statements are organized so 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 Food Service, Summer School, and Community School enterprise funds 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 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 same way as 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 (i.e., expenses including depreciation and indirect costs) of providing goods or services are financed or recovered primarily through user charges. The District maintains two enterprise funds, which account for all revenues and expenses pertaining to the District's food service operations and summer programs.

The District does not have any internal service funds, which are used to account for goods or services that are provided to other funds of the District.

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, 2015 and June 30, 2014.

**Table 1
Net Position**

	2015	2014
Assets		
Current and Other Assets	\$16,555,539	\$15,187,156
Capital Assets	68,864,311	66,092,952
Total Assets	85,419,850	81,280,108
Deferred Outflows of Resources	2,509,755	1,835,699
Liabilities		
Noncurrent Liabilities	69,631,874	48,450,856
Other Liabilities	4,017,472	3,141,091
Total Liabilities	73,649,346	51,591,947
Deferred Inflows of Resources	1,519,797	-
Net Position		
Invested in Capital Assets, Net of Related Debt	27,337,107	20,338,524
Restricted	9,865,271	6,755,089
Unrestricted/(Deficit)	(24,441,916)	4,430,247
Total Net Position	\$12,760,462	\$31,523,860

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, 2015 the District's investment in capital assets, net of depreciation, amounted to \$68,864,311 while the District's outstanding related debt (e.g., bonds payable, loans payable, and capital leases payable) amounted to \$41,527,204.

Another significant portion of the District's combined net position represents resources that are subject to external restrictions. The restricted net position amount has been earmarked for the following purposes:

- \$5,515,001 is restricted for capital projects. This amount represents funds set aside for capital projects that are partially funded by SDA grant funds and amounts included in the capital reserve account.
- \$293,335 is restricted for debt service. Of this amount, \$144,214 has been appropriated and included as anticipated revenue in the Debt Service Fund budget for the fiscal year ending June 30, 2016.
- \$4,056,935 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, \$1,916,482 has been appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2016.

The remaining unrestricted deficit balance of \$24,441,916 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. 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 \$25,870,036. However, the deficit balance does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles. Table 2 provides a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

**Table 2
Changes in Net Position**

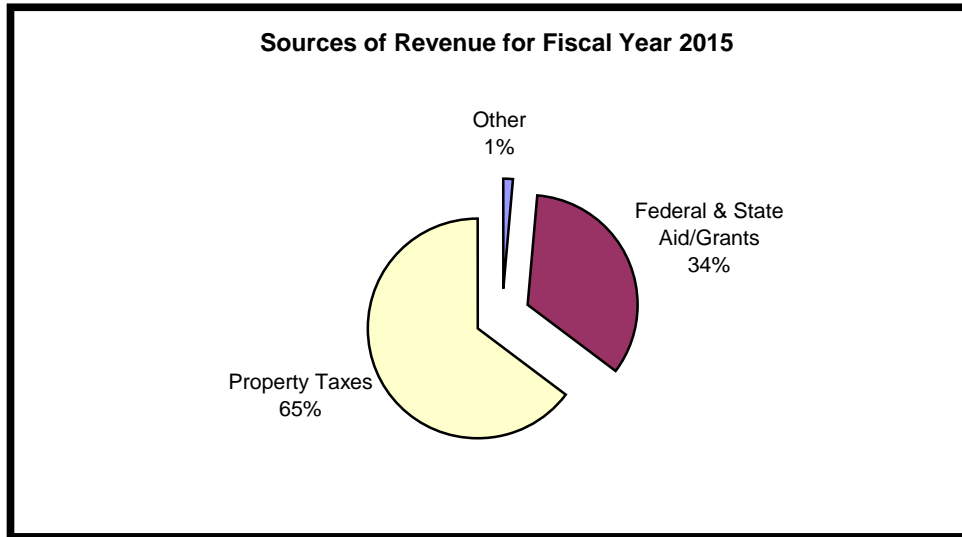
	2015	2014
Revenues		
Program Revenues:		
Charges for services	\$1,204,582	\$1,052,301
Grants and contributions	22,691,748	13,535,952
General revenues:		
Property taxes	65,451,446	64,263,186
Grants and entitlements	11,672,926	11,616,865
Other	78,216	80,821
Total Revenues	101,098,918	90,549,125
Program Expenses		
Instruction	48,273,384	42,957,902
Support Services:		
Pupils and instructional staff	15,873,256	14,682,198
General administration, school administration, business and other support services	8,611,424	8,009,306
Plant operations and maintenance	12,084,724	12,148,221
Pupil transportation	5,188,897	5,079,433
Interest and other debt related charges	1,714,681	2,176,498
Food service operations	1,027,741	1,198,103
Other	186,266	85,533
Total Program Expenses	92,960,373	86,337,194
Extraordinary Items		
Gain on sale of capital assets	-	624,852
Revaluation of capital assets	(1,283,932)	-
Increase in Net Position	\$6,854,613	\$4,836,783

In addition to 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 bonds, loans, notes, and capital leases totaling \$3,444,224.
- Investments in capital assets exceeded depreciation on capital assets by \$4,055,291.
- Refunded bonds payable exceeded new debt issued by \$1,505,000.
- Transactions related to the net pension liability reduced net position by \$25,870,036.

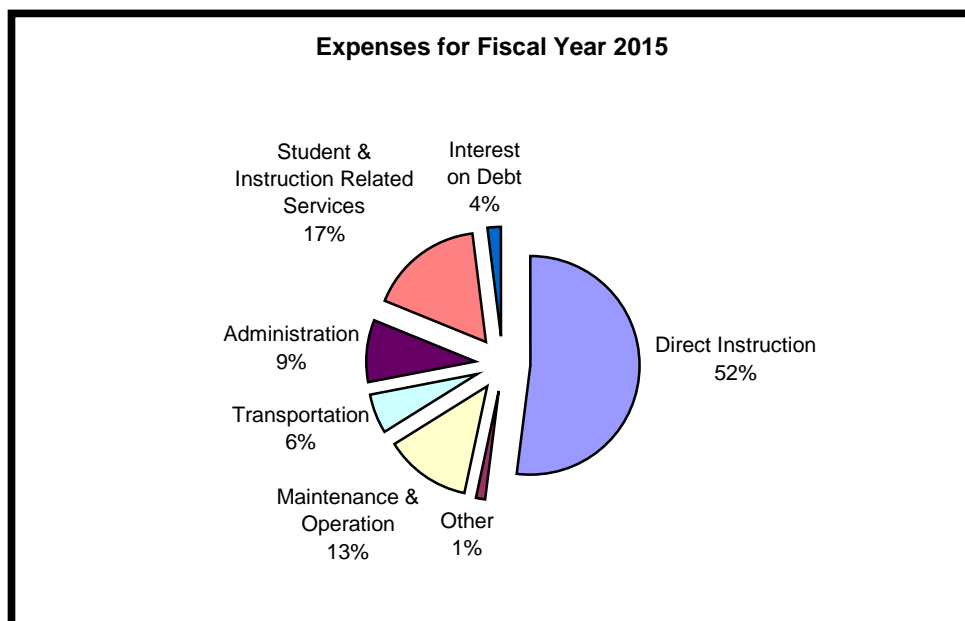
Revenues

Property taxes made up 65 percent of revenues for the Mount Olive Township School District for the fiscal year 2015. Federal, state, and local aid and grants accounted for another 34 percent of revenue. The remaining 1 percent of revenue was derived from charges for services, tuition income, transportation fees, interest earnings, and miscellaneous income. The following chart illustrates the sources of revenue for the fiscal year 2015:



Expenses

The total cost of all programs and services was \$92,960,373. Direct instruction and instruction related services comprised more than two-thirds of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2015:



Instruction includes activities directly related to the interaction between teacher and student. Instruction includes all regular and special education programs, basic skills/remedial programs, bilingual education, and 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 and the activities of the food service and summer school program.

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 \$85,444,824 and expenditures and other financing uses totaled \$84,674,505, resulting in a net increase in fund balance of \$770,319. This amount was anticipated by management and demonstrates the Board's ongoing commitment to accumulate and maintain a robust fund balance through stringent budgetary constraints.
- ❖ In the General Fund, the year-end fund balance amounted to \$15,072,998. Of this amount, \$5,372,562 has been restricted for capital reserve, \$4,056,935 has been restricted as excess surplus which will be appropriated and included as anticipated revenue in future operating budgets, \$555,996 is committed for specific purposes approved by the Board, \$2,755,782 is assigned for subsequent year's expenditures; and \$598,899 is assigned for year-end encumbrances. The remaining balance of \$1,732,824 is unassigned.
- ❖ In the Special Revenue Fund, revenues and expenditures totaled \$1,372,640, 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, revenues and other financing sources totaled \$3,547,370 and expenditures totaled \$3,217,774, resulting in a net increase in fund balance of \$329,596. The year-end fund balance of \$142,439 represents the net unexpended balance of five capital projects that are partially funded by the State's Education Facilities Construction and Financing Act.
- ❖ In the Debt Service Fund, revenues and other financing sources totaled \$24,005,552 while expenditures and other financing uses totaled \$23,717,013, resulting in a net increase in fund balance of \$288,539. The year-end fund balance amounted to \$293,335, which must be appropriated and included as anticipated revenue in future Debt Service budgets.

Enterprise Funds

The District maintains three enterprise funds, which account for all revenues and expenses pertaining to the District's food service operations and summer programs. The following is a summary of the financial activities of the individual funds:

- ❖ After back-to-back years of losses in the \$100,000 range, the Board decided to disban its inhouse food service operations and hire an outside food service management company to oversee its food service operations. The measure was largely successful as the food service enterprise fund generated a net income of \$47,387 for the 2015 fiscal year, which includes a subsidy of \$24,319 from the food service management company.
- ❖ In the summer school enterprise fund, revenues totaled \$43,103 and expenses totaled \$42,481, resulting in a net income of \$622. Charges for services, which represent amounts paid by students for program tuition, amounted to 100% of total revenue. Salaries and employee benefits amounted to \$42,421, virtually 100% of total expenses. The summer school program offers remedial courses for students who wish to retake a course or subject previously taken and for which credits or placement may be awarded upon successful completion of the program. As such, the summer school program is not profit oriented and generally operates on a break even basis.
- ❖ In the summer of 2014, the District implemented a summer enrichment program for students in grades one through eight entitled "*Innovation Station*". The program, which is commonly referred to as "Summer STEM Camp", provides students with fun, hands-on learning experiences in science, technology, engineering and math. Revenues from the program, which represent amounts paid by students for program tuition, amounted to \$90,000 and accounted for 100% of total revenue. Salaries and employee benefits amounted to \$60,663, or 69% of total expenses, while materials and supplies amounted to \$26,717, the remaining 31%. In total, the program produced a negative net position of \$1,085 at year-end. However, the program was deemed highly successful, considering its initial start-up costs and the high level of student participation in the program. Consequently, the program will be re-run in the summer of 2015 at a slightly increased tuition rate.

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, 2015 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2014	Percentage Increase (Decrease)
Local Sources	\$65,971,509	71.10%	\$705,122	1.08%
State Sources	25,392,851	27.36%	2,105,960	9.04%
Federal Sources	1,425,899	1.54%	(74,273)	-4.95%
	<u>\$92,790,259</u>	<u>100.00%</u>	<u>\$2,736,809</u>	<u>3.04%</u>

The increase in local sources is primarily attributable to an increase in the local tax levy of \$1,188,260. Local property taxes comprised 75% of the District's original operating budget and 89% of the District's debt service budget. In total, local taxes comprised 99% of the District's local revenues and 71% of the District's total revenues. Revenue from other local sources decreased \$483,138.

The increase in state sources is primarily attributable to an increase in capital grants totaling \$1,356,982 and an increase in state on-behalf pension, social security, and post-retirement medical benefits totaling \$920,718. Revenues from capital grants can fluctuate dramatically from year to year depending upon the status and/or number of school facilities projects receiving funding under the Education Facilities Construction and Financing Act (EFCFA). In the 2015 fiscal year, the District had five such projects that qualified for EFCFA funding.

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, 2015 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 2014</u>	<u>Percentage Increase (Decrease)</u>
Current:				
Distributed Expenditures-Instruction	\$30,561,403	33.24%	(\$83,593)	-0.27%
Undistributed Expenditures	48,242,085	52.46%	(163,743)	-0.34%
Capital Outlay	8,271,043	8.99%	5,721,076	224.36%
Debt Service	4,883,068	5.31%	(297,376)	-5.74%
	<u>\$91,957,599</u>	<u>100.00%</u>	<u>\$5,176,364</u>	<u>5.96%</u>

Distributed Expenditures-Instruction includes all activities associated with the instructional programs including regular and special education, basic skills and remedial instruction, bilingual education, school sponsored co-curricular and athletic programs, and the community school program. Like most service entities, salaries comprise the vast majority of the District's expenses. Salary increases are the result of negotiated pay rates and column movements, coupled with the need for additional instructional staff to meet the demands of the educational program and students with special needs. Overall, salary increases associated with the instructional programs increased \$804,463. Salary increases were offset by decreases in other line items associated with the instructional programs, such as purchased services, general supplies, textbooks, and other objects. Decreases in the line items other than salaries produced an overall net decrease in instructional expenditures.

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. The decrease in undistributed expenditures is largely attributable to a decrease in employee benefits. The District saved more than \$1.5 million by changing its medical and prescription drug insurance providers. The decrease in health benefit costs offset an increase in state on-behalf pension, social security, and post-retirement benefits totaling \$920,718 and an increase in salaries and other employee benefits totaling \$486,590.

Capital Outlay includes machinery and equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. The significant increase in capital outlay reflects the District's continued commitment to improve its facilities, to upgrade its fleet of vehicles, and to provide enhanced technology to its students. During the 2015 fiscal year, machinery and equipment purchases totaled \$952,901 while building and site improvements totaled \$6,766,142. The District also entered into capital leases totaling \$552,000 for the purchase of school buses.

Significant machinery and equipment purchases include the purchase of a portable LED curtain and hoist for districtwide productions, upgraded equipment for the television production studio, a 2015 Ford F-350 truck for the maintenance department, 5 VGO telepresence robots for homebound students, 15 iMacs and 2 MacBook Pro computers for the high school video communications classroom, a Yamaha keyboard lab system for the Mt. View music room, 2 Toyota forklifts for the transportation and maintenance garages, new pole vault and high jump pits for the high school track, a MakerBot replicator and two 3D printers for the high school STEM lab, 25 smartboard systems for various classrooms and administrative offices, 4 Yamaha timpani drums for the middle school band program, and air conditioners for 4 Sandshore School classrooms.

Significant building and site improvements include the Mt. Olive High School network upgrade, classroom renovations at Mt. Olive High School, window replacement at the Chester M. Stephens School and Mt. Olive High School, roof replacement at Tinc Road School and Mt. Olive High School, boiler replacement at Sandshore School, repaving of the bus garage parking lot, and athletic field upgrades at both the high school and middle school.

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 2015 fiscal year, the District's principal payments increased by \$114,332 while associated interest payments decreased by \$411,708.

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 65 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 2014-2015 General Fund budget:

- On-behalf TPAF pension, post retirement medical benefits, and social security contributions are not required to be included in the original budget; however, these items must be reflected as revenue and expenditures in the financial statements.
- Excluding on-behalf TPAF pension, post retirement medical benefits and social security contributions, revenues exceeded budgeted estimates by \$1,947,437, or 2.6% of anticipated revenues. The excess is largely attributable to extraordinary aid, which amounted to \$1,637,987 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 budgeted based on the number of projected incoming students at the time the budget is submitted. Consequently, tuition income may vary throughout the year based on the status of incoming students. In the 2015 fiscal year tuition income exceeded budgeted estimates by \$194,015.
- At the end of the prior fiscal year, the District changed its official depository from Bank of America to Valley National Bank in order to maximize its interest earnings. As a result, interest income exceeded budgeted estimates by \$34,946.
- Transportation fees are derived from transportation jointures with surrounding school districts and from fees charged to the Township Recreation Department, the Mount Olive Child Care and Learning Center, and other organizations. The transportation department routinely monitors their routes to maximize efficiency. In the 2015 fiscal year budgeted estimates exceeded actual revenues by \$26,820.
- Miscellaneous income includes revenue collected for book fines, parking permit fees, facilities usage, prior year tuition adjustments, prior year refunds, and the sale and/or lease of property. Miscellaneous income can fluctuate dramatically from year to year, based on the uncertain nature of these receipts. In the 2015 fiscal year budgeted estimates for miscellaneous income exceeded actual revenues by \$14,830.
- Excluding on-behalf TPAF pension, post retirement medical benefits and social security contributions, unexpended appropriations totaled \$6,399,987, or 7.8% of the final budget. Of this amount, \$1,154,895 is reserved for encumbrances, which will be expended in the subsequent fiscal year, and \$3,000,000 was deposited into the capital reserve account to fund future capital improvements.
- The 2014-15 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. 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 2014-15 school year, the Board sought County authorization to exceed the 10 percent transfer limit twice - once in the amount of \$454,032 to reallocate an appropriation that was budgeted in the incorrect capital outlay account and once in the amount of \$189,703 for the funding of two new administrative positions in the curriculum budget. Balances remaining in under-expended line items were sufficient to cover those line items requiring additional funds. As a result, the Board did not authorize any additional appropriations during the 2014-15 fiscal year.

Capital Assets

In June, the Board of Education entered into a contract with Acclaim Inventory LLC to conduct a full physical inventory and revaluation of its capital assets. At June 30, 2015, the District had \$68,864,311 invested in land, 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)**

	2015	2014
Land	\$ 703,670	\$ 703,670
Site and site improvements	4,435,067	2,203,967
Building and building improvements	60,405,577	59,358,736
Furniture, equipment and machinery	3,319,997	3,826,579
Total Capital Assets	\$ 68,864,311	\$ 66,092,952

Overall, the District invested \$8,081,078 in capital assets for the fiscal year 2015. Of this amount, \$2,425,614 was invested in site and site improvements, \$4,212,287 was invested in building and building improvements, and \$1,443,177 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$4,025,787. The physical inventory/revaluation resulted in a net reduction to capital assets totaling \$1,283,932.

Additional information on the District's capital assets can be found in Note 9 of the notes to the basic financial statements.

Debt Administration

At June 30, 2015, the District had \$69,631,874 in long-term outstanding debt, of which \$4,713,033 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2015 and June 30, 2014.

**Table 4
Outstanding Debt**

	2015	2014
Outstanding Bonds, Loans and Notes		
1998 Trust Loan – Sewer Connection Project	\$ 95,000	\$ 140,000
2004 Serial Bonds – High School Additions and Renovations		1,075,000
2004 Refunding Bonds – Mt. Olive Middle School/District Expansion		20,075,000
2006 Refunding Bonds - High School Additions and Renovations	8,915,000	8,940,000
2007 Refunding Bonds - High School Additions and Renovations	9,225,000	9,265,000
2011 Refunding Bonds - ERIP Liability	1,145,000	1,315,000
2012 Refunding Bonds - High School Additions and Renovations	6,020,000	6,050,000
2014 Refunding Bonds – Mt. Olive Middle School/District Expansion	16,735,000	
Other Noncurrent Liabilities		
Capital Leases Payable	537,204	209,428
Net Pension Liability	25,502,269	-
Accrued Compensated Absences Payable	1,457,401	1,381,428
Total Long-term Outstanding Debt	\$ 69,631,874	\$ 48,450,856

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 \$122,799,389, resulting in an available borrowing margin of \$80,759,389 at June 30, 2015.

