

**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, 2012**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT

BUDD LAKE, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

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, 2012**

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INTRODUCTORY SECTION

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November 30, 2012

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, 2012. 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 Table of Contents, this 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 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 districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 19% of the District's original 2012 operating budget while local property taxes accounted for 80%. 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. The District's share of these additional funds amounted to \$1,474,284 for the 2011-2012 school year and \$771,956 for the next three years.

After a vigorous period of residential development and expansion, the Township's growth has slowed in the past few 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 District's athletic program features 21 male and female sports teams, along with cheerleading and marching band. Seventeen of the District's 21 athletic programs qualified for state tournaments.

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

Student 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 with each grade level 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	86.7%	81.2%	71.6%
NJASK - Grade 8 - Language Arts	89.8%	89.6%	82.2%
NJASK - Grade 7 - Math	78.3%	72.4%	63.2%
NJASK - Grade 7 - Language Arts	73.8%	72.2%	61.0%
NJASK - Grade 6 - Math	89.2%	85.7%	78.8%
NJASK - Grade 6 - Language Arts	73.7%	74.9%	64.5%
NJASK - Grade 5 - Math	92.9%	89.6%	83.3%
NJASK - Grade 5 - Language Arts	86.1%	72.6%	62.1%
NJASK - Grade 4 - Math	88.6%	90.2%	77.4%
NJASK - Grade 4 - Language Arts	74.7%	68.8%	58.5%
NJASK - Grade 3 - Math	89.8%	87.2%	78.4%
NJASK - Grade 3 - Language Arts	80.5%	76.8%	66.7%

The 2012 High School Proficiency Assessment (HSPA) results are consistent with what is being seen across the district at the elementary and middle school levels. In 2012 the District achieved pass rates of 92% in mathematics and 96.2% 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>
2012 HSPA – Math	92.0%	87.0%	79.3%
2012 HSPA – Language Arts	96.2%	95.5%	91.5%

In addition, Mount Olive High School continues to be 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. Eighty-nine percent of the school's 2012 graduates will be pursuing post-secondary education, with 59% attending four-year colleges and universities. Several Mount Olive graduates have received prestigious scholarships and national awards. Five seniors were recognized as commended students through the National Merit Scholarship Program, 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 Barnard College, Carnegie Mellon University, Swarthmore College, NYU, Lehigh University, the University of Pennsylvania, and George Washington University.

Academic Initiatives – Six Year Plan

In the fall of 2009, the District implemented a six-year plan to improve the measured academic performances of the Mount Olive schools. The plan includes five major improvement initiatives and offers a template for all schools to become top ten performers in Morris County. Given the history of high performance in the Mount Olive schools, the goal for all schools was set at increasing the percentage of students scoring in the “advanced proficient” range on the State exams. The NJASK and HSPA tests were chosen as the primary measuring instruments due to their availability for comparison, their reliability, and their relative low cost of implementation. The following table illustrates the percentage of students attaining “advanced proficient” status on the NJASK and HSPA standardized exams.

	<u>Mt. Olive School District</u>	<u>DFG Average</u>	<u>State Average</u>
2012 HSPA – Math – General Ed Students	50.2%	38.2%	32.1%
2012 HSPA – Language Arts – General Ed Students	43.3%	31.2%	25.7%
NJASK - Grade 8 - Math	47.2%	38.8%	30.1%
NJASK - Grade 8 - Language Arts	18.9%	19.9%	14.5%
NJASK - Grade 7 - Math	37.7%	29.5%	22.9%
NJASK - Grade 7 - Language Arts	16.3%	15.0%	10.5%
NJASK - Grade 6 - Math	46.3%	39.1%	32.2%
NJASK - Grade 6 - Language Arts	8.8%	8.3%	6.1%
NJASK - Grade 5 - Math	58.0%	46.3%	37.4%
NJASK - Grade 5 - Language Arts	12.7%	9.4%	6.6%
NJASK - Grade 4 - Math	48.8%	46.2%	33.1%
NJASK - Grade 4 - Language Arts	7.7%	5.1%	4.0%
NJASK - Grade 3 - Math	44.9%	47.6%	37.1%
NJASK - Grade 3 - Language Arts	4.1%	5.2%	3.6%

The 2012 HSPA results constitute record highs in both tested areas and represent a sustained upward trend in student academic achievement over the last three years. During this time, the percentage of students scoring “advanced proficient” on the NJ HSPA increased by 140% in language arts and 61% in mathematics.

