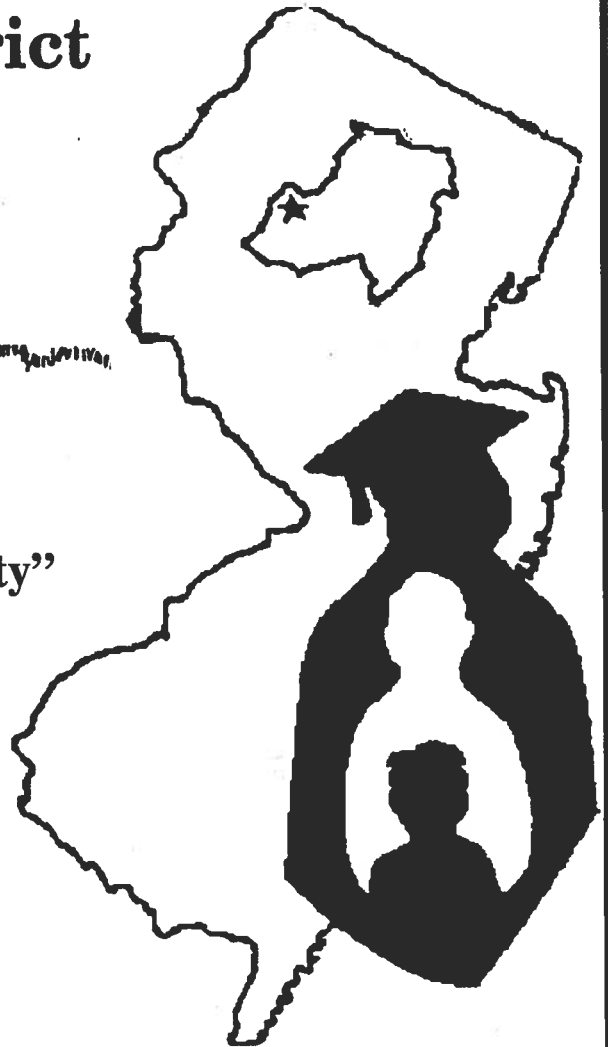


**Mt. Olive
Township
School District**



“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, 2013**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT

BUDD LAKE, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

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, 2013**

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INTRODUCTORY SECTION

Public Schools of Mt. Olive Township

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November 7, 2013

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, 2013. 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

The Mount Olive Township School District is the third largest school district in Morris County with an enrollment of nearly 5,000 students. Geographically, the District is comprised of the Budd Lake and Flanders areas, which total 30.4 square miles and has a population of more than 25,000 residents. 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) as established by Statement No. 14, as amended by GASB Statement No. 39. All funds and account groups 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 20% of the District's original 2013 operating budget while local property taxes accounted for 76%. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. Current legislation restricts the growth rate on local property taxes to 2%. The law does allow for an increase in the 2% limitation provided that it is approved by the voters.

In July 2011, Governor Christie signed into law the State budget for fiscal year 2012, which included \$850 million in new aid for school districts to be paid out over a five year period. The District's share of these additional funds amounted to \$771,956 for the 2012-2013 fiscal year with an equal amount budgeted for the next two years.

The Township's growth has slowed in the past several years, in part due to the latent housing market and the overall economic downturn. However, the reduction in residential development has allowed the District's enrollment to remain relatively stable. Historical enrollments show that the District's enrollment peaked in the 2006-2007 school year and have steadily declined since. A recent demographic study shows that the District's enrollment is expected to continue to decline over the next five years. Currently there is adequate capacity to meet the District's general classroom enrollment projections, both now and in the near future. 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. However, the reduction in enrollment projections, coupled with the 2% growth rate on property taxes and the increase in state aid, should 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

"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, gifted and talented, and special education programs for handicapped students. A wide variety of in-class support services, resource center, and self-contained programs are available to students with special needs. Course offerings include a number of college preparatory, honors and advanced placement courses. The District also offers 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 Mount Olive Robotics Team ("MORT") finished third out of 110 teams in the Northeast region. The District's athletic program features 21 male and female sports teams, along with cheerleading and marching band. Nineteen of the District's 21 athletic programs qualified for state tournaments in 2013 and the marching band took first place in five of their state competitions.

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 Achievement

Recent standardized test scores demonstrate the high degree of emphasis the Mount Olive Township School District places on student performance. Students at the elementary and middle school levels continue to score well on standardized test scores, regularly exceeding State and DFG averages in nearly every measurable category. The DFG (District Factor Group) average groups all New Jersey schools with similar socio-economic backgrounds. The Mount Olive School District is designated as a "GH" school district, placing it in the 70th percentile among all school districts in NJ. The New Jersey Assessment of Skills and Knowledge (NJASK) assesses basic skills knowledge in the areas of mathematics, reading and language arts for grades 3, 4, 5, 6, 7, and 8. The following table illustrates the percentage pass rates for general education students on the NJASK standardized tests:

| | <u>Mt. Olive School District</u> | <u>DFG Average</u> | <u>State Average</u> |
|---------------------------------|--------------------------------------|------------------------|--------------------------|
| NJASK - Grade 8 - Math | 82.4% | 79.1% | 69.3% |
| NJASK - Grade 8 - Language Arts | 89.4% | 89.4% | 81.9% |
| NJASK - Grade 7 - Math | 72.0% | 72.7% | 63.6% |
| NJASK - Grade 7 - Language Arts | 78.5% | 75.8% | 65.2% |
| NJASK - Grade 6 - Math | 89.0% | 85.5% | 78.8% |
| NJASK - Grade 6 - Language Arts | 88.2% | 77.3% | 66.1% |
| NJASK - Grade 5 - Math | 88.7% | 88.1% | 79.9% |
| NJASK - Grade 5 - Language Arts | 86.1% | 73.6% | 61.2% |
| NJASK - Grade 4 - Math | 82.9% | 86.2% | 78.3% |
| NJASK - Grade 4 - Language Arts | 68.7% | 71.5% | 59.4% |
| NJASK - Grade 3 - Math | 88.3% | 86.7% | 77.7% |
| NJASK - Grade 3 - Language Arts | 85.3% | 76.1% | 76.1% |

The 2013 High School Proficiency Assessment (HSPA) results are consistent with what is being seen across the district at the elementary and middle school levels. In 2013 the District achieved pass rates of 93% in mathematics and 98% in language arts, both of which exceeded the State and DFG averages. The following table illustrates the percentage pass rates for students taking the HSPA exam:

| | <u>Mt. Olive School District</u> | <u>DFG Average</u> | <u>State Average</u> |
|---------------------------|--------------------------------------|------------------------|--------------------------|
| 2013 HSPA – Math | 93.2% | 87.0% | 79.6% |
| 2013 HSPA – Language Arts | 98.2% | 95.8% | 91.6% |

Mount Olive High School was rated among the top 100 high schools in New Jersey by *New Jersey Monthly*, with an overall ranking of 69th out of 328 public high schools and earned a "B" rating (above average scores/above average growth) in *Inside Jersey* magazine, a publication of the *Star Ledger* newspaper. Eighty-seven percent of the school's 2013 graduates will be pursuing post-secondary education, with 56% attending four-year colleges and universities. Several Mount Olive graduates have received prestigious scholarships and national awards. One member of the 2013 graduating class was recognized as a finalist in the National Merit Scholarship Program while two others were recognized as commended students. One graduate was the recipient of the Bausch and Lomb Science Award and another received the Rensselaer Polytechnic Institute Outstanding Math and Science Award. Mount Olive graduates have been accepted to colleges and universities across the nation including the University of Pennsylvania, George Washington University, the United States Naval Academy, New York University and Johns Hopkins University.

Program Improvements/Academic Initiatives

During the 2013 fiscal year, the Board and administration established a number of academic initiatives, several of which will be implemented during the 2013-2014 school year. The following is a summary of these initiatives:

Journeys Common Core Textbook Series – In June the Board adopted the new *Journeys Common Core* textbook series for grades K-5 to replace its existing language arts methodology, materials, and supplies. With leading edge digital tools and results-driven instruction, the *Journeys* textbook series offers the Mount Olive elementary faculty and staff a powerful new tool designed specifically to equip students with the skills they will need to be “college or career” ready. The program offers generous levels of instructional support and includes comprehensive assessment tools that help monitor student progress.

Amplify – Mount Olive High School freshman will be among the first in the nation to use a fully interactive learning system called *Amplify* in their classes. All 9th grade courses will be delivered using the imaginative *Amplify* teaching system. The system marries engaging classroom lessons with an amazing new technology to deliver a modern “hands on” learning experience. *Amplify* outfits every student with a powerful computing tablet, combining interactive software, digital communications, and a robust “playlist” of learning activities to power student learning through enhanced motivation and accountability systems.

“Snoopy” Snapshot – In an effort to align core curriculum content to assessment and to provide students, parents, teachers, and administrators more timely information about potential student learning needs, the Mount Olive staff has developed a series of new internal assessments in the areas of language arts and math. The so-called “Snoopy” assessments will replace the LinkIt! assessment system as Mount Olive’s primary internal measure for language arts and math achievement. Unlike any previous district assessment, the Snoopy assessment results will drive necessary interventions to ensure that student needs are more quickly diagnosed and addressed.

K-Excel – For the first time ever, select Mount Olive kindergarten students will be able to attend an all day schooling program in their elementary school on a tuition basis. The school district, working in partnership with Mount Olive Child Care, has developed a K-Excel program, which offers a full day of learning for developmentally challenged kindergarten students. The program will be staffed by a fully state-certified teacher and aide and the curriculum will extend and reinforce literacy through the new *Journeys* language arts series. In addition to the *Journeys* curriculum, each student will have access to a computing device and the powerful *MindPlay* phonics software that can be used both at home and school to reinforce learning. Scholarships will be provided to as many as half of all program participants, based on the student’s demonstrated need.

SmartMusic – Mount Olive 5th grade instrumental students will begin using an innovative new software program known as *SmartMusic*, an interactive software program that allows students to assess the proficiency of their music practice in real time. As students play along with music onscreen, the program gives students immediate feedback on their performance by showing correct pitches and rhythms in green and incorrect ones in red. As such, *SmartMusic* transforms the way students practice and learn and provides quality instrumental music instruction in the student’s home setting.

Language Arts Double Block at Mount Olive Middle School - In March, the Board approved proposed changes to the middle school master schedule, allowing the administration to create a double block of language arts instruction by instituting a new 9-period schedule. The additional block of language arts will be used to augment reading and writing activity and will allow teachers to address individual skill deficiencies with the goal of improving assessment scores. As an added benefit, the redesigned schedule will reduce class sizes for CORE subjects, which should help provide more attention to identified learning issues.

New Staff Evaluation System – In accordance with state law, the District replaced its existing staff evaluation system with the Stronge system for teacher and administrator performance. In the new system, School Improvement Panels, which include the building principal, other administrators and teachers, meet to oversee the evaluative process at each school. The new evaluation system consists of observations, a portfolio of work products, student surveys, and certain teacher-designed student growth objectives.

Other Initiatives

In addition to the program improvements and academic initiatives described above, the District undertook the following projects in the 2013 fiscal year:

Restoration of Middle School Sports – Through astute fiscal planning and budgeting, the Board was able to restore all of the middle school sports programs that were previously eliminated due to budget constraints. Boys and girls soccer, cross country, basketball and track are now available at the middle school level along with field hockey, wrestling, baseball and softball.

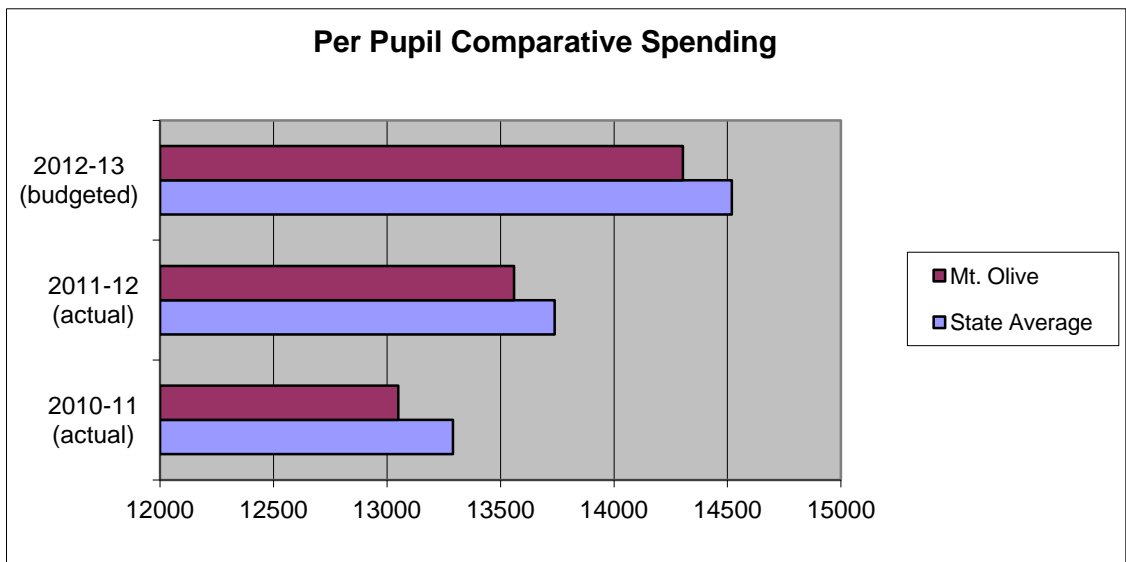
Enhanced Technology Usage – Improved connectivity and planned hardware upgrades will serve to increase technology usage in the coming school year. With a computer now in the hands of every other student, powerful interactive software tools designed to personalize instruction, and our most connected classrooms ever, the District is seeking to increase the average computer usage time to produce a minimum of 180 hours of technology-based instruction per student per year.

Facility Upgrades – The District undertook a number of capital improvements and facilities upgrades in the 2013 fiscal year, including the installation of a new security/entrance system, gym floor renovations at Tinc Road School, HVAC upgrades at Sandshore and Mt. View Schools, brick repair work at Mt. Olive High School, renovations to the art, robotics, and woodshop rooms at Mt. Olive High School, a new weight room area at Mt. Olive High School, and upgraded stairwells at Mt. Olive High School.

New and Improved Website – Over the summer the District revamped its website to give it a fresh, clean look. The new site features a number of improvements, offering more relevant, timely information about each school and numerous user-friendly features for parents and visitors.

Per Pupil Comparative Spending

On an annual basis, the New Jersey Department of Education releases its *Taxpayers' Guide to Education Spending* (formerly referred to as the *Comparative Spending Guide*) 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 106 other K-12 school districts with an enrollment over 3,500 students. The 2012-13 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$14,303 per pupil while the state average for similar districts was \$14,519. Of the 106 districts, the Mount Olive Township School District ranked 58th in budgeted per pupil spending in 2012-13. The following chart illustrates per pupil comparative spending for the last three years:



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.

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 reservations of 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.

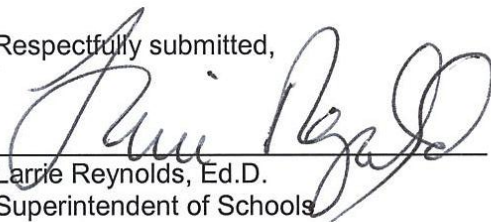
Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board in June. 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

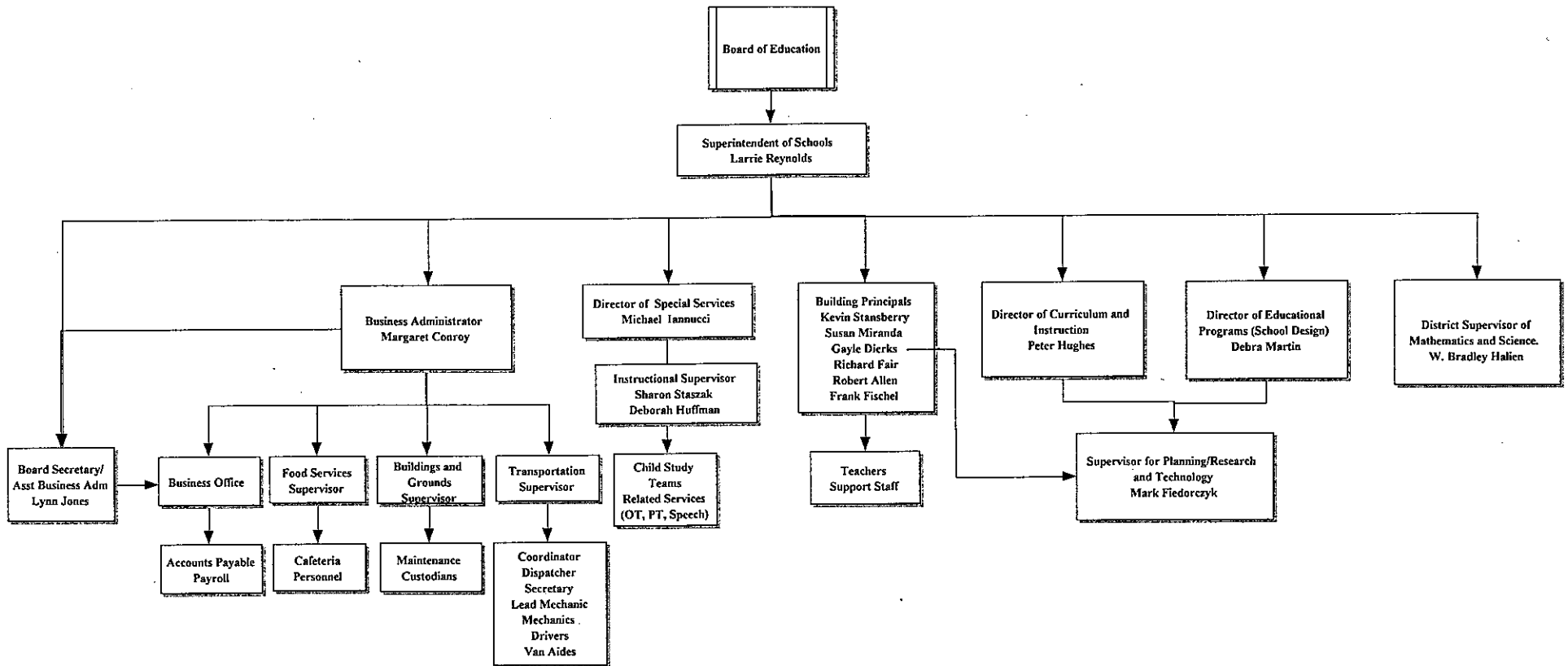


Margaret Conroy, SFO
Business Administrator



Lynn Jones, CPA
Board Secretary
Assistant Business Administrator

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



In the event the Superintendent is not available, contact the Director of Educational Programs, Dr. Debra Martin. If the Director of Educational Programs is not available, contact the Business Administrator, Margaret Conroy. If the Business Administrator is not available, contact the Director of Special Services, Mr. Michael Iannucci.

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2013**

| <u>Members of the Board of Education</u> | <u>Term Expires December 31,</u> |
|---|---|
| Anthony Giordano, President | 2013 |
| Elizabeth Ouimet, Vice-President | 2015 |
| Daniel Amianda | 2014 |
| Tim Halbur | 2014 |
| Rhonda Lake-Cohen | 2015 |
| Sheryl Licciardi-Colligan | 2013 |
| William Robinson | 2013 |
| Anthony Strillacci | 2015 |
| Mark Werner | 2014 |

Other Officials

Larrie Reynolds, Ed.D., Superintendent

Margaret Conroy, SFO, Business Administrator

Lynn Jones, CPA, Board Secretary/Assistant Business Administrator

Sherry Maniscalco, Treasurer of School Monies

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
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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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Mount Olive Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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, 2013, 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, which follows this report, and Budgetary Comparison Information on Exhibits C-1 through C-3 and I-3 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 other supplementary information listed in the table of contents 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 introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents 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 federal financial awards and 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 other supplemental information listed in the table of contents, 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.

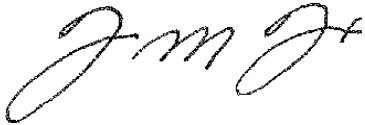
The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2013 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

Honorable President and
Members of the Board of Education
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our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mount Olive Board of Education's internal control over financial reporting and compliance.



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

Ferraioli, Wielkatz, Cerullo & Cuva

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

Newton, New Jersey

November 7, 2013

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, 2013
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, 2013. 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 2013 are as follows:

- ❖ Net position at year-end totaled \$27,125,404, which represents an increase of \$4,594,043, or 20%, over the prior year net position ending balance of \$22,531,361. A significant portion of the District's combined net position represents the District's investment in capital assets less any related outstanding debt that was used to acquire those assets. At June 30, 2013 the District had \$20,930,337 invested in capital assets, net of related debt. In addition, \$3,241,776 was restricted for capital projects, debt service, and future operating budgets, resulting in an unrestricted net position balance of \$2,953,291.
- ❖ Total assets increased by \$282,109. Cash accounts increased \$876,038 while capital assets decreased by \$330,343 and receivables decreased by \$212,126. Other assets, such as inventory and unamortized bond issuance costs decreased \$51,460.
- ❖ Total liabilities decreased \$4,311,934. This amount is primarily attributable to a decrease in long-term liabilities such as bonds, loans, capital leases, and accrued compensated absences which totaled \$3,235,069 and a decrease in accounts payable of \$853,693. Other liabilities, such as unearned revenue, accrued interest payable, and unamortized bond premium decreased \$223,172.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$74,814,044, which represents 82.7% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$63,076,240, or 84.3%, of general revenues. Program specific revenues in the form of charges for services and grants and contributions comprised the remaining 17.3% of total revenue, or \$15,688,018. Overall, total revenues increased \$2,758,033, approximately 3.1%, over the prior year.
- ❖ Expenses totaled \$85,908,019. Of this amount, only \$15,688,018 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 \$74,814,044 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$497,355, approximately .6%, over the prior year.

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 the summer school program.

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, 2013 and June 30, 2012.

**Table 1
Net Position**

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Assets | | |
| Current and Other Assets | \$12,303,343 | \$11,690,891 |
| Capital Assets | 67,786,998 | 68,117,341 |
| Total Assets | 80,090,341 | 79,808,232 |
| | | |
| Liabilities | | |
| Noncurrent Liabilities | 49,743,630 | 52,978,699 |
| Other Liabilities | 3,221,307 | 4,298,172 |
| Total Liabilities | 52,964,937 | 57,276,871 |
| | | |
| Net Position | | |
| Invested in Capital Assets, Net of Related Debt | 20,930,337 | 18,287,060 |
| Restricted | 3,241,776 | 2,563,951 |
| Unrestricted | 2,953,291 | 1,680,350 |
| | | |
| Total Net Position | \$27,125,404 | \$22,531,361 |

The largest 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, 2013 this figure amounted to \$20,930,337, or 77% of the District's total net position.

Another 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:

- \$2,016,914 is restricted for capital projects. This amount represents funds restricted for capital projects that are partially funded by SDA grant funds and amounts included in the capital reserve account.
- \$6,669 is restricted for debt service. Of this amount, \$2,986 has been appropriated and included as anticipated revenue in the Debt Service Fund budget for the fiscal year ending June 30, 2014.
- \$1,218,193 is restricted to finance subsequent year's expenditures. This amount represents current year excess surplus which must be appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2015.

The remaining unrestricted net asset balance of \$2,953,291 is the product of various transactions, including the net results of activities. Since the District operates on a strict budgetary basis, the District's annual revenues are sufficient to meet the District's annual obligations to students, employees, and creditors. Table 2 shows changes in net position for the fiscal years ended June 30, 2013 and June 30, 2012.