At June 30, 2015 the District had no authorized but not issued debt.

Additional information on the District's outstanding debt can be found in Note 10 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 19% of the District's original 2015 operating budget while local property taxes accounted for 75%. 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 growth has remained steady over the past several years; however, there are currently a few major housing developments at various stages of completion that could impact student enrollment. Overall, 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 and has decided to investigate realignment as a Board goal. The District 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, the International Brotherhood of Teamsters Local 97, and the Mt. Olive Administrators and Supervisors Association. All labor agreements are currently settled. 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, 89 Route 46, Budd Lake, NJ 07828. 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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents (Note 3)	\$ 6,542,982	\$ 301,512	\$ 6,844,494
Receivables, net (Note 5)	3,364,622	50,402	3,415,024
Inventory (Note 7)	-	11,594	11,594
Restricted assets:			
Cash and cash equivalents (Note 3)	911,865	-	911,865
Capital reserve account - cash (Note 4)	5,372,562	-	5,372,562
Capital assets, non-depreciable (Note 9)	703,670	-	703,670
Capital assets, depreciable, net (Note 9)	68,137,612	23,029	68,160,641
Total Assets	<u>85,033,313</u>	<u>386,537</u>	<u>85,419,850</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	1,357,725	-	1,357,725
Changes in assumptions - pensions (Note 11)	801,928	-	801,928
Changes in proportion - pensions (Note 11)	350,102	-	350,102
Total Deferred Outflows of Resources	<u>2,509,755</u>	<u>-</u>	<u>2,509,755</u>
LIABILITIES			
Current liabilities:			
Accounts payable	666,432	68,365	734,797
Unearned revenue	16,827	126,683	143,510
Accrued interest payable	756,182	-	756,182
Unamortized bond premium	2,382,983	-	2,382,983
Noncurrent liabilities, net (Note 10):			
Due within one year	4,712,551	482	4,713,033
Due beyond one year	64,915,812	3,029	64,918,841
Total Liabilities	<u>73,450,787</u>	<u>198,559</u>	<u>73,649,346</u>
DEFERRED INFLOWS OF RESOURCES			
Investment gains - pensions (Note 11)	1,519,797	-	1,519,797
NET POSITION			
Invested in capital assets, net of related debt	27,314,078	23,029	27,337,107
Restricted for:			
Capital projects	5,515,001	-	5,515,001
Debt service	293,335	-	293,335
Other purposes	4,056,935	-	4,056,935
Unrestricted/(Deficit)	(24,606,865)	164,949	(24,441,916)
Total Net Position	<u>\$ 12,572,484</u>	<u>\$ 187,978</u>	<u>\$ 12,760,462</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, 2015

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	\$34,496,285	\$ 11,700	\$ 7,845,645	\$ -	\$ (26,638,940)	\$ -	\$ (26,638,940)
Special education programs	9,951,711	234,015	5,495,416	-	(4,222,280)	-	(4,222,280)
Other instructional programs	2,250,135	-	776,699	-	(1,473,436)	-	(1,473,436)
School sponsored programs	1,537,598	-	32,701	-	(1,504,897)	-	(1,504,897)
Community services programs	37,655	-	-	-	(37,655)	-	(37,655)
Support services:							
Tuition	2,855,044	-	1,727,050	-	(1,127,994)	-	(1,127,994)
Student & instruction related services	13,018,212	-	2,705,543	-	(10,312,669)	-	(10,312,669)
School administrative services	4,982,172	-	978,729	-	(4,003,443)	-	(4,003,443)
Other administrative services	3,629,252	-	141,212	-	(3,488,040)	-	(3,488,040)
Plant operations and maintenance	12,084,724	124,822	158,288	1,356,982	(10,444,632)	-	(10,444,632)
Pupil transportation	5,188,897	7,180	514,228	-	(4,667,489)	-	(4,667,489)
Unallocated depreciation	56,360	-	-	-	(56,360)	-	(56,360)
Interest and other debt related charges	1,714,681	-	578,759	-	(1,135,922)	-	(1,135,922)
Total governmental activities	<u>91,802,726</u>	<u>377,717</u>	<u>20,954,270</u>	<u>1,356,982</u>	<u>(69,113,757)</u>	<u>-</u>	<u>(69,113,757)</u>
Business-type activities:							
Food service	1,027,741	693,762	380,496	-	-	46,517	46,517
Summer programs	129,906	133,103	-	-	-	3,197	3,197
Total business-type activities	<u>1,157,647</u>	<u>826,865</u>	<u>380,496</u>	<u>-</u>	<u>-</u>	<u>49,714</u>	<u>49,714</u>
Total primary government	<u>\$92,960,373</u>	<u>\$1,204,582</u>	<u>\$ 21,334,766</u>	<u>\$ 1,356,982</u>	<u>\$ (69,113,757)</u>	<u>\$ 49,714</u>	<u>\$ (69,064,043)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 60,863,620	\$ -	\$ 60,863,620
Taxes levied for debt service					4,587,826	-	4,587,826
Federal and State aid not restricted					11,672,926	-	11,672,926
Investment earnings					43,546	486	44,032
Miscellaneous income					33,800	384	34,184
Special item - revaluation of capital assets					(1,278,015)	(5,917)	(1,283,932)
Total general revenues, special items, extraordinary items and transfers					<u>75,923,703</u>	<u>(5,047)</u>	<u>75,918,656</u>
Change in Net Position					6,809,946	44,667	6,854,613
Net Position - Beginning (Restated)					5,762,538	143,311	5,905,849
Net Position - Ending					<u>\$ 12,572,484</u>	<u>\$ 187,978</u>	<u>\$ 12,760,462</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, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 6,542,982	\$ -	\$ 618,530	\$ 293,335	\$ 7,454,847
Due from other funds	1,103,083	-	-	-	1,103,083
Receivables from other governments	1,889,070	311,499	400,622	-	2,601,191
Other accounts receivable	759,848	-	-	-	759,848
Restricted cash and cash equivalents	5,372,562	-	-	-	5,372,562
Total assets	\$ 15,667,545	\$ 311,499	\$ 1,019,152	\$ 293,335	\$ 17,291,531
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 583,727	\$ 74,078	\$ -	\$ -	\$ 657,805
Intergovernmental accounts payable	-	932	-	-	932
Deposits payable	7,695	-	-	-	7,695
Due to other funds	-	222,787	876,713	-	1,099,500
Unearned revenue	3,125	13,702	-	-	16,827
Total liabilities	594,547	311,499	876,713	-	1,782,759
Fund balances:					
Restricted for:					
Capital reserve	5,372,562	-	-	-	5,372,562
Excess surplus - current year	2,140,453	-	-	-	2,140,453
Excess surplus - designated for subsequent year expenditures	1,916,482	-	-	-	1,916,482
Capital projects	-	-	142,439	-	142,439
Debt service	-	-	-	149,121	149,121
Committed to:					
Other purposes	555,996	-	-	-	555,996
Assigned to:					
Unreserved - designated for subsequent year expenditures	2,755,782	-	-	144,214	2,899,996
Other purposes	598,899	-	-	-	598,899
Unassigned	1,732,824	-	-	-	1,732,824
Total fund balances	15,072,998	-	142,439	293,335	15,508,772
Total liabilities and fund balances	\$ 15,667,545	\$ 311,499	\$ 1,019,152	\$ 293,335	\$ 17,291,531

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, 2015

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

Total fund balances - governmental funds \$ 15,508,772

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of capital assets	\$ 119,155,346	
Accumulated depreciation	<u>(50,314,064)</u>	68,841,282

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.

Bond premium	(2,832,577)	
Accumulated amortization	<u>449,594</u>	(2,382,983)

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.

Deferred amount on refunding	1,984,681	
Accumulated amortization	<u>(626,956)</u>	1,357,725

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 and the related inflows and outflows are deferred and amortized in the statement of net position.

Net pension liability	(25,502,269)	
Changes in assumptions - pensions	801,928	
Changes in proportion - pensions	350,102	
Investment gains - pensions	<u>(1,519,797)</u>	(25,870,036)

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:

Bonds payable	(42,040,000)	
Loans payable	(95,000)	
Capital leases payable	(537,204)	
Accrued interest on bonds, notes, and capital leases	(756,182)	
Accrued compensated absences	<u>(1,453,890)</u>	(44,882,276)

Net position of governmental activities \$ 12,572,484

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, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 60,863,620	\$ -	\$ -	\$ 4,587,826	\$ 65,451,446
Tuition charges	234,015	-	-	-	234,015
Interest on investments	32,760	-	-	-	32,760
Interest earned on capital reserve funds	10,786	-	-	-	10,786
Transportation fees	7,180	-	-	-	7,180
Miscellaneous	169,094	65,000	-	1,228	235,322
Total - Local Sources	61,317,455	65,000	-	4,589,054	65,971,509
State sources	23,454,566	2,544	1,356,982	578,759	25,392,851
Federal sources	120,803	1,305,096	-	-	1,425,899
Total revenues	84,892,824	1,372,640	1,356,982	5,167,813	92,790,259
EXPENDITURES					
Current:					
Regular instruction	21,649,414	14,206	-	-	21,663,620
Special education instruction	5,789,264	498,294	-	-	6,287,558
Other instructional programs	1,197,996	206,336	-	-	1,404,332
School sponsored programs	1,168,238	-	-	-	1,168,238
Community services programs	37,655	-	-	-	37,655
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,765,981	89,063	-	-	2,855,044
Student & instruction related services	8,138,174	345,913	-	-	8,484,087
School administrative services	3,156,541	-	-	-	3,156,541
Other administrative services	2,872,144	-	-	-	2,872,144
Plant operations and maintenance	7,042,310	-	-	-	7,042,310
Pupil transportation	4,104,999	-	-	-	4,104,999
Unallocated employee benefits	19,596,909	130,051	-	-	19,726,960
Capital outlay	4,964,492	88,777	3,217,774	-	8,271,043
Debt service:					
Principal	-	-	-	3,220,000	3,220,000
Interest and other charges	-	-	-	1,663,068	1,663,068
Total expenditures	82,484,117	1,372,640	3,217,774	4,883,068	91,957,599
Excess (Deficiency) of revenues over (under) expenditures	2,408,707	-	(1,860,792)	284,745	832,660
OTHER FINANCING SOURCES (USES)					
Refunding Bond Issue:					
Refunding bonds	-	-	-	16,740,000	16,740,000
Original issue premium	-	-	-	2,097,739	2,097,739
Payment to refunded bond escrow agent	-	-	-	(18,676,850)	(18,676,850)
Costs of issuance	-	-	-	(157,095)	(157,095)
Capital Leases (non-budgeted)	552,000	-	-	-	552,000
Operating Transfers:					
Transfers in	-	-	2,190,388	-	2,190,388
Transfers out	(2,190,388)	-	-	-	(2,190,388)
Total other financing sources and uses	(1,638,388)	-	2,190,388	3,794	555,794
Net change in fund balances	770,319	-	329,596	288,539	1,388,454
Fund balance—July 1	14,302,679	-	(187,157)	4,796	14,120,318
Fund balance—June 30	\$ 15,072,998	\$ -	\$ 142,439	\$ 293,335	\$ 15,508,772

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, 2015

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)		\$ 1,388,454
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 allocated over their estimated useful lives as depreciation expense.		
Capital outlays		\$ 8,077,802
Depreciation expense		(4,017,194)
Revaluation of capital assets		<u>(1,278,015)</u>
		2,782,593
Capital leases are reported in the governmental funds as other financing sources and lease payments are reported as expenditures in the year the payments occur. In the statement of net position, capital leases are capitalized and lease payments are reported as a reduction to long-term liabilities.		
Capital leases		(552,000)
Lease payments		<u>224,224</u>
		(327,776)
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.		
		3,220,000
Transactions related to advanced refundings are reported as financing sources/uses in the governmental funds and thus contribute to the change in fund balances. In the statement of net position, refunding bonds are reported as an adjustment to long-term liabilities.		
Refunding bonds		(16,740,000)
Payment to refunded bond escrow agent		<u>18,676,850</u>
		1,936,850
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.		
Original issue premium		(2,097,739)
Amortization expense		<u>222,289</u>
		(1,875,450)
Refunding bond proceeds are reported as 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.		
		(126,933)
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.		
		150,180
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		115,742
Changes in assumptions - pensions		801,928
Changes in proportion - pensions		350,102
Investment gains - pensions		<u>(1,519,797)</u>
		(252,025)
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>(85,947)</u>
Change in net position of governmental activities		<u><u>\$ 6,809,946</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, 2015

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 301,512
Intergovernmental accounts receivable	26,083
Other accounts receivable	24,319
Inventories	11,594
Total current assets	<u>363,508</u>
Noncurrent assets:	
Equipment	397,271
Less accumulated depreciation	<u>374,242</u>
Total noncurrent assets	<u>23,029</u>
Total assets	<u>386,537</u>
LIABILITIES	
Accounts payable	68,365
Unearned revenue	126,683
Compensated absences payable	3,511
Total liabilities	<u>198,559</u>
NET POSITION	
Invested in capital assets, net of related debt	23,029
Unrestricted	164,949
Total net position	<u>\$ 187,978</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, 2015

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 691,171
Daily sales - non-reimbursable programs	2,591
Tuition	133,103
Total operating revenues	<u>826,865</u>
Operating expenses:	
Salaries	487,391
Payroll taxes and employee benefits	103,879
Management fees	45,000
Cost of sales	401,640
Supplies and materials	69,877
Depreciation	8,593
Equipment maintenance and repairs	14,560
Purchased services	13,942
Other objects	12,765
Total operating expenses	<u>1,157,647</u>
Operating loss	<u>(330,782)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	9,151
Federal sources:	
School breakfast program	20,363
National school lunch program	268,001
After school snack program	968
Special milk program	1,889
Food donation program	55,805
Management company subsidy	24,319
Interest income	486
Other income	384
Total nonoperating revenues	<u>381,366</u>
Change in net position before other revenue, expenses, gains, losses and transfers	50,584
Adjustment for revaluation of capital assets	<u>(5,917)</u>
Change in net position	44,667
Total net position - beginning	<u>143,311</u>
Total net position - ending	<u>\$ 187,978</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, 2015

	Business-type Activities - Non-Major <u>Total</u> Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 865,883
Payments for employees and employee benefits	(643,433)
Payments to suppliers for goods and services	(501,407)
Net cash used in operating activities	<u>(278,957)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	10,678
Federal sources	325,945
Other income	384
Net cash provided by non-capital financing activities	<u>337,007</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(3,276)
Net cash used for capital and related financing activities	<u>(3,276)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	486
Net increase (decrease) in cash and cash equivalents	<u>55,260</u>
Cash and cash equivalents - beginning of year	246,252
Cash and cash equivalents - end of year	<u>\$ 301,512</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (330,782)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	8,593
Food donation program	55,805
Decrease in accounts receivable, net	502
Increase in inventories	(2,634)
Increase in accounts payable	44,738
Increase in deferred revenue	38,483
Decrease in compensated absences payable	(9,974)
Decrease in due to/from other funds	(83,688)
Total adjustments	<u>51,825</u>
Net cash used in operating activities	<u>\$ (278,957)</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, 2015

	Total Agency Funds	Total Trust Funds	Total Trust and Agency Funds
ASSETS			
Cash and cash equivalents	\$ 682,165	\$ 182,515	\$ 864,680
Accounts receivable	11,216	-	11,216
Total assets	<u>693,381</u>	<u>182,515</u>	<u>875,896</u>
LIABILITIES			
Accounts payable	4,329	22,936	27,265
Payroll deductions and withholdings	252,562	-	252,562
Interfund payable	3,583	-	3,583
Due to student groups	432,907	-	432,907
Total liabilities	<u>693,381</u>	<u>22,936</u>	<u>716,317</u>
NET POSITION			
Held in trust for unemployment claims	-	133,218	133,218
Held in trust for medical and dependent care claims	<u>-</u>	<u>26,361</u>	<u>26,361</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 159,579</u>	<u>\$ 159,579</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, 2015

	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust	Total Trust Funds
ADDITIONS:			
Contributions:			
Plan members	\$ 131,418	\$ 80,678	\$ 212,096
Board contributions	80,000	-	80,000
Total contributions	<u>211,418</u>	<u>80,678</u>	<u>292,096</u>
Investment earnings:			
Interest	324	63	387
Total investment earnings	<u>324</u>	<u>63</u>	<u>387</u>
Other income:			
Miscellaneous	-	6,127	6,127
Total other income	<u>-</u>	<u>6,127</u>	<u>6,127</u>
Total additions	<u>211,742</u>	<u>86,868</u>	<u>298,610</u>
DEDUCTIONS:			
Quarterly contribution reports	55,108	-	55,108
Unemployment claims	142,024	-	142,024
Qualified medical and dependent care claims	-	71,156	71,156
Total deductions	<u>197,132</u>	<u>71,156</u>	<u>268,288</u>
Change in net position	14,610	15,712	30,322
Net position-beginning of the year	<u>118,608</u>	<u>10,649</u>	<u>129,257</u>
Net position-end of the year	<u>\$ 133,218</u>	<u>\$ 26,361</u>	<u>\$ 159,579</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, 2015

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. 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 publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. In the current fiscal year, there were no additional entities required to be included in the reporting entity under the criteria described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Board of Education of the Mount Olive Township School District have been prepared in conformity with generally accepted accounting principles in the United States of America (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 Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989 to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. 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, 2015
(Continued)

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

A. Basis of Presentation: (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 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 Expense by Board resolution.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

A. Basis of Presentation: (Cont'd)

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 Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. 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 and summer programs.

Additionally, the District reports the following fund type:

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.

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 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. All assets and liabilities associated with the operation of the District are included on the statement of net position, with the exception of fiduciary funds. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Measurement Focus and Basis of Accounting: (Cont'd)

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.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

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 Schedules C-3 and F-2 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 in deposits and short-term investments with original maturities of three months or less. 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. 17:9-41et 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 market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

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. Capital Assets:

The District underwent a complete fixed asset appraisal as of June 30, 2015. Wherever possible, capital assets were recorded at original cost. Capital assets that could not be recorded at original cost are valued through estimation procedures performed by the independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The capitalization threshold used by school districts in the State of New Jersey is \$2,000. Capital assets are reflected as expenditures in the applicable governmental funds. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method in accordance with the following schedule of useful lives established by ASBO International:

	Estimated Useful Life
Buildings	50 years
Building Improvements	20 years
Licensed Vehicles	8 years
Classroom and Office Furniture	20 years
Computer Hardware	5 years
Grounds Equipment	15 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.

H. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

I. 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.

J. 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, 2015 the District had restricted fund balances of \$5,515,001 for capital projects, \$293,335 for future debt service payments, and \$4,056,935 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, 2015 the District had committed resources for the following purposes:

<u>Project</u>	<u>Amount</u>
Mt. Olive High School Track and Field Project	\$407,106
Security Assessment	4,985
Fall Athletic Supplies – Bid Awards	21,806
Extension of Salt Bin	5,350
Fixed Asset Inventory Appraisal	5,700
Digital Video Recording System	88,621
Asbestos Removal	5,000
Moving Company Services	17,428
	<u>\$555,996</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

J. Fund Balance Restrictions, Commitments, and Assignments: (Cont'd)

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, 2015 the District had assigned resources for outstanding encumbrances totaling \$598,899 and for amounts designated for subsequent year's expenditures totaling \$2,755,782.

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, 2015 the District had unassigned resources totaling \$1,732,824. 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.

K. 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, 2015 the District had no unsettled employment contracts.

L. Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Unearned revenue in the general and enterprise funds represent 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 entitlements received before the eligibility requirements have been met.

M. Allowance for Uncollectible Accounts:

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

N. 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.

O. 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, 2015 the District had fund balance restricted for excess surplus in the amount of \$4,056,935. Of this amount, \$1,916,482 has been appropriated and included as anticipated revenue in the 2015-2016 budget and \$2,140,453 will be appropriated and included as anticipated revenue in future budgets. 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, 2015
(Continued)

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

P. 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, 2015, the District had \$2,509,755 in deferred outflows of resources for the deferred amount on refunding bond issues and for changes of assumptions and changes in proportion in the pension plan. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. At June 30, 2015, the District had \$1,519,797 in deferred inflows of resources for the net difference between projected and actual investment earnings on pension plan investments.

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.

Q. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. 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.

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. The statement of activities includes a special item for the revaluation of capital assets.

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.

V. On-behalf TPAF Pension and Social Security Payments:

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. On-behalf payments 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. On-behalf payments made by the State of New Jersey are not budgeted. These amounts are offset by related revenues and, as such, do not represent budgetary overexpenditures.

W. Pensions:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

X. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68, which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

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. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

Y. 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.

Z. Deficit Net Position:

The District has a deficit in unrestricted net position of \$24,606,865 in governmental activities, which is primarily due to the net pension liability for PERS employees, which totaled \$25,502,269 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures* requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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.

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

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;

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

Permissible Investments: (Cont'd)

- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Certain agreements for the repurchase of fully collateralized securities, provided they meet specific criteria detailed in the statute.

As of June 30, 2015, 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	\$6,542,982	\$7,131,835
Governmental Funds - Restricted	6,284,427	6,284,427
Enterprise Funds	301,512	302,851
Agency Funds	682,165	807,318
Trust Funds	182,515	183,029
	\$13,993,601	\$14,709,460

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 2014-15 fiscal year is as follows:

Beginning balance, July 1, 2014		\$5,020,968
Increased by:		
Additional increase authorized by Board resolution	\$3,000,000	
Interest earnings	10,786	
		3,010,786
		8,031,754
Decreased by:		
Budgeted transfer from capital reserve	1,000,000	
Additional withdrawal authorized by Board resolution	1,659,192	
		2,659,192
Ending balance, June 30, 2015		\$5,372,562

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$9,380,566.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

5. RECEIVABLES:

Receivables at June 30, 2015 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	\$ 2,173,906
Federal grants receivable	362,896
Intergovernmental accounts receivable	90,472
Interfund accounts receivable	3,583
Other accounts receivable	<u>784,167</u>
Total receivables	<u><u>\$ 3,415,024</u></u>

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

6. INTERFUND BALANCES AND TRANSFERS:

On the fund financial statements, interfund loans and accounts receivable/payable are reported as "Due to/from Other Funds" on the respective balance sheets. Interfund balances between the governmental fund types are eliminated in the Statement of Net Position while interfund balances between the governmental fund types and the proprietary fund types are reflected on the Statement of Net Position as internal balances between Governmental and Business-type activities. Interfund balances between the governmental fund types and the fiduciary funds are reflected in the Statement of Net Position as accounts receivable/payable. The following is a summary of interfund balances at June 30, 2015:

\$ 222,787	Due to the General Fund from the Special Revenue Fund
876,713	Due to the General Fund from the Capital Projects Fund
<u>3,583</u>	Due to the General Fund from the Fiduciary Fund
1,103,083	Total Interfund Balance - Fund Financial Statements
<u>(1,099,500)</u>	Elimination of Governmental Interfund Activities
<u><u>\$ 3,583</u></u>	

All interfund transfers are expected to be repaid within one year.

7. INVENTORIES:

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 7,894
Non-Food Items	<u>3,700</u>
	<u><u>\$ 11,594</u></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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. TRANSFERS FROM CAPITAL OUTLAY

During the year ended June 30, 2015 the District transferred \$1,190,388 from current budgeted capital outlay appropriations to the Capital Projects Fund. The transfer was made to fund the local share of school facilities projects receiving funding under the Education Facilities Construction and Financing Act (EFCFA). In the 2015 fiscal year, the District had five such projects that qualified for EFCFA funding.

9. CAPITAL ASSETS:

In June the Board of Education entered into a contract with Acclaim Inventory LLC to conduct a physical inventory and revaluation of its capital assets. The following schedule details the district's capital asset activity for the year ended June 30, 2015:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 703,670	\$ -	\$ -	\$ 703,670
Total capital assets not being depreciated	<u>703,670</u>	<u>-</u>	<u>-</u>	<u>703,670</u>
Capital assets being depreciated:				
Site and site improvements	4,782,650	2,425,614	-	7,208,264
Building and building improvements	98,803,230	4,212,287	-	103,015,517
Machinery and equipment	16,482,802	1,439,901	(9,694,808)	8,227,895
Total capital assets being depreciated	<u>120,068,682</u>	<u>8,077,802</u>	<u>(9,694,808)</u>	<u>118,451,676</u>
Governmental activities capital assets	<u>120,772,352</u>	<u>8,077,802</u>	<u>(9,694,808)</u>	<u>119,155,346</u>
Less accumulated depreciation for:				
Site and site improvements	(2,578,683)	(194,514)	-	(2,773,197)
Building and improvements	(39,444,494)	(3,165,446)	-	(42,609,940)
Machinery and equipment	(12,690,486)	(657,234)	8,416,793	(4,930,927)
Total accumulated depreciation	<u>(54,713,663)</u>	<u>(4,017,194)</u>	<u>8,416,793</u>	<u>(50,314,064)</u>
Government activities capital assets, net	<u>\$ 66,058,689</u>	<u>\$ 4,060,608</u>	<u>\$ (1,278,015)</u>	<u>\$ 68,841,282</u>
Business-type activities:				
Machinery and equipment	\$ 411,162	\$ 3,276	\$ (17,167)	397,271
Less: accumulated depreciation	<u>(376,899)</u>	<u>(8,593)</u>	<u>11,250</u>	<u>(374,242)</u>
Business-type activities capital assets, net	<u>\$ 34,263</u>	<u>\$ (5,317)</u>	<u>\$ (5,917)</u>	<u>\$ 23,029</u>

Depreciation expense was charged to governmental functions as follows:

Regular programs instruction	\$ 42,343
Student and instruction related services	204,307
School administrative services	6,536
Other administrative services	133,180
Plant operations and maintenance	3,430,376
Pupil transportation	144,092
Unallocated depreciation	<u>56,360</u>
Total depreciation expense	<u>\$ 4,017,194</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

10. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations reported in the district-wide financial statements:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance
Governmental activities:					
Bonds payable:					
High school addition/renovations	\$ 25,330,000	\$ -	\$ 1,170,000	\$ -	\$ 24,160,000
Middle school/facilities expansion	20,075,000	16,740,000	1,835,000	18,245,000	16,735,000
Refunding bonds - E.R.I.P.	1,315,000	-	170,000	-	1,145,000
Total bonds payable	<u>46,720,000</u>	<u>16,740,000</u>	<u>3,175,000</u>	<u>18,245,000</u>	<u>42,040,000</u>
Loans payable:					
Sewer project loan #1	140,000	-	45,000	-	95,000
Total loans payable	<u>140,000</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>95,000</u>
Other Liabilities:					
Capital leases payable	209,428	552,000	224,224	-	537,204
Net pension liability	25,618,011	-	115,742	-	25,502,269
Compensated absences payable	1,367,943	229,615	143,668	-	1,453,890
Total other liabilities	<u>27,195,382</u>	<u>781,615</u>	<u>483,634</u>	<u>-</u>	<u>27,493,363</u>
Total all governmental activities	<u>\$ 74,055,382</u>	<u>\$ 17,521,615</u>	<u>\$ 3,703,634</u>	<u>\$ 18,245,000</u>	<u>\$ 69,628,363</u>
Business-Type Activities:					
Compensated absences payable	\$ 13,485	\$ 321	\$ 10,295	\$ -	\$ 3,511
Total all business-type activities	<u>\$ 13,485</u>	<u>\$ 321</u>	<u>\$ 10,295</u>	<u>\$ -</u>	<u>\$ 3,511</u>

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Bonds payable:			
High school addition/renovations	\$ 1,210,000	\$ 22,950,000	\$ 24,160,000
Middle school/facilities expansion	1,830,000	14,905,000	16,735,000
Refunding bonds - E.R.I.P.	175,000	970,000	1,145,000
Total bonds payable	<u>3,215,000</u>	<u>38,825,000</u>	<u>42,040,000</u>
Loans payable:			
Sewer project loan #1	45,000	50,000	95,000
Total loans payable	<u>45,000</u>	<u>50,000</u>	<u>95,000</u>
Other Liabilities:			
Capital leases payable	201,283	335,921	537,204
Net pension liability	1,165,755	24,336,514	25,502,269
Compensated absences payable	85,513	1,368,377	1,453,890
Total other liabilities	<u>1,452,551</u>	<u>26,040,812</u>	<u>27,493,363</u>
Total all governmental activities	<u>\$ 4,712,551</u>	<u>\$ 64,915,812</u>	<u>\$ 69,628,363</u>
Business-Type Activities:			
Compensated absences payable	\$ 482	\$ 3,029	\$ 3,511
Total all business-type activities	<u>\$ 482</u>	<u>\$ 3,029</u>	<u>\$ 3,511</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

10. LONG-TERM LIABILITIES: (Cont'd)

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 Board are general obligation bonds.

In October 2014, the District refunded the final eight payments of the 11/1/2004 middle school bond issue totaling \$18,245,000, resulting in a net present value savings of \$2,362,825. The following is a summary of the sources and uses of funds:

Sources:

Par amount of new issue	\$16,740,000
Premium	2,097,739
Total Sources	\$18,837,739

Uses:

Refunding escrow deposits – principal redeemed	\$18,245,000
Refunding escrow deposits – interest	431,850
Cost of issuance	157,095
Additional proceeds	3,794
Total Uses	\$18,837,739

Bond Obligations:

Debt service requirements on serial bonds payable at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 3,215,000	\$ 1,628,871	\$ 4,843,871
2017	3,305,000	1,550,813	4,855,813
2018	3,420,000	1,451,015	4,871,015
2019	3,565,000	1,321,114	4,886,114
2020	3,705,000	1,179,213	4,884,213
2021-2025	15,140,000	3,553,293	18,693,293
2026-2030	9,690,000	1,060,185	10,750,185
	\$ 42,040,000	\$ 11,744,504	\$ 53,784,504

Loan Obligations:

In April 1997 the District entered into an Inter-Local Service Agreement with the Township of Mount Olive to finance the construction of the sewer connection project. The financing, obtained by the Township on behalf of the Board of Education, consists of two loans from the State of New Jersey.

Principal and interest due on outstanding loans is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 45,000	\$ 3,806	\$ 48,806
2017	50,000	1,312	51,312
	\$ 95,000	\$ 5,118	\$ 100,118

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

10. LONG-TERM LIABILITIES: (Cont'd)

Lease Obligations:

The District has entered into various leases for buses, maintenance and technology department vehicles, computer equipment and peripherals, and network upgrades. 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
2016	\$ 201,283
2017	110,378
2018	111,966
2019	113,577
	\$ 537,204

Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability is recorded as a noncurrent liability in the statement of net position and will be liquidated by the General Fund. The full amount of \$25,502,269 has been recorded as due beyond one year. See Note 11 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, 2015. 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 \$1,457,401 at June 30, 2015. Of this amount, \$85,995 is due within one year and \$1,371,406 is due beyond one year.

11. PENSION PLANS:

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

A. Public Employees' Retirement System (PERS):

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

PERS Benefits Provided

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:

Tier	Definition
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 50 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.

PERS Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,122,897 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$25,502,269 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.136%, which represents an increase of 0.002% from its proportion measured as of June 30, 2013.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

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

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,389,766. At June 30, 2015, 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
Changes of assumptions	\$801,928	
Changes in proportion	350,102	
Net difference between projected and actual investment earnings		\$1,519,797
	\$1,152,030	\$1,519,797

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$(232,536)
2016	(232,536)
2017	(232,536)
2018	(232,536)
2019	147,413
Thereafter	64,862
	\$(717,869)

PERS Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

PERS Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core bonds	1.00%	2.49%
Intermediate – term bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High yield bonds	5.50%	4.82%
Inflation-indexed bonds	2.50%	3.51%
Broad U.S. equities	25.90%	8.22%
Developed foreign equities	12.70%	8.12%
Emerging market equities	6.50%	9.91%
Private equity	8.25%	13.02%
Hedge funds/absolute return	12.25%	4.92%
Real estate (property)	3.20%	5.80%
Commodities	2.50%	5.35%

PERS Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 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 upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, 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 PERS Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, 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:

	1% Decrease (4.39%)	Current Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of net pension liability	\$32,082,723	\$25,502,269	\$19,976,363

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

PERS Pension Plan Fiduciary Net Position

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)

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.

TPAF Benefits Provided

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

TPAF 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 2014, 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, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses 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 2015, the State of New Jersey contributed \$1,670,695 to the TPAF for pension benefits on behalf of the District, which is less than the contractually required contribution of \$8,771,123.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

TPAF Contributions (Cont'd)

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability attributable to the District was \$163,003,589. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. 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, 2014, the District's proportion was 0.305%, which was a decrease of 0.011% from its proportion measured as of June 30, 2013.

District's proportionate share of net pension liability	\$	-0-
State's proportionate share of net pension liability associated with the district		163,003,589
Total	\$	163,003,589

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$8,771,123 and the District recognized pension expense and related revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$2,306,623,861	
Difference between expected and actual experience		\$21,969,019
Net difference between projected and actual investment earnings on pension plan investments		1,741,236,574
	\$2,306,623,861	\$1,763,205,593

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2015	\$ (130,688,498)
2016	(130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	304,620,646
Thereafter	761,551,612
	\$ 543,418,268

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

TPAF Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

TPAF Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-term Bonds	0.00%	1.00%
Intermediate-term Bonds	11.20%	2.60%
Long-term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

11. PENSION PLANS: (Cont'd)

TPAF Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 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 upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, 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 TPAF Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 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:

	1% Decrease (3.68%)	Current Rate (4.68%)	1% Increase (5.68%)
Total net pension liability - state	\$64,722,984,539	\$53,813,067,539	\$44,738,870,539

TPAF Pension Plan Fiduciary Net Position

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

12. Defined Contribution Retirement Program (DCRP)

As a general rule, all full-time employees are eligible to join one of the two pension plans detailed above. However, 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.

The District recognized DCRP pension expense of \$62,064 for the fiscal year ended June 30, 2015. Employee contributions to the DCRP amounted to \$86,690 for the fiscal year ended June 30, 2015.

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
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13. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or are approved for a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through 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. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.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 c. 126, which provides employer paid 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 State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014

For the fiscal years ended June 30, 2015, 2014 and 2013 the State of New Jersey contributed \$2,652,228, \$2,115,450, and \$2,310,600 for post-retirement medical benefits on behalf of the District. On-behalf post-retirement medical payments 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.

14. ON-BEHALF TPAF SOCIAL SECURITY CONTRIBUTIONS:

In addition to the TPAF pension and post retirement medical contributions 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
2015	\$ 2,284,466
2014	2,281,017
2013	2,336,206

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.

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:

- | | | |
|---------------------------------|--------------------|-------------------------|
| Met Life Connecticut/Traveler's | Valic | AXA Equitable Financial |
| American Express | Lincoln Investment | |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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:

Fiscal Year	Plan Member Contributions	Board Contributions	Interest Earnings	Quarterly Billings	Reimbursed to State	Ending Balance
2014-2015	\$131,418	\$80,000	\$324	\$55,108	\$142,024	\$133,218
2013-2014	\$133,270	\$55,000	-	\$53,464	\$172,356	\$118,608
2012-2013	\$130,663	\$187,900	-	\$55,470	\$78,344	\$156,158

The 2015-2016 operating budget includes an appropriation in the amount of \$80,000 for contributions to the Unemployment Insurance Trust Fund.

17. 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:

In April 2012 the Board of Education filed tenure charges against two teachers. The Administrative Law Judge and the Commissioner of Education held that the Board proved the charges and that the teachers should be dismissed. The teachers appealed the decision to the Appellate Division of the Superior Court. On November 18, 2015, the Appellate Division agreed that the Board proved the charges, but determined that the penalty of dismissal was too harsh. Accordingly, the Court sent the matter back to the Commissioner of Education to determine the appropriate penalty. Because the Board of Education stopped paying the teachers on the date the Commissioner’s decision was issued in October of 2013, it is possible that the Board could end up having to pay back pay to both teachers. The Board is currently awaiting a decision from the Commissioner on remand.

The Board is also involved in a lawsuit that is being handled by the District’s insurance carrier.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

18. SUBSEQUENT EVENTS:

On July 30, 2015 the Board of Education purchased property located at 227 US Route 206 in Flanders NJ for \$1,850,000. The property is comprised of two three-story buildings – one of which will be used as the new administration building while the other building will be rented as commercial office space to existing tenants. The purchase price of the administration building has been included in the 2015-16 school district budget. In addition to the purchase price, the seller is entitled to earn \$2,350,000 from the rents to be paid by the existing tenants and to be collected by the seller over the next ten to fifteen years through a lease agreement with the Board of Education as detailed in the Agreement of Sale.

The District has evaluated subsequent events through December 8, 2015, the date which the financial statements were available to be issued, and no other items were noted for disclosure.

19. 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.

20. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Governmental Activities:</u>			
Liabilities:			
Noncurrent liabilities, net:			
Due beyond one year	\$44,976,213	\$25,618,011	\$70,594,224
Total Liabilities	51,466,635	25,618,011	77,084,646
Net Position:			
Unrestricted/(Deficit)	4,321,199	(25,618,011)	(21,296,812)
Total Net Position	\$31,380,549	\$(25,618,011)	\$5,762,538

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, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 60,863,620	\$ -	\$ 60,863,620	\$ 60,863,620	\$ -
Tuition charges	40,000	-	40,000	234,015	194,015
Interest on investments	8,500	-	8,500	32,760	24,260
Interest earned on capital reserve funds	100	-	100	10,786	10,686
Transportation fees	34,000	-	34,000	7,180	(26,820)
Miscellaneous	183,924	-	183,924	169,094	(14,830)
Total - Local Sources	<u>61,130,144</u>	<u>-</u>	<u>61,130,144</u>	<u>61,317,455</u>	<u>187,311</u>
State sources:					
Categorical special education aid	2,928,748	-	2,928,748	2,928,748	-
Equalization aid	11,587,203	-	11,587,203	11,587,203	-
Categorical security aid	93,288	-	93,288	93,288	-
Transportation aid	483,485	-	483,485	483,485	-
PARCC readiness aid	44,640	-	44,640	44,640	-
Per pupil growth aid	44,640	-	44,640	44,640	-
Extraordinary aid	-	-	-	1,637,987	1,637,987
Nonpublic transportation aid	-	-	-	30,743	30,743
Other state aid	-	-	-	8,580	8,580
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	1,670,695	1,670,695
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	2,652,228	2,652,228
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,284,466	2,284,466
Total - State Sources	<u>15,182,004</u>	<u>-</u>	<u>15,182,004</u>	<u>23,466,703</u>	<u>8,284,699</u>
Federal sources:					
Medicaid Reimbursement	37,987	-	37,987	96,545	58,558
ARRA/SEMI	-	-	-	24,258	24,258
Total - Federal Sources	<u>37,987</u>	<u>-</u>	<u>37,987</u>	<u>120,803</u>	<u>82,816</u>
TOTAL REVENUES	<u>76,350,135</u>	<u>-</u>	<u>76,350,135</u>	<u>84,904,961</u>	<u>8,554,826</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, 2015
UNAUDITED

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Kindergarten	\$ 539,777	\$ 16,000	\$ 555,777	\$ 555,063	\$ 714
Grades 1 - 5	7,111,527	(62,000)	7,049,527	7,045,934	3,593
Grades 6 - 8	4,857,129	(37,550)	4,819,579	4,814,850	4,729
Grades 9 - 12	7,193,280	39,300	7,232,580	7,232,202	378
Regular programs - home instruction:					
Salaries of teachers	15,000	75	15,075	15,075	-
Purchased professional - educational services	39,000	(75)	38,925	26,533	12,392
Regular programs - undistributed instruction:					
Other salaries for instruction	121,249	71,938	193,187	189,729	3,458
Purchased professional - educational services	21,400	7,400	28,800	28,800	-
Other purchased services	555,638	527	556,165	462,173	93,992
General supplies	974,529	343,267	1,317,796	1,163,822	153,974
Textbooks	187,887	(57,075)	130,812	109,545	21,267
Other objects	17,970	-	17,970	5,688	12,282
Total Regular Programs - Instruction	21,634,386	321,807	21,956,193	21,649,414	306,779
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	801,268	351,000	1,152,268	1,142,851	9,417
Other salaries for instruction	164,498	(73,000)	91,498	90,723	775
Total Learning and/or Language Disabilities	965,766	278,000	1,243,766	1,233,574	10,192
Behavioral disabilities:					
Salaries of teachers	168,789	36,000	204,789	204,457	332
Other salaries for instruction	81,117	(57,000)	24,117	13,467	10,650
Total Behavioral Disabilities	249,906	(21,000)	228,906	217,924	10,982

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 310,725	\$ (35,000)	\$ 275,725	\$ 269,140	\$ 6,585
Other salaries for instruction	22,966	127,000	149,966	149,421	545
Other objects	200	-	200	-	200
Total Multiple Disabilities	333,891	92,000	425,891	418,561	7,330
Resource room/resource center:					
Salaries of teachers	3,319,698	(354,000)	2,965,698	2,881,440	84,258
Other salaries for instruction	439,942	74,000	513,942	513,784	158
General supplies	3,000	-	3,000	2,637	363
Textbooks	77,000	(56,800)	20,200	-	20,200
Total Resource Room/Resource Center	3,839,640	(336,800)	3,502,840	3,397,861	104,979
Autism:					
Salaries of teachers	238,187	(125,000)	113,187	103,899	9,288
Other salaries for instruction	21,030	54,000	75,030	72,637	2,393
Other objects	3,000	16,000	19,000	16,000	3,000
Total Autism	262,217	(55,000)	207,217	192,536	14,681
Preschool disabilities - Part-Time:					
Salaries of teachers	243,758	-	243,758	181,193	62,565
Other salaries for instruction	55,591	(3,000)	52,591	46,345	6,246
Total Preschool Disabilities - Part-Time	299,349	(3,000)	296,349	227,538	68,811
Preschool disabilities - Full-Time:					
Salaries of teachers	58,374	-	58,374	55,682	2,692
Other salaries for instruction	31,940	-	31,940	14,128	17,812
Total Preschool Disabilities - Full-Time	90,314	-	90,314	69,810	20,504
Home instruction:					
Salaries of teachers	16,800	3,150	19,950	19,950	-
Purchased professional - educational services	18,000	(1,150)	16,850	11,510	5,340
Total Home Instruction	34,800	2,000	36,800	31,460	5,340
Total Special Education - Instruction	6,075,883	(43,800)	6,032,083	5,789,264	242,819

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 1,084,545	\$ (15,000)	\$ 1,069,545	\$ 869,666	\$ 199,879
General supplies	3,641	21,300	24,941	23,466	1,475
Total Basic Skills/Remedial - Instruction	<u>1,088,186</u>	<u>6,300</u>	<u>1,094,486</u>	<u>893,132</u>	<u>201,354</u>
Bilingual education - instruction:					
Salaries of teachers	333,223	(2,500)	330,723	298,441	32,282
Other purchased services	400	-	400	213	187
General supplies	3,600	2,500	6,100	6,005	95
Textbooks	4,000	(225)	3,775	-	3,775
Other objects	-	225	225	205	20
Total Bilingual Education - Instruction	<u>341,223</u>	<u>-</u>	<u>341,223</u>	<u>304,864</u>	<u>36,359</u>
Total Other Instructional Programs	<u>1,429,409</u>	<u>6,300</u>	<u>1,435,709</u>	<u>1,197,996</u>	<u>237,713</u>
School sponsored other instructional programs:					
School sponsored co-curricular activities - instruction:					
Salaries	178,761	22,575	201,336	201,336	-
Purchased services	27,000	19,750	46,750	46,548	202
Supplies and materials	5,000	822	5,822	4,834	988
Other objects	27,360	(17,250)	10,110	9,016	1,094
Total School Sponsored Co-Curricular Activities	<u>238,121</u>	<u>25,897</u>	<u>264,018</u>	<u>261,734</u>	<u>2,284</u>
School sponsored athletics - instruction:					
Salaries	588,835	20,500	609,335	609,308	27
Purchased services	106,260	(500)	105,760	104,388	1,372
Supplies and materials	83,000	24,002	107,002	83,887	23,115
Other objects	45,000	(1,000)	44,000	34,604	9,396
Total School Sponsored Athletics - instruction	<u>823,095</u>	<u>43,002</u>	<u>866,097</u>	<u>832,187</u>	<u>33,910</u>
School sponsored before/after school program:					
Salaries	45,000	28,250	73,250	70,292	2,958
Supplies and materials	2,500	-	2,500	2,327	173
Other objects	5,000	-	5,000	1,698	3,302
Total School Sponsored Before/After School Program	<u>52,500</u>	<u>28,250</u>	<u>80,750</u>	<u>74,317</u>	<u>6,433</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, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total School Sponsored Other Instructional Programs	\$ 1,113,716	\$ 97,149	\$ 1,210,865	\$ 1,168,238	\$ 42,627
Community services programs:					
Purchased services	38,000	-	38,000	37,655	345
Total Community Services Programs	38,000	-	38,000	37,655	345
TOTAL DISTRIBUTED EXPENDITURES	30,291,394	381,456	30,672,850	29,842,567	830,283
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	-	104,275	104,275	64,424	39,851
Tuition to other LEAs within the state - special	263,830	37,000	300,830	300,382	448
Tuition to county vocational school districts - regular	589,000	-	589,000	527,329	61,671
Tuition to county vocational school districts - special	78,000	-	78,000	27,104	50,896
Tuition to CSSSD and regional day schools	396,823	(48,275)	348,548	321,822	26,726
Tuition to private schools for the handicapped - within state	1,680,313	(312,000)	1,368,313	1,293,311	75,002
Tuition to private schools for the handicapped - outside state	-	30,000	30,000	25,626	4,374
Tuition - state facilities	22,199	-	22,199	22,199	-
Tuition - other	-	90,000	90,000	85,000	5,000
Total Undistributed Expenditures - Instruction	3,030,165	(99,000)	2,931,165	2,667,197	263,968
Health services:					
Salaries	598,376	36,000	634,376	633,993	383
Purchased professional and technical services	65,704	-	65,704	54,379	11,325
Other purchased services	3,882	-	3,882	2,690	1,192
Supplies and materials	29,782	-	29,782	28,170	1,612
Total Health Services	697,744	36,000	733,744	719,232	14,512
Other support services - students - related services:					
Salaries	1,199,408	(36,000)	1,163,408	1,082,626	80,782
Purchased professional - educational services	230,813	21,535	252,348	241,373	10,975
Other objects	330	65	395	355	40
Total Other Support Services - Students - Related Services	1,430,551	(14,400)	1,416,151	1,324,354	91,797

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, 2015
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary services:					
Salaries	\$ 1,310,384	\$ (48,700)	\$ 1,261,684	\$ 1,116,751	\$ 144,933
Purchased professional - educational services	177,295	-	177,295	125,510	51,785
Total Other Support Services - Students - Extra. Serv.	1,487,679	(48,700)	1,438,979	1,242,261	196,718
Other support services - students - regular:					
Salaries of other professional staff	1,249,126	(5,000)	1,244,126	1,216,017	28,109
Salaries of secretarial and clerical assistants	83,571	5,000	88,571	88,415	156
Other purchased professional and technical services	18,864	5,000	23,864	23,362	502
Other purchased services	49,837	(5,000)	44,837	41,252	3,585
Supplies and materials	14,299	-	14,299	4,322	9,977
Other objects	2,200	-	2,200	598	1,602
Total Other Support Services - Students - Regular	1,417,897	-	1,417,897	1,373,966	43,931
Other support services - students - special:					
Salaries of other professional staff	1,549,627	(5,000)	1,544,627	1,527,584	17,043
Salaries of secretarial and clerical assistants	231,118	5,000	236,118	235,154	964
Purchased professional - educational services	72,000	(20,250)	51,750	16,440	35,310
Other purchased professional and technical services	6,995	-	6,995	6,170	825
Miscellaneous purchased services	9,000	-	9,000	5,586	3,414
Supplies and materials	9,000	406	9,406	9,402	4
Total Other Support Services - Students - Special	1,877,740	(19,844)	1,857,896	1,800,336	57,560
Improvement of instructional services:					
Salaries of supervisors of instruction	547,547	124,703	672,250	662,042	10,208
Salaries of other professional staff	60,000	64,000	124,000	94,223	29,777
Salaries of secretarial and clerical assistants	183,916	22,500	206,416	206,033	383
Other purchased professional and technical services	-	11,000	11,000	10,876	124
Other purchased services	58,146	447	58,593	40,114	18,479
Supplies and materials	15,200	4,000	19,200	17,492	1,708
Other objects	10,000	(4,000)	6,000	4,659	1,341
Total Improvement of Instruction Services	874,809	222,650	1,097,459	1,035,439	62,020

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	\$ 427,103	\$ -	\$ 427,103	\$ 424,155	\$ 2,948
Other purchased services	65,556	(3,575)	61,981	58,989	2,992
Supplies and materials	103,001	7,696	110,697	105,332	5,365
Total Educational Media Services/School Library	595,660	4,121	599,781	588,476	11,305
Instructional staff training services:					
Salaries of other professional staff	31,000	-	31,000	5,607	25,393
Purchased professional - educational services	137,714	(10,750)	126,964	24,120	102,844
Other purchased services	20,123	-	20,123	17,074	3,049
Supplies and materials	10,000	6,398	16,398	7,309	9,089
Other objects	1,500	-	1,500	-	1,500
Total Instructional Staff Training Services	200,337	(4,352)	195,985	54,110	141,875
Support services - general administration:					
Salaries	469,639	-	469,639	453,380	16,259
Legal services	190,000	(29,975)	160,025	155,868	4,157
Audit fees	30,500	-	30,500	30,500	-
Other purchased professional services	23,750	350	24,100	18,381	5,719
Communications/telephone	180,902	9,625	190,527	190,510	17
BOE other purchased services	4,500	-	4,500	3,141	1,359
Other purchased services	368,000	14,264	382,264	375,869	6,395
General supplies	9,000	4,000	13,000	5,272	7,728
Judgements against the school district	-	40,000	40,000	40,000	-
Miscellaneous expenditures	15,475	-	15,475	11,556	3,919
BOE membership dues and fees	27,700	-	27,700	26,791	909
Total Support Services - General Administration	1,319,466	38,264	1,357,730	1,311,268	46,462

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,544,327	\$ 9,847	\$ 1,554,174	\$ 1,544,394	\$ 9,780
Salaries of other professional staff	814,600	(11,209)	803,391	782,431	20,960
Salaries of secretarial and clerical assistants	705,384	(24,438)	680,946	671,968	8,978
Other purchased services	52,800	13,447	66,247	64,333	1,914
Supplies and materials	97,721	(7,100)	90,621	70,757	19,864
Other objects	30,809	-	30,809	22,658	8,151
Total Support Services - School Administration	3,245,641	(19,453)	3,226,188	3,156,541	69,647
Central services:					
Salaries	487,438	1,000	488,438	488,402	36
Miscellaneous purchased services	66,725	24,000	90,725	75,157	15,568
Supplies and materials	13,250	-	13,250	12,365	885
Miscellaneous expenditures	1,550	-	1,550	1,534	16
Total Central Services	568,963	25,000	593,963	577,458	16,505
Administrative information technology:					
Salaries	490,659	9,000	499,659	494,883	4,776
Other purchased services	334,160	123,887	458,047	443,179	14,868
Supplies and materials	25,920	43,124	69,044	44,831	24,213
Other objects	3,900	(2,000)	1,900	525	1,375
Total Administrative Information Technology	854,639	174,011	1,028,650	983,418	45,232
Required maintenance for school facilities:					
Salaries	196,286	(100)	196,186	195,434	752
Cleaning, repair and maintenance services	430,108	17,040	447,148	404,969	42,179
General supplies	198,200	116,400	314,600	307,771	6,829
Other objects	5,700	2,500	8,200	7,868	332
Total Required Maintenance for School Facilities	830,294	135,840	966,134	916,042	50,092

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Salaries	\$ 2,891,389	\$ 10,000	\$ 2,901,389	\$ 2,888,312	\$ 13,077
Salaries of non-instructional aides	308,611	4,700	313,311	313,163	148
Purchased professional and technical services	55,000	(5,000)	50,000	41,724	8,276
Cleaning, repair and maintenance services	188,554	9,077	197,631	192,010	5,621
Other purchased property services	96,870	(500)	96,370	91,447	4,923
Insurance	141,780	-	141,780	141,780	-
Miscellaneous purchased services	1,600	18,000	19,600	1,678	17,922
General supplies	352,450	27,375	379,825	370,498	9,327
Energy (natural gas)	505,000	(20,000)	485,000	446,145	38,855
Energy (electricity)	1,085,000	(104,500)	980,500	954,459	26,041
Energy (oil)	8,670	-	8,670	4,607	4,063
Energy (gasoline)	64,575	(20,000)	44,575	34,385	10,190
Other objects	3,750	-	3,750	3,160	590
Total Custodial Services	5,703,249	(80,848)	5,622,401	5,483,368	139,033
Care and upkeep of grounds:					
Salaries	249,477	5,000	254,477	253,242	1,235
Purchased professional and technical services	6,000	(5,000)	1,000	-	1,000
Cleaning, repair and maintenance services	158,000	-	158,000	146,114	11,886
General supplies	143,200	(36,500)	106,700	87,883	18,817
Total Care and Upkeep of Grounds	556,677	(36,500)	520,177	487,239	32,938
Security:					
Salaries	105,117	12,100	117,217	117,206	11
Purchased professional and technical services	18,500	6,200	24,700	23,230	1,470
General supplies	10,000	12,802	22,802	15,189	7,613
Other objects	-	300	300	36	264
Total Security	133,617	31,402	165,019	155,661	9,358
Total Operation and Maintenance of Plant Services	7,223,837	49,894	7,273,731	7,042,310	231,421

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil trans. (between home & school) - regular	\$ 1,674,678	\$ 96,000	\$ 1,770,678	\$ 1,769,923	\$ 755
Salaries for pupil trans. (between home & school) - special ed.	318,301	(3,000)	315,301	293,529	21,772
Salaries for pupil trans. (other than between home & school)	160,000	-	160,000	122,100	37,900
Salaries for pupil trans. (between home & school) - nonpublic	74,061	12,000	86,061	85,142	919
Salaries of non-instructional aides	139,821	25,500	165,321	164,592	729
Management fees - ESC & CTSA transportation programs	33,955	-	33,955	23,364	10,591
Cleaning, repair and maintenance services	63,500	18,500	82,000	56,867	25,133
Lease purchase payments - school buses	145,000	-	145,000	103,350	41,650
Contracted services - aid in lieu payments - nonpublic schools	92,820	(13,000)	79,820	71,653	8,167
Contracted services - aid in lieu payments - charter schools	13,260	-	13,260	7,072	6,188
Contracted services - aid in lieu payments - choice schools	5,304	1,000	6,304	6,188	116
Contracted services (other than bet. home & school) - vendors	12,000	13,000	25,000	20,968	4,032
Contracted services (between home & school) - joint agreements	6,700	-	6,700	6,019	681
Contracted services (special ed. students) - vendors	25,080	8,080	33,160	32,712	448
Contracted services (regular students) - ESCs & CTSA	125,000	3,000	128,000	99,893	28,107
Contracted services (special ed. students) - ESCs & CTSA	713,967	(203,080)	510,887	481,430	29,457
Miscellaneous purchased services	110,808	17,000	127,808	106,887	20,921
Fuel and general supplies	398,111	(102,378)	295,733	236,692	59,041
Transportation supplies	352,300	130,000	482,300	414,978	67,322
Miscellaneous expenditures	2,097	-	2,097	1,640	457
Total Student Transportation Services	4,466,763	2,622	4,469,385	4,104,999	364,386
Unallocated employee benefits:					
Social security contributions	1,215,000	-	1,215,000	1,084,699	130,301
Other retirement contributions - PERS	1,285,000	(15,000)	1,270,000	1,122,409	147,591
Other retirement contributions - regular	50,000	15,000	65,000	62,064	2,936
Unemployment compensation	80,000	-	80,000	79,990	10
Workers compensation	686,156	21,062	707,218	696,220	10,998
Health benefits	12,950,093	(616,667)	12,333,426	9,189,181	3,144,245
Tuition reimbursement	275,000	-	275,000	167,125	107,875
Other employee benefits	344,279	244,000	588,279	587,832	447
Total Unallocated Benefits - Employee Benefits	16,885,528	(351,605)	16,533,923	12,989,520	3,544,403