The 2012 NJASK and HSPA test results indicate that three of the District’s six schools (the high school, the middle school and Tinc Road Elementary School) have met or exceeded their annual targets. In fact, both the high school and middle school have already met their 2015 targeted goals.

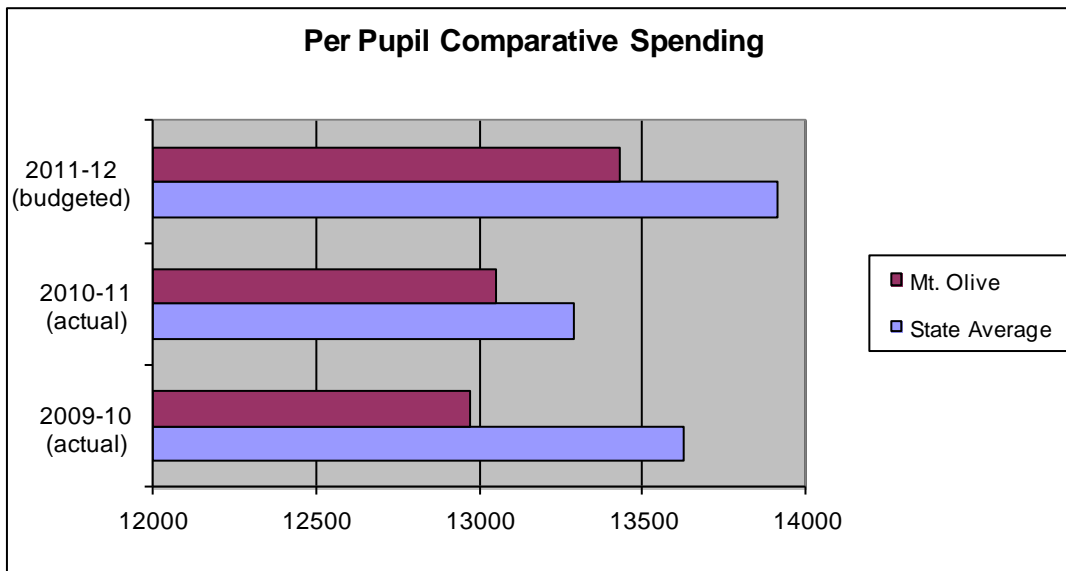
Other Initiatives

Scholastic Reading Inventory (SRI) - For the third year in a row, Mount Olive students have been internally assessed in the areas of reading and language arts. Reading assessments are administered in all elementary schools and in the 6th grade using the Scholastic Reading Inventory or SRI, which provides teachers, administrators, and parents with a scientific measure of reading ability. The assessments, which are administered four times each year, produce a numerical reading score for each student, called a “lexile”. The lexile calculation is attained by measuring student reading comprehension against a normed sample of millions of age and grade similar students. An individual lexile score is a valuable piece of information about a student’s reading and comprehension ability and provides a valuable tool in assessing a student’s strengths and weaknesses in preparation for the standardized tests. End-of year SRI results indicate continuous growth in reading fluency among cohort groups in all schools.

Special Education Redesign Plan – On May 15, 2011 the district adopted a Six-Year Special Education Re-engineering Plan, which is designed to reform the special education program. The focus on special education is due to the relative lag in achievement results exhibited among those students in the district’s special education population. The federal *No Child Left Behind Act* requires that all schools must have 100% of their students “proficient” on state exams by 2014. Special education students represented more than 90% of district population not currently performing to “proficient” standards. To address this issue, the district has established an improvement “task force” whose mission is to reduce the “failure” rate on New Jersey state assessments to zero by 2014. Results thus far are encouraging, particularly at Mt. Olive High School, where the percentage of special education students performing to “proficient” standards jumped to 64.3% in math and 81.8% in language arts on the most recent HSPA exam.

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 105 other K-12 school districts with an enrollment over 3,500 students. The 2011-12 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$13,434 per pupil while the state average for similar districts was \$13,917. Of the 105 districts, the Mount Olive Township School District ranked 54th in budgeted per pupil spending in 2011-12. 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.