Table 2
Changes in Net Position

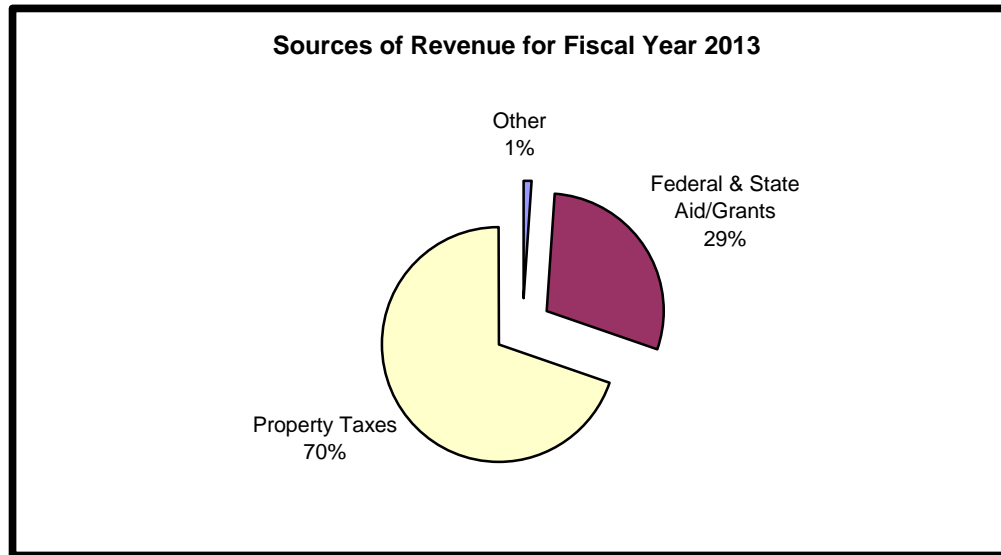
| | 2013 | 2012 |
|--|--------------------|--------------------|
| Revenues | | |
| Program Revenues: | | |
| Charges for services | \$1,029,829 | \$1,526,248 |
| Grants and contributions | 14,658,189 | 12,766,869 |
| General revenues: | | |
| Property taxes | 63,076,240 | 61,964,823 |
| Grants and entitlements | 11,638,067 | 11,351,096 |
| Other | 99,737 | 134,993 |
| Total Revenues | 90,502,062 | 87,744,029 |
| Program Expenses | | |
| Instruction | 43,451,041 | 41,767,178 |
| Support Services: | | |
| Pupils and instructional staff | 14,589,038 | 14,204,703 |
| General administration, school administration, business and other support services | 7,805,684 | 8,093,123 |
| Plant operations and maintenance | 11,366,854 | 11,842,279 |
| Pupil transportation | 5,033,828 | 5,138,677 |
| Interest and other debt related charges | 2,344,683 | 2,955,477 |
| Food service operations | 1,221,314 | 1,272,852 |
| Other | 95,577 | 136,375 |
| Total Program Expenses | 85,908,019 | 85,410,664 |
| Extraordinary Items | | |
| Disposal of capital assets | - | (220,988) |
| Increase in Net Position | \$4,594,043 | \$2,112,377 |

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 \$3,332,417.
- Depreciation on capital assets exceeded investments in capital assets by \$330,343.

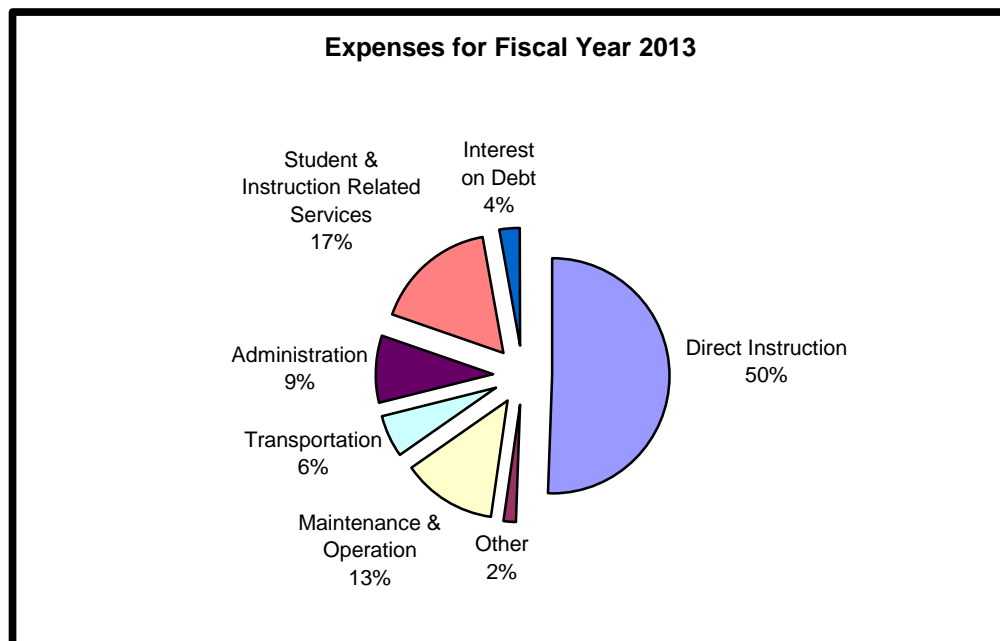
Revenues

Property taxes made up 70 percent of revenues for the Mount Olive Township School District for the fiscal year 2013. Federal, state, and local aid and grants accounted for another 29 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 2013:



Expenses

The total cost of all programs and services was \$85,908,019. Direct instruction and instruction related services comprised two-thirds of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2013:



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

Enterprise Funds

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

- ❖ In the food service enterprise fund, revenues totaled \$1,116,116 and expenses totaled \$1,221,314, resulting in a net loss of \$105,198. Charges for services amounted to \$774,919, or 69.4% of total revenue. This represents amounts paid by students and staff for daily food service sales and catering services. Federal and state reimbursements, which provide subsidies through the free and reduced lunch and breakfast program and the donated commodities program, amounted to \$340,497, or 30.5% of total revenue. Salaries, employee benefits, and cost of sales comprised 97.6% of total expenses. During the 2013 fiscal year, the food service department experienced a significant decline in lunch sales, some of which is attributable to the half day sessions instituted in the aftermath of Hurricane Sandy. This, coupled with the Mt. Olive Child Care and Learning Center's decision to withdraw from the District's food service program, contributed greatly to the decline in revenue. Accordingly, the Board's Finance Committee is closely monitoring the operations of the food service department in an attempt to make the program more profitable. A corrective action plan has been developed to reduce or eliminate recurring losses. The plan includes raising lunch prices 25 cents at each school, reducing the number of personnel and staff hours, and the establishment of a satellite kitchen for Sandshore Elementary School.
- ❖ In the summer school enterprise fund, revenues totaled \$44,249 and expenses totaled \$42,822, resulting in a net income of \$1,427. Charges for services, which represent amounts paid by students for course tuition, amounted to \$42,904 or 97% of total revenue. Salaries and employee benefits amounted to \$28,639, or 67% of total expenses. The remaining expenses represent amounts paid for technology consulting services, distance learning fees, and program supplies. The summer school generally operates on a break-even basis.

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 \$82,733,653 and expenditures and other financing uses totaled \$80,727,623, resulting in a net increase in fund balance of \$2,006,030. This amount was anticipated by management and demonstrates the Board's continuing commitment to replenish its fund balance, which had dropped to a dangerously low level in 2008.
- ❖ In the General Fund, the year-end fund balance amounted to \$10,956,434. Of this amount, \$2,016,914 has been restricted for capital reserve, \$1,218,193 has been restricted as current year excess surplus which will be appropriated and included as anticipated revenue in the 2014-2015 annual budget, \$1,105,729 is committed for specific purposes approved by the Board, \$3,286,843 is assigned for subsequent year's expenditures; and \$1,439,504 is assigned for year-end encumbrances. The remaining balance of \$1,889,251 is unassigned.
- ❖ In the Special Revenue Fund, revenues and expenditures totaled \$1,227,229, 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 \$268,764 and expenditures and other financing uses totaled \$619,218, resulting in a net decrease in fund balance of \$350,454. The decrease resulted in a \$-0- fund balance at year-end as there were no unexpended project balances at June 30, 2013.
- ❖ In the Debt Service Fund, revenues totaled \$5,159,227 and expenditures totaled \$5,157,214, resulting in a net increase in fund balance of \$2,013. This amount will be appropriated and included as anticipated revenue in future budgets.

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, 2013 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

| Revenue | Amount | Percent of Total | Increase (Decrease) from 2012 | Percentage Increase (Decrease) |
|-----------------|---------------------|---------------------|-------------------------------------|--------------------------------------|
| Local Sources | \$63,385,938 | 70.95% | \$752,908 | 1.20% |
| State Sources | 24,655,246 | 27.60% | 2,483,907 | 11.20% |
| Federal Sources | 1,300,513 | 1.45% | (281,899) | (17.81%) |
| | <u>\$89,341,697</u> | <u>100.00%</u> | <u>\$2,954,916</u> | <u>3.42%</u> |

The increase in local sources is primarily attributable to an increase in the local tax levy of \$1,111,417. Local property taxes comprised 76% of the District's original operating budget and accounted for 71% of the District's total revenue. Revenue from other local sources include tuition income, interest on investments and deposits, transportation fees, and other miscellaneous revenue, which decreased \$358,509. This decrease was primarily due to the Board's decision to discontinue the charging of user fees for courtesy busing, athletics, and student clubs.

The increase in state sources is primarily attributable to an increase in state on-behalf pension, social security, and post-retirement medical benefits totaling \$1,594,218 and an increase in state categorical aid totaling \$837,734. Both amounts reflect the state's 2013 budgetary commitment to increase aid to schools and to provide increased funding for the state's beleaguered pension system. Revenue from other state sources include extraordinary aid, debt service, and state grants, which increased \$51,955.

The decrease in federal sources is attributable to a reduction in federally funded grants and/or the discontinuance of federally funded programs such as the Education Jobs Act of 2010.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2013 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 from 2012</u> | <u>Percentage Increase</u> |
|--------------------------------------|---------------------|-------------------------|---------------------------|----------------------------|
| Current: | | | | |
| Distributed Expenditures-Instruction | \$30,269,702 | 34.52% | \$274,703 | .92% |
| Undistributed Expenditures | 48,571,143 | 55.39% | 1,319,328 | 2.79% |
| Capital Outlay | 3,686,049 | 4.21% | 1,072,193 | 41.02% |
| Debt Service | 5,157,214 | 5.88% | (37,136) | (.71%) |
| | <u>\$87,684,108</u> | <u>100.00%</u> | <u>\$2,629,088</u> | <u>3.09%</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. The increase in distributed expenditures is largely attributable to an increase in instructional salaries totaling \$394,759. Like most service entities, salaries comprise the vast majority of the District's expenses. Salary increases are the result of negotiated pay rates, coupled with the need for additional instructional staff to meet the demands of the educational program and students with special needs.

Undistributed Expenditures includes all support activities that facilitate and enhance the instructional programs including out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as speech, physical therapy, occupational therapy, and services provided by child study team members. This category also includes all school and general administrative services, custodial and maintenance services, and pupil transportation services. The largest increase in undistributed expenditures is attributable to an increase in state on-behalf payments totaling \$1,594,218. After several years of unfunded pension contributions, the state legislature passed the *Public Worker Pension and Health Benefits Reform Bill* in June 2011, which contractually required the state to make its annual pension payment. Accordingly, the 2013 state budget included appropriations to fully fund the second year of the pension reform phase-in agreement.

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 commitment to improve its facilities, to upgrade its fleet of vehicles, and to provide enhanced technology to its students. During the 2012-2013 fiscal year, machinery and equipment purchases totaled \$1,216,865 while building and site improvements totaled \$2,469,184.

Significant machinery and equipment purchases include the purchase of four 54-passenger school buses, four 24-passenger school bus vans, 23 iMacs for the ITV Room, a Yamaha C7 grand piano and 4 used sousaphones for the music department, a new football scoreboard, 17 SmartBoards for classroom use, a new fuel management system for the bus garage, a Mitsubishi sound and projection system for the new professional development room, and two new Ford pick-up trucks, a wheel loader backhoe, a tow-behind aerial lift, and an infield groomer for the maintenance department.

Significant building and site improvements include wireless expansion at the middle and elementary schools, the construction of a new professional development room at Mt. Olive High School, lighting upgrades to the high school athletic fields, parking lot resurfacing at Mt. View Elementary School, renovations to the gym floor at Chester M. Stephens Elementary School, boiler replacement at Mt. Olive High School, asbestos abatement at Mt. Olive High School, HVAC upgrades at Sandshore and Mt. View Elementary Schools, and locker, ceiling, floor tile and door replacement at Mt. Olive High 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 2013 fiscal year, the District's principal payments increased by \$233,717 while associated interest payments decreased by \$270,853.

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 56 for the General Fund. The District's year-end actual results were slightly better than had been projected, as conservative budgetary practices are customary.

The following points highlight key areas of the 2012-2013 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 \$1,968,424, or 2.65% of anticipated revenues. The largest portion of this amount is attributable to extraordinary aid, which exceeded the budgeted amount by \$1,849,796. Extraordinary aid is state aid for special education students whose individual program costs exceed \$40,000 per year for in-district programs and \$55,000 per year for outside placements. This aid is conservatively budgeted since the amount the State will fund is unknown at the time the budget is prepared. In recognition of this, the State has allowed 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 2013 fiscal year tuition income exceeded budgeted estimates by \$10,186.
- Interest income was slightly more than the amount originally anticipated as the economy continues to recover from historically low rates. In the 2013 fiscal year interest earnings exceeded budgeted estimates by \$2,554.
- 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 2013 fiscal year transportation fees exceeded budgeted estimates by \$23,357.
- Miscellaneous income includes revenue collected for book fines, facilities usage, prior year tuition adjustments, and prior year refunds. The District's estimates with regard to miscellaneous income are customarily conservative, based on the uncertain nature of these receipts. In the 2013 fiscal year miscellaneous income exceeded budgeted estimates by \$17,809.
- Excluding on-behalf TPAF pension, post retirement medical benefits and social security contributions, unexpended appropriations totaled \$6,730,746, or 8.33% of the final budget. Of this amount, \$2,545,233 is reserved for encumbrances, which will be expended in the subsequent fiscal year, and \$2,000,000 was deposited into the capital reserve account to fund future capital improvements.
- The 2013 budget was adopted based on existing and known factors at the time the budget was prepared. Throughout the course of the year, the District amended its General Fund budget as needed, based on the actual results of operations. Last year's extraordinary aid in the amount of \$2,017,945 was appropriated to the capital outlay budget to fund various capital improvement projects approved by the Board. In addition, transfers totaling \$331,050 were made from the current expense budget to the capital outlay budget to fund much of the machinery and equipment described on the previous page. Significant transfers were also made amongst the current expense line items to fund laptops, charging carts, notebook tablets, and smartboards for the middle school and elementary schools, the new *Journeys Common Core* textbook series, tablets and software for the new *Amplify* program, amounts paid to employees for health benefit waivers, and vehicle repairs and maintenance services. The transfers were funded primarily from tuition, contracted therapy services, energy costs, employee benefits, and salary breakage from retirements, resignations, and leaves that were unanticipated at the time the budget was prepared.

Capital Assets

At June 30, 2013, the District had \$67,786,998 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)

| | 2013 | 2012 |
|------------------------------------|----------------------|----------------------|
| Land | \$ 703,670 | \$ 703,670 |
| Site and site improvements | 2,287,684 | 1,866,486 |
| Building and building improvements | 61,215,456 | 62,461,185 |
| Furniture, equipment and machinery | 3,580,188 | 3,086,000 |
| Total Capital Assets | \$ 67,786,998 | \$ 68,117,341 |

Overall, the District invested \$3,557,809 in capital assets for the fiscal year 2013. Of this amount, \$587,105 was invested in site and site improvements, \$1,753,839 was invested in building and building improvements, and \$1,216,865 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$3,888,152.

Additional information on the District's capital assets can be found in Note 10 of the notes to the basic financial statements.

Debt Administration

At June 30, 2013, the District had \$49,743,630 in long-term outstanding debt, of which \$3,263,183 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2013 and June 30, 2012.

Table 4
Outstanding Debt

| | 2013 | 2012 |
|--|----------------------|----------------------|
| Outstanding Bonds, Loans and Notes | | |
| 1998 Trust Loan – Sewer Connection Project | \$ 180,000 | \$ 220,000 |
| 1998 Fund Loan – Sewer Connection Project | 40,668 | 71,537 |
| 2003 Refunding Bond Issue/ERIP Liability | - | 130,000 |
| 2004 Serial Bonds – High School Additions and Renovations | 2,095,000 | 3,075,000 |
| 2004 Refunding Bonds, Net of Deferred Interest | 20,755,180 | 22,315,557 |
| 2006 Refunding Bonds, Net of Deferred Interest | 8,588,261 | 8,589,278 |
| 2007 Refunding Bonds, Net of Deferred Interest | 8,943,453 | 8,947,014 |
| 2011 Refunding Bond Issue/ERIP Liability, Net of Deferred Interest | 1,350,364 | 1,358,455 |
| 2012 Refunding Bonds, Net of Deferred Interest | 5,973,246 | 6,056,403 |
| Other Noncurrent Liabilities | | |
| Capital Leases Payable | 410,489 | 702,037 |
| Accrued Compensated Absences Payable | 1,406,969 | 1,513,418 |
| Total Long-term Outstanding Debt | \$ 49,743,630 | \$ 52,978,699 |

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 \$133,689,899, resulting in an available borrowing margin of \$83,944,899 at June 30, 2013.

At June 30, 2013 the District had no authorized but not issued debt.

Additional information on the District's outstanding debt can be found in Note 11 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 20% of the District's original 2013 operating budget while local property taxes accounted for 76%. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. Current legislation restricts the growth rate on local property taxes to 2%. The law does allow for an increase in the 2% limitation provided that it is approved by the voters.

In July 2011, Governor Christie signed into law the State budget for fiscal year 2012, which included \$850 million in new aid for school districts to be paid out over a five year period. The District's share of these additional funds amounted to \$771,956 for the 2012-2013 fiscal year with an equal amount budgeted for the next two years.

The Township's growth has slowed in the past several years, in part due to the latent housing market and the overall economic downturn. However, the reduction in residential development has allowed the District's enrollment to remain relatively stable. Historical enrollments show that the District's enrollment peaked in the 2006-2007 school year and have steadily declined since. A recent demographic study shows that the District's enrollment is expected to continue to decline over the next five years. Currently there is adequate capacity to meet the District's general classroom enrollment projections, both now and in the near future. 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. However, the reduction in enrollment projections, coupled with the 2% growth rate on property taxes and the increase in state aid, should allow the District to maintain its existing programs and services.

Labor agreements with the International Brotherhood of Teamsters Local 97 and the Education Association of Mt. Olive are due to expire on June 30, 2014. Negotiations for successor agreements are currently ongoing with the expectation that a settlement can be reached prior to the expiration date. The labor agreement with the Mt. Olive Administrators and Supervisors Association is due to expire on June 30, 2015. 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, 2013

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 6,935,892 | \$ 130,419 | \$ 7,066,311 |
| Receivables, net (Note 6) | 2,739,811 | 24,323 | 2,764,134 |
| Internal balances (Note 7) | 8,453 | (8,453) | - |
| Inventory (Note 8) | - | 10,988 | 10,988 |
| Restricted assets: | | | |
| Cash and cash equivalents | 6,669 | - | 6,669 |
| Capital reserve account - cash | 2,016,914 | - | 2,016,914 |
| Unamortized bond issuance costs, net (Note 9) | 438,327 | - | 438,327 |
| Capital assets, non-depreciable (Note 10) | 703,670 | - | 703,670 |
| Capital assets, depreciable, net (Note 10) | 67,042,505 | 40,823 | 67,083,328 |
| Total Assets | <u>79,892,241</u> | <u>198,100</u> | <u>80,090,341</u> |
| LIABILITIES | | | |
| Accounts payable | 731,722 | 17,882 | 749,604 |
| Unearned revenue | 12,877 | 21,026 | 33,903 |
| Accrued interest payable | 962,213 | - | 962,213 |
| Unamortized bond premium | 1,475,550 | - | 1,475,550 |
| Noncurrent liabilities, net (Note 11): | | | |
| Due within one year | 3,263,183 | - | 3,263,183 |
| Due beyond one year | 46,462,107 | 18,340 | 46,480,447 |
| Total Liabilities | <u>52,907,652</u> | <u>57,248</u> | <u>52,964,900</u> |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 20,889,514 | 40,823 | 20,930,337 |
| Restricted for: | | | |
| Capital projects | 2,016,914 | - | 2,016,914 |
| Debt service | 6,669 | - | 6,669 |
| Other purposes | 1,218,193 | - | 1,218,193 |
| Unrestricted | 2,853,299 | 100,029 | 2,953,328 |
| Total Net Position | <u>\$ 26,984,589</u> | <u>\$ 140,852</u> | <u>\$ 27,125,441</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, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------|-------------------------|--|--|--|-----------------------------|-----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular programs | \$ 31,494,232 | \$ 5,400 | \$ 3,893,460 | \$ - | \$ (27,595,372) | \$ - | \$ (27,595,372) |
| Special education programs | 9,002,194 | 47,494 | 4,481,989 | - | (4,472,711) | - | (4,472,711) |
| Other instructional programs | 1,796,657 | - | 330,964 | - | (1,465,693) | - | (1,465,693) |
| School sponsored programs | 1,128,260 | - | - | - | (1,128,260) | - | (1,128,260) |
| Community services programs | 29,698 | - | - | - | (29,698) | - | (29,698) |
| Support services: | | | | | | | |
| Tuition | 2,846,811 | - | 2,165,270 | - | (681,541) | - | (681,541) |
| Student & instruction related services | 11,742,227 | - | 1,587,933 | - | (10,154,294) | - | (10,154,294) |
| School administrative services | 4,532,706 | - | 474,256 | - | (4,058,450) | - | (4,058,450) |
| Other administrative services | 3,272,978 | - | 73,396 | - | (3,199,582) | - | (3,199,582) |
| Plant operations and maintenance | 11,366,854 | 101,755 | 107,090 | 247,696 | (10,910,313) | - | (10,910,313) |
| Pupil transportation | 5,033,828 | 57,357 | 374,373 | - | (4,602,098) | - | (4,602,098) |
| Unallocated depreciation | 52,755 | - | - | - | (52,755) | - | (52,755) |
| Interest and other debt related charges | 2,344,683 | | 581,265 | | (1,763,418) | | (1,763,418) |
| Total governmental activities | 84,643,883 | 212,006 | 14,069,996 | 247,696 | (70,114,185) | - | (70,114,185) |
| Business-type activities: | | | | | | | |
| Food service | 1,221,314 | 774,919 | 340,497 | - | - | (105,898) | (105,898) |
| Summer school | 42,822 | 42,904 | - | - | - | 82 | 82 |
| Total business-type activities | 1,264,136 | 817,823 | 340,497 | - | - | (105,816) | (105,816) |
| Total primary government | \$ 85,908,019 | \$ 1,029,829 | \$ 14,410,493 | \$ 247,696 | \$ (70,114,185) | \$ (105,816) | \$ (70,220,001) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | \$ 58,500,212 | \$ - | \$ 58,500,212 |
| Taxes levied for debt service | | | | | 4,576,028 | - | 4,576,028 |
| Federal and State aid not restricted | | | | | 11,638,067 | - | 11,638,067 |
| Investment Earnings | | | | | 7,604 | 1,345 | 8,949 |
| Miscellaneous Income | | | | | 68,690 | - | 68,690 |
| Extraordinary Item - Gain/(Loss) on sale and/or disposal of capital assets | | | | | 21,398 | 700 | 22,098 |
| Total general revenues, special items, extraordinary items and transfers | | | | | 74,811,999 | 2,045 | 74,814,044 |
| Change in Net Position | | | | | 4,697,814 | (103,771) | 4,594,043 |
| Net Position - Beginning | | | | | 22,286,738 | 244,623 | 22,531,361 |
| Net Position - Ending | | | | | \$ 26,984,552 | \$ 140,852 | \$ 27,125,404 |