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf payments:					
TPAF on-behalf pension contribution (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 1,670,695	\$ (1,670,695)
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	2,652,228	(2,652,228)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,284,466	(2,284,466)
Total On-behalf Payments	-	-	-	6,607,389	(6,607,389)
TOTAL UNDISTRIBUTED EXPENDITURES	46,177,419	(4,792)	46,172,627	47,578,274	(1,405,647)
TOTAL EXPENDITURES - CURRENT	76,468,813	376,664	76,845,477	77,420,841	(575,364)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1 - 5	-	26,020	26,020	26,013	7
Grades 6 - 8	61,330	11,675	73,005	66,959	6,046
Grades 9 - 12	395,331	42,970	438,301	271,585	166,716
Special education - instruction:					
Home instruction	-	35,500	35,500	35,485	15
Other instructional programs:					
Bilingual education	-	4,575	4,575	4,563	12
School sponsored co-curricular and extra-curricular activities	-	23,800	23,800	-	23,800
School sponsored athletics	-	34,625	34,625	34,625	-
Undistributed expenditures:					
Support services - instructional staff	-	10,850	10,850	-	10,850
General administration	-	7,775	7,775	5,625	2,150
School administration	-	7,850	7,850	7,821	29
Information technology services	703,331	(697,092)	6,239	6,231	8
Required maintenance for school facilities	25,000	10,860	35,860	35,855	5
Custodial services	39,000	293,945	332,945	313,180	19,765
Care and upkeep of grounds	11,400	(3,325)	8,075	5,000	3,075
Security services	-	2,408	2,408	2,408	-
Student transportation services - non-instructional equipment	60,500	-	60,500	48,774	11,726
Total Equipment	1,295,892	(187,564)	1,108,328	864,124	244,204

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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities acquisition and construction services:					
Architectural and engineering services	\$ 205,370	\$ (24,902)	\$ 180,468	\$ 98,461	\$ 82,007
Construction services	1,379,074	2,240,539	3,619,613	3,086,666	532,947
Buildings other than lease purchase agreements	-	235,000	235,000	235,000	-
Assessment for debt service on SDA funding	128,241	-	128,241	128,241	-
Total Facilities Acquisition and Construction Services:	<u>1,712,685</u>	<u>2,450,637</u>	<u>4,163,322</u>	<u>3,548,368</u>	<u>614,954</u>
Assets acquired under capital leases (non-budgeted):					
Pupil transportation	-	-	-	552,000	(552,000)
Total Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,000</u>	<u>(552,000)</u>
TOTAL CAPITAL OUTLAY	<u>3,008,577</u>	<u>2,263,073</u>	<u>5,271,650</u>	<u>4,964,492</u>	<u>307,158</u>
CHARTER SCHOOL:					
Allocation of funds to charter school	159,588	-	159,588	98,784	60,804
Total Charter School	<u>159,588</u>	<u>-</u>	<u>159,588</u>	<u>98,784</u>	<u>60,804</u>
TOTAL EXPENDITURES	<u>79,636,978</u>	<u>2,639,737</u>	<u>82,276,715</u>	<u>82,484,117</u>	<u>(207,402)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,286,843)</u>	<u>(2,639,737)</u>	<u>(5,926,580)</u>	<u>2,420,844</u>	<u>(8,347,424)</u>
OTHER FINANCING SOURCES (USES):					
Capital Leases (non-budgeted)	-	-	-	552,000	(552,000)
Transfers Out:					
Capital Reserve - Transfer to Capital Projects	(1,000,000)	-	(1,000,000)	(1,000,000)	-
Capital Outlay - Transfer to Capital Projects	-	(1,190,388)	(1,190,388)	(1,190,388)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000,000)</u>	<u>(1,190,388)</u>	<u>(2,190,388)</u>	<u>(1,638,388)</u>	<u>(552,000)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(4,286,843)</u>	<u>(3,830,125)</u>	<u>(8,116,968)</u>	<u>782,456</u>	<u>(8,899,424)</u>
FUND BALANCE, July 1	<u>15,776,750</u>	<u>-</u>	<u>15,776,750</u>	<u>15,776,750</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 11,489,907</u>	<u>\$ (3,830,125)</u>	<u>\$ 7,659,782</u>	<u>\$ 16,559,206</u>	<u>\$ (8,899,424)</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, 2015
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:					
Adjustment for prior year encumbrances	\$ -	\$ (2,170,933)	\$ (2,170,933)	\$ (2,170,933)	\$ -
Budgeted fund balance	(3,286,843)	-	(3,286,843)	2,601,795	(5,888,638)
Budgeted transfer from capital reserve	(1,000,000)	-	(1,000,000)	(1,000,000)	-
Additional appropriation from capital reserve		(1,659,192)	(1,659,192)	(1,659,192)	-
Increase in capital reserve:					
Principal	-	-	-	3,000,000	(3,000,000)
Interest	-	-	-	10,786	(10,786)
	\$ (4,286,843)	\$ (3,830,125)	\$ (8,116,968)	\$ 782,456	\$ (8,899,424)
				-	
Recapitulation of Balances:					
Restricted Fund Balance:					
Capital reserve				\$ 5,372,562	
Excess surplus - current year				2,140,453	
Excess surplus - designated for subsequent year's expenditures				1,916,482	
Committed Fund Balance:					
Year-end encumbrances				555,996	
Assigned Fund Balance:					
Year-end encumbrances				598,899	
Unreserved - designated for subsequent year's expenditures - ARRA/SEMI				24,258	
Unreserved - designated for subsequent year's expenditures - fund balance appropriated				2,731,524	
Unassigned Fund Balance				3,219,032	
				16,559,206	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(1,486,208)	
Fund Balance per Governmental Funds (GAAP)				\$ 15,072,998	

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, 2015
 UNAUDITED

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,024,194	\$ 473,580	\$ 1,497,774	\$ 1,306,297	\$ 191,477
State sources	4,125	(4,125)	-	-	-
Local sources	-	7,407	7,407	68,350	(60,943)
TOTAL REVENUES	\$ 1,028,319	\$ 476,862	\$ 1,505,181	\$ 1,374,647	\$ 130,534
EXPENDITURES:					
Instruction:					
Personal services - salaries	\$ 644,703	\$ (43,405)	\$ 601,298	\$ 595,010	\$ 6,288
Other purchased services	55,250	34,120	89,370	89,360	10
General supplies	130,263	(10,669)	119,594	93,028	26,566
Total Instruction	830,216	(19,954)	810,262	777,398	32,864
Support Services:					
Personal services - salaries	1,050	37,112	38,162	37,901	261
Personal services - employee benefits	39,660	99,238	138,898	130,051	8,847
Purchased professional educational and technical services	134,793	201,727	336,520	259,172	77,348
Other purchased services	-	14,400	14,400	13,198	1,202
Supplies and materials	22,600	58,317	80,917	76,419	4,498
Total Support Services	198,103	410,794	608,897	516,741	92,156
Facilities Acquisition and Construction Services:					
Instructional equipment	-	14,522	14,522	13,445	1,077
Non-instructional equipment	-	6,500	6,500	2,063	4,437
Land and improvements	-	65,000	65,000	65,000	-
Total Facilities Acquisition and Construction Services	-	86,022	86,022	80,508	5,514
TOTAL EXPENDITURES	\$ 1,028,319	\$ 476,862	\$ 1,505,181	\$ 1,374,647	\$ 130,534

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

NOTE 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, 2015
 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	\$ 84,904,961	\$ 1,374,647
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, 2014	-	56,900
Outstanding encumbrances at June 30, 2015	-	(58,907)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2014	1,474,071	-
State aid receivable at June 30, 2015	(1,486,208)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 84,892,824	\$ 1,372,640
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 82,484,117	\$ 1,374,647
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, 2014	-	56,900
Outstanding encumbrances at June 30, 2015	-	(58,907)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 82,484,117	\$ 1,372,640

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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 TWO FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
District's proportion of the net pension liability	0.1340415896%	0.1362101705%
District's proportionate share of the net pension liability	\$ 25,618,011	\$ 25,502,269
District's covered employee payroll	\$ 9,346,538	\$ 8,887,622
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	274.09%	286.94%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: 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 TWO FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	\$ 1,009,976	\$ 1,122,897
Contributions in relation to the contractually required contribution	<u>(1,009,976)</u>	<u>(1,122,897)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 9,346,538	\$ 8,887,622
Contributions as a percentage of covered employee payroll	10.81%	12.63%

Note: 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 TWO FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable to the District	0.3162441010%	0.3049831893%
State's proportionate share of the net pension liability attributable to the District	\$ 159,827,281	\$ 163,003,589
District's covered employee payroll	\$ 31,028,567	\$ 31,174,125
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	515.10%	522.88%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

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, 2015

	Title I Part A	Title II Part A	Title III	IDEA Part B Basic	IDEA Part B Preschool
REVENUES:					
Federal sources	\$ 247,090	\$ 32,248	\$ 20,080	\$ 949,645	\$ 35,226
Local sources	-	-	-	-	-
TOTAL REVENUES	<u>\$ 247,090</u>	<u>\$ 32,248</u>	<u>\$ 20,080</u>	<u>\$ 949,645</u>	<u>\$ 35,226</u>
EXPENDITURES:					
Instruction:					
Personal services - salaries	\$ 168,067	\$ -	\$ -	\$ 405,606	\$ 21,337
Other purchased services	-	-	-	89,360	-
General supplies	-	-	20,080	53,475	8,472
Total Instruction	<u>168,067</u>	<u>-</u>	<u>20,080</u>	<u>548,441</u>	<u>29,809</u>
Support Services:					
Personal services - salaries	-	-	-	37,032	-
Personal services - employee benefits	79,023	-	-	49,330	1,632
Purchased prof. educational and technical services	-	-	-	255,387	3,785
Other purchased services	-	-	-	9,298	-
Supplies and materials	-	32,248	-	44,171	-
Total Support Services	<u>79,023</u>	<u>32,248</u>	<u>-</u>	<u>395,218</u>	<u>5,417</u>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	3,923	-
Non-instructional equipment	-	-	-	2,063	-
Land and improvements	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,986</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 247,090</u>	<u>\$ 32,248</u>	<u>\$ 20,080</u>	<u>\$ 949,645</u>	<u>\$ 35,226</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Carl D. Perkins Career and Technical Education Grant	Township Tree Bank	Honda Foundation Donation	Total
REVENUES:				
Federal sources	\$ 22,008	\$ -	\$ -	\$ 1,306,297
Local sources	-	65,000	3,350	68,350
TOTAL REVENUES	\$ 22,008	\$ 65,000	\$ 3,350	\$ 1,374,647
EXPENDITURES:				
Instruction:				
Personal services - salaries	\$ -	\$ -	\$ -	\$ 595,010
Other purchased services	-	-	-	89,360
General supplies	7,651	-	3,350	93,028
Total Instruction	7,651	-	3,350	777,398
Support Services:				
Personal services - salaries	869	-	-	37,901
Personal services - employee benefits	66	-	-	130,051
Purchased professional educational and technical services	-	-	-	259,172
Other purchased services	3,900	-	-	13,198
Supplies and materials	-	-	-	76,419
Total Support Services	4,835	-	-	516,741
Facilities Acquisition and Construction Services:				
Instructional equipment	9,522	-	-	13,445
Non-instructional equipment	-	-	-	2,063
Land and improvements	-	65,000	-	65,000
Total Facilities Acquisition and Construction Services	9,522	65,000	-	80,508
TOTAL EXPENDITURES	\$ 22,008	\$ 65,000	\$ 3,350	\$ 1,374,647

**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, 2015

Year	Project Title	Appropriation	GAAP Expenditures to Date		Unexpended Balance
			Prior Years	Current Year	
2014	Chester M. Stephens Elementary School Window Replacement Project	\$ 329,130	\$ 32,011	\$ 297,338	\$ (219)
2014	Tinc Road Elementary School Roof Replacement Project	1,300,332	62,899	1,263,596	(26,163)
2014	Sandshore Road Elementary School Boiler Replacement Project	315,360	17,520	297,840	-
2014	Mt. Olive High School Roof Replacement Project	715,448	41,815	763,749	(90,116)
2014	Mt. Olive High School Window Replacement Project	887,100	32,912	595,251	258,937
		<u>\$ 3,547,370</u>	<u>\$ 187,157</u>	<u>\$ 3,217,774</u>	<u>\$ 142,439</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, 2015

REVENUES AND OTHER FINANCING SOURCES:	
Transfer from capital reserve	\$ 1,000,000
Transfer from capital outlay	1,190,388
	<u>2,190,388</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	32,902
Construction services	3,184,872
	<u>3,217,774</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	
	(1,027,386)
FUND BALANCE, July 1	1,373,344
	<u>345,958</u>
LESS: CANCELLATION OF SDA GRANT RECEIVABLE	<u>(112,972)</u>
FUND BALANCE, June 30	<u>\$ 232,986</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Restricted fund balance - budgetary basis	\$ 232,986
Less: SDA grant receivable not recognized on GAAP basis	(90,547)
	<u>142,439</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 142,439</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 CHESTER M. STEPHENS ELEMENTARY SCHOOL - WINDOW REPLACEMENT PROJECT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 199,580	\$ (63,157)	\$ 136,423	\$ 136,423
Transfer from capital reserve	-	192,707	192,707	192,926
TOTAL REVENUES AND OTHER FINANCING SOURCES	199,580	129,550	329,130	329,349
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	18,504	6,095	24,599	24,599
Construction services	13,507	291,243	304,750	304,750
TOTAL EXPENDITURES AND OTHER FINANCING USES	32,011	297,338	329,349	329,349
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 167,569	\$ (167,788)	\$ (219)	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-050-14-1004
Grant date	2/24/2014
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 481,500
Additional authorized cost	(152,151)
Revised authorized cost	\$ 329,349
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	Aug-14
Revised target completion date	Oct-14

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 TINC ROAD ELEMENTARY SCHOOL - ROOF REPLACEMENT PROJECT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 589,470	\$ (39,643)	\$ 549,827	\$ 549,827
Transfer from capital reserve	-	222,648	222,648	248,811
Transfer from capital outlay	-	527,857	527,857	527,857
TOTAL REVENUES AND OTHER FINANCING SOURCES	589,470	710,862	1,300,332	1,326,495
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	62,899	20,967	83,866	83,866
Construction services	-	1,242,629	1,242,629	1,242,629
TOTAL EXPENDITURES AND OTHER FINANCING USES	62,899	1,263,596	1,326,495	1,326,495
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 526,571	\$ (552,734)	\$ (26,163)	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-070-14-1007
Grant date	2/24/2014
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 1,422,136
Additional authorized cost	(95,641)
Revised authorized cost	\$ 1,326,495
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	Aug-14
Revised target completion date	Apr-15

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 SANDSHORE ELEMENTARY SCHOOL - BOILER REPLACEMENT PROJECT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 140,887	\$ (10,172)	\$ 130,715	\$ 130,715
Transfer from capital reserve	-	184,645	184,645	184,645
TOTAL REVENUES AND OTHER FINANCING SOURCES	140,887	174,473	315,360	315,360
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	17,520	5,840	23,360	23,360
Construction services	-	292,000	292,000	292,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	17,520	297,840	315,360	315,360
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 123,367	\$ (123,367)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-065-14-1006
Grant date	2/24/2014
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 339,900
Additional authorized cost	(24,540)
Revised authorized cost	\$ 315,360
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	Aug-14
Revised target completion date	Dec-14

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 MOUNT OLIVE HIGH SCHOOL - ROOF REPLACEMENT PROJECT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 347,936	\$ -	\$ 347,936	\$ 347,936
Transfer from capital reserve	-	200,000	200,000	200,000
Transfer from capital outlay	-	304,309	304,309	304,309
TOTAL REVENUES AND OTHER FINANCING SOURCES	347,936	504,309	852,245	852,245
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	41,815	-	41,815	55,754
Construction services	-	763,749	763,749	796,491
TOTAL EXPENDITURES AND OTHER FINANCING USES	41,815	763,749	805,564	852,245
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 306,121	\$ (259,440)	\$ 46,681	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-010-14-1002
Grant date	2/24/2014
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 839,420
Additional authorized cost	12,825
Revised authorized cost	\$ 852,245
Percentage increase over original authorized cost	1.53%
Percentage completion	94.52%
Original target completion date	Aug-14
Revised target completion date	Aug-15

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 MOUNT OLIVE HIGH SCHOOL - WINDOW REPLACEMENT PROJECT
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 282,628	\$ -	\$ 282,628	\$ 282,628
Transfer from capital reserve	-	200,000	200,000	200,000
Transfer from capital outlay	-	358,222	358,222	358,222
TOTAL REVENUES AND OTHER FINANCING SOURCES	282,628	558,222	840,850	840,850
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	32,912	-	32,912	43,850
Construction services	-	595,251	595,251	797,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	32,912	595,251	628,163	840,850
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 249,716	\$ (37,029)	\$ 212,687	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-010-14-1002
Grant date	2/24/2014
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 681,860
Additional authorized cost	158,990
Revised authorized cost	\$ 840,850
Percentage increase over original authorized cost	23.32%
Percentage completion	74.71%
Original target completion date	Aug-14
Revised target completion date	Aug-15

**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 all revenues and expenses pertaining to the food service operations of all schools within the District.