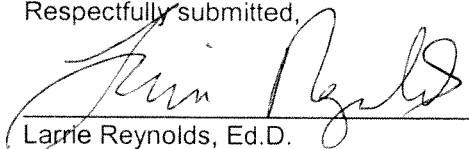
Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of ParenteBeard LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of 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.

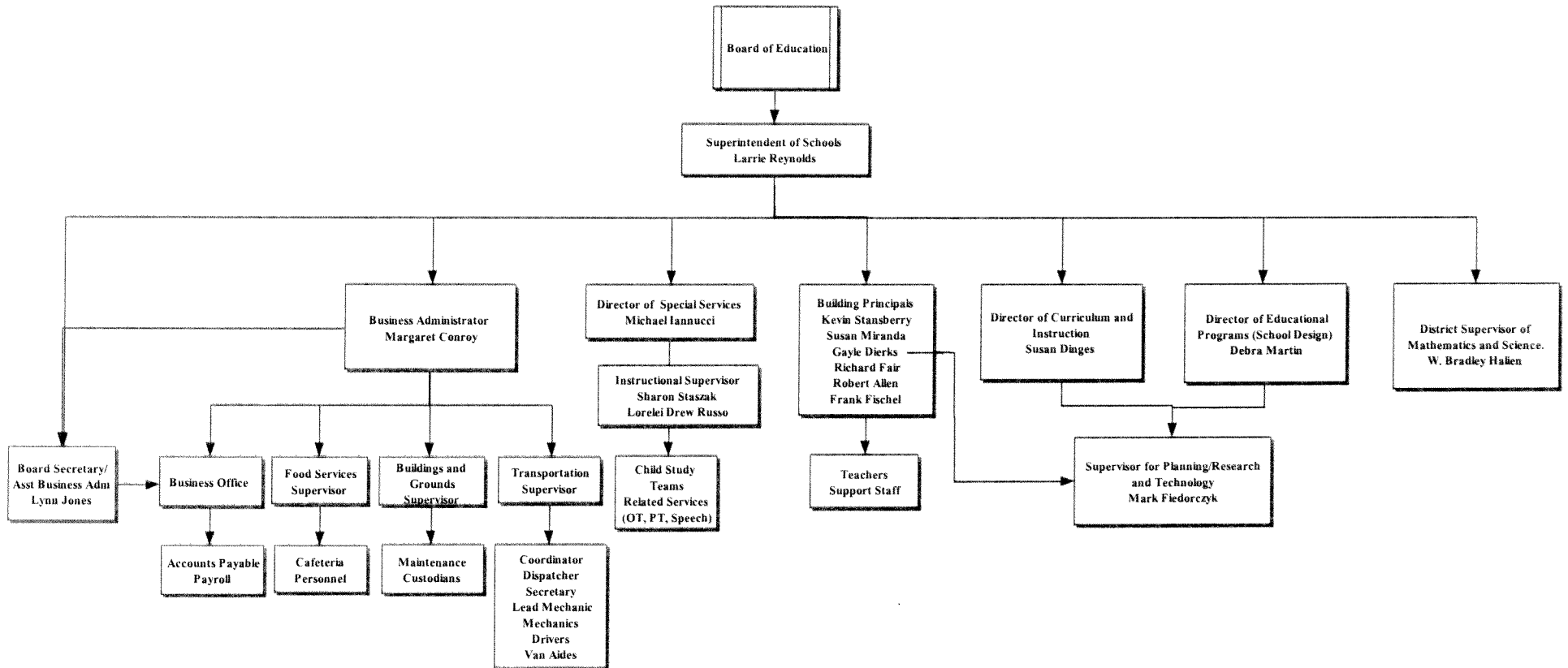
Respectfully submitted,


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 Curriculum and Instruction, Mrs. Susan Dinges. If the Director of Curriculum and Instruction is not available, contact the Director of Educational Programs, Dr. Debra Martin. If the Director of Educational Programs is not available, contact the Director of Special Services, Mr. Michael Iannucci.