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, 2013

| | Major Funds | | | | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 6,935,892 | \$ - | \$ - | \$ 6,669 | \$ 6,942,561 |
| Due from other funds | 318,476 | - | - | - | 318,476 |
| Receivables from other governments | 2,242,887 | 397,013 | - | - | 2,639,900 |
| Other accounts receivable | 95,579 | - | - | - | 95,579 |
| Restricted cash and cash equivalents | 2,016,914 | - | - | - | 2,016,914 |
| Total assets | \$ 11,609,748 | \$ 397,013 | \$ - | \$ 6,669 | \$ 12,013,430 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 645,379 | \$ 79,648 | \$ - | \$ - | \$ 725,027 |
| Intergovernmental accounts payable | - | 37 | - | - | 37 |
| Deposits payable | 6,695 | - | - | - | 6,695 |
| Due to other funds | - | 305,691 | - | - | 305,691 |
| Unearned revenue | 1,240 | 11,637 | - | - | 12,877 |
| Total liabilities | 653,314 | 397,013 | - | - | 1,050,327 |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Capital reserve | 2,016,914 | - | - | - | 2,016,914 |
| Excess surplus - current year | 1,218,193 | - | - | - | 1,218,193 |
| Debt service | - | - | - | 3,683 | 3,683 |
| Committed to: | | | | | |
| Other purposes | 1,105,729 | - | - | - | 1,105,729 |
| Assigned to: | | | | | |
| Designated by the Board of Education for subsequent year's expenditures | 3,286,843 | - | - | 2,986 | 3,289,829 |
| Other purposes | 1,439,504 | - | - | - | 1,439,504 |
| Unassigned: | | | | | |
| General fund | 1,889,251 | - | - | - | 1,889,251 |
| Total fund balances | 10,956,434 | - | - | 6,669 | 10,963,103 |
| Total liabilities and fund balances | \$ 11,609,748 | \$ 397,013 | \$ - | \$ 6,669 | \$ 12,013,430 |

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, 2013

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

| | |
|--|---------------|
| Total fund balances - governmental funds | \$ 10,963,103 |
|--|---------------|

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 | \$118,850,813 | |
| Accumulated depreciation | (51,104,638) | |
| | | 67,746,175 |

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 | (2,425,883) | |
| Accumulated amortization | 950,333 | |
| | | (1,475,550) |

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 interest | 3,443,750 | |
| Accumulated amortization | (1,404,254) | |
| | | 2,039,496 |

The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.

| | | |
|--------------------------|-----------|---------|
| Bond issuance costs | 959,457 | |
| Accumulated amortization | (521,130) | |
| | | 438,327 |

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 10) Liabilities at year end consist of:

| | | |
|--|--------------|--------------|
| Bonds payable | (49,745,000) | |
| Loans payable | (220,668) | |
| Capital leases payable | (410,489) | |
| Accrued interest on bonds, notes, and capital leases | (962,213) | |
| Accrued compensated absences | (1,388,629) | |
| | | (52,726,999) |

| | |
|---|---------------|
| Net position of governmental activities | \$ 26,984,552 |
|---|---------------|

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, 2013

| | Major Funds | | | | Total Governmental Funds |
|---|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| REVENUES | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$58,500,212 | \$ - | \$ - | \$ 4,576,028 | \$63,076,240 |
| Tuition charges | 47,494 | - | - | - | 47,494 |
| Interest on investments | 7,491 | - | - | - | 7,491 |
| Interest earned on capital reserve funds | 113 | - | - | - | 113 |
| Transportation fees | 57,357 | - | - | - | 57,357 |
| Miscellaneous | 195,309 | - | - | 1,934 | 197,243 |
| Total - Local Sources | 58,807,976 | - | - | 4,577,962 | 63,385,938 |
| State sources | 23,822,823 | 3,462 | 247,696 | 581,265 | 24,655,246 |
| Federal sources | 76,746 | 1,223,767 | - | - | 1,300,513 |
| Total revenues | 82,707,545 | 1,227,229 | 247,696 | 5,159,227 | 89,341,697 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular instruction | 22,022,072 | 12,201 | - | - | 22,034,273 |
| Special education instruction | 5,574,963 | 548,063 | - | - | 6,123,026 |
| Other instructional programs | 1,152,841 | 79,415 | - | - | 1,232,256 |
| School sponsored programs | 850,449 | - | - | - | 850,449 |
| Community services programs | 29,698 | - | - | - | 29,698 |
| Support services and undistributed costs: | | | | | |
| Tuition and transfers to charter schools | 2,769,294 | 77,517 | - | - | 2,846,811 |
| Student & instruction related services | 7,910,432 | 441,297 | - | - | 8,351,729 |
| School administrative services | 3,126,636 | - | - | - | 3,126,636 |
| Other administrative services | 2,582,402 | - | - | - | 2,582,402 |
| Plant operations and maintenance | 6,550,377 | 21,253 | - | - | 6,571,630 |
| Pupil transportation | 3,943,542 | 624 | - | - | 3,944,166 |
| Unallocated employee benefits | 21,108,415 | 39,354 | - | - | 21,147,769 |
| Capital outlay | 3,085,434 | 7,505 | 593,110 | - | 3,686,049 |
| Debt service: | | | | | |
| Principal | - | - | - | 3,040,869 | 3,040,869 |
| Interest and other charges | - | - | - | 2,116,345 | 2,116,345 |
| Total expenditures | 80,706,555 | 1,227,229 | 593,110 | 5,157,214 | 87,684,108 |
| Excess (Deficiency) of revenues over expenditures | 2,000,990 | - | (345,414) | 2,013 | 1,657,589 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating Transfers: | | | | | |
| Transfers in | 26,108 | - | 21,068 | - | 47,176 |
| Transfers out | (21,068) | - | (26,108) | - | (47,176) |
| Total other financing sources and uses | 5,040 | - | (5,040) | - | - |
| Net change in fund balances | 2,006,030 | - | (350,454) | 2,013 | 1,657,589 |
| Fund balance—July 1 | 8,950,404 | - | 350,454 | 4,656 | 9,305,514 |
| Fund balance—June 30 | \$10,956,434 | \$ - | \$ - | \$ 6,669 | \$10,963,103 |

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, 2013

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) | \$ 1,657,589 |
|---|--------------|

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.

| | | |
|----------------------|------------------|-----------|
| Depreciation expense | \$ (3,876,383) | |
| Capital outlays | <u>3,557,809</u> | (318,574) |

Gains and/or losses on the sale and/or disposal of capital assets are not recorded in the governmental funds since capital assets are reported as expenditures in the year purchased and sales are reported as miscellaneous income in the year sold. However, in the statement of activities, gains and/or losses are reported as an extra-ordinary item, net of the asset's book value.

| | | |
|--------------------------|------------------|---|
| Cost of capital assets | 580,237 | |
| Accumulated depreciation | <u>(580,237)</u> | - |

| | |
|--|---------|
| 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. | 291,548 |
|--|---------|

| | |
|---|-----------|
| 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. | 3,040,869 |
|---|-----------|

| | |
|--|----------|
| Bond issuance costs are reported in the governmental funds as other financing uses in the year the bonds are issued. However, on the statement of activities, bond issue costs are amortized over the life of the bonds. | (46,745) |
|--|----------|

| | |
|--|---------|
| Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, on the statement of activities, bond premiums are amortized over the life of the bonds. | 185,127 |
|--|---------|

| | |
|---|-----------|
| 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. | (203,797) |
|---|-----------|

| | |
|---|----------|
| 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. | (13,853) |
|---|----------|

| | |
|---|----------------|
| In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). 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>105,650</u> |
|---|----------------|

| | |
|---|----------------------------|
| Change in net position of governmental activities | <u><u>\$ 4,697,814</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, 2013

| | Business-type Activities - Non-Major Total <u>Enterprise Funds</u> |
|---|--|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 130,419 |
| Intergovernmental accounts receivable | 22,753 |
| Other accounts receivables | 1,570 |
| Inventories | 10,988 |
| Total current assets | <u>165,730</u> |
| Noncurrent assets: | |
| Equipment | 411,162 |
| Less accumulated depreciation | <u>370,339</u> |
| Total noncurrent assets | <u>40,823</u> |
| Total assets | <u>206,553</u> |
| LIABILITIES | |
| Accounts payable | 17,882 |
| Deferred revenue | 21,026 |
| Interfund payable | 8,453 |
| Compensated absences payable | 18,340 |
| Total liabilities | <u>65,701</u> |
| NET POSITION | |
| Invested in capital assets, net of related debt | 40,823 |
| Unrestricted | 100,029 |
| Total net position | <u>\$ 140,852</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, 2013

| | Business-type Activities - Non-Major Total <u>Enterprise Funds</u> |
|---|--|
| Operating revenues: | |
| Charges for services: | |
| Daily sales - reimbursable programs | \$ 768,638 |
| Daily sales - non-reimbursable programs | 6,281 |
| Tuition | 42,904 |
| Total operating revenues | <u>817,823</u> |
| Operating expenses: | |
| Salaries | 548,355 |
| Employee benefits | 214,493 |
| Supplies and materials | 9,665 |
| Depreciation | 11,769 |
| Cost of sales | 457,648 |
| Purchased services | 13,660 |
| Other objects | 8,546 |
| Total operating expenses | <u>1,264,136</u> |
| Operating loss | <u>(446,313)</u> |
| Nonoperating revenues: | |
| State sources: | |
| State school lunch program | 9,900 |
| Federal sources: | |
| School breakfast program | 6,365 |
| National school lunch program | 245,778 |
| After school snack program | 1,022 |
| Special milk program | 2,562 |
| Food donation program | 74,870 |
| Interest and other income | 2,045 |
| Total nonoperating revenues | <u>342,542</u> |
| Change in net position | (103,771) |
| Total net position - beginning | <u>244,623</u> |
| Total net position - ending | <u>\$ 140,852</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, 2013

| | Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u> |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 819,183 |
| Payments for employees and employee benefits | (845,162) |
| Payments to suppliers for goods and services | (407,776) |
| Net cash used in operating activities | <u>(433,755)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| State Sources | 9,210 |
| Federal Sources | 249,917 |
| Other income | 700 |
| Net cash provided by non-capital financing activities | <u>259,827</u> |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES | |
| Interest and dividends | 1,345 |
| Net increase (decrease) in cash and cash equivalents | (172,583) |
| Cash and cash equivalents - beginning of year | 303,002 |
| Cash and cash equivalents - end of year | <u>\$ 130,419</u> |
| Reconciliation of operating loss to net cash used in operating activities: | |
| Operating loss | \$ (446,313) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 11,769 |
| Food donation program | 74,870 |
| Decrease in accounts receivable, net | 6,424 |
| Increase in inventories | 4,715 |
| Decrease in accounts payable | 2,263 |
| Increase in deferred revenue | (5,064) |
| Increase in compensated absences payable | (799) |
| Decrease in due to/from other funds | (81,620) |
| Total adjustments | 12,558 |
| Net cash used in operating activities | <u>\$ (433,755)</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, 2013

| | Total Agency Funds | Total Trust Funds | Total Trust and Agency Funds |
|---|--------------------------|-------------------------|------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 527,152 | \$ 198,185 | \$ 725,337 |
| Accounts receivable | 7,649 | - | 7,649 |
| Total assets | <u>534,801</u> | <u>198,185</u> | <u>732,986</u> |
| LIABILITIES | | | |
| Accounts payable | 28,291 | 26,483 | 54,774 |
| Payroll deductions and withholdings | 129,439 | - | 129,439 |
| Interfund payable | 4,332 | - | 4,332 |
| Due to student groups | 372,739 | - | 372,739 |
| Total liabilities | <u>534,801</u> | <u>26,483</u> | <u>561,284</u> |
| NET POSITION: | | | |
| Held in trust for unemployment claims | - | 156,158 | 156,158 |
| Held in trust for medical and dependent care claims | <u>-</u> | <u>15,544</u> | <u>15,544</u> |
| TOTAL NET POSITION | <u>\$ -</u> | <u>\$ 171,702</u> | <u>\$ 171,702</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, 2013

| | Unemployment Compensation Insurance Trust | Flexible Spending Account Trust | Total Trust Funds |
|---|---|---------------------------------------|-------------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan members | \$ 130,663 | \$ 91,720 | \$ 222,383 |
| Board contributions | 187,900 | - | 187,900 |
| Total contributions | <u>318,563</u> | <u>91,720</u> | <u>410,283</u> |
| Investment earnings: | | | |
| Interest | - | 35 | 35 |
| Total investment earnings | <u>-</u> | <u>35</u> | <u>35</u> |
| Total additions | <u>318,563</u> | <u>91,755</u> | <u>410,318</u> |
| DEDUCTIONS: | | | |
| Quarterly contribution reports | 55,470 | - | 55,470 |
| Unemployment claims | 78,344 | - | 78,344 |
| Qualified medical and dependent care claims | - | 76,211 | 76,211 |
| Total deductions | <u>133,814</u> | <u>76,211</u> | <u>210,025</u> |
| Change in net position | 184,749 | 15,544 | 200,293 |
| Net position-beginning of the year | <u>(28,591)</u> | <u>-</u> | <u>(28,591)</u> |
| Net position-end of the year | <u>\$ 156,158</u> | <u>\$ 15,544</u> | <u>\$ 171,702</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, 2013

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, 2013
(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, 2013
(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 cafeteria and summer school operations.

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, 2013
(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, 2013
(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, 2013
(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 advanced revenue at fiscal year-end.

G. Capital Assets:

The District has established a formal system of accounting for its capital assets as of July 1, 2002. Capital assets acquired or constructed subsequent to July 1, 2002 are recorded at original cost. Capital assets acquired or constructed prior to July 1, 2002 are valued through estimation procedures performed by an 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:

| | <u>Estimated Useful Life</u> |
|--------------------------------|------------------------------|
| 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 government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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 under 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 various employment contracts.

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, 2013 the District had restricted fund balances of \$2,016,914 for capital reserve, \$1,218,193 for excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2015, and \$3,683 for future debt service payments.

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, 2013 the District had committed resources for the following purposes:

| <u>Project</u> | <u>Amount</u> |
|---|--------------------|
| Security Door Upgrades | \$89,975 |
| Gym Floor Renovations at Tinc Road School | 88,289 |
| HVAC Upgrades at Sandshore School | 192,630 |
| HVAC Upgrades at Mt. View School | 155,950 |
| Brick Repair at Mt. Olive High School | 22,300 |
| Amplify Access Curriculum Environment and Personalized Devices | 220,785 |
| Renovations to Arts and Robotics Rooms at Mt. Olive High School | 335,800 |
| | <u>\$1,105,729</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

K. 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, 2013 the District had assigned resources for outstanding encumbrances totaling \$1,439,504 and for amounts designated for subsequent year's expenditures totaling \$3,289,829.

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, 2013 the District had unassigned resources totaling \$1,889,251. 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.

L. 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, 2013 the District had no unsettled employment contracts.

M. Advanced Revenue:

Advanced revenue arises when assets are received before revenue recognition criteria have been satisfied. Advanced revenue in the general fund represents cash which has been received but not yet earned. Advanced revenue in the special revenue fund represents grants and entitlements received before the eligibility requirements have been met.

N. Allowance for Uncollectible Accounts:

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

O. 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.

P. 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, 2013 the District had fund balance restricted for excess surplus in the amount of \$1,218,193. 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, 2013
(Continued)

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

Q. Net Position:

The District implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, during the current fiscal year. This statement 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. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

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.

R. 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, 2013
(Continued)

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

S. 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.

T. 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.

U. 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. Neither type of transaction occurred during the fiscal year.

V. 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.

W. 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.

X. 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. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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, 2013
(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, 2013, 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 | \$6,942,561 | \$7,585,592 |
| Governmental Funds - Restricted | 2,016,914 | 2,016,914 |
| Enterprise Funds | 130,419 | 133,486 |
| Agency Funds | 527,152 | 854,768 |
| Trust Funds | 198,185 | 205,080 |
| | <u>\$9,815,231</u> | <u>\$10,795,840</u> |

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 2012-13 fiscal year is as follows:

| | |
|--|--------------------|
| Beginning balance, July 1, 2012 | \$16,751 |
| Increased by: | |
| Budgeted increase in capital reserve | 50 |
| Additional increase authorized by Board resolution | 2,000,000 |
| Interest earnings | 113 |
| Ending balance, June 30, 2013 | <u>\$2,016,914</u> |

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is \$9,493,100. During the 2012-13 fiscal year, there were no withdrawals from the capital reserve.

5. TRANSFER TO CAPITAL PROJECTS:

During the year ending June 30, 2013, the District transferred \$21,068 to the Capital Projects Fund for the Boiler Replacement Project at Mount Olive High School. The project was partially funded by a grant from the New Jersey Schools Development Authority (SDA).

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

6. RECEIVABLES:

Receivables at June 30, 2013, consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. All receivables are considered collectible in full. The following is a summary of the principal receivable items:

| | |
|---------------------------------------|---------------------|
| State and federal aid receivable | \$ 2,652,562 |
| Intergovernmental accounts receivable | 10,091 |
| Interfund accounts receivable | 4,332 |
| Other accounts receivable | <u>97,149</u> |
| Total receivables | <u>\$ 2,764,134</u> |

7. 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, 2013:

| | |
|-----------------|---|
| \$ 8,453 | Due to the General Fund from the Enterprise Fund |
| 4,332 | Due to the General Fund from the Fiduciary Fund |
| <u>305,691</u> | Due to the General Fund from the Special Revenue Fund |
| 318,476 | Total Interfund Balance - Fund Financial Statements |
| (305,691) | Elimination of Governmental Interfund Activities |
| <u>(8,453)</u> | Elimination of Internal Balances |
| <u>\$ 4,332</u> | |

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

8. INVENTORY:

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

| | |
|----------------|------------------|
| Food | \$ 8,754 |
| Non-Food Items | <u>2,234</u> |
| | <u>\$ 10,988</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.

9. DEFERRED BOND ISSUANCE COSTS:

In the governmental funds, debt issuance costs are recognized as expenditures in the year the bonds are issued. For the district-wide financial statements, debt issuance costs are amortized using the straight-line method over the life of the specific bonds. The costs associated with the issues of the various bonds amounted to \$959,457. The amortization expense for the fiscal year ended June 30, 2013 amounted to \$46,745 and the total accumulated amortization is \$521,130.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

10. CAPITAL ASSETS:

Capital Asset activity for the year ended June 30, 2013 was as follows:

| | 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 | 703,670 | - | - | 703,670 |
| Capital assets being depreciated: | | | | |
| Site and site improvements | 4,100,290 | 587,105 | (600) | 4,686,795 |
| Building and building improvements | 95,791,191 | 1,753,839 | - | 97,545,030 |
| Machinery and equipment | 15,278,090 | 1,216,865 | (579,637) | 15,915,318 |
| Total capital assets being depreciated | 115,169,571 | 3,557,809 | (580,237) | 118,147,143 |
| Governmental activities capital assets | 115,873,241 | 3,557,809 | (580,237) | 118,850,813 |
| Less accumulated depreciation for: | | | | |
| Site and site improvements | (2,233,804) | (165,907) | 600 | (2,399,111) |
| Building and improvements | (33,330,006) | (2,999,568) | - | (36,329,574) |
| Machinery and equipment | (12,244,682) | (710,908) | 579,637 | (12,375,953) |
| Total accumulated depreciation | (47,808,492) | (3,876,383) | 580,237 | (51,104,638) |
| Government activities capital assets, net | \$ 68,064,749 | \$ (318,574) | \$ - | \$ 67,746,175 |
| Business-type activities: | | | | |
| Equipment | \$ 411,162 | \$ - | \$ - | \$ 411,162 |
| Less accumulated depreciation for: equipment | (358,570) | (11,769) | - | (370,339) |
| Business-type activities capital assets, net | \$ 52,592 | \$ (11,769) | \$ - | \$ 40,823 |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| Regular programs instruction | \$ 152,880 |
| Special education programs | 7,954 |
| School sponsored programs | 13,293 |
| Student and instruction related services | 7,202 |
| School administrative services | 835 |
| Other administrative services | 160,697 |
| Plant operations and maintenance | 3,252,044 |
| Pupil transportation | 228,723 |
| Unallocated depreciation | 52,755 |
| Total depreciation expense | <u>\$ 3,876,383</u> |

Depreciation on buildings and site improvements is recorded under plant operations and maintenance. Depreciation on machinery and equipment purchased prior to July 1, 2002 is unallocated.