Summer Programs Fund – This fund provides for the operation of the District’s credit recovery summer school and summer camp enhancement programs.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015

	Food Services	Summer Programs		Totals
		Summer School 2014 Program	STEM Camp 2014 Program	
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 143,283	\$ 56,774	\$ 101,455	\$ 301,512
Accounts receivable:				
State	1,004	-	-	1,004
Federal	25,079	-	-	25,079
Other	24,319	-	-	24,319
Inventories	11,594	-	-	11,594
Total Current Assets	<u>205,279</u>	<u>56,774</u>	<u>101,455</u>	<u>363,508</u>
NONCURRENT ASSETS:				
Equipment	397,271	-	-	397,271
Less: accumulated depreciation	<u>374,242</u>	<u>-</u>	<u>-</u>	<u>374,242</u>
Total Noncurrent Assets	<u>23,029</u>	<u>-</u>	<u>-</u>	<u>23,029</u>
TOTAL ASSETS	<u>228,308</u>	<u>56,774</u>	<u>101,455</u>	<u>386,537</u>
LIABILITIES:				
Accounts payable	68,365	-	-	68,365
Unearned revenue	-	24,143	102,540	126,683
Compensated absences payable	<u>3,511</u>	<u>-</u>	<u>-</u>	<u>3,511</u>
TOTAL LIABILITIES	<u>71,876</u>	<u>24,143</u>	<u>102,540</u>	<u>198,559</u>
NET POSITION:				
Invested in capital assets, net of related debt	23,029	-	-	23,029
Unrestricted	<u>133,403</u>	<u>32,631</u>	<u>(1,085)</u>	<u>164,949</u>
TOTAL NET POSITION	<u>\$ 156,432</u>	<u>\$ 32,631</u>	<u>\$ (1,085)</u>	<u>\$ 187,978</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, 2015

	Food Services	Summer Programs		Totals
		Summer School 2014 Program	STEM Camp 2014 Program	
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$ 691,171	\$ -	\$ -	\$ 691,171
Daily sales - non-reimbursable programs	2,591	-	-	2,591
Tuition	-	43,103	90,000	133,103
Total Operating Revenues	693,762	43,103	90,000	826,865
OPERATING EXPENSES:				
Salaries	391,633	39,406	56,352	487,391
Payroll taxes and employee benefits	96,553	3,015	4,311	103,879
Management fees	45,000	-	-	45,000
Cost of sales	401,640	-	-	401,640
Supplies and materials	43,160	-	26,717	69,877
Depreciation	8,593	-	-	8,593
Equipment maintenance and repairs	14,560	-	-	14,560
Purchased services	13,942	-	-	13,942
Other objects	12,660	60	45	12,765
Total Operating Expenses	1,027,741	42,481	87,425	1,157,647
OPERATING INCOME (LOSS)	(333,979)	622	2,575	(330,782)
NON-OPERATING REVENUES:				
State sources:				
State school lunch program	9,151	-	-	9,151
Federal sources:				
School breakfast program	20,363	-	-	20,363
National school lunch program	268,001	-	-	268,001
After school snack program	968	-	-	968
Special milk program	1,889	-	-	1,889
Food donation program	55,805	-	-	55,805
Management company subsidy	24,319	-	-	24,319
Interest income	486	-	-	486
Other income	384	-	-	384
Total Non-Operating Revenues	381,366	-	-	381,366
Change in net position before other revenue, expenses, gains, losses and transfers	47,387	622	2,575	50,584
Adjustment for revaluation of capital assets	(5,917)	-	-	(5,917)
Change in net position	41,470	622	2,575	44,667
Total net position - beginning	114,962	32,009	(3,660)	143,311
Total net position - ending	\$ 156,432	\$ 32,631	\$ (1,085)	\$ 187,978

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Services	Summer Programs		Total
		Summer School 2014 Program	STEM Camp 2014 Program	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 694,297	\$ 67,246	\$ 104,340	\$ 865,883
Payments for employees and employee benefits	(540,349)	(42,421)	(60,663)	(643,433)
Payments to suppliers for goods and services	(474,585)	(60)	(26,762)	(501,407)
Net cash used in operating activities	<u>(320,637)</u>	<u>24,765</u>	<u>16,915</u>	<u>(278,957)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State sources	10,678	-	-	10,678
Federal sources	325,945	-	-	325,945
Other income	384	-	-	384
Net cash provided by non-capital financing activities	<u>337,007</u>	<u>-</u>	<u>-</u>	<u>337,007</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(3,276)	-	-	(3,276)
Net cash used for capital and related financing activities	<u>(3,276)</u>	<u>-</u>	<u>-</u>	<u>(3,276)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	486	-	-	486
Net increase (decrease) in cash and cash equivalents	13,580	24,765	16,915	55,260
Cash and cash equivalents - beginning of year	129,703	32,009	84,540	246,252
Cash and cash equivalents - end of year	<u>\$ 143,283</u>	<u>\$ 56,774</u>	<u>\$ 101,455</u>	<u>\$ 301,512</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating income (loss)	\$ (333,979)	\$ 622	\$ 2,575	\$ (330,782)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	8,593	-	-	8,593
Food donation program	55,805	-	-	55,805
Decrease in accounts receivable, net	502	-	-	502
Increase in inventories	(2,634)	-	-	(2,634)
Increase in accounts payable	44,738	-	-	44,738
Increase in deferred revenue	-	24,143	14,340	38,483
Decrease in compensated absences payable	(9,974)	-	-	(9,974)
Decrease in due to/from other funds	(83,688)	-	-	(83,688)
Total adjustments	<u>13,342</u>	<u>24,143</u>	<u>14,340</u>	<u>51,825</u>
Net cash used in operating activities	<u>\$ (320,637)</u>	<u>\$ 24,765</u>	<u>\$ 16,915</u>	<u>\$ (278,957)</u>

<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, 2015

	Agency Funds			Trust Funds		
	Student Activity	Payroll	Total Agency Funds	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust	Total Trust Funds
ASSETS:						
Cash and cash equivalents	\$ 426,341	\$ 255,824	\$ 682,165	\$ 156,154	\$ 26,361	\$ 182,515
Accounts receivable	11,216	-	11,216	-	-	-
TOTAL ASSETS	437,557	255,824	693,381	156,154	26,361	182,515
LIABILITIES:						
Accounts payable	4,329	-	4,329	22,936	-	22,936
Payroll deductions and withholdings	-	252,562	252,562	-	-	-
Interfund payable	321	3,262	3,583	-	-	-
Due to student groups	432,907	-	432,907	-	-	-
TOTAL LIABILITIES	437,557	255,824	693,381	22,936	-	22,936
NET POSITION:						
Held in trust for unemployment claims				133,218	-	133,218
Held in trust for medical and dependent care claims	-	-	-	-	26,361	26,361
TOTAL NET POSITION	\$ -	\$ -	\$ -	\$ 133,218	\$ 26,361	\$ 159,579

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Insurance Trust	Flexible Spending Account Trust	Total Trust Funds
ADDITIONS:			
Contributions:			
Plan members	\$ 131,418	\$ 80,678	\$ 212,096
Board contributions	80,000	-	80,000
Total contributions	<u>211,418</u>	<u>80,678</u>	<u>292,096</u>
Investment earnings:			
Interest	324	63	387
Total investment earnings	<u>324</u>	<u>63</u>	<u>387</u>
Other income:			
Miscellaneous	-	6,127	6,127
Total other income	<u>-</u>	<u>6,127</u>	<u>6,127</u>
Total additions	<u>211,742</u>	<u>86,868</u>	<u>298,610</u>
DEDUCTIONS:			
Quarterly contribution reports	55,108	-	55,108
Unemployment claims	142,024	-	142,024
Qualified medical and dependent care claims	-	71,156	71,156
Total deductions	<u>197,132</u>	<u>71,156</u>	<u>268,288</u>
Change in net position	14,610	15,712	30,322
Net position-beginning of the year	118,608	10,649	129,257
Net position-end of the year	<u>\$ 133,218</u>	<u>\$ 26,361</u>	<u>\$ 159,579</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable/ (Receivable)</u>	<u>Balance June 30, 2015</u>
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 14,344	\$ 22,648	\$ 25,422	\$ 1,139	\$ 10,431
Mountain View School	9,573	16,551	16,852	(1,775)	11,047
Tinc Road School	8,007	22,668	6,055	(1,069)	25,689
CMS Elementary School	<u>14,831</u>	<u>25,292</u>	<u>25,756</u>	<u>(2,786)</u>	<u>17,153</u>
TOTAL ELEMENTARY SCHOOLS	<u>46,755</u>	<u>87,159</u>	<u>74,085</u>	<u>(4,491)</u>	<u>64,320</u>
MIDDLE SCHOOL:					
Mount Olive Middle School	<u>141,688</u>	<u>432,215</u>	<u>433,064</u>	<u>(20,667)</u>	<u>161,506</u>
TOTAL MIDDLE SCHOOL	<u>141,688</u>	<u>432,215</u>	<u>433,064</u>	<u>(20,667)</u>	<u>161,506</u>
HIGH SCHOOL:					
Mount Olive High School	171,052	499,947	524,613	(5,332)	151,718
Athletic Account	<u>57,492</u>	<u>176,321</u>	<u>177,570</u>	<u>880</u>	<u>55,363</u>
TOTAL HIGH SCHOOL	<u>228,544</u>	<u>676,268</u>	<u>702,183</u>	<u>(4,452)</u>	<u>207,081</u>
TOTAL ALL SCHOOLS	<u>\$ 416,987</u>	<u>\$ 1,195,642</u>	<u>\$ 1,209,332</u>	<u>\$ (29,610)</u>	<u>\$ 432,907</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Payroll deductions and withholdings	<u>\$ 77,027</u>	<u>\$ 61,933,077</u>	<u>\$ 61,754,280</u>	<u>\$ 255,824</u>
Total	<u><u>\$ 77,027</u></u>	<u><u>\$ 61,933,077</u></u>	<u><u>\$ 61,754,280</u></u>	<u><u>\$ 255,824</u></u>

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	REFUNDED	BALANCE JUNE 30, 2015
			DATE	AMOUNT						
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	11/01/04	\$ 30,500,000				\$ 20,075,000	\$ -	\$ 1,830,000	\$ 18,245,000	\$ -
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	10/29/14		1/15/2016	\$ 1,830,000	2.00%	-	16,740,000	5,000		16,735,000
			1/15/2017	1,875,000	3.00%					
			1/15/2018	1,945,000	4.00%					
			1/15/2019	2,025,000	4.00%					
			1/15/2020	2,115,000	4.00%					
			1/15/2021	2,210,000	4.00%					
			1/15/2022	2,305,000	5.00%					
Early Retirement Incentive Program - Refunding Bonds	12/20/11	1,535,000	2/1/2016	175,000	2.19%	1,315,000	-	170,000	-	1,145,000
			2/1/2017	180,000	2.61%					
			2/1/2018	185,000	2.96%					
			2/1/2019	195,000	3.18%					
			2/1/2020	200,000	3.38%					
Addition/Renovations to Mt. Olive High School	05/15/04	32,280,000				1,075,000	-	1,075,000	-	-
Addition/Renovations to Mt. Olive High School - Refunding Bonds	09/14/06	9,100,000	7/15/2015	30,000	4.00%	8,940,000	-	25,000	-	8,915,000
			7/15/2016	30,000	4.00%					
			7/15/2017	30,000	4.00%					
			7/15/2018	30,000	4.00%					
			7/15/2019	30,000	4.00%					
			7/15/2020	35,000	4.00%					
			7/15/2021	35,000	4.10%					
			7/15/2022	35,000	4.10%					
			7/15/2023	40,000	4.10%					
			7/15/2024	40,000	4.10%					
			7/15/2025	670,000	4.10%					
			7/15/2026	1,870,000	4.25%					
			7/15/2027	1,935,000	4.25%					
7/15/2028	2,015,000	4.25%								
7/15/2029	2,090,000	4.25%								

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	REFUNDED	BALANCE JUNE 30, 2015
			DATE	AMOUNT						
Addition/Renovations to Mt. Olive High School - Refunding Bonds	01/04/07	\$ 9,500,000	7/15/2015	\$ 40,000	4.00%	\$ 9,265,000	\$ -	\$ 40,000	\$ -	\$ 9,225,000
			7/15/2016	45,000	4.00%					
			7/15/2017	45,000	4.00%					
			7/15/2018	50,000	4.00%					
			7/15/2019	135,000	4.00%					
			7/15/2020	1,445,000	4.00%					
			7/15/2021	1,505,000	4.00%					
			7/15/2022	1,560,000	4.00%					
			7/15/2023	1,615,000	4.00%					
			7/15/2024	1,675,000	4.00%					
			7/15/2025	1,110,000	4.00%					
Addition/Renovations to Mt. Olive High School - Refunding Bonds	05/31/12	6,175,000	7/15/2015	1,140,000	3.00%	6,050,000	-	30,000	-	6,020,000
			7/15/2016	1,175,000	3.00%					
			7/15/2017	1,215,000	3.00%					
			7/15/2018	1,265,000	4.00%					
			7/15/2019	1,225,000	4.00%					
						<u>\$ 46,720,000</u>	<u>\$ 16,740,000</u>	<u>\$ 3,175,000</u>	<u>\$ 18,245,000</u>	<u>\$ 42,040,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Principal	Interest					
(1) 2010 Ford F-450 Super Cab Truck Computer and Peripheral Equipment	09/15/09	5 Years	\$ 230,000	\$ 24,869	3.73%	\$ 25,739	\$ -	\$ 25,739	\$ -
(1) 2011 Ford F-350 Super Cab Truck Computer and Peripheral Equipment	11/10/10	5 Years	450,002	37,463	2.75%	183,689	-	91,217	92,472
(4) 2015 30-Passenger Blue Bird Vision School Buses and (1) 2015 54-Passenger Blue Bird Vision School Bus	06/16/14	5 Years	552,000	22,001	1.43%	-	552,000	107,268	444,732
						<u>\$ 209,428</u>	<u>\$ 552,000</u>	<u>\$ 224,224</u>	<u>\$ 537,204</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,587,826	\$ -	\$ 4,587,826	\$ 4,587,826	\$ -
Miscellaneous	-	-	-	1,228	1,228
Total local sources	4,587,826	-	4,587,826	4,589,054	1,228
State sources:					
Debt service aid type II	578,759	-	578,759	578,759	-
Total state sources	578,759	-	578,759	578,759	-
TOTAL REVENUES	5,166,585	-	5,166,585	5,167,813	1,228
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	37,404	-	37,404	37,404	-
Interest on loans and serial bonds	1,917,864	(5,000.00)	1,912,864	1,625,664	287,200
Redemption of principal - early retirement bonds	170,000	-	170,000	170,000	-
Redemption of principal - loans and serial bonds	3,045,000	5,000.00	3,050,000	3,050,000	-
Total Regular Debt Service	5,170,268	-	5,170,268	4,883,068	287,200
TOTAL EXPENDITURES	5,170,268	-	5,170,268	4,883,068	287,200
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,683)	-	(3,683)	284,745	288,428
OTHER FINANCING SOURCES (USES):					
Sources (Uses) of Refunding Bond Issue:					
Refunding bonds	-	-	-	16,740,000	(16,740,000)
Original issue premium	-	-	-	2,097,739	(2,097,739)
Payment to refunded bond escrow agent	-	-	-	(18,676,850)	18,676,850
Costs of issuance	-	-	-	(157,095)	157,095
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	3,794	(3,794)

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,683)	-	(3,683)	288,539	284,634
FUND BALANCE, July 1	4,796	-	4,796	4,796	-
FUND BALANCE, June 30	<u>\$ 1,113</u>	<u>\$ -</u>	<u>\$ 1,113</u>	<u>\$ 293,335</u>	<u>\$ 284,634</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Budgeted Fund Balance	<u>\$ (3,683)</u>	<u>\$ -</u>	<u>\$ (3,683)</u>	<u>\$ 288,539</u>	<u>\$ 284,634</u>
Recapitulation of Balances:					
Restricted for:					
Debt service				\$ 149,121	
Assigned to:					
Designated by the Board of Education for subsequent year's expenditures				144,214	
				<u>\$ 293,335</u>	

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.	105-112
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	113-116
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.	117-120
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.	121-122
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.	123-127

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

	Fiscal Year Ended June 30,									
	2015	(Restated) 2014	(Restated) 2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Invested in capital assets, net of related debt	\$ 27,314,078	\$ 20,304,261	\$ 20,889,514	\$ 18,234,468	\$ 16,698,417	\$ 17,763,304	\$ 18,734,871	\$ 19,646,173	\$ 18,618,960	\$ 3,763,209
Restricted	9,865,271	6,755,089	3,241,776	2,563,951	1,210,035	20,411	32,181	139,129	984,926	6,806,079
Unrestricted (Deficit)	(24,606,865)	(21,296,812)	2,414,935	1,488,319	2,276,040	483,740	(3,576,575)	(4,321,297)	(162,155)	(1,166,971)
Total governmental activities net position	<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>	<u>\$ 15,464,005</u>	<u>\$ 19,441,731</u>	<u>\$ 9,402,317</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 23,029	\$ 34,263	\$ 40,823	\$ 52,592	\$ 64,463	\$ 77,966	\$ 91,469	\$ 105,678	\$ 122,638	\$ 134,041
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	164,949	109,048	100,029	192,031	170,029	161,095	193,661	220,513	287,269	323,985
Total business-type activities net position	<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>	<u>\$ 326,191</u>	<u>\$ 409,907</u>	<u>\$ 458,026</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 27,337,107	\$ 20,338,524	\$ 20,930,337	\$ 18,287,060	\$ 16,762,880	\$ 17,841,270	\$ 18,826,340	\$ 19,751,851	\$ 18,741,598	\$ 3,897,250
Restricted	9,865,271	6,755,089	3,241,776	2,563,951	1,210,035	20,411	32,181	139,129	984,926	6,806,079
Unrestricted (Deficit)	(24,441,916)	(21,187,764)	2,514,964	1,680,350	2,446,069	644,835	(3,382,914)	(4,100,784)	125,114	(842,986)
Total district net position	<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>	<u>\$ 15,790,196</u>	<u>\$ 19,851,638</u>	<u>\$ 9,860,343</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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 34,496,285	\$ 30,374,097	\$ 31,494,232	\$ 30,440,311	\$ 29,279,680	\$ 29,253,267	\$ 28,874,002	\$ 29,538,264	\$ 28,392,776	\$ 26,257,695
Special education programs	9,951,711	9,095,697	9,002,194	8,480,211	8,473,838	8,464,554	7,299,941	8,451,020	7,525,425	6,794,223
Other instructional programs	2,250,135	2,033,353	1,796,657	1,661,105	1,529,506	1,578,165	1,308,443	1,344,860	1,408,582	1,200,190
School sponsored programs	1,537,598	1,413,971	1,128,260	1,138,941	1,123,417	1,079,690	1,012,670	1,161,487	1,130,231	1,072,970
Community services programs	37,655	40,784	29,698	46,610	53,148	40,789	-	237,671	192,694	140,792
Support Services:										
Tuition	2,756,260	2,730,940	2,711,876	2,862,242	2,964,008	3,151,685	3,457,909	3,349,320	2,553,357	2,610,450
Student & instruction related services	13,018,212	11,795,770	11,742,227	11,246,504	11,222,504	11,405,017	10,549,571	10,722,009	10,224,653	9,070,030
School administrative services	4,982,172	4,534,163	4,532,706	4,780,646	4,352,318	4,441,668	4,456,645	4,763,487	4,488,613	4,410,915
Other administrative services	3,629,252	3,475,143	3,272,978	3,312,477	3,077,718	2,968,343	3,055,916	3,038,472	2,744,156	2,525,602
Plant operations and maintenance	12,084,724	12,148,221	11,366,854	11,842,279	11,953,154	12,115,937	12,259,725	12,118,196	9,626,775	7,855,225
Pupil transportation	5,188,897	5,079,433	5,033,828	5,138,677	5,204,635	5,890,727	6,048,492	6,451,921	5,482,210	5,555,129
Charter schools	98,784	155,488	134,935	95,957	75,946	72,424		45,123	47,348	37,299
Interest and other debt related charges	1,714,681	2,176,498	2,344,683	2,955,477	2,774,929	2,721,148	2,835,064	2,915,556	3,927,627	3,073,022
Unallocated depreciation	56,360	50,568	52,755	55,909	65,277	79,015	86,339	92,320	101,418	1,238,708
Total governmental activities expenses	<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>	<u>84,229,706</u>	<u>77,845,865</u>	<u>71,842,250</u>
Business-type activities:										
Food service	1,027,741	1,198,103	1,221,314	1,272,852	1,266,957	1,341,549	1,348,421	1,482,292	1,441,598	1,355,509
Community school	-	-	-	40,056	113,517	160,173	195,828	173,357	181,389	172,239
Summer programs	129,906	34,965	42,822	40,410	50,824	57,488	42,759	39,865	31,801	24,940
Total business-type activities expenses	<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>	<u>1,695,514</u>	<u>1,654,788</u>	<u>1,552,688</u>
Total district expenses	<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>	<u>\$ 85,925,220</u>	<u>\$ 79,500,653</u>	<u>\$ 73,394,938</u>