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony Giordano, President	2013
Elizabeth Ouimet, Vice-President	2012
Daniel Amianda	2014
Kathryn Criscuolo	2012
Tim Halbur	2014
Rhonda Lake-Cohen	2012
Sheryl Licciardi-Colligan	2013
William Robinson	2013
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

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CONSULTANTS AND ADVISORS**

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Bond Counsel

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Newark, NJ 07102

Architect

Gianforcaro Architects, Engineers, Planners
555 East Main Street
Chester, NJ 07930

Financial Consultant

Capital Financial Advisors, Inc.
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Mt. Laurel, NJ 08054

Risk Management Consultant

The Morville Agency
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Newton, New Jersey 07860

Official Depositories

Bank of America
Route 206 & Deerfield Place
Flanders, New Jersey 07836

TD Bank
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Flanders, NJ 07836

FINANCIAL SECTION

Independent Auditors' Report

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

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 Mount Olive Township School District, County of Morris, New Jersey (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of 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 of America. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Olive Township School District as of June 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

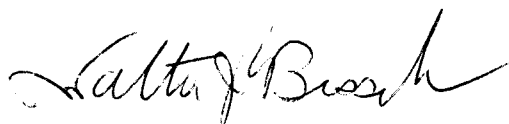
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 12-22 and 52-66 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 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The *accompanying supplementary information*, which includes the introductory section, combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and long-term debt schedules have 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 combining and individual fund financial statements and long term debt schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical information have not been subject to the auditing procedures applied in the audit of the basic financial statements and, and accordingly we do not express an opinion or provide and assurance on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid and are 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 expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Walter J. Brasch
Licensed Public School Accountant
No. CS-01063



ParenteBeard, LLC

November 30, 2012
Clark, New Jersey

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, 2012
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, 2012. 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 2012 are as follows:

- ❖ Net assets at year-end totaled \$22,531,361, which represents an increase of \$2,112,377, or 10%, over the prior year net assets ending balance of \$20,418,984. A significant portion of the District's combined net assets represents the District's investment in capital assets less any related outstanding debt that was used to acquire those assets. At June 30, 2012 the District had \$18,287,060 invested in capital assets, net of related debt. In addition, \$2,563,951 was restricted for capital projects, debt service, and future operating budgets, resulting in an unrestricted net assets balance of \$1,680,350.
- ❖ Total assets decreased by \$1,910,513. This amount is primarily attributable to a decrease in capital assets totaling \$1,457,195. For the fiscal year 2012, depreciation expense exceeded capital outlays by \$1,236,207 and the District disposed of capital assets with a net book value of \$220,988.
- ❖ Total liabilities decreased \$4,022,890. This amount is primarily attributable to a decrease in deferred revenue totaling \$2,566,765 and a decrease in long-term liabilities such as bonds, loans and capital leases which totaled \$2,514,369.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$73,450,912, which represents 83.7% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$61,964,823, or 84.4%, of general revenues. Program specific revenues in the form of charges for services and grants and contributions comprised the remaining 16.3% of total revenues, or \$14,293,117. Overall, total revenues increased \$2,250,185, approximately 2.6%, over the prior year.
- ❖ Expenses totaled \$85,410,664. Of this amount, only \$14,293,117 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 \$73,450,912 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$1,829,288, approximately 2.2%, 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 Assets and the Statement of Activities.

The Statement of Net Assets 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 Assets presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets of the District changed during the most recent fiscal year. All changes in net assets 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 Assets 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 three individual enterprise funds, which account for all revenues and expenses pertaining to food service operations, the summer school program, and the community 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. 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 assets 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 assets at June 30, 2012 and June 30, 2011.

Table 1
Net Assets

	2012	2011
Assets		
Current and Other Assets	\$11,690,891	\$12,144,209
Capital Assets	68,117,341	69,574,536
Total Assets	79,808,232	81,718,745
Liabilities		
Noncurrent Liabilities	52,978,699	55,493,068
Other Liabilities	4,298,172	5,806,693
Total Liabilities	57,276,871	61,299,761
Net Assets		
Invested in Capital Assets, Net of Related Debt	18,287,060	16,762,880
Restricted	2,563,951	1,210,035
Unrestricted (Deficit)	1,680,350	2,446,069
Total Net Assets	\$22,531,361	\$20,418,984

The largest portion of the District's combined net assets 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, 2012 this figure amounted to \$18,287,060, or 81% of the District's total net assets.

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

- \$367,205 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.
- \$4,656 is restricted for debt service. Of this amount, \$1,670 has been appropriated and included as anticipated revenue in the Debt Service Fund budget for the fiscal year ending June 30, 2013.
- \$2,192,090 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, 2014.