11. LONG-TERM LIABILITIES:

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

11. LONG-TERM LIABILITIES: (Continued)

Long-term obligations activity for the year ended June 30, 2013 was as follows:

| | Beginning Balance | Additions | Reductions | Refunded | Ending Balance |
|------------------------------------|----------------------|------------|--------------|----------|-------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| High school addition/renovations | \$ 27,580,000 | \$ - | \$ 1,140,000 | \$ - | \$ 26,440,000 |
| Middle school/facilities expansion | 23,500,000 | - | 1,675,000 | - | 21,825,000 |
| Refunding bonds - E.R.I.P. | 1,635,000 | - | 155,000 | - | 1,480,000 |
| | 52,715,000 | - | 2,970,000 | - | 49,745,000 |
| Less: Deferred interest | (2,243,293) | 203,797 | - | - | (2,039,496) |
| Total bonds payable | 50,471,707 | 203,797 | 2,970,000 | - | 47,705,504 |
| Loans payable: | | | | | |
| Sewer project loan #1 | 220,000 | - | 40,000 | - | 180,000 |
| Sewer project loan #2 | 71,537 | - | 30,869 | - | 40,668 |
| Total loans payable | 291,537 | - | 70,869 | - | 220,668 |
| Other Liabilities: | | | | | |
| Capital leases payable | 702,037 | - | 291,548 | - | 410,489 |
| Compensated absences payable | 1,494,279 | 100,030 | 205,680 | - | 1,388,629 |
| Total other liabilities | 2,196,316 | 100,030 | 497,228 | - | 1,799,118 |
| Total all governmental activities | \$ 52,959,560 | \$ 303,827 | \$ 3,538,097 | \$ - | \$ 49,725,290 |
| Business-Type Activities: | | | | | |
| Compensated absences payable | \$ 19,139 | \$ 1,226 | \$ 2,025 | \$ - | \$ 18,340 |
| Total all business-type activities | \$ 19,139 | \$ 1,226 | \$ 2,025 | \$ - | \$ 18,340 |

| | Amounts Due Within One Year | Amounts Due Beyond One Year | Total |
|------------------------------------|-----------------------------------|-----------------------------------|---------------|
| Governmental activities: | | | |
| Bonds payable: | | | |
| High school addition/renovations | \$ 1,037,736 | \$ 24,562,224 | \$ 25,599,960 |
| Middle school/facilities expansion | 1,635,376 | 19,119,804 | 20,755,180 |
| Refunding bonds - E.R.I.P. | 148,091 | 1,202,273 | 1,350,364 |
| Total bonds payable | 2,821,203 | 44,884,301 | 47,705,504 |
| Loans payable: | | | |
| Sewer project loan #1 | 40,000 | 140,000 | 180,000 |
| Sewer project loan #2 | 40,668 | - | 40,668 |
| Total loans payable | 80,668 | 140,000 | 220,668 |
| Other Liabilities: | | | |
| Capital leases payable | 201,061 | 209,428 | 410,489 |
| Compensated absences payable | 160,251 | 1,228,378 | 1,388,629 |
| Total other liabilities | 361,312 | 1,437,806 | 1,799,118 |
| Total all governmental activities | \$ 3,263,183 | \$ 46,462,107 | \$ 49,725,290 |
| Business-Type Activities: | | | |
| Compensated absences payable | \$ - | \$ 18,340 | \$ 18,340 |
| Total all business-type activities | \$ - | \$ 18,340 | \$ 18,340 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

11. LONG-TERM LIABILITIES: (Continued)

Debt Obligations:

Debt service requirements on serial bonds payable at June 30, 2013 are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|--------------------------------|----------------------|----------------------|----------------------|
| 2014 | \$ 3,025,000 | \$ 2,066,376 | \$ 5,091,376 |
| 2015 | 3,170,000 | 1,949,098 | 5,119,098 |
| 2016 | 3,295,000 | 1,831,171 | 5,126,171 |
| 2017 | 3,440,000 | 1,694,213 | 5,134,213 |
| 2018 | 3,585,000 | 1,565,240 | 5,150,240 |
| 2019-2023 | 20,170,000 | 5,369,662 | 25,539,662 |
| 2024-2028 | 8,955,000 | 1,836,299 | 10,791,299 |
| 2029-2030 | 4,105,000 | 176,056 | 4,281,056 |
| | <u>\$ 49,745,000</u> | <u>\$ 16,488,115</u> | <u>\$ 66,233,115</u> |

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 |
|--------------------------------|-------------------|------------------|-------------------|
| 2014 | \$ 80,668 | \$ 8,400 | \$ 89,068 |
| 2015 | 45,000 | 6,169 | 51,169 |
| 2016 | 45,000 | 3,806 | 48,806 |
| 2017 | 50,000 | 1,312 | 51,312 |
| | <u>\$ 220,668</u> | <u>\$ 19,687</u> | <u>\$ 240,355</u> |

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 |
|--------------------------------|----------------------------------|
| 2014 | \$ 201,061 |
| 2015 | 116,956 |
| 2016 | 92,472 |
| | <u>\$ 410,489</u> |

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, 2013. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

11. LONG-TERM LIABILITIES: (Continued)

Compensated Absences Payable: (Continued)

The total liability for compensated absences amounted to \$1,406,969 at June 30, 2013. Of this amount, \$160,251 is due within one year and \$1,246,718 is due beyond one year.

12. PENSION PLANS:

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

Employees who are members of TPAF or PERS are entitled to a retirement benefit based upon a formula which takes the number of creditable service years divided by 55 for Tier 1, Tier 2, or Tier 3 members and 60 for Tier 4 members multiplied by the average annual compensation of the highest three fiscal years for Tier 1, Tier 2, or Tier 3 members and the highest five fiscal years for Tier 4 members. Vesting occurs after 10 years of service.

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 each of the above systems. 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.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined by the plan. Subsequent increases are being phased in over a 7-year period, effective July 1 of each year, to bring the total pension contribution rate to 7.5% of base salary by July 1, 2018. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

A Deferred Compensation Retirement Plan (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. Employees enrolled in DCRP contribute 5.5% of their annual compensation, which is matched by a 3% employer contribution.

The following is a summary of State on-behalf TPAF pension payments and District contributions to PERS and DCRP for the current and previous two years:

| Fiscal Year Ending June 30, | State On-Behalf Pension Payments (TPAF) | District Contributions (PERS) | District Contributions (DCRP) |
|--------------------------------|---|-------------------------------------|-------------------------------------|
| 2013 | \$2,043,427 | \$1,116,825 | \$32,394 |
| 2012 | 954,561 | 1,156,605 | 31,327 |
| 2011 | 92,326 | 1,145,302 | 12,976 |

On-behalf TPAF pension 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

13. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or qualify for a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012 there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126 of Public Laws 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

For the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$2,310,600, \$1,918,915 and \$1,961,010 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.

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 |
|--------------------------|-------------------------|
| 2013 | \$ 2,336,206 |
| 2012 | \$ 2,222,539 |
| 2011 | \$ 2,300,128 |

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.

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 American Express | Valic Lincoln Investment | AXA Equitable Financial |
|---|-----------------------------|-------------------------|

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 | Quarterly Billings | Reimbursed to State | Ending Balance |
|-------------|---------------------------|---------------------|--------------------|---------------------|----------------|
| 2012-2013 | \$130,663 | \$187,900 | \$55,470 | \$78,344 | \$156,158 |
| 2011-2012 | \$119,488 | \$178,953 | \$48,019 | \$291,407 | (\$28,591) |
| 2010-2011 | \$116,684 | \$188,000 | \$46,026 | \$247,678 | \$12,394 |

The 2013-2014 operating budget includes an appropriation in the amount of \$191,658 for contributions to the Unemployment Insurance Trust Fund.

17. CONSTRUCTION COMMITMENTS:

The District had no outstanding construction commitments at June 30, 2013.

18. 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.

19. 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.

Litigation:

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.

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$58,500,212 | \$ - | \$58,500,212 | \$58,500,212 | \$ - |
| Tuition charges | 37,308 | - | 37,308 | 47,494 | 10,186 |
| Interest on investments | 5,000 | - | 5,000 | 7,491 | 2,491 |
| Interest earned on capital reserve funds | 50 | - | 50 | 113 | 63 |
| Transportation fees | 34,000 | - | 34,000 | 57,357 | 23,357 |
| Miscellaneous | 177,500 | - | 177,500 | 195,309 | 17,809 |
| Total - Local Sources | 58,754,070 | - | 58,754,070 | 58,807,976 | 53,906 |
| State sources: | | | | | |
| Categorical special education aid | 2,962,415 | - | 2,962,415 | 2,962,415 | - |
| Equalization aid | 11,656,167 | - | 11,656,167 | 11,656,167 | - |
| Categorical security aid | 94,294 | - | 94,294 | 94,294 | - |
| Transportation aid | 379,847 | - | 379,847 | 379,847 | |
| Extraordinary aid | 237,299 | - | 237,299 | 2,087,095 | 1,849,796 |
| Nonpublic transportation aid | - | - | - | 31,887 | 31,887 |
| TPAF on-behalf pension contribution (Non-Budgeted) | - | - | - | 2,043,427 | 2,043,427 |
| TPAF on-behalf post-retirement medical contribution (Non-Budgeted) | - | - | - | 2,310,600 | 2,310,600 |
| TPAF social security contributions (Reimbursed - Non-Budgeted) | - | - | - | 2,336,206 | 2,336,206 |
| Total - State Sources | 15,330,022 | - | 15,330,022 | 23,901,938 | 8,571,916 |
| Federal sources: | | | | | |
| Education Jobs Fund | - | - | - | 1,410 | 1,410 |
| Medicaid Reimbursement | 43,911 | - | 43,911 | 75,336 | 31,425 |
| Total - Federal Sources | 43,911 | - | 43,911 | 76,746 | 32,835 |
| TOTAL REVENUES | 74,128,003 | - | 74,128,003 | 82,786,660 | 8,658,657 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT: | | | | | |
| Regular programs - distributed instruction: | | | | | |
| Salaries of teachers: | | | | | |
| Kindergarten | \$ 546,383 | \$ 700 | \$ 547,083 | \$ 546,045 | \$ 1,038 |
| Grades 1 - 5 | 7,568,606 | (130,485) | 7,438,121 | 7,310,928 | 127,193 |
| Grades 6 - 8 | 5,080,256 | (50,080) | 5,030,176 | 4,502,353 | 527,823 |
| Grades 9 - 12 | 6,975,469 | 9,060 | 6,984,529 | 6,984,452 | 77 |
| Regular programs - home instruction: | | | | | |
| Salaries of teachers | 9,400 | 22,375 | 31,775 | 30,240 | 1,535 |
| Purchased professional - educational services | 35,000 | 21,100 | 56,100 | 24,365 | 31,735 |
| Regular programs - undistributed instruction: | | | | | |
| Other salaries for instruction | 106,808 | 6,000 | 112,808 | 106,824 | 5,984 |
| Purchased professional - educational services | 21,000 | 11,420 | 32,420 | 32,383 | 37 |
| Other purchased services | 521,936 | 183,425 | 705,361 | 605,024 | 100,337 |
| General supplies | 1,297,119 | 727,716 | 2,024,835 | 1,741,358 | 283,477 |
| Textbooks | 156,177 | 406,700 | 562,877 | 134,350 | 428,527 |
| Other objects | 25,886 | (2,630) | 23,256 | 3,750 | 19,506 |
| Total Regular Programs - Instruction | 22,344,040 | 1,205,301 | 23,549,341 | 22,022,072 | 1,527,269 |
| Special education - instruction: | | | | | |
| Learning and/or language disabilities: | | | | | |
| Salaries of teachers | 887,181 | - | 887,181 | 742,578 | 144,603 |
| Other salaries for instruction | 186,684 | (6,000) | 180,684 | 159,594 | 21,090 |
| Total Learning and/or Language Disabilities | 1,073,865 | (6,000) | 1,067,865 | 902,172 | 165,693 |
| Behavioral disabilities: | | | | | |
| Salaries of teachers | 124,724 | - | 124,724 | 105,713 | 19,011 |
| Other salaries for instruction | 74,735 | (900) | 73,835 | 60,546 | 13,289 |
| Total Behavioral Disabilities | 199,459 | (900) | 198,559 | 166,259 | 32,300 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| Multiple disabilities: | | | | | |
| Salaries of teachers | \$ 302,175 | \$ - | \$ 302,175 | \$ 301,686 | \$ 489 |
| Other salaries for instruction | 41,911 | 900 | 42,811 | 42,763 | 48 |
| Other objects | 100 | - | 100 | - | 100 |
| Total Multiple Disabilities | 344,186 | 900 | 345,086 | 344,449 | 637 |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 3,153,601 | (5,000) | 3,148,601 | 3,116,025 | 32,576 |
| Other salaries for instruction | 465,328 | - | 465,328 | 457,835 | 7,493 |
| Total Resource Room/Resource Center | 3,618,929 | (5,000) | 3,613,929 | 3,573,860 | 40,069 |
| Autism: | | | | | |
| Salaries of teachers | 163,665 | (4,000) | 159,665 | 121,708 | 37,957 |
| Other salaries for instruction | 43,444 | (19,100) | 24,344 | 20,248 | 4,096 |
| Total Autism | 207,109 | (23,100) | 184,009 | 141,956 | 42,053 |
| Preschool disabilities - Part-Time: | | | | | |
| Salaries of teachers | 244,312 | (850) | 243,462 | 243,266 | 196 |
| Other salaries for instruction | 35,874 | 9,800 | 45,674 | 45,558 | 116 |
| General supplies | - | 4,000 | 4,000 | 3,814 | 186 |
| Total Preschool Disabilities - Part-Time | 280,186 | 12,950 | 293,136 | 292,638 | 498 |
| Preschool disabilities - Full-Time: | | | | | |
| Salaries of teachers | 54,715 | 850 | 55,565 | 55,548 | 17 |
| Other salaries for instruction | 20,630 | 9,300 | 29,930 | 29,869 | 61 |
| General supplies | - | 149 | 149 | 131 | 18 |
| Total Preschool Disabilities - Full-Time | 75,345 | 10,299 | 85,644 | 85,548 | 96 |
| Home instruction: | | | | | |
| Salaries of teachers | 16,800 | 19,500 | 36,300 | 35,002 | 1,298 |
| Purchased professional - educational services | 15,000 | 19,200 | 34,200 | 33,079 | 1,121 |
| Total Home Instruction | 31,800 | 38,700 | 70,500 | 68,081 | 2,419 |
| Total Special Education - Instruction | 5,830,879 | 27,849 | 5,858,728 | 5,574,963 | 283,765 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| Other instructional programs: | | | | | |
| Basic skills/remedial - instruction: | | | | | |
| Salaries of teachers | \$ 789,449 | \$ 17,650 | \$ 807,099 | \$ 807,086 | \$ 13 |
| General supplies | 3,500 | 50 | 3,550 | 1,847 | 1,703 |
| Total Basic Skills/Remedial - Instruction | 792,949 | 17,700 | 810,649 | 808,933 | 1,716 |
| Bilingual education - instruction: | | | | | |
| Salaries of teachers | 345,954 | (17,500) | 328,454 | 315,524 | 12,930 |
| Purchased services | - | 500 | 500 | 373 | 127 |
| General supplies | 3,500 | 26,687 | 30,187 | 28,011 | 2,176 |
| Total Bilingual Education - Instruction | 349,454 | 9,687 | 359,141 | 343,908 | 15,233 |
| Total Other Instructional Programs | 1,142,403 | 27,387 | 1,169,790 | 1,152,841 | 16,949 |
| School sponsored other instructional programs: | | | | | |
| School sponsored co-curricular activities - instruction: | | | | | |
| Salaries | 167,036 | 7,035 | 174,071 | 167,597 | 6,474 |
| Purchased services | 30,000 | 2,000 | 32,000 | 31,689 | 311 |
| Supplies and materials | 2,000 | 3,000 | 5,000 | 2,771 | 2,229 |
| Other objects | 22,360 | (5,000) | 17,360 | 13,233 | 4,127 |
| Transfers to cover deficit | - | 6,150 | 6,150 | 6,135 | 15 |
| Total School Sponsored Co-Curricular Activities | 221,396 | 13,185 | 234,581 | 221,425 | 13,156 |
| School sponsored athletics - instruction: | | | | | |
| Salaries | 420,169 | 3,125 | 423,294 | 423,287 | 7 |
| Purchased services | 106,260 | - | 106,260 | 101,814 | 4,446 |
| Supplies and materials | 79,000 | 14,515 | 93,515 | 49,472 | 44,043 |
| Other objects | 49,500 | (6,150) | 43,350 | 20,765 | 22,585 |
| Total School Sponsored Athletics - instruction | 654,929 | 11,490 | 666,419 | 595,338 | 71,081 |
| School sponsored before/after school program: | | | | | |
| Salaries | - | 45,000 | 45,000 | 30,132 | 14,868 |
| Supplies and materials | - | 1,750 | 1,750 | 1,747 | 3 |
| Other objects | - | 2,630 | 2,630 | 1,807 | 823 |
| Total School Sponsored Before/After School Program | - | 49,380 | 49,380 | 33,686 | 15,694 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| Total School Sponsored Other Instructional Programs | \$ 876,325 | \$ 74,055 | \$ 950,380 | \$ 850,449 | \$ 99,931 |
| Community services programs: | | | | | |
| Purchased services | - | 38,000 | 38,000 | 29,698 | 8,302 |
| Total Community Services Programs | - | 38,000 | 38,000 | 29,698 | 8,302 |
| TOTAL DISTRIBUTED EXPENDITURES | 30,193,647 | 1,372,592 | 31,566,239 | 29,630,023 | 1,936,216 |
| UNDISTRIBUTED EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEAs within the state - regular | - | 12,835 | 12,835 | 12,704 | 131 |
| Tuition to other LEAs within the state - special | 319,697 | (12,835) | 306,862 | 186,138 | 120,724 |
| Tuition to county vocational school districts - regular | 478,872 | 28,000 | 506,872 | 489,100 | 17,772 |
| Tuition to county vocational school districts - special | 10,030 | 15,250 | 25,280 | 25,070 | 210 |
| Tuition to CSSSD and regional day schools | 316,848 | 70,000 | 386,848 | 371,279 | 15,569 |
| Tuition to private schools for the handicapped - within state | 1,966,259 | (424,191) | 1,542,068 | 1,532,369 | 9,699 |
| Tuition - state facilities | 17,699 | - | 17,699 | 17,699 | - |
| Total Undistributed Expenditures - Instruction | 3,109,405 | (310,941) | 2,798,464 | 2,634,359 | 164,105 |
| Health services: | | | | | |
| Salaries | 616,060 | (5,500) | 610,560 | 586,881 | 23,679 |
| Purchased professional and technical services | 63,700 | 10,500 | 74,200 | 67,563 | 6,637 |
| Other purchased services | 3,585 | 275 | 3,860 | 3,817 | 43 |
| Supplies and materials | 28,944 | 5,225 | 34,169 | 31,154 | 3,015 |
| Total Health Services | 712,289 | 10,500 | 722,789 | 689,415 | 33,374 |
| Other support services - students - related services: | | | | | |
| Salaries | 1,093,672 | - | 1,093,672 | 1,078,131 | 15,541 |
| Purchased professional - educational services | 216,813 | 10,000 | 226,813 | 185,185 | 41,628 |
| Other objects | 229 | - | 229 | 225 | 4 |
| Total Other Support Services - Students - Related Services | 1,310,714 | 10,000 | 1,320,714 | 1,263,541 | 57,173 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|-----------------------------|
| Other support services - students - extraordinary services: | | | | | |
| Salaries | \$ 1,414,486 | \$ - | \$ 1,414,486 | \$ 1,296,389 | \$ 118,097 |
| Purchased professional - educational services | 626,824 | (224,524) | 402,300 | 143,041 | 259,259 |
| Total Other Support Services - Students - Extra. Serv. | 2,041,310 | (224,524) | 1,816,786 | 1,439,430 | 377,356 |
| Other support services - students - regular: | | | | | |
| Salaries of other professional staff | 1,221,580 | (1,000) | 1,220,580 | 1,057,323 | 163,257 |
| Salaries of secretarial and clerical assistants | 109,974 | - | 109,974 | 106,788 | 3,186 |
| Other purchased professional and technical services | 25,220 | - | 25,220 | 18,250 | 6,970 |
| Other purchased services | 30,378 | - | 30,378 | 29,717 | 661 |
| Supplies and materials | 14,666 | - | 14,666 | 8,262 | 6,404 |
| Other objects | 2,200 | - | 2,200 | 808 | 1,392 |
| Total Other Support Services - Students - Regular | 1,404,018 | (1,000) | 1,403,018 | 1,221,148 | 181,870 |
| Other support services - students - special: | | | | | |
| Salaries of other professional staff | 1,613,168 | - | 1,613,168 | 1,584,006 | 29,162 |
| Salaries of secretarial and clerical assistants | 230,643 | (2,000) | 228,643 | 217,997 | 10,646 |
| Purchased professional - educational services | 71,000 | (2,000) | 69,000 | 36,926 | 32,074 |
| Other purchased professional and technical services | 6,995 | - | 6,995 | 5,995 | 1,000 |
| Miscellaneous purchased services | 8,200 | - | 8,200 | 6,966 | 1,234 |
| Supplies and materials | 9,000 | 2,121 | 11,121 | 8,914 | 2,207 |
| Total Other Support Services - Students - Special | 1,939,006 | (1,879) | 1,937,127 | 1,860,804 | 76,323 |
| Improvement of instructional services: | | | | | |
| Salaries of supervisors of instruction | 538,909 | 1,689 | 540,598 | 540,544 | 54 |
| Salaries of other professional staff | 60,020 | (400) | 59,620 | 32,981 | 26,639 |
| Salaries of secretarial and clerical assistants | 175,216 | 2,400 | 177,616 | 177,294 | 322 |
| Other purchased services | 46,364 | (2,000) | 44,364 | 38,299 | 6,065 |
| Supplies and materials | 20,200 | 301 | 20,501 | 7,426 | 13,075 |
| Other objects | 12,000 | - | 12,000 | 4,066 | 7,934 |
| Total Improvement of Instruction Services | 852,709 | 1,990 | 854,699 | 800,610 | 54,089 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| Educational media services/school library: | | | | | |
| Salaries | \$ 440,309 | \$ - | \$ 440,309 | \$ 410,627 | \$ 29,682 |
| Other purchased services | 51,789 | - | 51,789 | 40,580 | 11,209 |
| Supplies and materials | 109,708 | 7,933 | 117,641 | 96,868 | 20,773 |
| Other objects | 350 | - | 350 | 270 | 80 |
| Total Educational Media Services/School Library | 602,156 | 7,933 | 610,089 | 548,345 | 61,744 |
| Instructional staff training services: | | | | | |
| Salaries of other professional staff | 8,000 | - | 8,000 | 3,034 | 4,966 |
| Purchased professional - educational services | 114,000 | (7,026) | 106,974 | 55,393 | 51,581 |
| Other purchased services | 21,000 | (224) | 20,776 | 17,214 | 3,562 |
| Supplies and materials | 10,000 | 7,850 | 17,850 | 11,466 | 6,384 |
| Other objects | 1,500 | (600) | 900 | 32 | 868 |
| Total Instructional Staff Training Services | 154,500 | - | 154,500 | 87,139 | 67,361 |
| Support services - general administration: | | | | | |
| Salaries | 481,999 | - | 481,999 | 452,213 | 29,786 |
| Legal services | 190,000 | 65,000 | 255,000 | 242,254 | 12,746 |
| Audit fees | 32,844 | - | 32,844 | 32,844 | - |
| Architectural/Engineering services | 1,500 | 3,000 | 4,500 | 4,116 | 384 |
| Other purchased professional services | 29,750 | 17,600 | 47,350 | 43,795 | 3,555 |
| Communications/telephone | 161,224 | 44,200 | 205,424 | 179,785 | 25,639 |
| BOE other purchased services | 4,500 | - | 4,500 | 1,607 | 2,893 |
| Other purchased services | 308,613 | 265 | 308,878 | 303,153 | 5,725 |
| General supplies | 10,000 | - | 10,000 | 5,969 | 4,031 |
| Miscellaneous expenditures | 15,450 | - | 15,450 | 12,445 | 3,005 |
| BOE membership dues and fees | 27,700 | - | 27,700 | 26,809 | 891 |
| Total Support Services - General Administration | 1,263,580 | 130,065 | 1,393,645 | 1,304,990 | 88,655 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|-----------------------------|
| Support services - school administration: | | | | | |
| Salaries of principals/assistant principals | \$ 1,384,968 | \$ 97,083 | \$ 1,482,051 | \$ 1,482,049 | \$ 2 |
| Salaries of other professional staff | 909,189 | (107,772) | 801,417 | 788,884 | 12,533 |
| Salaries of secretarial and clerical assistants | 712,694 | 1,400 | 714,094 | 711,301 | 2,793 |
| Other purchased services | 52,526 | 5,000 | 57,526 | 54,824 | 2,702 |
| Supplies and materials | 75,385 | 3,962 | 79,347 | 63,248 | 16,099 |
| Other objects | 30,780 | - | 30,780 | 26,330 | 4,450 |
| Total Support Services - School Administration | 3,165,542 | (327) | 3,165,215 | 3,126,636 | 38,579 |
| Central services: | | | | | |
| Salaries | 538,657 | (14,000) | 524,657 | 503,213 | 21,444 |
| Miscellaneous purchased services | 51,052 | 10,000 | 61,052 | 59,482 | 1,570 |
| Supplies and materials | 13,250 | 86 | 13,336 | 11,659 | 1,677 |
| Miscellaneous expenditures | 1,550 | - | 1,550 | 1,526 | 24 |
| Total Central Services | 604,509 | (3,914) | 600,595 | 575,880 | 24,715 |
| Administrative information technology: | | | | | |
| Salaries | 430,256 | 24,000 | 454,256 | 426,401 | 27,855 |
| Other purchased services | 244,475 | 55,092 | 299,567 | 265,118 | 34,449 |
| Supplies and materials | 9,500 | 5,000 | 14,500 | 9,488 | 5,012 |
| Other objects | 800 | - | 800 | 525 | 275 |
| Total Administrative Information Technology | 685,031 | 84,092 | 769,123 | 701,532 | 67,591 |
| Required maintenance for school facilities: | | | | | |
| Salaries | 185,215 | - | 185,215 | 180,245 | 4,970 |
| Cleaning, repair and maintenance services | 552,973 | (48,924) | 504,049 | 412,225 | 91,824 |
| General supplies | 192,900 | 37,941 | 230,841 | 229,630 | 1,211 |
| Other objects | 5,700 | - | 5,700 | 4,588 | 1,112 |
| Total Required Maintenance for School Facilities | 936,788 | (10,983) | 925,805 | 826,688 | 99,117 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|-----------------------------|
| Custodial services: | | | | | |
| Salaries | \$ 2,790,083 | \$ (14,600) | \$ 2,775,483 | \$ 2,732,843 | \$ 42,640 |
| Salaries of non-instructional aides | 274,093 | 67,900 | 341,993 | 340,900 | 1,093 |
| Purchased professional and technical services | 78,000 | 8,586 | 86,586 | 36,511 | 50,075 |
| Cleaning, repair and maintenance services | 92,446 | 136,037 | 228,483 | 187,360 | 41,123 |
| Other purchased property services | 194,946 | (95,900) | 99,046 | 97,298 | 1,748 |
| Insurance | 115,000 | 17,312 | 132,312 | 132,312 | - |
| Miscellaneous purchased services | 6,400 | - | 6,400 | 558 | 5,842 |
| General supplies | 371,300 | (13,768) | 357,532 | 332,353 | 25,179 |
| Energy (gasoline) | 64,575 | - | 64,575 | 10,805 | 53,770 |
| Energy (electricity) | 1,381,750 | (54,000) | 1,327,750 | 895,752 | 431,998 |
| Energy (natural gas) | 632,900 | (100,000) | 532,900 | 407,510 | 125,390 |
| Energy (oil) | 8,500 | - | 8,500 | 8,491 | 9 |
| Other objects | 5,450 | - | 5,450 | 3,432 | 2,018 |
| Total Custodial Services | 6,015,443 | (48,433) | 5,967,010 | 5,186,125 | 780,885 |
| Care and upkeep of grounds: | | | | | |
| Salaries | 237,777 | 6,800 | 244,577 | 241,241 | 3,336 |
| Purchased professional and technical services | - | 8,200 | 8,200 | 5,200 | 3,000 |
| Cleaning, repair and maintenance services | 132,000 | 2,280 | 134,280 | 97,105 | 37,175 |
| General supplies | 133,400 | - | 133,400 | 102,686 | 30,714 |
| Total Care and Upkeep of Grounds | 503,177 | 17,280 | 520,457 | 446,232 | 74,225 |
| Security: | | | | | |
| Salaries | 82,024 | - | 82,024 | 65,514 | 16,510 |
| Purchased professional and technical services | 22,000 | (100) | 21,900 | 14,556 | 7,344 |
| General supplies | 10,000 | 10,975 | 20,975 | 11,212 | 9,763 |
| Other objects | - | 100 | 100 | 50 | 50 |
| Total Security | 114,024 | 10,975 | 124,999 | 91,332 | 33,667 |
| Total Operation and Maintenance of Plant Services | 7,569,432 | (31,161) | 7,538,271 | 6,550,377 | 987,894 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Student transportation services: | | | | | |
| Salaries for pupil trans. (between home & school) - regular | \$ 1,471,983 | \$ 83,100 | \$ 1,555,083 | \$ 1,550,218 | \$ 4,865 |
| Salaries for pupil trans. (between home & school) - special ed. | 292,316 | (34,300) | 258,016 | 255,768 | 2,248 |
| Salaries for pupil trans. (other than between home & school) | 161,300 | - | 161,300 | 157,926 | 3,374 |
| Salaries for pupil trans. (between home & school) - nonpublic | 48,288 | 5,000 | 53,288 | 52,137 | 1,151 |
| Salaries of non-instructional aides | 143,830 | - | 143,830 | 134,996 | 8,834 |
| Management fees - ESC & CTSA transportation programs | 31,293 | - | 31,293 | 30,265 | 1,028 |
| Cleaning, repair and maintenance services | 73,000 | - | 73,000 | 19,349 | 53,651 |
| Lease purchase payments - school buses | 331,588 | (204,800) | 126,788 | 90,793 | 35,995 |
| Contracted services - aid in lieu payments - nonpublic schools | 63,648 | 4,475 | 68,123 | 68,112 | 11 |
| Contracted services - aid in lieu payments - charter schools | 10,608 | (450) | 10,158 | 9,331 | 827 |
| Contracted services - aid in lieu payments - choice schools | 5,304 | (1,080) | 4,224 | 2,652 | 1,572 |
| Contracted services (other than bet. home & school) - vendors | 1,000 | 23,450 | 24,450 | 24,401 | 49 |
| Contracted services (between home & school) - joint agreements | 5,960 | - | 5,960 | 3,883 | 2,077 |
| Contracted services (special ed. students) - vendors | 24,000 | 1,080 | 25,080 | 22,800 | 2,280 |
| Contracted services (regular students) - ESCs & CTSA's | 90,087 | 30,600 | 120,687 | 119,796 | 891 |
| Contracted services (special ed. students) - ESCs & CTSA's | 702,101 | (61,550) | 640,551 | 636,351 | 4,200 |
| Miscellaneous purchased services | 101,322 | 7,144 | 108,466 | 104,662 | 3,804 |
| General supplies | 448,132 | (89,625) | 358,507 | 347,904 | 10,603 |
| Transportation supplies | 330,450 | (19,400) | 311,050 | 310,974 | 76 |
| Miscellaneous expenditures | 1,500 | - | 1,500 | 1,224 | 276 |
| Total Student Transportation Services | 4,337,710 | (256,356) | 4,081,354 | 3,943,542 | 137,812 |
| Unallocated employee benefits: | | | | | |
| Social security contributions | 1,186,232 | - | 1,186,232 | 1,057,464 | 128,768 |
| Other retirement contributions - PERS | 1,219,645 | (100,000) | 1,119,645 | 1,115,495 | 4,150 |
| Other retirement contributions - regular | 70,000 | - | 70,000 | 32,394 | 37,606 |
| Unemployment compensation | 187,900 | - | 187,900 | 187,875 | 25 |
| Workers compensation | 672,702 | (48,821) | 623,881 | 611,277 | 12,604 |
| Health benefits | 11,942,606 | (916,250) | 11,026,356 | 10,842,808 | 183,548 |
| Tuition reimbursement | 275,000 | - | 275,000 | 154,467 | 120,533 |
| Other employee benefits | 320,925 | 96,085 | 417,010 | 416,402 | 608 |
| Total Unallocated Benefits - Employee Benefits | 15,875,010 | (968,986) | 14,906,024 | 14,418,182 | 487,842 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|-----------------------------|
| On-behalf payments: | | | | | |
| TPAF on-behalf pension contribution (Non-Budgeted) | \$ - | \$ - | \$ - | \$ 2,043,427 | \$ (2,043,427) |
| TPAF on-behalf post-retirement medical contribution (Non-Budgeted) | - | - | - | 2,310,600 | (2,310,600) |
| TPAF social security contributions (Reimbursed - Non-Budgeted) | - | - | - | 2,336,206 | (2,336,206) |
| Total On-behalf Payments | - | - | - | 6,690,233 | (6,690,233) |
| TOTAL UNDISTRIBUTED EXPENDITURES | 45,626,921 | (1,554,508) | 44,072,413 | 47,856,163 | (3,783,750) |
| TOTAL EXPENDITURES - CURRENT | 75,820,568 | (181,916) | 75,638,652 | 77,486,186 | (1,847,534) |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Regular programs - instruction:: | | | | | |
| Grades 1 - 5 | 8,000 | 88,781 | 96,781 | 2,090 | 94,691 |
| Grades 6 - 8 | - | 129,108 | 129,108 | 72,074 | 57,034 |
| Grades 9 - 12 | 54,298 | 219,070 | 273,368 | 152,183 | 121,185 |
| School sponsored athletics | 9,000 | 31,600 | 40,600 | 32,564 | 8,036 |
| Undistributed expenditures: | | | | | |
| Support services - instructional staff | 21,523 | 35,375 | 56,898 | 39,438 | 17,460 |
| School administration | - | 2,200 | 2,200 | - | 2,200 |
| Information technology services | 559,000 | (541,720) | 17,280 | 17,280 | - |
| Required maintenance for school facilities | 18,000 | 179,541 | 197,541 | 47,609 | 149,932 |
| Custodial services | 16,500 | 280,395 | 296,895 | 247,463 | 49,432 |
| Care and upkeep of grounds | 14,408 | 460 | 14,868 | 14,866 | 2 |
| Security services | - | 48,480 | 48,480 | - | 48,480 |
| Student transportation services - non-instructional equipment | 30,000 | 30,200 | 60,200 | 60,119 | 81 |
| School buses - regular | - | 336,457 | 336,457 | 336,455 | 2 |
| School buses - special | 180,557 | 6,662 | 187,219 | 187,219 | - |
| Total Equipment | 911,286 | 846,609 | 1,757,895 | 1,209,360 | 548,535 |