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs (Sunset Academy fees, tuition)	\$ 11,700	\$ 15,564	\$ 5,400	\$ 7,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special education programs (tuition)	234,015	166,822	47,494	56,178	87,350	113,801	103,408	271,335	126,618	94,978
School sponsored programs (sports and activity fees)	-	-	-	81,658	85,155	63,787	-	-	-	-
Plant operations and maintenance (building usage, parking)	124,822	109,545	101,755	158,787	56,007	70,875	50,572	67,918	43,284	115,653
Pupil transportation (transportation fees)	7,180	5,597	57,357	229,595	213,067	24,362	30,235	35,188	93,601	168,377
Operating grants and contributions	20,954,270	13,170,198	14,069,996	12,135,738	12,226,330	16,160,847	11,825,243	13,626,319	13,027,363	10,790,379
Capital grants and contributions	1,356,982	-	247,696	266,917	15,454	68,465	-	-	8,700,382	4,403,899
Total governmental activities program revenues	22,688,969	13,467,726	14,529,698	12,935,926	12,683,363	16,502,137	12,009,458	14,000,760	21,991,248	15,573,286
Business-type activities:										
Charges for services:										
Food service	693,762	724,307	774,919	922,334	950,217	1,001,572	1,059,598	1,088,892	1,076,005	1,105,351
Community school	-	-	-	20,271	94,059	152,901	183,467	190,352	167,724	163,208
Summer programs	133,103	30,466	42,904	50,372	36,295	33,813	51,258	47,551	46,494	10,894
Operating grants and contributions	380,496	365,754	340,497	364,214	345,789	343,921	291,976	317,405	300,809	238,713
Total business-type activities program revenues	1,207,361	1,120,527	1,158,320	1,357,191	1,426,360	1,532,207	1,586,299	1,644,200	1,591,032	1,518,166
Total district program revenues	\$ 23,896,330	\$ 14,588,253	\$ 15,688,018	\$ 14,293,117	\$ 14,109,723	\$ 18,034,344	\$ 13,595,757	\$ 15,644,960	\$ 23,582,280	\$ 17,091,452
Net (Expense)/Revenue										
Governmental activities	\$ (69,113,757)	\$ (71,636,400)	\$ (70,114,185)	\$ (71,121,420)	\$ (69,466,715)	\$ (66,760,292)	\$ (69,235,259)	\$ (70,228,946)	\$ (55,854,617)	\$ (56,268,964)
Business-type activities	49,714	(112,541)	(105,816)	3,873	(4,938)	(27,003)	(709)	(51,314)	(63,756)	(34,522)
Total district-wide net (expense)/revenue	\$ (69,064,043)	\$ (71,748,941)	\$ (70,220,001)	\$ (71,117,547)	\$ (69,471,653)	\$ (66,787,295)	\$ (69,235,968)	\$ (70,280,260)	\$ (55,918,373)	\$ (56,303,486)

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

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 60,863,620	\$ 59,670,216	\$ 58,500,212	\$ 57,353,149	\$ 56,228,577	\$ 56,099,419	\$ 53,189,858	\$ 52,201,822	\$ 49,278,445	\$ 45,886,614
Taxes levied for debt service	4,587,826	4,592,970	4,576,028	4,611,674	4,598,981	4,478,743	4,458,369	2,884,116	4,239,536	4,170,259
Unrestricted grants and contributions	11,672,926	11,616,865	11,638,067	11,351,096	10,199,501	9,121,265	10,956,684	10,243,283	9,817,027	9,697,625
Extraordinary items	(1,278,015)	624,852	21,398	(220,988)	-	-	-	(230,425)	-	96,500
Investment earnings	43,546	10,892	7,604	8,685	12,354	5,987	44,741	177,825	2,228,619	1,156,671
Miscellaneous income	33,800	69,929	68,690	126,251	344,339	111,856	270,079	932,599	97,776	152,139
Transfers	-	(115,000)	-	(6,201)	-	20,000	42,000	42,000	1,000	(103,000)
Total governmental activities	<u>75,923,703</u>	<u>76,470,724</u>	<u>74,811,999</u>	<u>73,223,666</u>	<u>71,383,752</u>	<u>69,837,270</u>	<u>68,961,731</u>	<u>66,251,220</u>	<u>65,662,403</u>	<u>61,056,808</u>
Business-type activities:										
Investment earnings	486	-	1,345	57	369	934	1,648	9,598	16,637	14,616
Miscellaneous income	384	-	-	-	-	-	-	-	-	-
Extraordinary items	(5,917)	-	700	-	-	-	-	-	-	-
Transfers	-	115,000	-	6,201	-	(20,000)	(42,000)	(42,000)	(1,000)	103,000
Total business-type activities	<u>(5,047)</u>	<u>115,000</u>	<u>2,045</u>	<u>6,258</u>	<u>369</u>	<u>(19,066)</u>	<u>(40,352)</u>	<u>(32,402)</u>	<u>15,637</u>	<u>117,616</u>
Total district-wide	<u>\$ 75,918,656</u>	<u>\$ 76,585,724</u>	<u>\$ 74,814,044</u>	<u>\$ 73,229,924</u>	<u>\$ 71,384,121</u>	<u>\$ 69,818,204</u>	<u>\$ 68,921,379</u>	<u>\$ 66,218,818</u>	<u>\$ 65,678,040</u>	<u>\$ 61,174,424</u>
Change in Net Position										
Governmental activities	\$ 6,809,946	\$ 4,834,324	\$ 4,697,814	\$ 2,102,246	\$ 1,917,037	\$ 3,076,978	\$ (273,528)	\$ (3,977,726)	\$ 9,807,786	\$ 4,787,844
Business-type activities	44,667	2,459	(103,771)	10,131	(4,569)	(46,069)	(41,061)	(83,716)	(48,119)	83,094
Total district	<u>\$ 6,854,613</u>	<u>\$ 4,836,783</u>	<u>\$ 4,594,043</u>	<u>\$ 2,112,377</u>	<u>\$ 1,912,468</u>	<u>\$ 3,030,909</u>	<u>\$ (314,589)</u>	<u>\$ (4,061,442)</u>	<u>\$ 9,759,667</u>	<u>\$ 4,870,938</u>

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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted	\$ 9,429,497	\$ 6,937,450	\$ 3,235,107	\$ 2,208,841	\$ 803,360	\$ 16,243	\$ 15,986	\$ 15,676	\$ 389,030	\$ 118,048
Committed	555,996	1,276,855	1,105,729	980,583	183,000	-	-	-	19,380	-
Assigned	3,354,681	4,180,921	4,726,347	3,641,657	4,180,839	3,659,053	1,068,269	1,489,573	1,624,143	2,558,525
Unassigned	1,732,824	1,907,453	1,889,251	2,119,323	2,406,080	1,737,601	392,743	(478,391)	848,984	755,924
Total general fund	<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>	<u>\$ 1,026,858</u>	<u>\$ 2,881,537</u>	<u>\$ 3,432,497</u>
All Other Governmental Funds										
Restricted for:										
Capital projects	\$ 142,439	\$ -	\$ -	\$ 350,454	\$ 403,689	\$ 1,129	\$ 2,200	\$ 123,453	\$ 433,698	\$ 9,480,608
Debt service	293,335	4,796	3,683	4,656	2,986	3,039	13,995	-	162,198	50,923
Assigned	-	-	2,986	-	-	-	-	-	-	-
Unassigned	-	(187,157)	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 123,453</u>	<u>\$ 595,896</u>	<u>\$ 9,531,531</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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax levy	\$ 65,451,446	\$ 64,263,186	\$ 63,076,240	\$ 61,964,823	\$ 60,827,558	\$ 60,578,162	\$ 57,648,227	\$ 55,085,938	\$ 53,517,981	\$ 50,056,873
Tuition charges	234,015	170,986	47,494	56,178	87,350	113,801	103,408	271,335	126,618	94,978
Interest earnings	43,546	10,892	7,604	8,685	12,354	5,987	44,741	177,825	2,228,619	1,156,671
Transportation fees	7,180	5,597	57,357	229,595	213,067	24,362	30,235	35,188	93,601	168,377
Rental income	-	-	-	-	-	-	-	-	-	85,633
Miscellaneous	235,322	815,726	197,243	373,749	485,501	246,518	321,443	1,005,621	141,060	282,699
State sources	25,392,851	23,286,891	24,651,784	22,171,339	20,416,124	21,225,043	21,612,738	22,233,937	30,342,000	23,902,311
Federal sources	1,425,899	1,500,172	1,303,975	1,582,412	2,025,161	4,125,534	1,168,397	1,635,665	1,202,772	989,052
Total revenue	92,790,259	90,053,450	89,341,697	86,386,781	84,067,115	86,319,407	80,929,189	80,445,509	87,652,651	76,736,594
Expenditures										
Instruction:										
Regular Instruction	21,663,620	21,605,660	22,034,273	21,865,872	20,949,176	20,465,844	20,375,044	20,178,505	19,549,789	19,156,321
Special education instruction	6,287,558	6,453,080	6,123,026	6,029,745	6,126,413	5,812,533	5,183,587	5,729,167	5,169,688	4,943,019
Other instructional programs	1,404,332	1,476,002	1,232,256	1,186,752	1,102,572	1,081,345	933,563	901,818	959,586	873,650
School sponsored programs	1,168,238	1,069,470	850,449	868,773	846,534	813,821	770,131	910,714	900,141	866,945
Community services programs	37,655	40,784	29,698	43,857	47,542	35,390	-	164,377	134,694	104,320
Support Services:										
Tuition	2,756,260	2,730,940	2,711,876	2,862,242	2,964,008	3,151,685	3,392,265	3,349,320	2,553,357	2,647,749
Student & inst. related services	8,484,087	8,528,782	8,351,729	8,131,635	8,297,296	8,254,590	7,708,012	7,725,924	7,485,456	6,905,857
School administrative services	3,156,541	3,166,897	3,126,636	3,216,347	3,062,816	3,037,525	3,149,541	3,342,593	3,191,495	3,282,926
Other administrative services	2,872,144	2,745,813	2,582,402	2,599,568	2,401,104	2,335,164	2,453,562	2,414,639	2,279,895	2,081,919
Plant operations and maintenance	7,042,310	7,095,980	6,571,630	7,054,440	7,275,560	7,385,965	7,630,014	7,652,112	7,194,867	6,594,110
Pupil transportation	4,104,999	3,950,618	3,944,166	3,984,861	3,963,774	4,475,471	4,913,561	5,255,049	4,356,902	4,346,124
Employee benefits	19,726,960	20,031,310	21,147,769	19,306,765	18,667,448	20,039,281	18,697,449	20,212,132	18,482,389	15,193,902
Charter Schools	98,784	155,488	134,935	95,957	75,946	72,424	65,644	45,123	47,348	-
Capital outlay	8,271,043	2,549,967	3,686,049	2,613,856	1,051,275	511,925	701,203	1,075,849	19,051,279	26,732,356
Debt service:										
Principal	3,220,000	3,105,668	3,040,869	2,807,152	2,665,299	2,541,417	2,402,519	1,575,466	2,061,383	1,967,300
Interest and other charges	1,663,068	2,074,776	2,116,345	2,387,198	2,514,436	2,631,155	2,732,481	2,798,134	4,604,490	3,065,298
Total expenditures	91,957,599	86,781,235	87,684,108	85,055,020	82,011,199	82,645,535	81,108,576	83,330,922	98,022,759	98,761,796
Excess (Deficiency) of revenues over (under) expenditures	832,660	3,272,215	1,657,589	1,331,761	2,055,916	3,673,872	(179,387)	(2,885,413)	(10,370,108)	(22,025,202)

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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Permanent financing of temp. debt	-	-	-	-	-	-	-	-	-	-
Refunding bonds	16,740,000	-	-	7,710,000	-	-	-	-	18,600,000	-
Original issue premium	2,097,739	-	-	601,529	-	-	-	-	133,310	-
Payments to escrow agent	(18,676,850)	-	-	(8,184,603)	-	-	-	-	(18,465,867)	-
Costs of issuance	(157,095)	-	-	(126,926)	-	-	-	-	(240,752)	-
Capital leases	552,000	-	-	-	506,973	230,000	480,269	516,291	855,822	286,785
Transfers in	2,190,388	3,021	47,176	337,355	427,999	126,028	42,000	42,000	193,441	892,386
Transfers out	(2,190,388)	(118,021)	(47,176)	(343,556)	(427,999)	(106,028)	-	-	(192,441)	(995,386)
Total other financing sources (uses)	<u>555,794</u>	<u>(115,000)</u>	<u>-</u>	<u>(6,201)</u>	<u>506,973</u>	<u>250,000</u>	<u>522,269</u>	<u>558,291</u>	<u>883,513</u>	<u>183,785</u>
Net change in fund balances	<u>\$ 1,388,454</u>	<u>\$ 3,157,215</u>	<u>\$ 1,657,589</u>	<u>\$ 1,325,560</u>	<u>\$ 2,562,889</u>	<u>\$ 3,923,872</u>	<u>\$ 342,882</u>	<u>\$ (2,327,122)</u>	<u>\$ (9,486,595)</u>	<u>\$ (21,841,417)</u>
Debt service as a percentage of noncapital expenditures	5.83%	6.15%	6.14%	6.30%	6.40%	6.30%	6.39%	5.32%	8.44%	6.99%

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 Property	Sunset Academy Fees	Legal Settlement	Other	Annual Totals
2006	\$ 6,120	\$ 46,247	\$ 3,555	\$ -	\$ 30,020	\$ 44,678	\$ 3,203	\$ -	\$ 100,000	\$ -	\$ -	\$ 1,405	\$ 235,228
2007	400	1,461	6,710	-	43,284	34,216	10,638	-	-	-	-	1,881	98,590
2008	19,038	4,751	7,224	-	67,918	40,108	15,928	-	5,104	-	-	3,055	163,126
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

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
2005	\$64,936,100	\$ 1,178,432,500	\$ 6,929,100	\$ 1,177,700	\$ 266,405,500	\$ 317,578,200	\$ 145,725,000	\$ 1,981,184,100	\$ 4,652,732	\$ 1,985,836,832	\$ 136,591,300	\$ 2,814,287,205	\$ 2.44
2006	74,730,400	1,220,639,600	6,929,100	1,099,900	263,476,200	290,086,500	145,725,000	2,002,686,700	3,133,535	2,005,820,235	146,217,300	3,361,290,298	2.58
2007	74,085,600	1,237,440,800	7,207,700	1,102,900	265,992,400	250,998,400	138,825,000	1,975,652,800	2,910,002	1,978,562,802	148,023,600	3,676,942,579	2.74
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

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.

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

^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	
2005	\$ 2.25	\$ 0.19	\$ 2.44	\$ 0.82	\$ 0.38	\$ 3.64
2006	2.37	0.21	2.58	0.79	0.41	3.79
2007	2.56	0.18	2.74	0.82	0.44	4.00
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

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

* 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	December 31, 2014			December 31, 2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
East Coast Oakwood Village, LLC	\$ 99,500,000	1	3.32%	\$ 50,300,000	2	2.51%
Segal Realty Associates of NJ, LLC	88,700,000	2	2.96%	48,700,000	4	2.43%
Toys R Us Inc.	49,500,000	3	1.65%	49,170,000	3	2.45%
Eagle Rock Village Inc.	32,041,700	4	1.07%	23,465,000	6	1.17%
SCI ITC South Fund, LLC	31,600,000	5	1.05%	-	-	-
ATC Realty Sixteen Inc. (formerly BASF Corporation)	25,000,000	6	0.83%	140,000,000	1	6.99%
SCI ITC South Fund, LLC	20,458,600	7	0.68%	-	-	-
350 Clark Drive LLC	20,000,000	8	0.67%	-	-	-
Kings Village, LLC	20,000,000	9	0.67%	-	-	-
National Shopping Center Associates, LLC	18,739,100	10	0.63%	15,049,600	8	0.75%
Unilever Cosmetics International	-	-	-	34,200,000	5	1.71%
AIG Baker	-	-	-	15,187,400	7	0.76%
Mt. Olive Industrial Realty	-	-	-	13,650,000	9	0.68%
AIG Baker	-	-	-	13,075,000	10	0.65%
Total	\$ 405,539,400		13.53%	\$ 402,797,000		20.10%

Source: Municipal Tax Collector

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	
2005	\$ 48,554,478	\$ 48,554,478	100.00%	-
2006	51,787,426	51,787,426	100.00%	-
2007	54,301,960	54,301,960	100.00%	-
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%	-

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)			
2006	\$ 64,905,000	\$ 684,774	\$ -	\$ 65,589,774	3.85%	\$ 2,571
2007	64,100,000	623,390	-	64,723,390	3.62%	2,525
2008	62,585,000	562,924	-	63,147,924	3.40%	2,444
2009	60,250,000	495,405	-	60,745,405	3.46%	2,343
2010	57,775,000	428,988	-	58,203,988	3.01%	2,070
2011	55,175,000	363,689	-	55,538,689	2.73%	1,960
2012	52,715,000	291,537	-	53,006,537	2.48%	1,858
2013	49,745,000	220,668	-	49,965,668	2.32%	1,738
2014	46,720,000	140,000	-	46,860,000	N/A	1,620
2015	42,040,000	95,000	-	42,135,000	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 2013 and population data is not available beyond 2014.

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		
2006	\$ 64,905,000	-	\$ 64,905,000	3.27%	\$ 2,544
2007	64,100,000	-	64,100,000	3.20%	2,501
2008	62,585,000	-	62,585,000	3.16%	2,422
2009	60,250,000	-	60,250,000	1.64%	2,324
2010	57,775,000	-	57,775,000	1.58%	2,054
2011	55,175,000	-	55,175,000	1.82%	1,948
2012	52,715,000	-	52,715,000	1.75%	1,848
2013	49,745,000	-	49,745,000	1.66%	1,731
2014	46,720,000	-	46,720,000	1.56%	1,615
2015	42,040,000	-	42,040,000	1.40%	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 2014.

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, 2015
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	\$ 23,256,931	100.000%	\$ 23,256,931
County of Morris ^c	241,304,765	3.467%	<u>8,365,578</u>
Subtotal, overlapping debt			31,622,509
Mt. Olive Township School District Direct Debt ^d			<u>42,135,000</u>
Total direct and overlapping debt			<u><u>\$ 73,757,509</u></u>

Source: Outstanding debt schedules provided by the County of Morris and Mt. Olive Township.

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 applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

^b Net debt at December 31, 2014 as per the Township's Annual Debt Statement.

^c Net debt at June 30, 2015 as reported by the County of Morris.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2015 as per Schedule J-10.

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2014	\$ 2,933,654,905
	2013	3,084,757,898
	2012	3,191,541,347
	[A]	<u>\$ 9,209,954,150</u>
Average equalized valuation of taxable property	[A/3]	\$ 3,069,984,717
Debt limit (4% of average equalized valuation)	[B]	\$ 122,799,389 ^a
Total net debt applicable to limit	[C]	42,040,000
Legal debt margin	[B-C]	<u>\$ 80,759,389</u>

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 113,953,986	\$ 131,614,036	\$ 145,290,370	\$ 152,652,749	\$ 152,968,716	\$ 148,613,894	\$ 141,075,637	\$ 133,689,899	\$ 127,755,664	\$ 122,799,389
Total net debt applicable to limit ^b	64,905,000	64,100,000	62,585,000	60,250,000	57,775,000	55,175,000	52,715,000	49,745,000	46,720,000	42,040,000
Legal debt margin	<u>\$ 49,048,986</u>	<u>\$ 67,514,036</u>	<u>\$ 82,705,370</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	56.96%	48.70%	43.08%	39.47%	37.77%	37.13%	37.37%	37.21%	36.57%	34.23%

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, 2015 per Schedule J-11.