The remaining unrestricted net asset balance is the product of various transactions, including the net results of activities. Since the District operates on a budgetary basis, the District's annual revenues are generally sufficient to meet the District's ongoing obligations to students, employees, and creditors. Table 2 shows changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

Table 2
Changes in Net Assets

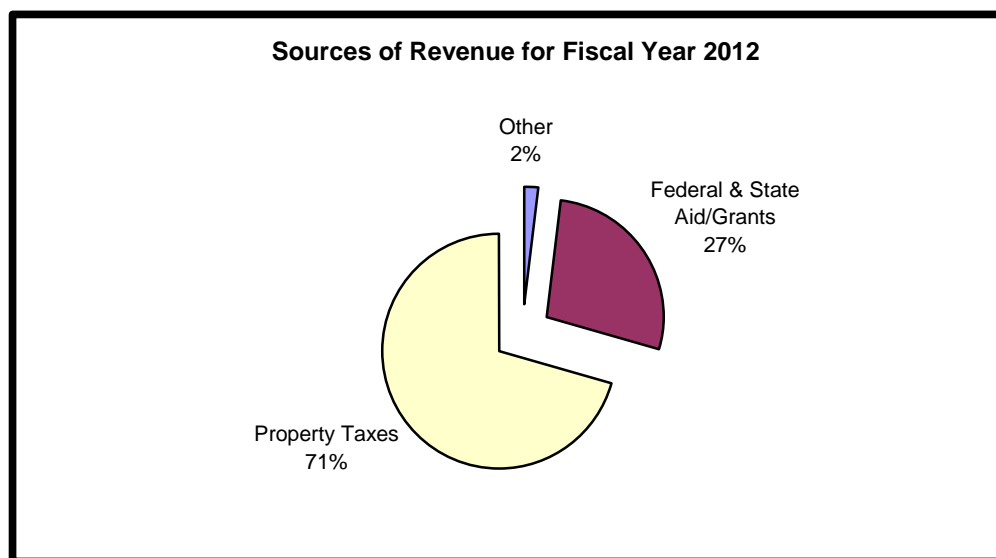
	2012	2011
Revenues		
Program Revenues:		
Charges for services	\$1,526,248	\$1,522,150
Grants and contributions	12,766,869	12,587,573
General revenues:		
Property taxes	61,964,823	60,827,558
Grants and entitlements	11,351,096	10,199,501
Other	134,993	357,062
Total Revenues	87,744,029	85,493,844
Program Expenses		
Instruction	41,767,178	40,459,589
Support Services:		
Pupils and instructional staff	14,204,703	14,262,458
General administration, school administration, business and other support services	8,093,123	7,430,036
Plant operations and maintenance	11,842,279	11,953,154
Pupil transportation	5,138,677	5,204,635
Interest on debt and capital leases	2,955,477	2,774,929
Food service operations	1,272,852	1,266,957
Other	136,375	229,618
Total Program Expenses	85,410,664	83,581,376
Extraordinary Items		
Sale and/or disposal of capital assets	(220,988)	-
Increase in Net Assets	\$2,112,377	\$1,912,468

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 Assets:

- The principal retirement of bonds, loans, notes, and capital leases totaling \$3,156,279.
- Depreciation on capital assets exceeded investments in capital assets by \$1,236,207.