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, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|---------------|-----------------------------|
| Facilities acquisition and construction services: | | | | | |
| Architectural and engineering services | \$ 55,918 | \$ 186,237 | \$ 242,155 | \$ 88,996 | \$ 153,159 |
| Construction services | 368,555 | 2,465,677 | 2,834,232 | 1,658,838 | 1,175,394 |
| Assessment for debt service on SDA funding | 128,240 | - | 128,240 | 128,240 | - |
| Total Facilities Acquisition and Construction Services: | 552,713 | 2,651,914 | 3,204,627 | 1,876,074 | 1,328,553 |
| TOTAL CAPITAL OUTLAY | 1,463,999 | 3,498,523 | 4,962,522 | 3,085,434 | 1,877,088 |
| CHARTER SCHOOL: | | | | | |
| Allocation of funds to charter school | 130,229 | 15,665 | 145,894 | 134,935 | 10,959 |
| Total Charter School | 130,229 | 15,665 | 145,894 | 134,935 | 10,959 |
| TOTAL EXPENDITURES | 77,414,796 | 3,332,272 | 80,747,068 | 80,706,555 | 40,513 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,286,793) | (3,332,272) | (6,619,065) | 2,080,105 | (8,699,170) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In: | | | | | |
| Transfer from Capital Projects Fund | - | - | - | 26,108 | (26,108) |
| Transfers Out: | | | | | |
| Interest Deposit to Capital Reserve | (50) | - | (50) | - | (50) |
| Transfer to Capital Projects Fund | - | (21,070) | (21,070) | (21,068) | (2) |
| TOTAL OTHER FINANCING SOURCES (USES) | (50) | (21,070) | (21,120) | 5,040 | (26,160) |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES | \$ (3,286,843) | \$ (3,353,342) | \$ (6,640,185) | \$ 2,085,145 | \$ (8,725,330) |
| FUND BALANCE, July 1 | 10,344,469 | - | 10,344,469 | 10,344,469 | - |
| FUND BALANCE, June 30 | \$ 7,057,626 | \$ (3,353,342) | \$ 3,704,284 | \$ 12,429,614 | \$ (8,725,330) |

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, 2013

| | 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 | - | (1,335,397) | (1,335,397) | - | (1,335,397) |
| Budgeted fund balance | (3,286,843) | (2,017,945) | (5,304,788) | 84,982 | (5,389,770) |
| Budgeted increase in capital reserve: | | | | | |
| Principal | - | - | - | 2,000,050 | (2,000,050) |
| Interest | - | - | - | 113 | (113) |
| | <u>\$ (3,286,843)</u> | <u>\$ (3,353,342)</u> | <u>\$ (6,640,185)</u> | <u>\$ 2,085,145</u> | <u>\$ (8,725,330)</u> |
| Recapitulation of Balances: | | | | | |
| Restricted Fund Balance: | | | | | |
| Capital reserve | | | | \$ 2,016,914 | |
| Excess surplus - current year | | | | 1,218,193 | |
| Committed Fund Balance: | | | | | |
| Year-end encumbrances | | | | 1,105,729 | |
| Assigned Fund Balance: | | | | | |
| Year-end encumbrances | | | | 1,439,504 | |
| Designated for subsequent year's expenditures | | | | 3,286,843 | |
| Unassigned Fund Balance | | | | <u>3,362,431</u> | |
| | | | | 12,429,614 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last state aid payment not recognized on GAAP basis | | | | <u>(1,473,180)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$10,956,434</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
EDUCATION JOBS FUND PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

C-1b

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ - | \$ 1,410 | \$ 1,410 | \$ 1,410 | \$ - |
| Total Revenues | <u>\$ -</u> | <u>\$ 1,410</u> | <u>\$ 1,410</u> | <u>\$ 1,410</u> | <u>\$ -</u> |
| EXPENDITURES: | | | | | |
| Administrative information technology: | | | | | |
| Salaries | \$ - | \$ 1,410 | \$ 1,410 | \$ 1,410 | \$ - |
| Total Administrative Information Technology | <u>-</u> | <u>1,410</u> | <u>1,410</u> | <u>1,410</u> | <u>-</u> |
| Total Expenditures | <u>\$ -</u> | <u>\$ 1,410</u> | <u>\$ 1,410</u> | <u>\$ 1,410</u> | <u>\$ -</u> |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

C-2

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 1,157,100 | \$ 212,799 | \$ 1,369,899 | \$ 1,351,338 | \$ 18,561 |
| State sources | - | 6,000 | 6,000 | 5,747 | 253 |
| Total Revenues | <u>\$ 1,157,100</u> | <u>\$ 218,799</u> | <u>\$ 1,375,899</u> | <u>\$ 1,357,085</u> | <u>\$ 18,814</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Personal services - salaries | \$ 436,995 | \$ 86,648 | \$ 523,643 | \$ 523,643 | \$ - |
| Other purchased services | 144,502 | (66,985) | 77,517 | 77,517 | - |
| General supplies | 103,700 | 177,629 | 281,329 | 276,632 | 4,697 |
| Other objects | 200 | (200) | - | - | - |
| Total Instruction | <u>685,397</u> | <u>197,092</u> | <u>882,489</u> | <u>877,792</u> | <u>4,697</u> |
| Support Services: | | | | | |
| Personal services - salaries | 118,440 | (33,214) | 85,226 | 85,226 | - |
| Personal services - employee benefits | 75,585 | (36,231) | 39,354 | 39,354 | - |
| Purchased professional educational and technical services | 225,678 | 60,125 | 285,803 | 281,039 | 4,764 |
| Other purchased services | 5,000 | 24,741 | 29,741 | 20,388 | 9,353 |
| Supplies and materials | 43,000 | (1,789) | 41,211 | 41,211 | - |
| Total Support Services | <u>467,703</u> | <u>13,632</u> | <u>481,335</u> | <u>467,218</u> | <u>14,117</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional equipment | <u>4,000</u> | <u>8,075</u> | <u>12,075</u> | <u>12,075</u> | <u>-</u> |
| Total Facilities Acquisition and Construction Services | <u>4,000</u> | <u>8,075</u> | <u>12,075</u> | <u>12,075</u> | <u>-</u> |
| Total Expenditures | <u>\$ 1,157,100</u> | <u>\$ 218,799</u> | <u>\$ 1,375,899</u> | <u>\$ 1,357,085</u> | <u>\$ 18,814</u> |

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

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 | \$82,786,660 | \$ 1,357,085 |
| 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, 2012 | - | 50,359 |
| Outstanding encumbrances at June 30, 2013 | - | (180,215) |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements | | |
| State aid receivable at June 30, 2012 | 1,394,065 | - |
| State aid receivable at June 30, 2013 | (1,473,180) | - |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | <u>\$82,707,545</u> | <u>\$ 1,227,229</u> |
| Uses/outflows of resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$80,706,555 | \$ 1,357,085 |
| 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, 2012 | - | 50,359 |
| Outstanding encumbrances at June 30, 2013 | - | (180,215) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | <u>\$80,706,555</u> | <u>\$ 1,227,229</u> |

OTHER SUPPLEMENTARY INFORMATION

| |
|--|
| <p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p> |
|--|

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, 2013

| | Title I Part A | Title II Part A | Title III | IDEA Part B Basic | IDEA Part B Preschool |
|---|-------------------|--------------------|------------------|----------------------|--------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 229,937 | \$ 46,204 | \$ 12,452 | \$ 974,667 | \$ 42,243 |
| State sources | - | - | - | - | - |
| Total Revenues | <u>\$ 229,937</u> | <u>\$ 46,204</u> | <u>\$ 12,452</u> | <u>\$ 974,667</u> | <u>\$ 42,243</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Personal services - salaries | \$ 42,241 | \$ - | \$ - | \$ 459,056 | \$ 21,746 |
| Other purchased services | - | - | - | 77,517 | - |
| General supplies | 179,236 | - | 12,452 | 61,807 | 9,018 |
| Total Instruction | <u>221,477</u> | <u>-</u> | <u>12,452</u> | <u>598,380</u> | <u>30,764</u> |
| Support Services: | | | | | |
| Personal services - salaries | - | - | - | 69,202 | - |
| Personal services - employee benefits | 8,460 | - | - | 30,484 | - |
| Purchased professional educational and technical services | - | 46,204 | - | 223,356 | 11,479 |
| Other purchased services | - | - | - | 14,228 | - |
| Supplies and materials | - | - | - | 31,512 | - |
| Total Support Services | <u>8,460</u> | <u>46,204</u> | <u>-</u> | <u>368,782</u> | <u>11,479</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional equipment | - | - | - | 7,505 | - |
| Total Facilities Acquisition and Construction Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,505</u> | <u>-</u> |
| Total Expenditures | <u>\$ 229,937</u> | <u>\$ 46,204</u> | <u>\$ 12,452</u> | <u>\$ 974,667</u> | <u>\$ 42,243</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, 2013

| | Carl D. Perkins Career & Technical Education Grant | Federal Emergency Management Grant | CTEP Marketing Model Pilot Program | Total |
|---|--|---|--|---------------------|
| REVENUES: | | | | |
| Federal sources | \$ 24,582 | \$ 21,253 | \$ - | \$ 1,351,338 |
| State sources | - | - | 5,747 | 5,747 |
| Total Revenues | <u>\$ 24,582</u> | <u>\$ 21,253</u> | <u>\$ 5,747</u> | <u>\$ 1,357,085</u> |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Personal services - salaries | \$ - | \$ - | \$ 600 | \$ 523,643 |
| Other purchased services | - | - | - | 77,517 |
| General supplies | 13,561 | - | 558 | 276,632 |
| Total Instruction | <u>13,561</u> | <u>-</u> | <u>1,158</u> | <u>877,792</u> |
| Support Services: | | | | |
| Personal services - salaries | 5,362 | 8,982 | 1,680 | 85,226 |
| Personal services - employee benefits | 410 | - | - | 39,354 |
| Purchased professional educational and technical services | - | - | - | 281,039 |
| Other purchased services | 2,964 | 2,572 | 624 | 20,388 |
| Supplies and materials | - | 9,699 | - | 41,211 |
| Total Support Services | <u>8,736</u> | <u>21,253</u> | <u>2,304</u> | <u>467,218</u> |
| Facilities Acquisition and Construction Services: | | | | |
| Instructional equipment | 2,285 | - | 2,285 | 12,075 |
| Total Facilities Acquisition and Construction Services | <u>2,285</u> | <u>-</u> | <u>2,285</u> | <u>12,075</u> |
| Total Expenditures | <u>\$ 24,582</u> | <u>\$ 21,253</u> | <u>\$ 5,747</u> | <u>\$ 1,357,085</u> |

| |
|---|
| <p>CAPITAL PROJECTS FUND DETAIL STATEMENTS</p> |
|---|

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, 2013

| Year | Project Title | Appropriation | GAAP Expenditures to Date | | Unexpended Balance |
|------|---|---------------------|---------------------------|-------------------|-----------------------|
| | | | Prior Years | Current Year | |
| 2011 | Mt. Olive High School Reroofing and Reflashing Project | \$ 681,360 | \$ 681,360 | \$ - | \$ - |
| 2012 | Mt. Olive High School Boiler Replacement Project | 604,510 | 11,400 | 593,110 | - |
| | | <u>\$ 1,285,870</u> | <u>\$ 692,760</u> | <u>\$ 593,110</u> | <u>\$ -</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | <u>2013</u> |
|---|--------------------|
| REVENUES AND OTHER FINANCING SOURCES: | |
| Transfer from capital outlay | <u>\$ 21,068</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>21,068</u> |
| EXPENDITURES AND OTHER FINANCING USES: | |
| Purchased professional and technical services | 41,440 |
| Construction services | 551,670 |
| Transfer to General Fund | <u>26,108</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>619,218</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (598,150) |
| FUND BALANCE, July 1 | <u>917,440</u> |
| | 319,290 |
| LESS: CANCELLATION OF UNEXPENDED PROJECT BALANCES | <u>(319,290)</u> |
| FUND BALANCE, June 30 | <u><u>\$ -</u></u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MT. OLIVE HIGH SCHOOL REROOFING AND REFLASHING PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

| | Prior Periods | Current Year | Cancellation of Unexpended Project Balance | Totals | Revised Authorized Cost |
|---|------------------|--------------------|--|----------------|-------------------------------|
| REVENUES AND OTHER FINANCING SOURCES: | | | | | |
| State Sources - SDA Grant | \$ 284,580 | \$ - | \$ (3,982) | \$ 280,598 | \$ 280,598 |
| Transfer from capital outlay | 426,870 | - | - | 426,870 | 400,762 |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | 711,450 | - | (3,982) | 707,468 | 681,360 |
| EXPENDITURES AND OTHER FINANCING USES: | | | | | |
| Purchased professional and technical services | 48,235 | - | - | 48,235 | 48,235 |
| Construction services | 633,125 | - | - | 633,125 | 633,125 |
| Transfer to General Fund | - | 26,108 | - | 26,108 | - |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | 681,360 | 26,108 | - | 707,468 | 681,360 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | \$ 30,090 | \$ (26,108) | \$ (3,982) | \$ - | \$ - |

ADDITIONAL PROJECT INFORMATION:

| | |
|---|------------------|
| Project number | 3450-010-10-1001 |
| Grant date | 9/23/2010 |
| Bond authorization date | not applicable |
| Bonds authorized | not applicable |
| Bonds issued | not applicable |
| Original authorized cost | \$ 711,450 |
| Additional authorized cost | (30,090) |
| Revised authorized cost | \$ 681,360 |
| Percentage increase over original authorized cost | 0.00% |
| Percentage completion | 100.00% |
| Original target completion date | Aug-11 |
| Revised target completion date | Jun-12 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MT. OLIVE HIGH SCHOOL BOILER REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

| | Prior Periods | Current Year | Cancellation of Unexpended Project Balance | Totals | Revised Authorized Cost |
|--|------------------|-----------------|--|------------|-------------------------------|
| REVENUES AND OTHER FINANCING SOURCES: | | | | | |
| State Sources - SDA Grant | \$ 368,381 | \$ - | \$ (120,603) | \$ 247,778 | \$ 247,778 |
| Transfer from capital outlay | 530,369 | 21,068 | (194,705) | 356,732 | 356,732 |
| | | - | | | |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | 898,750 | 21,068 | (315,308) | 604,510 | 604,510 |
| EXPENDITURES: | | | | | |
| Purchased professional and technical services | - | 41,440 | - | 41,440 | 41,440 |
| Construction services | 11,400 | 551,670 | - | 563,070 | 563,070 |
| | | | | | |
| TOTAL EXPENDITURES | 11,400 | 593,110 | - | 604,510 | 604,510 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES | \$ 887,350 | \$ (572,042) | \$ (315,308) | \$ - | \$ - |

ADDITIONAL PROJECT INFORMATION:

| | |
|---|------------------|
| Project number | 3450-010-09-1002 |
| Grant date | 9/9/2011 |
| Bond authorization date | not applicable |
| Bonds authorized | not applicable |
| Bonds issued | not applicable |
| Original authorized cost | \$ 898,750 |
| Additional authorized cost | (294,240) |
| Revised authorized cost | \$ 604,510 |
| Percentage increase over original authorized cost | 0.00% |
| Percentage completion | 100.00% |
| Original target completion date | Aug-12 |
| Revised target completion date | Dec-12 |

| |
|---|
| 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 provides for the operation of food services in all schools within the District.