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

<u>Year Ended December 31,</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	25,505	\$ 1,585,722,365	\$ 62,173	3.6%
2006	25,515	1,703,457,945	66,763	3.6%
2007	25,633	1,790,285,619	69,843	3.4%
2008	25,843	1,859,067,891	71,937	4.3%
2009	25,925	1,755,070,650	67,698	8.8%
2010	28,124	1,930,881,344	68,656	8.9%
2011	28,331	2,037,395,534	71,914	8.2%
2012	28,524	2,134,336,824	74,826	8.3%
2013	28,745	2,157,427,230	75,054	7.0%
2014	28,921	N/A	N/A	5.2%

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	818	1	5.28%
Siemens Medical Solutions	533	2	3.44%
Toys R Us	365	3	2.36%
Shop Rite of Flanders	210	4	1.36%
Wal-Mart Stores Inc.	201	5	1.30%
Givaudan Fragrances Corp.	200	6	1.29%
Lowe's Home Centers Inc.	179	7	1.16%
Mount Olive Township	175	8	1.13%
Sam's Club	167	9	1.08%
American Sensor Technologies	98	10	0.63%
	<u>2,946</u>		<u>19.03%</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 2014 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	334.0	321.0	323.0	307.5	286.0	282.0	270.0	279.8	285.0	290.3
Special education	109.0	123.0	123.0	114.5	121.5	125.0	125.0	106.4	131.4	141.7
Other instruction	11.0	11.0	11.5	11.5	11.5	16.0	16.0	15.2	20.0	17.6
Community services programs	2.0	2.0	3.0	1.0	1.0	0.3	0.3	-	-	-
Support Services:										
Student & instruction related services	126.0	121.5	122.5	118.0	124.5	129.8	130.3	134.8	143.6	116.6
General administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5
School administrative services	39.0	39.0	37.0	36.0	39.0	40.0	40.0	39.0	40.0	37.0
Business and other support services	10.5	10.5	10.5	10.0	9.5	9.5	9.5	9.5	9.5	9.0
Administrative information technology	6.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0	8.0	8.0
Plant operations and maintenance	69.0	69.0	70.0	86.5	88.5	84.0	85.0	85.0	112.0	85.7
Pupil transportation	71.0	68.0	68.0	75.0	73.5	66.0	66.0	69.0	70.5	65.7
Total	<u>782.5</u>	<u>776.0</u>	<u>779.5</u>	<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>

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				
2006	4,979.0	\$ 66,996,842	\$ 13,456	3.93%	455	19	21	20	4,921	4,673	1.53%	95.0%
2007	5,028.5	72,305,607	14,379	6.86%	480	19	21	23	4,965	4,729	0.89%	95.2%
2008	4,964.5	77,881,473	15,688	9.10%	477	18	22	19	4,907	4,685	-1.17%	95.5%
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%

Source: District records

^a Enrollment is based on the annual October district count. The 2015 count represents student enrollment as of October 15, 2014.

^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>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Elementary</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	880	880	880	887	887	887	887
Enrollment ^b	609	676	714	719	700	697	692	648	648	681
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	886	886	886	866	866	866	866
Enrollment ^b	675	628	623	608	607	599	579	526	508	489
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	653	653	653	589	589	589	589
Enrollment ^b	514	497	440	451	426	422	384	374	376	373
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	676	676	676	688	688	688	688
Enrollment ^b	582	591	561	538	527	526	494	456	460	460
<u>Middle School</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	1,200	1,200	1,200	1,400	1,400	1,400	1,400
Enrollment ^b	1,173	1,223	1,197	1,167	1,164	1,137	1,150	1,157	1,205	1,213
<u>High School</u>										
Mt. Olive High School (1978)										
Square Feet	205,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000
Capacity (students) ^a	1,214	1,740	1,740	1,740	1,740	1,740	1,600	1,600	1,600	1,600
Enrollment ^b	1,358	1,378	1,376	1,425	1,468	1,508	1,456	1,444	1,452	1,473
<u>Other</u>										
Administration Building (1925)										
Square Feet	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Bus Garage										
Square Feet	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Number of Schools at June 30, 2014										
Elementary = 4										
Middle School = 1										
High School = 1										
Other Buildings = 2										

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

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

^a Functional capacity for years 2012-2015 is based on the 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 2015 count represents the number of on roll full-time and shared-time students as of October 15, 2014.

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		
2006	\$ 170,999	\$ 79,224	\$ 39,253	\$ 46,667	\$ 33,286	\$ 97,316	\$ 230,418	\$ 697,163
2007	151,195	91,755	88,574	48,205	55,085	63,846	224,068	722,728
2008	125,830	103,458	64,939	46,374	41,929	79,533	260,371	722,434
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
Total School Facilities	<u>\$ 2,124,077</u>	<u>\$ 1,366,956</u>	<u>\$ 620,558</u>	<u>\$ 489,132</u>	<u>\$ 532,725</u>	<u>\$ 709,347</u>	<u>\$ 2,452,931</u>	<u>\$ 8,295,726</u>

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, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund - School Package Policy		
Property:		
Building and personal property	\$ 250,000,000	\$ 2,500
Inland Marine - auto physical damage		
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	
Environmental Impairment Liability:		
Per incident	\$ 1,000,000	\$ 5,000
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	\$ 1,000
Excess Liability (excludes school board legal liability)	\$ 15,000,000	
School Board Legal Liability	\$ 5,000,000	\$ 10,000
Excess School Board Legal Liability	\$ 15,000,000	
Workers' Compensation:	statutory	
Employer's liability	\$ 5,000,000	
Supplemental indemnity	statutory	
Security Guard Liability	\$ 1,000,000	\$ 5,000
Selective Insurance - Surety Bonds:		
Board Secretary	\$ 30,000	
Treasurer of School Monies	\$ 400,000	
Bollinger - Student Accident Insurance	\$ 1,000,000	

Source: Insurance Agent

SINGLE AUDIT SECTION

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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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2015.

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.

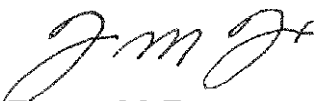
Compliance and Other Matters

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 December 8, 2015.

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

Newton, New Jersey

December 8, 2015

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY U.S. OMB CIRCULAR A-133 AND NEW JERSEY'S OMB CIRCULAR 04-04

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 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 Circular A-133 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, 2015. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 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, 2015.

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 OMB Circular A-133 and New Jersey OMB Circular 04-04, 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.

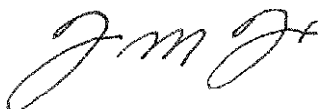
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by NJ OMB Circular 04-04

We have audited the financial statements of the Township of Mount Olive Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated December 8, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



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

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Certified Public Accountants
Newton, New Jersey

December 8, 2015

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015		
			From	To					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education											
Passed-through State Department of Education											
General Fund:											
Medicaid Administrative Claiming (MAC)	93.778	35,843	09/01/14	08/31/15	-	35,843	(35,843)	-	-	-	-
Special Education Medicaid Initiative (SEMI)	93.778	65,285	09/01/14	08/31/15	-	36,551	(65,285)	-	(28,734)	-	-
Total General Fund					-	72,394	(101,128)	-	(28,734)	-	-
Special Revenue Fund:											
Title I Part A, Improving Basic Programs	84.010A	329,272	07/01/13	06/30/14	(126,779)	126,779	-	-	-	-	-
Title I Part A, Improving Basic Programs	84.010A	252,651	07/01/14	06/30/15	-	151,260	(247,090)	-	(95,830)	-	-
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367A	78,855	07/01/13	06/30/14	(18,113)	18,113	-	-	-	-	-
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367A	83,963	07/01/14	06/30/15	-	-	(10,120)	-	(10,120)	-	-
Title III, English Language Acquisition and Language Enhancement	84.365A	18,289	07/01/13	06/30/14	(3,499)	3,499	-	-	-	-	-
Title III, English Language Acquisition and Language Enhancement	84.365A	24,715	07/01/14	06/30/15	-	15,109	(15,203)	-	(94)	-	-
I.D.E.A. Part B (Basic)	84.027	905,349	07/01/13	06/30/14	(234,601)	233,688	-	913	-	-	-
I.D.E.A. Part B (Basic)	84.027	1,008,526	07/01/14	06/30/15	-	734,380	(921,975)	-	(187,595)	-	-
I.D.E.A. Part B (Preschool Grants)	84.173	40,508	07/01/13	06/30/14	(11,607)	11,569	-	38	-	-	-
I.D.E.A. Part B (Preschool Grants)	84.173	40,768	07/01/14	06/30/15	-	27,445	(34,343)	-	(6,898)	-	-
Vocational Education - Basic Grants to States	84.048A	24,378	07/01/13	06/30/14	(10,212)	10,206	-	6	-	-	-
Vocational Education - Basic Grants to States	84.048A	22,083	07/01/14	06/30/15	-	13,462	(22,008)	-	(8,546)	-	-
Race to the Top	84.413A	8,533	07/01/12	11/30/15	(6,388)	6,339	-	49	-	-	-
Total Special Revenue Fund					(411,199)	1,351,849	(1,250,739)	1,006	(309,083)	-	-
U.S. Department of Agriculture											
Passed-through State Department of Education											
Enterprise Fund:											
Food Donation	10.550	55,805	09/01/14	08/31/15	-	55,805	(55,805)	-	-	-	-
School Breakfast Program	10.553	7,597	09/01/13	08/31/14	(1,620)	1,620	-	-	-	-	-
School Breakfast Program	10.553	20,363	09/01/14	08/31/15	-	17,913	(20,363)	-	(2,450)	-	-
National School Lunch Program	10.555	262,924	09/01/13	08/31/14	(57,717)	57,717	-	-	-	-	-
National School Lunch Program	10.555	268,001	09/01/14	08/31/15	-	245,510	(268,001)	-	(22,491)	-	-
Special Milk for Children	10.556	2,265	09/01/13	08/31/14	(466)	466	-	-	-	-	-
Special Milk for Children	10.556	1,889	09/01/14	08/31/15	-	1,751	(1,889)	-	(138)	-	-
After School Snack	10.555	968	09/01/14	08/31/15	-	968	(968)	-	-	-	-
Total Enterprise Fund					(59,803)	381,750	(347,026)	-	(25,079)	-	-
Sub-Total Federal Financial Awards					<u>\$ (471,002)</u>	<u>\$ 1,805,993</u>	<u>\$ (1,698,893)</u>	<u>\$ 1,006</u>	<u>\$ (362,896)</u>	<u>\$ -</u>	<u>\$ -</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, 2015

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015		MEMO	
			From	To					Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Special Education Aid, Carryove	14-495-034-5120-089	\$ 2,928,748	07/01/13	06/30/14	\$ (292,874)	\$ 292,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Aid	15-495-034-5120-089	2,928,748	07/01/14	06/30/15	-	2,635,874	(2,928,748)	-	-	-	(292,874)	2,928,748
Transportation Aid, Carryove	14-495-034-5120-014	483,485	07/01/13	06/30/14	(48,349)	48,349	-	-	-	-	-	-
Transportation Aid	15-495-034-5120-014	483,485	07/01/14	06/30/15	-	435,136	(483,485)	-	-	-	(48,349)	483,485
Extraordinary Special Education Costs Aid, Carryove	14-100-034-5120-473	1,864,928	07/01/13	06/30/14	(1,864,928)	1,864,928	-	-	-	-	-	-
Extraordinary Special Education Costs Aid	15-100-034-5120-473	1,637,987	07/01/14	06/30/15	-	19,473	(1,637,987)	-	(1,618,514)	-	-	1,637,987
Nonpublic School Transportation Aid, Carryove	14-495-034-5120-014	28,777	07/01/13	06/30/14	(28,777)	28,777	-	-	-	-	-	-
Nonpublic School Transportation Aid	15-495-034-5120-014	30,743	07/01/14	06/30/15	-	-	(30,743)	-	(30,743)	-	-	30,743
Homeless Tuition Reimbursemen	N/A	8,580	07/01/14	06/30/15	-	-	(8,580)	-	(8,580)	-	-	8,580
Equalization Aid, Carryove:	14-495-034-5120-078	11,587,203	07/01/13	06/30/14	(1,123,519)	1,123,519	-	-	-	-	-	-
Equalization Aid	15-495-034-5120-078	11,587,203	07/01/14	06/30/15	-	10,460,475	(11,587,203)	-	-	-	(1,126,728)	11,587,203
Security Aid, Carryove	14-495-034-5120-084	93,288	07/01/13	06/30/14	(9,329)	9,329	-	-	-	-	-	-
Security Aid	15-495-034-5120-084	93,288	07/01/14	06/30/15	-	83,959	(93,288)	-	-	-	(9,329)	93,288
PARCC Readiness Aid	15-495-034-5120-098	44,640	07/01/14	06/30/15	-	40,176	(44,640)	-	-	-	(4,464)	44,640
Per Pupil Growth Aid	15-495-034-5120-097	44,640	07/01/14	06/30/15	-	40,176	(44,640)	-	-	-	(4,464)	44,640
Reimbursed T.P.A.F. Social Security Tax, Carryove	14-495-034-5095-002	2,281,017	07/01/13	06/30/14	(113,169)	113,169	-	-	-	-	-	-
Reimbursed T.P.A.F. Social Security Tax	15-495-034-5094-003	2,284,466	07/01/14	06/30/15	-	2,172,439	(2,284,466)	-	(112,027)	-	-	2,284,466
On-behalf T.P.A.F. Pension	15-495-034-5094-006	1,558,563	07/01/14	06/30/15	-	1,558,563	(1,558,563)	-	-	-	-	1,558,563
On-behalf T.P.A.F. Non-Contributory Insurance	15-495-034-5094-007	112,132	07/01/14	06/30/15	-	112,132	(112,132)	-	-	-	-	112,132
On-behalf T.P.A.F. Post Retirement Medica	15-495-034-5094-001	2,652,228	07/01/14	06/30/15	-	2,652,228	(2,652,228)	-	-	-	-	2,652,228
Total General Fund					(3,480,945)	23,691,576	(23,466,703)	-	(1,769,864)	-	(1,486,208)	23,466,703
Special Revenue Fund:												
Nonpublic Textbook Aid	15-100-034-5120-064	298	07/01/14	06/30/15	-	298	-	-	-	298	-	-
Nonpublic Nursing Aid	15-100-034-5120-070	474	07/01/14	06/30/15	-	474	-	-	-	474	-	-
Nonpublic Technology Ai	15-100-034-5120-373	160	07/01/14	06/30/15	-	160	-	-	-	160	-	-
CTEP Marketing Model Program of Study Pilot Program (Passed through Middlesex County College	12-AG92-G06	9,000	09/01/12	08/31/13	(3,134)	504	-	214	(2,416)	-	-	-
Total Special Revenue Fund					(3,134)	1,436	-	214	(2,416)	932	-	-
Capital Projects Fund:												
Schools Construction Corporation Grant	3450-050-14-1004	199,580	02/24/14	08/24/15	-	136,423	(136,423)	-	-	-	-	329,349
Schools Construction Corporation Grant	3450-070-14-1007	589,470	02/24/14	08/24/15	-	549,827	(549,827)	-	-	-	-	1,326,495
Schools Construction Corporation Grant	3450-065-14-1006	140,887	02/24/14	08/24/15	-	130,715	(130,715)	-	-	-	-	315,360
Schools Construction Corporation Grant	3450-010-14-1002	347,936	02/24/14	08/24/15	-	-	(211,139)	-	(211,139)	-	(347,936)	805,564
Schools Construction Corporation Grant	3450-010-14-1002	282,628	02/24/14	08/24/15	-	139,395	(328,878)	-	(189,483)	-	(143,233)	628,163
Total Capital Projects Fund					-	956,360	(1,356,982)	-	(400,622)	-	(491,169)	3,404,931
Debt Service Fund:												
Debt Service Aid - State Suppor	15-495-034-5120-075	578,759	07/01/14	06/30/15	-	578,759	(578,759)	-	-	-	-	578,759
Total Debt Service Fund					-	578,759	(578,759)	-	-	-	-	578,759
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program - State Share, Carryove	14-100-010-3350-023	9,775	07/01/13	06/30/14	(2,531)	2,531	-	-	-	-	-	-
National School Lunch Program - State Shan	15-100-010-3350-023	9,151	07/01/14	06/30/15	-	8,147	(9,151)	-	(1,004)	-	-	9,151
Total Enterprise Fund					(2,531)	10,678	(9,151)	-	(1,004)	-	-	9,151
Total State Financial Assistance					(3,486,610)	25,238,809	(25,411,595)	214	(2,173,906)	932	(1,977,377)	27,459,544
Less: On-Behalf Pension and Annuity Aid					-	4,322,923	(4,322,923)	-	-	-	-	4,322,923
Total For State Financial Assistance Determination					\$ (3,486,610)	\$ 20,915,886	\$ (21,088,672)	\$ 214	\$ (2,173,906)	\$ 932	\$ (1,977,377)	\$ 23,136,621

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey's OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 BASIC 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 BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(12,137) for the general fund and \$(2,007) 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 2015 fiscal year was \$4,322,923.

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	\$ 120,803	\$23,454,566	\$23,575,369
Special Revenue Fund	1,305,096	2,544	1,307,640
Capital Projects Fund	-	1,356,982	1,356,982
Debt Service	-	578,759	578,759
Food Service Fund	<u>347,026</u>	<u>9,151</u>	<u>356,177</u>
Total Awards and Financial Assistance	<u>\$1,772,925</u>	<u>\$25,402,002</u>	<u>\$27,174,927</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 Food Donation Program represent current year value received and current year distributions respectively.

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, 2015.

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.

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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? X yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	Special Education Cluster:
<u>84.173</u>	<u>IDEA Part B - Basic</u>
	<u>IDEA Part B - Preschool</u>
<u>93.778</u>	Medical Assistance Program Cluster:
<u>93.778</u>	<u>Medical Assistance Program</u>
	<u>ARRA – Special Education Medicaid Initiative</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? X yes no

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$602,380

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major state 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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major state programs:

State Grant/ Project Number(s)

Name of State Program

 15-495-034-5120-078
 15-495-034-5120-089
 15-495-034-5120-084
 15-495-034-5120-097
 15-495-034-5120-098
 15-100-034-5120-473
 15-495-034-5094-003

 1650-050-05-1000

State Aid – Public:
 Equalization Aid
 Categorical special Education Aid
 Security Aid
 Per Pupil Growth Aid
 PARCC Readiness Aid
 Extraordinary Aid
 Reimbursed TPAF Social Security
 NJ School Development Authority Programs:
 SDA Grants to RODS

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 AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

All findings were corrected.