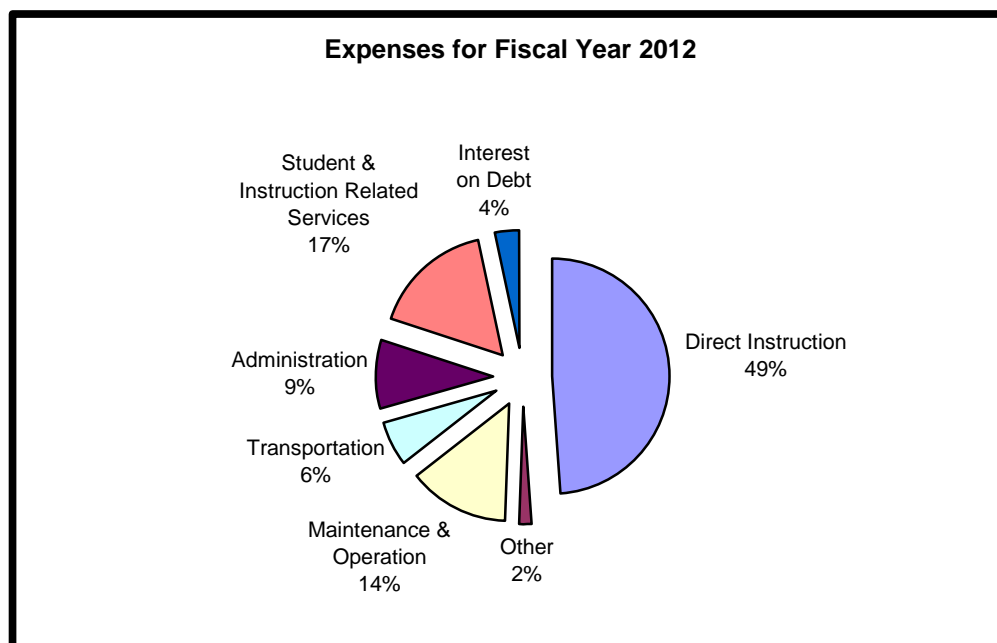
Revenues

Property taxes made up 71 percent of revenues for the Mount Olive Township School District for the fiscal year 2012. Federal, state, and local aid and grants accounted for another 27 percent of revenue. The remaining 2 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 2012:



Expenses

The total cost of all programs and services was \$85,410,664. Direct instruction and instruction related services comprised nearly two-thirds of the District's expenses. The following chart illustrates the District's expenses for the fiscal year 2012:



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 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 program, the summer school program, and the community school program.

Financial Analysis of the District's Funds

Enterprise Funds

As stated earlier, the District maintains three individual enterprise funds, which account for all revenues and expenses pertaining to food service operations, the community school program, 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 \$1,286,548 and expenses totaled \$1,272,852, resulting in a net income of \$13,696. Charges for services amounted to \$922,334, or 72% of total revenue. This represents amounts paid by patrons for daily food service sales. Federal and state reimbursements, which provide subsidies for the free and reduced lunch and breakfast program and the donated commodities program, amounted to \$364,214, the remaining 28% of total revenue. Salaries, employee benefits, and cost of sales comprised 97% of total expenses. Following the 2008 fiscal year, the District developed a corrective action plan to reduce or eliminate recurring losses in the food service enterprise fund. The plan included raising lunch prices to the maximum allowed under the State food service program and reducing the number of personnel and staff hours. This plan was successful in making the program more profitable, as evidenced by the net income generated over the past four years.
- ❖ In the community school enterprise fund, revenues totaled \$20,271 and expenses totaled \$40,056, resulting in an operating loss of \$19,785. Charges for services, which represent amounts paid by patrons for course tuition, made up 100% of the revenue derived from the program. Salaries, employee benefits, and contracted services comprised 98% of total expenses. For the past several years, the community school program had been experiencing recurring losses, resulting from decreased enrollment, and had been utilizing its surplus to fund its operations. On September 12, 2011 the Board decided to eliminate the community school program, taking action to transfer operational control of the Mt. Olive Community School to Mt. Olive Township effective January 1, 2012.
- ❖ In the summer school enterprise fund, revenues totaled \$50,429 and expenses totaled \$40,410, resulting in a net income of \$10,019. Charges for services, which represent amounts paid by students for course tuition, amounted to \$50,372, virtually all of the revenue derived from the program. Salaries and employee benefits amounted to \$40,401, virtually 100% of total expenses. In an effort to make the summer school program more profitable, the District has implemented a new law that was approved by the State legislature on September 9, 2010, which allows districts to charge tuition for remedial and advanced summer classes. This plan was successful in making the program more profitable, as evidenced by the net income generated this past year.

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 \$79,557,458 and expenditures and other financing uses totaled \$78,180,333, resulting in a net increase in fund balance of \$1,377,125. 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 \$8,950,404. Of this amount, \$16,751 has been restricted for capital reserve, \$2,192,090 has been restricted as current year excess surplus which will be appropriated and included as anticipated revenue in the 2013-2014 annual budget, \$980,583 is committed for specific purposes approved by the Board, \$3,286,843 is assigned for subsequent year's expenditures; and \$354,814 is assigned for year-end encumbrances. The remaining balance of \$2,119,323 is unassigned.
- ❖ In the Special Revenue Fund, revenues and expenditures totaled \$1,368,077, 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 \$602,581 and expenditures and other financing uses totaled \$655,816, resulting in a net decrease in fund balance of \$53,235. The Capital Projects fund balance at year-end amounted to \$350,454, which represents the unexpended balance of the Mt. Olive High School roofing and boiler projects at June 30, 2012.
- ❖ In the Debt Service Fund, revenues totaled \$5,196,020 and expenditures totaled \$5,194,350, resulting in a net increase in fund balance of \$1,670. This amount was appropriated and included as anticipated revenue in the 2012-2013 annual budget.