Special Schools Fund – This fund provides for the operation of the District's summer school program.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

| | <u>Food Services</u> | <u>Summer School</u> | <u>Totals</u> |
|---|--------------------------|--------------------------|-------------------|
| ASSETS: | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 76,545 | \$ 53,874 | \$ 130,419 |
| Accounts receivable: | | | |
| State | 1,340 | - | 1,340 |
| Federal | 21,413 | - | 21,413 |
| Other | 1,570 | - | 1,570 |
| Inventories | 10,988 | - | 10,988 |
| Total Current Assets | <u>111,856</u> | <u>53,874</u> | <u>165,730</u> |
| NONCURRENT ASSETS: | | | |
| Equipment | 411,162 | - | 411,162 |
| Less: accumulated depreciation | <u>370,339</u> | <u>-</u> | <u>370,339</u> |
| Total Noncurrent Assets | <u>40,823</u> | <u>-</u> | <u>40,823</u> |
| TOTAL ASSETS | <u>152,679</u> | <u>53,874</u> | <u>206,553</u> |
| LIABILITIES: | | | |
| Accounts payable | 17,882 | - | 17,882 |
| Deferred revenue | - | 21,026 | 21,026 |
| Interfund payable | 8,453 | - | 8,453 |
| Compensated absences payable | 18,340 | - | 18,340 |
| TOTAL LIABILITIES | <u>44,675</u> | <u>21,026</u> | <u>65,701</u> |
| NET POSITION: | | | |
| Invested in capital assets, net of related debt | 40,823 | - | 40,823 |
| Unrestricted | <u>67,181</u> | <u>32,848</u> | <u>100,029</u> |
| TOTAL NET POSITION | <u>\$ 108,004</u> | <u>\$ 32,848</u> | <u>\$ 140,852</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, 2013

| | Food Services | Summer School | Totals |
|---|-------------------|------------------|-------------------|
| OPERATING REVENUES: | | | |
| Charges for services: | | | |
| Daily sales - reimbursable programs | \$ 768,638 | \$ - | \$ 768,638 |
| Daily sales - non-reimbursable programs | 6,281 | - | 6,281 |
| Tuition | - | 42,904 | 42,904 |
| | <u>774,919</u> | <u>42,904</u> | <u>817,823</u> |
| Total Operating Revenues | | | |
| OPERATING EXPENSES: | | | |
| Salaries | 521,751 | 26,604 | 548,355 |
| Employee benefits | 212,458 | 2,035 | 214,493 |
| Supplies and materials | 9,166 | 499 | 9,665 |
| Depreciation | 11,769 | - | 11,769 |
| Cost of sales | 457,648 | - | 457,648 |
| Purchased services | - | 13,660 | 13,660 |
| Other objects | 8,522 | 24 | 8,546 |
| | <u>1,221,314</u> | <u>42,822</u> | <u>1,264,136</u> |
| Total Operating Expenses | | | |
| OPERATING INCOME (LOSS) | <u>(446,395)</u> | <u>82</u> | <u>(446,313)</u> |
| NON-OPERATING REVENUES: | | | |
| State sources: | | | |
| State school lunch program | 9,900 | - | 9,900 |
| Federal sources: | | | |
| School breakfast program | 6,365 | - | 6,365 |
| National school lunch program | 245,778 | - | 245,778 |
| After school snack program | 1,022 | - | 1,022 |
| Special milk program | 2,562 | - | 2,562 |
| Food donation program | 74,870 | - | 74,870 |
| Interest and other income | 700 | 1,345 | 2,045 |
| | <u>341,197</u> | <u>1,345</u> | <u>342,542</u> |
| Total Non-Operating Revenues | | | |
| Change in net position | (105,198) | 1,427 | (103,771) |
| Total net position - beginning | <u>213,202</u> | <u>31,421</u> | <u>244,623</u> |
| Total net position - ending | <u>\$ 108,004</u> | <u>\$ 32,848</u> | <u>\$ 140,852</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Food Services | Summer School | Total |
|---|---------------------|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 781,343 | \$ 37,840 | \$ 819,183 |
| Payments for employees and employee benefits | (811,123) | (34,039) | (845,162) |
| Payments to suppliers for goods and services | (393,593) | (14,183) | (407,776) |
| Net cash used in operating activities | <u>(423,373)</u> | <u>(10,382)</u> | <u>(433,755)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| State school lunch program | 9,210 | - | 9,210 |
| National school lunch program | 249,917 | - | 249,917 |
| Other income | 700 | - | 700 |
| Net cash provided by (used in) non-capital financing activities | <u>259,827</u> | <u>-</u> | <u>259,827</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends | - | 1,345 | 1,345 |
| Net increase (decrease) in cash and cash equivalents | (163,546) | (9,037) | (172,583) |
| Cash and cash equivalents - beginning of year | 240,091 | 62,911 | 303,002 |
| Cash and cash equivalents - end of year | <u>\$ 76,545</u> | <u>\$ 53,874</u> | <u>\$ 130,419</u> |
| Reconciliation of operating loss to net cash used in operating activities: | | | |
| Operating income (loss) | \$ (446,395) | \$ 82 | \$ (446,313) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | | |
| Depreciation | 11,769 | - | 11,769 |
| Food donation program | 74,870 | - | 74,870 |
| Increase in accounts receivable, net | 6,424 | - | 6,424 |
| Decrease in inventories | 4,715 | - | 4,715 |
| Increase in accounts payable | 2,263 | - | 2,263 |
| Decrease in deferred revenue | - | (5,064) | (5,064) |
| Decrease in compensated absences payable | (799) | - | (799) |
| Decrease in due to/from other funds | (76,220) | (5,400) | (81,620) |
| Total adjustments | <u>23,022</u> | <u>(10,464)</u> | <u>12,558</u> |
| Net cash used in operating activities | <u>\$ (423,373)</u> | <u>\$ (10,382)</u> | <u>\$ (433,755)</u> |

| |
|---|
| <p>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, 2013

| | 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 | \$ 397,713 | \$ 129,439 | \$ 527,152 | \$ 182,641 | \$ 15,544 | \$ 198,185 |
| Accounts receivable | 7,649 | - | 7,649 | - | - | - |
| TOTAL ASSETS | 405,362 | 129,439 | 534,801 | 182,641 | 15,544 | 198,185 |
| LIABILITIES: | | | | | | |
| Accounts payable | 28,291 | - | 28,291 | 26,483 | - | 26,483 |
| Payroll deductions and withholdings | - | 129,439 | 129,439 | - | - | - |
| Interfund payable | 4,332 | - | 4,332 | - | - | - |
| Due to student groups | 372,739 | - | 372,739 | - | - | - |
| TOTAL LIABILITIES | 405,362 | 129,439 | 534,801 | 26,483 | - | 26,483 |
| NET POSITION: | | | | | | |
| Held in trust for unemployment claims | | | | 156,158 | - | 156,158 |
| Held in trust for medical and dependent care claims | - | - | - | - | 15,544 | 15,544 |
| TOTAL NET POSITION | \$ - | \$ - | \$ - | \$ 156,158 | \$ 15,544 | \$ 171,702 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Unemployment Compensation Insurance Trust | Flexible Spending Account Trust | Total Trust Funds |
|---|---|---------------------------------------|-------------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan members | \$ 130,663 | \$ 91,720 | \$ 222,383 |
| Board contributions | 187,900 | - | 187,900 |
| Total contributions | <u>318,563</u> | <u>91,720</u> | <u>410,283</u> |
| Investment earnings: | | | |
| Interest | - | 35 | 35 |
| Total investment earnings | <u>-</u> | <u>35</u> | <u>35</u> |
| Total additions | <u>318,563</u> | <u>91,755</u> | <u>410,318</u> |
| DEDUCTIONS: | | | |
| Quarterly contribution reports | 55,470 | - | 55,470 |
| Unemployment claims | 78,344 | - | 78,344 |
| Qualified medical and dependent care claims | - | 76,211 | 76,211 |
| Total deductions | <u>133,814</u> | <u>76,211</u> | <u>210,025</u> |
| Change in net position | 184,749 | 15,544 | 200,293 |
| Net position-beginning of the year | <u>(28,591)</u> | <u>-</u> | <u>(28,591)</u> |
| Net position-end of the year | <u>\$ 156,158</u> | <u>\$ 15,544</u> | <u>\$ 171,702</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Balance July 1, 2012 | Cash Receipts | Cash Disbursements | Accounts Payable/ (Receivable) | Balance June 30, 2013 |
|---------------------------|-------------------------|------------------|-----------------------|--------------------------------------|--------------------------|
| ELEMENTARY SCHOOLS: | | | | | |
| Sandshore School | \$ 10,077 | \$ 28,427 | \$ 34,123 | \$ (2,323) | \$ 6,704 |
| Mountain View School | 9,906 | 18,189 | 16,928 | 366 | 10,801 |
| Tinc Road School | 17,466 | 25,012 | 40,464 | (3,347) | 5,361 |
| CMS Elementary School | 11,210 | 43,841 | 42,225 | (4,340) | 17,166 |
| TOTAL ELEMENTARY SCHOOLS | 48,659 | 115,469 | 133,740 | (9,644) | 40,032 |
| MIDDLE SCHOOL: | | | | | |
| Mount Olive Middle School | 93,092 | 190,884 | 178,229 | (3,038) | 108,785 |
| TOTAL MIDDLE SCHOOL | 93,092 | 190,884 | 178,229 | (3,038) | 108,785 |
| HIGH SCHOOL: | | | | | |
| Mount Olive High School | 153,108 | 307,040 | 312,461 | (11,779) | 159,466 |
| Athletic Account | 48,885 | 121,437 | 105,866 | - | 64,456 |
| TOTAL HIGH SCHOOL | 201,993 | 428,477 | 418,327 | (11,779) | 223,922 |
| TOTAL ALL SCHOOLS | \$ 343,744 | \$ 734,830 | \$ 730,296 | \$ (24,461) | \$ 372,739 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | <u>Balance</u> <u>July 1, 2012</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2013</u> |
|-------------------------------------|---------------------------------------|--------------------------------|-------------------------------------|--|
| Payroll deductions and withholdings | <u>\$ 10,610</u> | <u>\$ 60,988,511</u> | <u>\$ 60,869,682</u> | <u>\$ 129,439</u> |
| Total | <u><u>\$ 10,610</u></u> | <u><u>\$ 60,988,511</u></u> | <u><u>\$ 60,869,682</u></u> | <u><u>\$ 129,439</u></u> |

| |
|---------------------------------|
| LONG-TERM DEBT SCHEDULES |
|---------------------------------|

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES | | INTEREST RATE | BALANCE JULY 1, 2012 | RETIRED | BALANCE JUNE 30, 2013 |
|--|------------------|--------------------|-------------------|--------------|------------------|-------------------------|--------------|--------------------------|
| | | | DATE | AMOUNT | | | | |
| Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds | 11/01/04 | \$ 30,500,000 | 1/15/2014 | \$ 1,750,000 | 4.00% | \$ 23,500,000 | \$ 1,675,000 | \$ 21,825,000 |
| | | | 1/15/2015 | 1,830,000 | 4.00% | | | |
| | | | 1/15/2016 | 1,910,000 | 5.00% | | | |
| | | | 1/15/2017 | 2,010,000 | 4.25% | | | |
| | | | 1/15/2018 | 2,110,000 | 4.50% | | | |
| | | | 1/15/2019 | 2,210,000 | 4.50% | | | |
| | | | 1/15/2020 | 2,315,000 | 4.75% | | | |
| | | | 1/15/2021 | 2,435,000 | 4.75% | | | |
| | | | 1/15/2022 | 2,560,000 | 5.00% | | | |
| | | | 1/15/2023 | 2,695,000 | 5.00% | | | |
| Early Retirement Incentive Program - Refunding Bonds | 02/01/03 | 2,395,000 | | | | 130,000 | 130,000 | - |
| Early Retirement Incentive Program - Refunding Bonds | 12/20/11 | 1,535,000 | 2/1/2014 | 165,000 | 1.35% | 1,505,000 | 25,000 | 1,480,000 |
| | | | 2/1/2015 | 170,000 | 1.84% | | | |
| | | | 2/1/2016 | 175,000 | 2.19% | | | |
| | | | 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% | | | |
| | | | 2/1/2021 | 210,000 | 3.48% | | | |
| Addition/Renovations to Mt. Olive High School | 05/15/04 | \$ 32,280,000 | 7/15/2013 | 1,020,000 | 4.00% | 3,075,000 | 980,000 | 2,095,000 |
| | | | 7/15/2014 | 1,075,000 | 4.00% | | | |
| Addition/Renovations to Mt. Olive High School - Refunding Bonds | 05/31/12 | \$ 6,175,000 | 7/15/2013 | 25,000 | 2.00% | 6,175,000 | 100,000 | 6,075,000 |
| | | | 7/15/2014 | 30,000 | 2.00% | | | |
| | | | 7/15/2015 | 1,140,000 | 3.00% | | | |
| | | | 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% | | | |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES | | INTEREST RATE | BALANCE JULY 1, 2012 | RETIRED | BALANCE JUNE 30, 2013 |
|---|------------------|--------------------|-------------------|-----------|------------------|-------------------------|--------------|--------------------------|
| | | | DATE | AMOUNT | | | | |
| Addition/Renovations to Mt. Olive High School - Refunding Bonds | 09/14/06 | 9,100,000 | 7/15/2013 | 25,000 | 4.00% | 8,990,000 | 25,000 | 8,965,000 |
| | | | 7/15/2014 | 25,000 | 4.00% | | | |
| | | | 7/15/2015 | 30,000 | 4.00% | | | |
| | | | 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% | | | | | | |
| Addition/Renovations to Mt. Olive High School - Refunding Bonds | 01/04/07 | 9,500,000 | 7/15/2013 | 40,000 | 4.00% | 9,340,000 | 35,000 | 9,305,000 |
| | | | 7/15/2014 | 40,000 | 4.00% | | | |
| | | | 7/15/2015 | 40,000 | 4.00% | | | |
| | | | 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% | | | |
| | | | | | | \$ 52,715,000 | \$ 2,970,000 | \$ 49,745,000 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| Purpose | Date of Lease | Term of Lease | Amount of Original Lease | | Interest Rate | Balance July 1, 2012 | Retired | Balance June 30, 2013 |
|--|------------------|------------------|--------------------------|-----------|------------------|-------------------------|-------------------|--------------------------|
| | | | Principal | Interest | | | | |
| (4) 2008 Thomas School Buses Computer and Peripheral Equipment | 09/28/07 | 5 Years | \$ 487,513 | \$ 49,472 | 4.03% | \$ 52,529 | \$ 52,529 | \$ - |
| (6) 24-Passenger School Vans, (1) 54-Passenger School Bus, Technology Equipment | 03/15/09 | 5 Years | 420,000 | 38,640 | 3.29% | 133,186 | 88,064 | 45,122 |
| (1) 2010 Ford F-450 Super Cab Truck Computer and Peripheral Equipment | 09/15/09 | 5 Years | 230,000 | 24,869 | 3.73% | 124,067 | 48,256 | 75,811 |
| (1) 2011 Ford F-350 Super Cab Truck Computer and Peripheral Equipment | 11/10/10 | 5 Years | 450,002 | 37,463 | 2.75% | 362,429 | 88,760 | 273,669 |
| Musical Instruments | 02/28/11 | 4 Years | 56,971 | 11,622 | 13.16% | 29,826 | 13,939 | 15,887 |
| | | | | | | <u>\$ 702,037</u> | <u>\$ 291,548</u> | <u>\$ 410,489</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 4,576,028 | \$ - | \$ 4,576,028 | \$ 4,576,028 | \$ - |
| Miscellaneous | - | - | - | 1,934 | 1,934 |
| Total local sources | 4,576,028 | - | 4,576,028 | 4,577,962 | 1,934 |
| State sources: | | | | | |
| Debt service aid type II | 581,265 | - | 581,265 | 581,265 | - |
| Total state sources | 581,265 | - | 581,265 | 581,265 | - |
| TOTAL REVENUES | 5,157,293 | - | 5,157,293 | 5,159,227 | 1,934 |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest on early retirement bonds | 46,581 | - | 46,581 | 46,581 | - |
| Interest on loans and serial bonds | 2,086,513 | (15,000.00) | 2,071,513 | 2,069,764 | 1,749 |
| Redemption of principal - early retirement bonds | 155,000 | - | 155,000 | 155,000 | - |
| Redemption of principal - loans and serial bonds | 2,870,869 | 15,000.00 | 2,885,869 | 2,885,869 | - |
| Total Regular Debt Service | 5,158,963 | - | 5,158,963 | 5,157,214 | 1,749 |
| TOTAL EXPENDITURES | 5,158,963 | - | 5,158,963 | 5,157,214 | 1,749 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,670) | - | (1,670) | 2,013 | 3,683 |
| FUND BALANCE, July 1 | 4,656 | - | 4,656 | 4,656 | - |
| FUND BALANCE, June 30 | \$ 2,986 | \$ - | \$ 2,986 | \$ 6,669 | \$ 3,683 |
| Recapitulation of excess (deficiency) of revenues over (under) expenditures: | | | | | |
| Budgeted Fund Balance | \$ (1,670) | \$ - | \$ (1,670) | \$ 2,013 | \$ 3,683 |
| Recapitulation of Balances: | | | | | |
| Restricted Fund Balance: | | | | | |
| Restricted for future debt service payments | | | | \$ 3,683 | |
| Assigned Fund Balance: | | | | | |
| Designated for subsequent year's expenditures | | | | 2,986 | |
| | | | | \$ 6,669 | |

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. | 89-96 |
| Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes. | 97-100 |
| 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. | 101-104 |
| 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. | 105-106 |
| 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. | 107-111 |

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

| | 2013 | 2012 | 2011 | 2010 | Fiscal Year Ended June 30, | | 2007 | 2006 | 2005 | 2004 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| | | | | | 2009 | 2008 | | | | |
| Governmental activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$20,889,514 | \$18,234,468 | \$16,698,417 | \$17,763,304 | \$18,734,871 | \$19,646,173 | \$18,618,960 | \$3,763,209 | \$3,799,721 | \$1,885,787 |
| Restricted | 3,241,776 | 2,563,951 | 1,210,035 | 20,411 | 32,181 | 139,129 | 984,926 | 6,806,079 | 2,232,179 | 594,296 |
| Unrestricted (Deficit) | 2,853,262 | 1,488,319 | 2,276,040 | 483,740 | (3,576,575) | (4,321,297) | (162,155) | (1,166,971) | (1,417,427) | 386,079 |
| Total governmental activities net position | <u>\$26,984,552</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> | <u>\$4,614,473</u> | <u>\$2,866,162</u> |
| Business-type activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 40,823 | \$ 52,592 | \$ 64,463 | \$ 77,966 | \$ 91,469 | \$ 105,678 | \$ 122,638 | \$ 134,041 | \$ 145,838 | \$ 153,533 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 100,029 | 192,031 | 170,029 | 161,095 | 193,661 | 220,513 | 287,269 | 323,985 | 229,094 | 142,306 |
| Total business-type activities net position | <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> | <u>\$ 374,932</u> | <u>\$ 295,839</u> |
| District-wide: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$20,930,337 | \$18,287,060 | \$16,762,880 | \$17,841,270 | \$18,826,340 | \$19,751,851 | \$18,741,598 | \$3,897,250 | \$3,945,559 | \$2,039,320 |
| Restricted | 3,241,776 | 2,563,951 | 1,210,035 | 20,411 | 32,181 | 139,129 | 984,926 | 6,806,079 | 2,232,179 | 594,296 |
| Unrestricted (Deficit) | 2,953,291 | 1,680,350 | 2,446,069 | 644,835 | (3,382,914) | (4,100,784) | 125,114 | (842,986) | (1,188,333) | 528,385 |
| Total district net position | <u>\$27,125,404</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> | <u>\$4,989,405</u> | <u>\$3,162,001</u> |

Source: District records

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

| | 2013 | 2012 | 2011 | 2010 | Fiscal Year Ended June 30, | | 2007 | 2006 | 2005 | 2004 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | 2009 | 2008 | | | | |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular programs | \$ 31,494,232 | \$ 30,440,311 | \$ 29,279,680 | \$ 29,253,267 | \$ 28,874,002 | \$ 29,538,264 | \$ 28,392,776 | \$ 26,257,695 | \$ 25,424,351 | \$ 24,035,461 |
| Special education programs | 9,002,194 | 8,480,211 | 8,473,838 | 8,464,554 | 7,299,941 | 8,451,020 | 7,525,425 | 6,794,223 | 6,090,403 | 5,311,941 |
| Other instructional programs | 1,796,657 | 1,661,105 | 1,529,506 | 1,578,165 | 1,308,443 | 1,344,860 | 1,408,582 | 1,200,190 | 1,168,034 | 1,127,160 |
| School sponsored programs | 1,128,260 | 1,138,941 | 1,123,417 | 1,079,690 | 1,012,670 | 1,161,487 | 1,130,231 | 1,072,970 | 1,045,137 | 917,828 |
| Community services programs | 29,698 | 46,610 | 53,148 | 40,789 | - | 237,671 | 192,694 | 140,792 | 27,798 | 24,203 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,711,876 | 2,862,242 | 2,964,008 | 3,151,685 | 3,457,909 | 3,349,320 | 2,553,357 | 2,610,450 | 2,401,166 | 2,249,056 |
| Student & instruction related services | 11,742,227 | 11,246,504 | 11,222,504 | 11,405,017 | 10,549,571 | 10,722,009 | 10,224,653 | 9,070,030 | 8,651,261 | 8,079,637 |
| School administrative services | 4,532,706 | 4,780,646 | 4,352,318 | 4,441,668 | 4,456,645 | 4,763,487 | 4,488,613 | 4,410,915 | 3,811,144 | 3,325,934 |
| Other administrative services | 3,272,978 | 3,312,477 | 3,077,718 | 2,968,343 | 3,055,916 | 3,038,472 | 2,744,156 | 2,525,602 | 2,345,576 | 1,768,973 |
| Plant operations and maintenance | 11,366,854 | 11,842,279 | 11,953,154 | 12,115,937 | 12,259,725 | 12,118,196 | 9,626,775 | 7,855,225 | 7,497,193 | 7,768,646 |
| Pupil transportation | 5,033,828 | 5,138,677 | 5,204,635 | 5,890,727 | 6,048,492 | 6,451,921 | 5,482,210 | 5,555,129 | 4,918,198 | 4,108,259 |
| Charter schools | 134,935 | 95,957 | 75,946 | 72,424 | | 45,123 | 47,348 | 37,299 | 4,031 | - |
| Interest and other debt related charges | 2,344,683 | 2,955,477 | 2,774,929 | 2,721,148 | 2,835,064 | 2,915,556 | 3,927,627 | 3,073,022 | 4,142,208 | 2,015,732 |
| Unallocated depreciation | 52,755 | 55,909 | 65,277 | 79,015 | 86,339 | 92,320 | 101,418 | 1,238,708 | 1,374,521 | 1,448,717 |
| Total governmental activities expenses | <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> | <u>68,901,021</u> | <u>62,181,547</u> |
| Business-type activities: | | | | | | | | | | |
| Food service | 1,221,314 | 1,272,852 | 1,266,957 | 1,341,549 | 1,348,421 | 1,482,292 | 1,441,598 | 1,355,509 | 1,284,271 | 1,309,808 |
| Community school | - | 40,056 | 113,517 | 160,173 | 195,828 | 173,357 | 181,389 | 172,239 | 148,861 | 135,199 |
| Summer school | 42,822 | 40,410 | 50,824 | 57,488 | 42,759 | 39,865 | 31,801 | 24,940 | 33,473 | 35,881 |
| Total business-type activities expenses | <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> | <u>1,466,605</u> | <u>1,480,888</u> |
| Total district expenses | <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> | <u>\$ 70,367,626</u> | <u>\$ 63,662,435</u> |

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

| | 2013 | 2012 | 2011 | 2010 | Fiscal Year Ended June 30, | | 2007 | 2006 | 2005 | 2004 |
|--|------------------------|------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | | | | 2009 | 2008 | | | | |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Regular programs (Sunset Academy fees) | \$ 5,400 | \$ 7,053 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special education programs (tuition) | 47,494 | 56,178 | 87,350 | 113,801 | 103,408 | 271,335 | 126,618 | 94,978 | 131,562 | 222,321 |
| School sponsored programs (sports and activity fees) | - | 81,658 | 85,155 | 63,787 | - | - | - | - | - | - |
| Plant operations and maintenance (building usage fees) | 101,755 | 158,787 | 56,007 | 70,875 | 50,572 | 67,918 | 43,284 | 115,653 | 176,837 | 141,706 |
| Pupil transportation (transportation fees) | 57,357 | 229,595 | 213,067 | 24,362 | 30,235 | 35,188 | 93,601 | 168,377 | 237,364 | 198,464 |
| Operating grants and contributions | 14,069,996 | 12,135,738 | 12,226,330 | 16,160,847 | 11,825,243 | 13,626,319 | 13,027,363 | 10,790,379 | 10,424,271 | 11,010,412 |
| Capital grants and contributions | 247,696 | 266,917 | 15,454 | 68,465 | - | - | 8,700,382 | 4,403,899 | 1,601,097 | - |
| Total governmental activities program revenues | <u>14,529,698</u> | <u>12,935,926</u> | <u>12,683,363</u> | <u>16,502,137</u> | <u>12,009,458</u> | <u>14,000,760</u> | <u>21,991,248</u> | <u>15,573,286</u> | <u>12,571,131</u> | <u>11,572,903</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | 774,919 | 922,334 | 950,217 | 1,001,572 | 1,059,598 | 1,088,892 | 1,076,005 | 1,105,351 | 1,029,665 | 984,216 |
| Community school | - | 20,271 | 94,059 | 152,901 | 183,467 | 190,352 | 167,724 | 163,208 | 161,175 | 154,691 |
| Summer school | 42,904 | 50,372 | 36,295 | 33,813 | 51,258 | 47,551 | 46,494 | 10,894 | 4,235 | 5,100 |
| Operating grants and contributions | 340,497 | 364,214 | 345,789 | 343,921 | 291,976 | 317,405 | 300,809 | 238,713 | 212,075 | 222,376 |
| Total business-type activities program revenues | <u>1,158,320</u> | <u>1,357,191</u> | <u>1,426,360</u> | <u>1,532,207</u> | <u>1,586,299</u> | <u>1,644,200</u> | <u>1,591,032</u> | <u>1,518,166</u> | <u>1,407,150</u> | <u>1,366,383</u> |
| Total district program revenues | <u>\$ 15,688,018</u> | <u>\$ 14,293,117</u> | <u>\$ 14,109,723</u> | <u>\$ 18,034,344</u> | <u>\$ 13,595,757</u> | <u>\$ 15,644,960</u> | <u>\$ 23,582,280</u> | <u>\$ 17,091,452</u> | <u>\$ 13,978,281</u> | <u>\$ 12,939,286</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (70,114,185) | \$ (71,121,420) | \$ (69,466,715) | \$ (66,760,292) | \$ (69,235,259) | \$ (70,228,946) | \$ (55,854,617) | \$ (56,268,964) | \$ (56,329,890) | \$ (50,608,644) |
| Business-type activities | (105,816) | 3,873 | (4,938) | (27,003) | (709) | (51,314) | (63,756) | (34,522) | (59,455) | (114,505) |
| Total district-wide net (expense)/revenue | <u>\$ (70,220,001)</u> | <u>\$ (71,117,547)</u> | <u>\$ (69,471,653)</u> | <u>\$ (66,787,295)</u> | <u>\$ (69,235,968)</u> | <u>\$ (70,280,260)</u> | <u>\$ (55,918,373)</u> | <u>\$ (56,303,486)</u> | <u>\$ (56,389,345)</u> | <u>\$ (50,723,149)</u> |

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

| | 2013 | 2012 | 2011 | 2010 | Fiscal Year Ended June 30, | | 2007 | 2006 | 2005 | 2004 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | 2009 | 2008 | | | | |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 58,500,212 | \$ 57,353,149 | \$ 56,228,577 | \$ 56,099,419 | \$ 53,189,858 | \$ 52,201,822 | \$ 49,278,445 | \$ 45,886,614 | \$ 43,809,539 | \$ 40,140,349 |
| Taxes levied for debt service | 4,576,028 | 4,611,674 | 4,598,981 | 4,478,743 | 4,458,369 | 2,884,116 | 4,239,536 | 4,170,259 | 3,242,544 | 2,623,948 |
| Unrestricted grants and contributions | 11,638,067 | 11,351,096 | 10,199,501 | 9,121,265 | 10,956,684 | 10,243,283 | 9,817,027 | 9,697,625 | 9,679,376 | 9,096,480 |
| Extraordinary items | 21,398 | (220,988) | - | - | - | (230,425) | - | 96,500 | - | - |
| Investment earnings | 7,604 | 8,685 | 12,354 | 5,987 | 44,741 | 177,825 | 2,228,619 | 1,156,671 | 1,437,184 | 105,369 |
| Miscellaneous income | 68,690 | 126,251 | 344,339 | 111,856 | 270,079 | 932,599 | 97,776 | 152,139 | 41,558 | 37,271 |
| Transfers | | (6,201) | - | 20,000 | 42,000 | 42,000 | 1,000 | (103,000) | (132,000) | - |
| Total governmental activities | <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> | <u>58,078,201</u> | <u>52,003,417</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 1,345 | 57 | 369 | 934 | 1,648 | 9,598 | 16,637 | 14,616 | 6,548 | 2,320 |
| Extraordinary items | 700 | - | - | - | - | - | - | - | - | - |
| Transfers | | 6,201 | - | (20,000) | (42,000) | (42,000) | (1,000) | 103,000 | 132,000 | - |
| Total business-type activities | <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> | <u>138,548</u> | <u>2,320</u> |
| Total district-wide | <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> | <u>\$ 58,216,749</u> | <u>\$ 52,005,737</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 4,697,814 | \$ 2,102,246 | \$ 1,917,037 | \$ 3,076,978 | \$ (273,528) | \$ (3,977,726) | \$ 9,807,786 | \$ 4,787,844 | \$ 1,748,311 | \$ 1,394,773 |
| Business-type activities | (103,771) | 10,131 | (4,569) | (46,069) | (41,061) | (83,716) | (48,119) | 83,094 | 79,093 | (112,185) |
| Total district | <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> | <u>\$ 1,827,404</u> | <u>\$ 1,282,588</u> |

Source: District records

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

| | 2013 | 2012 | 2011 | 2010 | Fiscal Year Ended June 30, | | 2007 | 2006 | 2005 | 2004 |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|----------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | | 2009 | 2008 | | | | |
| General Fund | | | | | | | | | | |
| Restricted | \$ 3,235,107 | \$2,208,841 | \$ 803,360 | \$ 16,243 | \$ 15,986 | \$ 15,676 | \$ 389,030 | \$ 118,048 | \$ 483,508 | \$ 271,001 |
| Committed | 1,105,729 | 980,583 | 183,000 | - | - | - | 19,380 | - | - | - |
| Assigned | 4,726,347 | 3,641,657 | 4,180,839 | 3,659,053 | 1,068,269 | 1,489,573 | 1,624,143 | 2,558,525 | 2,444,044 | 1,383,898 |
| Unassigned | 1,889,251 | 2,119,323 | 2,406,080 | 1,737,601 | 392,743 | (478,391) | 848,984 | 755,924 | 739,642 | 1,231,607 |
| Total general fund | <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> | <u>\$ 3,667,194</u> | <u>\$ 2,886,506</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital projects | - | 350,454 | 403,689 | 1,129 | 2,200 | 123,453 | 433,698 | 9,480,608 | 30,950,711 | 31,318,185 |
| Debt service | 3,683 | 4,656 | 2,986 | 3,039 | 13,995 | - | 162,198 | 50,923 | 187,540 | 94,496 |
| Assigned | 2,986 | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <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> | <u>\$31,138,251</u> | <u>\$31,412,681</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, | | | | | | | | | |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Revenues | | | | | | | | | | |
| Tax levy | \$ 63,076,240 | \$ 61,964,823 | \$ 60,827,558 | \$ 60,578,162 | \$ 57,648,227 | \$ 55,085,938 | \$ 53,517,981 | \$ 50,056,873 | \$ 47,052,083 | \$ 42,764,297 |
| Tuition charges | 47,494 | 56,178 | 87,350 | 113,801 | 103,408 | 271,335 | 126,618 | 94,978 | 131,562 | 222,321 |
| Interest earnings | 7,604 | 8,685 | 12,354 | 5,987 | 44,741 | 177,825 | 2,228,619 | 1,156,671 | 1,437,184 | 105,369 |
| Transportation fees | 57,357 | 229,595 | 213,067 | 24,362 | 30,235 | 35,188 | 93,601 | 168,377 | 237,364 | 198,464 |
| Rental income | - | - | - | - | - | - | - | 85,633 | 146,375 | 141,706 |
| Miscellaneous | 197,243 | 373,749 | 485,501 | 246,518 | 321,443 | 1,005,621 | 141,060 | 282,699 | 90,571 | 37,271 |
| State sources | 24,651,784 | 22,171,339 | 20,416,124 | 21,225,043 | 21,612,738 | 22,233,937 | 30,342,000 | 23,902,311 | 20,572,898 | 18,808,063 |
| Federal sources | 1,303,975 | 1,582,412 | 2,025,161 | 4,125,534 | 1,168,397 | 1,635,665 | 1,202,772 | 989,052 | 1,113,295 | 1,298,829 |
| Total revenue | 89,341,697 | 86,386,781 | 84,067,115 | 86,319,407 | 80,929,189 | 80,445,509 | 87,652,651 | 76,736,594 | 70,781,332 | 63,576,320 |
| Expenditures | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 22,034,273 | 21,865,872 | 20,949,176 | 20,465,844 | 20,375,044 | 20,178,505 | 19,549,789 | 19,156,321 | 19,097,322 | 18,267,729 |
| Special education instruction | 6,123,026 | 6,029,745 | 6,126,413 | 5,812,533 | 5,183,587 | 5,729,167 | 5,169,688 | 4,943,019 | 4,536,162 | 3,992,694 |
| Other instructional programs | 1,232,256 | 1,186,752 | 1,102,572 | 1,081,345 | 933,563 | 901,818 | 959,586 | 873,650 | 871,428 | 850,929 |
| School sponsored programs | 850,449 | 868,773 | 846,534 | 813,821 | 770,131 | 910,714 | 900,141 | 866,945 | 871,800 | 766,499 |
| Community services programs | 29,698 | 43,857 | 47,542 | 35,390 | - | 164,377 | 134,694 | 104,320 | 23,478 | 20,361 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,711,876 | 2,862,242 | 2,964,008 | 3,151,685 | 3,392,265 | 3,349,320 | 2,553,357 | 2,647,749 | 2,405,197 | 2,249,056 |
| Student & inst. related services | 8,351,729 | 8,131,635 | 8,297,296 | 8,254,590 | 7,708,012 | 7,725,924 | 7,485,456 | 6,905,857 | 6,731,461 | 6,447,128 |
| School administrative services | 3,126,636 | 3,216,347 | 3,062,816 | 3,037,525 | 3,149,541 | 3,342,593 | 3,191,495 | 3,282,926 | 2,909,544 | 2,513,686 |
| Other administrative services | 2,582,402 | 2,599,568 | 2,401,104 | 2,335,164 | 2,453,562 | 2,414,639 | 2,279,895 | 2,081,919 | 1,972,621 | 1,579,706 |
| Plant operations and maintenance | 6,571,630 | 7,054,440 | 7,275,560 | 7,385,965 | 7,630,014 | 7,652,112 | 7,194,867 | 6,594,110 | 6,413,924 | 6,749,835 |
| Pupil transportation | 3,944,166 | 3,984,861 | 3,963,774 | 4,475,471 | 4,913,561 | 5,255,049 | 4,356,902 | 4,346,124 | 3,852,922 | 3,177,722 |
| Employee benefits | 21,147,769 | 19,306,765 | 18,667,448 | 20,039,281 | 18,697,449 | 20,212,132 | 18,482,389 | 15,193,902 | 13,496,227 | 12,024,251 |
| Charter Schools | 134,935 | 95,957 | 75,946 | 72,424 | 65,644 | 45,123 | 47,348 | - | - | - |
| Capital outlay | 3,686,049 | 2,613,856 | 1,051,275 | 511,925 | 701,203 | 1,075,849 | 19,051,279 | 26,732,356 | 2,294,605 | 2,766,146 |
| Debt service: | | | | | | | | | | |
| Principal | 3,040,869 | 2,807,152 | 2,665,299 | 2,541,417 | 2,402,519 | 1,575,466 | 2,061,383 | 1,967,300 | 1,650,084 | 1,532,848 |
| Interest and other charges | 2,116,345 | 2,387,198 | 2,514,436 | 2,631,155 | 2,732,481 | 2,798,134 | 4,604,490 | 3,065,298 | 3,016,299 | 1,866,788 |
| Total expenditures | 87,684,108 | 85,055,020 | 82,011,199 | 82,645,535 | 81,108,576 | 83,330,922 | 98,022,759 | 98,761,796 | 70,143,074 | 64,805,378 |
| Excess (Deficiency) of revenues over (under) expenditures | 1,657,589 | 1,331,761 | 2,055,916 | 3,673,872 | (179,387) | (2,885,413) | (10,370,108) | (22,025,202) | 638,258 | (1,229,058) |

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, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------|------------------------|-------------------|----------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | - | - | - | - | - | - | - | - | - | 32,280,000 |
| Permanent financing of temp. debt | - | - | - | - | - | - | - | - | - | 412,000 |
| Refunding bonds | - | 7,710,000 | - | - | - | - | 18,600,000 | - | 30,500,000 | - |
| Original issue premium | - | 601,529 | - | - | - | - | 133,310 | - | 1,691,044 | - |
| Payments to escrow agent | - | (8,184,603) | - | - | - | - | (18,465,867) | - | (31,863,490) | - |
| Costs of issuance | - | (126,926) | - | - | - | - | (240,752) | - | (327,554) | - |
| Cancellation of loans payable | - | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | 506,973 | 230,000 | 480,269 | 516,291 | 855,822 | 286,785 | - | - |
| Transfers in | 47,176 | 337,355 | 427,999 | 126,028 | 42,000 | 42,000 | 193,441 | 892,386 | 649,047 | 215,803 |
| Transfers out | (47,176) | (343,556) | (427,999) | (106,028) | - | - | (192,441) | (995,386) | (781,047) | (215,803) |
| Total other financing sources (uses) | - | (6,201) | 506,973 | 250,000 | 522,269 | 558,291 | 883,513 | 183,785 | (132,000) | 32,692,000 |
| Net change in fund balances | <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> | <u>\$ 506,258</u> | <u>\$ 31,462,942</u> |
| Debt service as a percentage of noncapital expenditures | 6.14% | 6.30% | 6.40% | 6.30% | 6.39% | 5.32% | 8.44% | 6.99% | 6.88% | 5.48% |

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 |
|-------------------------------|-----------------------|--------------------------------------|-------------------|---------------------------|----------------------|--------------------------------------|---|---|---------------------------------|---------------------------|---------------------|----------|---------------|
| 2004 | \$ 3,000 | \$ 3,439 | \$ 3,618 | \$ - | \$ 20,490 | \$ 2,653 | \$ 1,530 | \$ - | \$ - | \$ - | \$ - | \$ 2,288 | \$ 37,018 |
| 2005 | 15,067 | 3,964 | 3,556 | - | 30,462 | 2,606 | 3,107 | - | - | - | - | 2,697 | 61,459 |
| 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 |

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 |
|--------------------------------------|--------------|------------------|-------------|--------------|----------------|----------------|----------------|-------------------------|-------------------------------|--------------------------|------------------------|---|---|
| 2003 | \$87,421,800 | \$ 1,082,869,600 | \$7,137,300 | \$ 1,243,900 | \$ 237,541,400 | \$ 369,069,500 | \$ 143,800,000 | \$ 1,929,083,500 | \$ 5,216,113 | \$ 1,934,299,613 | \$ 124,059,700 | \$ 2,209,720,299 | \$ 2.12 |
| 2004 | 68,056,700 | 1,149,478,100 | 6,922,200 | 1,191,500 | 255,933,700 | 371,175,600 | 145,725,000 | 1,998,482,800 | 4,652,732 | 2,003,135,532 | 134,395,200 | 2,491,506,000 | 2.24 |
| 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 |

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 | | |
|--------------------------------------|--|--|--|----------------------------|------------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | (From J-6) Total Direct School Tax Rate | Mount Olive Township | Morris County | Total Direct and Overlapping Tax Rate |
| 2003 | \$ 1.99 | \$ 0.13 | \$ 2.12 | \$ 0.70 | \$ 0.34 | \$ 3.16 |
| 2004 | 2.10 | 0.15 | 2.24 | 0.75 | 0.35 | 3.34 |
| 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 |

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, 2012 | | | December 31, 2002 | | |
|---|------------------------------|--------------------|--|------------------------------|--------------------|--|
| | 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 | 2.71% |
| Segal Realty Associates of NJ, LLC | 78,700,000 | 2 | 2.62% | 48,700,000 | 4 | 2.62% |
| Toys R Us Inc. | 51,800,000 | 3 | 1.73% | 49,170,000 | 3 | 2.65% |
| ATC Realty Sixteen Inc. (formerly BASF Corporation) | 33,600,000 | 4 | 1.12% | 140,000,000 | 1 | 7.54% |
| Eagle Rock Village Inc. | 32,000,000 | 5 | 1.07% | 23,465,000 | 6 | 1.26% |
| Kings Village, LLC | 20,400,000 | 6 | 0.68% | - | - | - |
| 350 Clark Drive LLC | 20,000,000 | 7 | 0.67% | - | - | - |
| SCI ITC South Fund, LLC (Old Navy, Michaels) | 20,000,000 | 8 | 0.67% | - | - | - |
| Armstrong Sutton | 18,500,000 | 9 | 0.62% | - | - | - |
| National Shopping Center Associates, LLC | 18,500,000 | 10 | 0.62% | - | - | - |
| Unilever Cosmetics International | - | - | - | 34,200,000 | 5 | 1.84% |
| AIG Baker | - | - | - | 15,187,400 | 7 | 0.82% |
| DE 149 Corp. | - | - | - | 15,049,600 | 8 | 0.81% |
| Mt. Olive Industrial Realty | - | - | - | 13,650,000 | 9 | 0.74% |
| AIG Baker | - | - | - | 13,075,000 | 10 | 0.70% |
| Total | <u>\$ 393,000,000</u> | | <u>13.10%</u> | <u>\$ 402,797,000</u> | | <u>21.69%</u> |

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 | |
| 2003 | \$ 40,961,777 | \$ 40,961,777 | 100.00% | - |
| 2004 | 44,908,191 | 44,908,191 | 100.00% | - |
| 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% | - |

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) | | | |
| 2004 | \$ 67,770,000 | \$ 802,158 | \$ - | \$ 68,572,158 | 4.78% | \$ 2,717 |
| 2005 | 66,810,000 | 747,074 | - | 67,557,074 | 4.38% | 2,663 |
| 2006 | 64,905,000 | 684,774 | - | 65,589,774 | 4.09% | 2,572 |
| 2007 | 64,100,000 | 623,390 | - | 64,723,390 | 3.73% | 2,537 |
| 2008 | 62,585,000 | 562,924 | - | 63,147,924 | 3.46% | 2,464 |
| 2009 | 60,250,000 | 495,405 | - | 60,745,405 | 3.18% | 2,351 |
| 2010 | 57,775,000 | 428,988 | - | 58,203,988 | 3.32% | 2,245 |
| 2011 | 55,175,000 | 363,689 | - | 55,538,689 | 2.83% | 1,974 |
| 2012 | 52,715,000 | 291,537 | - | 53,006,537 | 2.61% | 1,875 |
| 2013 | 49,745,000 | 220,668 | - | 49,965,668 | N/A | 1,754 |

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. These ratios are calculated using personal income and population data for the prior calendar year.

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 | | |
| 2004 | \$ 67,770,000 | - | \$ 67,770,000 | 3.50% | \$ 2,672 |
| 2005 | 66,810,000 | - | 66,810,000 | 3.34% | 2,619 |
| 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% | 2,053 |
| 2011 | 55,175,000 | - | 55,175,000 | 1.82% | 1,952 |
| 2012 | 52,715,000 | - | 52,715,000 | 1.75% | 1,850 |
| 2013 | 49,745,000 | - | 49,745,000 | 1.66% | 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.

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, 2013
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 | \$ 24,287,504 | 100.000% | \$ 24,287,504 |
| County of Morris ^c | 252,172,461 | 3.479% | <u>8,771,970</u> |
| Subtotal, overlapping debt | | | 33,059,474 |
| Mt. Olive Township School District Direct Debt ^d | | | <u>49,965,668</u> |
| Total direct and overlapping debt | | | <u><u>\$ 83,025,142</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 Township debt includes all bonds, notes and loans issued as of December 31, 2012 as per the Township's Annual Debt Statement. Does not include self-liquidating debt or bonds and notes authorized but not issued.

^c Net debt at June 30, 2013 as reported by the County of Morris.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2013 as per Schedule J-10. Does not include bonds and notes authorized but not issued.

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

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis

| | |
|------|--------------------------|
| 2012 | \$ 3,191,541,347 |
| 2011 | 3,305,375,523 |
| 2010 | 3,529,825,576 |
| [A] | <u>\$ 10,026,742,446</u> |

Average equalized valuation of taxable property [A/3] \$ 3,342,247,482

| | |
|--|-----------------------------|
| Debt limit (4% of average equalized valuation) [B] | \$ 133,689,899 ^a |
| Total net debt applicable to limit [C] | <u>49,745,000</u> |
| Legal debt margin [B-C] | <u>\$ 83,944,899</u> |

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Debt limit | \$86,173,279 | \$97,881,849 | \$ 113,953,986 | \$ 131,614,036 | \$ 145,290,370 | \$ 152,652,749 | \$ 152,968,716 | \$ 148,613,894 | \$ 141,075,637 | \$ 133,689,899 |
| Total net debt applicable to limit | <u>67,770,000</u> | <u>66,810,000</u> | <u>64,905,000</u> | <u>64,100,000</u> | <u>62,585,000</u> | <u>60,250,000</u> | <u>57,775,000</u> | <u>55,175,000</u> | <u>52,715,000</u> | <u>49,745,000</u> |
| Legal debt margin | <u>\$18,403,279</u> | <u>\$31,071,849</u> | <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> |
| Total net debt applicable to the limit as a percentage of debt limit | 78.64% | 68.26% | 56.96% | 48.70% | 43.08% | 39.47% | 37.77% | 37.13% | 37.37% | 37.21% |

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.

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

| <u>Year</u> | <u>Population ^a</u> | <u>Personal Income ^b</u> | <u>Per Capita Personal Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--------------------------------|-------------------------------------|--|---|
| 2003 | 25,239 | \$ 1,433,676,156 | \$ 56,804 | 5.9% |
| 2004 | 25,365 | 1,541,684,700 | 60,780 | 4.5% |
| 2005 | 25,505 | 1,605,029,650 | 62,930 | 3.6% |
| 2006 | 25,515 | 1,732,927,770 | 67,918 | 3.6% |
| 2007 | 25,633 | 1,824,838,903 | 71,191 | 3.4% |
| 2008 | 25,843 | 1,913,028,075 | 74,025 | 4.3% |
| 2009 | 25,925 | 1,752,892,950 | 67,614 | 8.8% |
| 2010 | 28,141 | 1,964,551,351 | 69,811 | 8.9% |
| 2011 | 28,273 | 2,028,022,290 | 71,730 | 8.2% |
| 2012 | 28,492 | N/A | N/A | 8.3% |

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 | 750 | 1 | 4.52% |
| Siemens Medical Solutions | 450 | 2 | 2.71% |
| Givaudan Fragrances Corp. | 216 | 3 | 1.30% |
| Toys R Us | 215 | 4 | 1.29% |
| Shop Rite of Flanders | 200 | 5 | 1.20% |
| Wal-Mart Stores Inc. | 195 | 6 | 1.17% |
| Lowe's Home Centers Inc. | 190 | 7 | 1.14% |
| Mount Olive Township | 175 | 8 | 1.05% |
| Sam's Club | 155 | 9 | 0.93% |
| American Sensor Technologies | 100 | 10 | 0.60% |
| | <u>2,646</u> | | <u>15.93%</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 2012 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>2004</u> | <u>2005</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> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Regular | 336.5 | 338.0 | 334.0 | 321.0 | 323.0 | 307.5 | 286.0 | 282.0 | 270.0 | 279.8 |
| Special education | 94.0 | 103.0 | 109.0 | 123.0 | 123.0 | 114.5 | 121.5 | 125.0 | 125.0 | 106.4 |
| Other instruction | 11.0 | 11.0 | 11.0 | 11.0 | 11.5 | 11.5 | 11.5 | 16.0 | 16.0 | 15.2 |
| Community services programs | 1.0 | 1.0 | 2.0 | 2.0 | 3.0 | 1.0 | 1.0 | 0.3 | 0.3 | - |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 112.5 | 115.0 | 126.0 | 121.5 | 122.5 | 118.0 | 124.5 | 129.8 | 130.3 | 134.8 |
| General administration | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| School administrative services | 33.5 | 36.5 | 39.0 | 39.0 | 37.0 | 36.0 | 39.0 | 40.0 | 40.0 | 39.0 |
| Business and other support services | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.0 | 9.5 | 9.5 | 9.5 | 9.5 |
| Administrative information technology ^a | - | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 | 6.0 |
| Plant operations and maintenance | 75.5 | 71.0 | 69.0 | 69.0 | 70.0 | 86.5 | 88.5 | 84.0 | 85.0 | 85.0 |
| Pupil transportation | 68.0 | 69.0 | 71.0 | 68.0 | 68.0 | 75.0 | 73.5 | 66.0 | 66.0 | 69.0 |
| Total | <u>746.5</u> | <u>765.0</u> | <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> |

Source: Annual School District Budget Statement Supporting Documentation

^a New employee category established by the State Department of Education for fiscal year 2005. These employees were previously reported under "Plant Operations and Maintenance".

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 | | | | |
| 2004 | 4,779.0 | \$ 58,601,793 | \$ 12,262 | 7.65% | 432 | 19 | 22 | 23 | 4,769 | 4,546 | 2.87% | 95.3% |
| 2005 | 4,883.5 | 63,228,877 | 12,947 | 5.59% | 471 | 22 | 24 | 25 | 4,847 | 4,613 | 1.64% | 95.2% |
| 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 | 4,627.5 | 78,840,845 | 17,037 | 5.70% | 444 | 20 | 19 | 19 | 4,625 | 4,391 | -2.32% | 94.9% |

Source: District records

^a Enrollment is based on the annual October district count. The 2013 count represents student enrollment as of October 15, 2012.

^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> | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <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 | 880 | 880 | 887 | 887 |
| Enrollment ^b | 600 | 593 | 609 | 676 | 714 | 719 | 700 | 697 | 692 | 648 |
| 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 | 886 | 886 | 866 | 866 |
| Enrollment ^b | 701 | 713 | 675 | 628 | 623 | 608 | 607 | 599 | 579 | 526 |
| 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 | 653 | 653 | 589 | 589 |
| Enrollment ^b | 505 | 496 | 514 | 497 | 440 | 451 | 426 | 422 | 384 | 374 |
| 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 | 676 | 676 | 688 | 688 |
| Enrollment ^b | 561 | 570 | 582 | 591 | 561 | 538 | 527 | 526 | 494 | 456 |
| <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 | 1,200 | 1,200 | 1,400 | 1,400 |
| Enrollment ^b | 1,092 | 1,132 | 1,173 | 1,223 | 1,197 | 1,167 | 1,164 | 1,137 | 1,150 | 1,157 |
| <u>High School</u> | | | | | | | | | | |
| Mt. Olive High School (1978) | | | | | | | | | | |
| Square Feet | 205,000 | 205,000 | 205,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 |
| Capacity (students) ^a | 1,214 | 1,214 | 1,214 | 1,740 | 1,740 | 1,740 | 1,740 | 1,740 | 1,600 | 1,600 |
| Enrollment ^b | 1,271 | 1,317 | 1,358 | 1,378 | 1,376 | 1,425 | 1,468 | 1,508 | 1,456 | 1,412 |
| <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 | 15,000 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 |
| Flanders School (1929) | | | | | | | | | | |
| Square Feet ^c | 14,576 | 14,576 | - | - | - | - | - | - | - | - |
| Number of Schools at June 30, 2013 | | | | | | | | | | |
| 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 and 2013 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 2013 count represents the number of on roll full-time and shared-time students as of October 15, 2012.

^c The Flanders School was sold during the 2006 fiscal year.

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 | | |
| 2004 | \$ 362,492 | \$ 110,508 | \$ 76,606 | \$ 43,705 | \$ 48,542 | \$ 61,528 | \$ 297,835 | \$ 1,001,216 |
| 2005 | 117,151 | 99,678 | 59,766 | 70,068 | 73,030 | 63,882 | 246,142 | 729,717 |
| 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 |
| Total School Facilities | <u>\$ 2,185,877</u> | <u>\$ 1,265,254</u> | <u>\$ 635,685</u> | <u>\$ 483,346</u> | <u>\$ 509,680</u> | <u>\$ 678,298</u> | <u>\$ 2,484,752</u> | <u>\$ 8,242,892</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, the Flanders School and unallocated maintenance salaries.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Alliance Insurance Fund - School Package Policy | | |
| Property: | \$ 250,000,000 | \$ 1,000 |
| Building and personal property | | |
| Inland Marine - auto physical damage | | |
| General Liability including Auto and Employee Benefits: | | |
| Per incident | \$ 5,000,000 | |
| Fund annual aggregate | \$ 50,000,000 | |
| 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 | \$ 360,000 | |
| Bollinger - Student Accident Insurance | \$ 1,000,000 | |

Source: Insurance Agent

SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S 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

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit on 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.

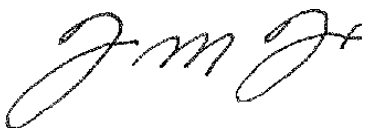
Compliance and Other Matters

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 November 7, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

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

Newton, New Jersey

November 7, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS **APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL** **CONTROL OVER COMPLIANCE IN ACCORDANCE WITH** **OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

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 Board of Education's major federal and state programs for the year ended June 30, 2013. The Township of Mount Olive Board of Education'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 Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 N.J. 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 Board of Education'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.

Opinion on Each Major Federal and State Program

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 major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Township of Mount Olive Board of Education 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 Board of Education's internal control over compliance with the type 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 N.J. 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 Board of Education's internal control over compliance.

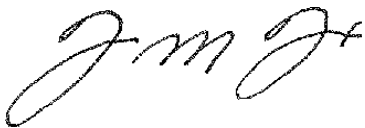
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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, 2013, and have issued our report there dated November 7, 2013 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

Ferraioli, Wielkatz, Cerullo & Cuva

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

Newton, New Jersey

November 7, 2013

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Program or Award Amount | Grant Period | | Balance at June 30, 2012 | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2013 | | |
|--|---------------------------|-------------------------------|--------------|----------|--------------------------------|------------------|---------------------------|-------------|--------------------------|---------------------|-------------------|
| | | | From | To | | | | | Accounts Receivable | Deferred Revenue | Due to Grantor |
| | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | |
| Education Jobs Fund Grants | 84.410A | 547,745 | 08/10/10 | 09/30/12 | \$ (926) | \$ 926 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Education Jobs Fund Grants | 84.410A | 1,410 | 07/01/12 | 09/30/12 | - | - | (1,410) | - | (1,410) | - | - |
| Medicaid Administrative Claiming (MAC) | 93.778 | 2,295 | 09/01/11 | 08/31/12 | (2,295) | 2,295 | - | - | - | - | - |
| Medicaid Administrative Claiming (MAC) | 93.778 | 4,798 | 09/01/12 | 08/31/13 | - | 4,798 | (4,798) | - | - | - | - |
| Special Education Medicaid Initiative (SEMI) | 93.778 | 61,951 | 09/01/11 | 08/31/12 | (22,363) | 22,363 | - | - | - | - | - |
| Special Education Medicaid Initiative (SEMI) | 93.778 | 70,538 | 09/01/12 | 08/31/13 | - | 70,538 | (70,538) | - | - | - | - |
| Total General Fund | | | | | (25,584) | 100,920 | (76,746) | - | (1,410) | - | - |
| Special Revenue Fund: | | | | | | | | | | | |
| Title I Part A, Improving Basic Programs | 84.010A | 107,142 | 09/01/11 | 08/31/12 | (17,531) | 17,532 | - | (1) | - | - | - |
| Title I Part A, Improving Basic Programs | 84.010A | 163,159 | 09/01/12 | 08/31/13 | - | 42,849 | (229,937) | - | (187,088) | - | - |
| Title IIA, Teacher and Principal Training and Recruiting Fund | 84.367A | 62,846 | 09/01/10 | 08/31/11 | (9,317) | 9,317 | - | - | - | - | - |
| Title IIA, Teacher and Principal Training and Recruiting Fund | 84.367A | 84,054 | 09/01/11 | 08/31/12 | (78,401) | 78,401 | - | - | - | - | - |
| Title IIA, Teacher and Principal Training and Recruiting Fund | 84.367A | 79,720 | 09/01/12 | 08/31/13 | - | 14,616 | (46,204) | - | (31,588) | - | - |
| Title III, English Language Acquisition and Language Enhancement | 84.365A | 24,743 | 09/01/11 | 08/31/12 | (14,414) | 14,414 | - | - | - | - | - |
| Title III, English Language Acquisition and Language Enhancement | 84.365A | 12,266 | 09/01/12 | 08/31/13 | - | 6,701 | (12,452) | - | (5,751) | - | - |
| I.D.E.A. Part B (Basic) | 84.027 | 982,561 | 09/01/11 | 08/31/12 | (203,228) | 203,228 | - | - | - | - | - |
| I.D.E.A. Part B (Basic) | 84.027 | 979,131 | 09/01/12 | 08/31/13 | - | 668,340 | (974,667) | - | (306,327) | - | - |
| I.D.E.A. Part B (Preschool Grants) | 84.173 | 43,272 | 09/01/11 | 08/31/12 | (12,891) | 12,890 | - | 1 | - | - | - |
| I.D.E.A. Part B (Preschool Grants) | 84.173 | 43,208 | 09/01/12 | 08/31/13 | - | 25,796 | (42,243) | - | (16,447) | - | - |
| Vocational Education - Basic Grants to States | 84.048A | 18,185 | 07/01/11 | 06/30/12 | (1,635) | 1,634 | - | 1 | - | - | - |
| Vocational Education - Basic Grants to States | 84.048A | 25,029 | 07/01/12 | 06/30/13 | - | 11,084 | (24,582) | - | (13,498) | - | - |
| Disaster Grants - Public Assistance | 97.036 | 21,253 | 07/01/12 | 06/30/13 | - | 7,009 | (21,253) | - | (14,244) | - | - |
| Total Special Revenue Fund | | | | | (337,417) | 1,113,811 | (1,351,338) | 1 | (574,943) | - | - |
| U.S. Department of Agriculture | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | |
| Food Donation | 10.550 | 74,870 | 09/01/12 | 08/31/13 | - | 74,870 | (74,870) | - | - | - | - |
| School Breakfast Program | 10.553 | 8,026 | 09/01/11 | 08/31/12 | (535) | 535 | - | - | - | - | - |
| School Breakfast Program | 10.553 | 6,365 | 09/01/12 | 08/31/13 | - | 5,697 | (6,365) | - | (668) | - | - |
| National School Lunch Program | 10.555 | 251,322 | 09/01/11 | 08/31/12 | (14,915) | 14,915 | - | - | - | - | - |
| National School Lunch Program | 10.555 | 245,778 | 09/01/12 | 08/31/13 | - | 225,258 | (245,778) | - | (20,520) | - | - |
| Special Milk for Children | 10.556 | 2,402 | 09/01/11 | 08/31/12 | (153) | 153 | - | - | - | - | - |
| Special Milk for Children | 10.556 | 2,562 | 09/01/12 | 08/31/13 | - | 2,337 | (2,562) | - | (225) | - | - |
| After School Snack | 10.555 | 1,022 | 09/01/12 | 08/31/13 | - | 1,022 | (1,022) | - | - | - | - |
| Total Enterprise Fund | | | | | (15,603) | 324,787 | (330,597) | - | (21,413) | - | - |
| Sub-Total Federal Financial Awards | | | | | \$ (378,604) | \$ 1,539,518 | \$ (1,758,681) | \$ 1 | \$ (597,766) | \$ - | \$ - |

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, 2013

| State Grantor/ Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2012 | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2013 | | MEMO | | |
|--|-------------------------------------|-------------------------------|--------------|----------|--------------------------------|------------------|---------------------------|-------------|--------------------------|-------------------|-------------------------|-------------------------------------|--|
| | | | From | To | | | | | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures | |
| | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Special Education Aid, Carryover | 12-495-034-5120-089 | \$ 2,810,106 | 07/01/11 | 06/30/12 | \$ (281,011) | \$ 281,011 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Special Education Aid | 13-495-034-5120-089 | 2,962,415 | 07/01/12 | 06/30/13 | - | 2,666,174 | (2,962,415) | - | - | - | (296,241) | 2,962,415 | |
| Transportation Aid | 13-495-034-5120-014 | 379,847 | 07/01/12 | 06/30/13 | - | 341,862 | (379,847) | - | - | - | (37,985) | 379,847 | |
| Extraordinary Special Education Costs Aid, Carryover | 12-495-034-5120-044 | 2,017,945 | 07/01/11 | 06/30/12 | (2,017,945) | 2,017,945 | - | - | - | - | - | - | |
| Extraordinary Special Education Costs Aid | 13-495-034-5120-044 | 2,087,095 | 07/01/12 | 06/30/13 | - | - | (2,087,095) | - | (2,087,095) | - | - | 2,087,095 | |
| Nonpublic school transportation aid, Carryover | 12-100-034-5120-067 | 33,757 | 07/01/11 | 06/30/12 | (33,757) | 33,757 | - | - | - | - | - | - | |
| Nonpublic school transportation aid | 13-100-034-5120-067 | 31,888 | 07/01/12 | 06/30/13 | - | - | (31,887) | - | (31,887) | - | - | 31,887 | |
| Equalization Aid, Carryover | 12-495-034-5120-078 | 11,500,936 | 07/01/11 | 06/30/12 | (1,111,424) | 1,111,424 | - | - | - | - | - | - | |
| Equalization Aid | 13-495-034-5120-078 | 11,656,167 | 07/01/12 | 06/30/13 | - | 10,526,643 | (11,656,167) | - | - | - | (1,129,524) | 11,656,167 | |
| Security Aid, Carryover | 12-495-034-5120-084 | 9,725 | 07/01/11 | 06/30/12 | (973) | 973 | - | - | - | - | - | - | |
| Security Aid | 13-495-034-5120-084 | 94,294 | 07/01/12 | 06/30/13 | - | 84,864 | (94,294) | - | - | - | (9,430) | 94,294 | |
| Prior Year CSSD Tuition Adjustment, Carryover | N/A | 6,577 | 07/01/11 | 06/30/12 | (658) | 658 | - | - | - | - | - | - | |
| Homeless Tuition Reimbursement, Carryover | N/A | 23,473 | 07/01/11 | 06/30/12 | (1,676) | 1,676 | - | - | - | - | - | - | |
| Reimbursed T.P.A.F. Social Security Tax, Carryover | 12-495-034-5095-002 | 2,222,539 | 07/01/11 | 06/30/12 | (110,227) | 110,227 | - | - | - | - | - | - | |
| Reimbursed T.P.A.F. Social Security Tax | 13-495-034-5095-002 | 2,336,206 | 07/01/12 | 06/30/13 | - | 2,223,802 | (2,336,206) | - | (112,404) | - | - | 2,336,206 | |
| Total General Fund | | | | | (3,557,671) | 19,401,016 | (19,547,911) | - | (2,231,386) | - | (1,473,180) | 19,547,911 | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| CTEP Marketing Model Program of Study Pilot Program (Passed through Middlesex County College) | 12-AG92-G06 | 6,000 | 09/01/12 | 06/30/13 | - | 5,784 | (5,747) | - | - | 37 | - | 5,747 | |
| Total Special Revenue Fund | | | | | - | 5,784 | (5,747) | - | - | 37 | - | 5,747 | |
| Capital Projects Fund: | | | | | | | | | | | | | |
| Schools Construction Corporation Grant | 1650-050-05-1000 | 368,381 | 09/09/11 | 06/30/13 | - | 247,778 | (247,778) | - | - | - | - | 247,778 | |
| Schools Construction Corporation Grant | 1650-050-05-1000 | 293,090 | 09/23/10 | 06/30/13 | (280,680) | 280,598 | - | 82 | - | - | - | - | |
| Total Capital Projects Fund | | | | | (280,680) | 528,376 | (247,778) | 82 | - | - | - | 247,778 | |
| Debt Service Fund: | | | | | | | | | | | | | |
| Debt Service Aid - State Support | 13-495-034-5120-017 | 577,717 | 07/01/12 | 06/30/13 | - | 581,265 | (581,265) | - | - | - | - | 581,265 | |
| Total Debt Service Fund | | | | | - | 581,265 | (581,265) | - | - | - | - | 581,265 | |
| State Department of Agriculture | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| National School Lunch Program - State Share, Carryover | 12-100-010-3350-023 | 10,641 | 07/01/11 | 06/30/12 | (650) | 650 | - | - | - | - | - | - | |
| National School Lunch Program - State Share | 13-100-010-3350-023 | 9,900 | 07/01/12 | 06/30/13 | - | 8,560 | (9,900) | - | (1,340) | - | - | 9,900 | |
| Total Enterprise Fund | | | | | (650) | 9,210 | (9,900) | - | (1,340) | - | - | 9,900 | |
| Total State Financial Assistance | | | | | \$ (3,839,001) | \$ 20,525,651 | \$ (20,392,601) | \$ 82 | \$ (2,232,726) | \$ 37 | \$ (1,473,180) | \$ 20,392,601 | |

* Not included for major program determination

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(B) and 2(C) 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." 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 basic 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, that payment is 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.

Township of Mount Olive School District
Notes to the Schedules of Expenditures of Federal Awards and
State Financial Assistance
June 30, 2013

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NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(79,115.00) for the general fund and \$(129,856.00) 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 Notes 12 and 13, 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 2013 fiscal year was \$4,354,027.00.

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 | \$76,746.00 | \$23,822,823.00 | \$23,899,569.00 |
| Special Revenue Fund | 1,223,767.00 | 3,462.00 | 1,227,229.00 |
| Capital Projects Fund | | 247,696.00 | 247,696.00 |
| Debt Service | | 581,265.00 | 581,265.00 |
| Food Service Fund | <u>330,597.00</u> | <u>9,900.00</u> | <u>340,497.00</u> |
| Total Awards and Financial | <u>\$1,631,110.00</u> | <u>\$24,665,146.00</u> | <u>\$26,296,256.00</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.

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore, have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified Opinion

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 programs:

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 84.027 | I.D.E.A. - Part B - Basic |
| 84.173 | I.D.E.A. - Part B - Preschool |

| | |
|--|-----------------|
| Dollar threshold used to distinguish between type A and type B programs: | ___\$300,000___ |
|--|-----------------|

| | | |
|--|-------------|----------|
| 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, 2013
(continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$611,778.00

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major 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 programs:

State Grant/ Project Number(s)

Name of State Program

| | | |
|----------------------------|-----|--|
| <u>13-495-034-5120-078</u> | (1) | <u>Equalization Aid</u> |
| <u>13-495-034-5120-089</u> | (1) | <u>Categorical Special Education Aid</u> |
| <u>13-495-034-5120-084</u> | (1) | <u>Categorical Security Aid</u> |
| <u>13-100-034-5120-473</u> | (2) | <u>Extraordinary Aid</u> |
| <u>13-495-034-5095-002</u> | (2) | <u>Reimbursed TPAF Social Security Aid</u> |
| <u>13-495-034-5120-017</u> | (3) | <u>Debt Service Aid</u> |

- (1) Audited as a Type A Program
- (2) Not required to be audited as a Major Program
- (3) Audited as a Type B Program

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)**

Section II - Financial Statement Findings

None

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

No matters were reported.

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Status of Prior Year Findings

There were no prior year audit findings.