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, 2012 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2011	Percentage Increase (Decrease)
Local Sources	\$62,633,030	72.50%	\$1,007,200	1.63%
State Sources	22,171,339	25.67%	1,755,215	8.60%
Federal Sources	1,582,412	1.83%	(442,749)	(21.86%)
	<u>\$86,386,781</u>	<u>100.00%</u>	<u>\$2,319,666</u>	<u>2.76%</u>

The increase in local sources is primarily attributable to an increase in the local tax levy of \$1,137,265. Local property taxes comprise 80% of the District's operating budget and 72% of the District's total revenue. Revenue from other local sources include tuition income, interest on investments and deposits, transportation fees, user fees, and miscellaneous revenue.

The increase in state sources is primarily attributable to an increase in state categorical aid totaling \$1,474,284. 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. The District's share of these additional funds amounted to \$1,474,284 for the 2011-2012 school year and \$771,956 for the next three years.

The decrease in federal sources is primarily attributable to the reduction and/or discontinuance of federal grant funds such as the American Recovery and Reinvestment Act of 2009 and the Education Jobs Act of 2010. The American Recovery and Reinvestment Act of 2009 provided approximately \$100 billion in federal aid over a two-year period to stimulate the economy while investing in education and other essential public services. The Education Jobs Act of 2010 provided \$10 billion in assistance to states to save or create education jobs.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2012 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 2011</u>	<u>Percentage Increase</u>
Current:				
Distributed Expenditures-Instruction	\$29,994,999	35.27%	\$922,762	3.17%
Undistributed Expenditures	47,251,815	55.55%	543,863	1.16%
Capital Outlay	2,613,856	3.07%	1,562,581	148.64%
Debt Service	5,194,350	6.11%	14,615	0.28%
	<u>\$85,055,020</u>	<u>100.00%</u>	<u>\$3,043,821</u>	<u>3.71%</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 supplies, textbooks, and purchased services totaling \$925,075. Instructional supplies includes the purchase of technology equipment that is under the capitalization threshold of \$2,000. During the 2011-2012 fiscal year, the District purchased a vast amount of technology equipment that fits this description such as netbooks, Elmos, laptops, computer workstations, projectors, document cameras, touch tablets, mobile carts, and supplies for the new STAM interactive 3D science program. In addition, the District also procured new science and math textbooks. Purchased services includes software licensing rights for instructional programs such as Compass Learning, Link-it, and Rosetta Stone.

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 \$742,551 and an increase in salaries totaling \$289,186. These increases were offset by decreases in tuition and energy costs totaling \$488,286.

Capital Outlay includes 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 and to provide enhanced technology to its students. During the 2011-2012 fiscal year, the District undertook a district-wide network upgrade, including a new data center and a new back-up and disaster recovery system. The District also implemented a district-wide wireless expansion project to prepare schools for planned technology initiatives such as BYOT (bring your own technology). The District outfitted classrooms in every building with the latest technology equipment, including the purchase and installation of 80 Smartboards, 13 LCD Interactive Whiteboards, and 9 Dell Precision T- 7500 Workstations.

In addition to the technology equipment described above, the District purchased new exercise equipment for the weight room and physical education department, installed a new library circulation unit, procured a new pick-up truck for the maintenance department, and installed a Weatherbug camera station on the high school roof.

In the area of facilities acquisition and construction services, the District resurfaced the track at Mt. Olive High School, reconstructed the parking lot at Mt. View School, purchased a new trailer for the bus garage, installed new bleachers at the Mt. Olive High School gymnasium, and renovated the roof at Mt. Olive High School. In all, equipment purchases totaled \$1,313,258 while facilities acquisition and construction services totaled \$1,300,598.

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 2012 fiscal year, the District's principal payments increased by \$141,853 while associated interest payments decreased by \$127,238.

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 52 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 2011-2012 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 \$2,991,098, or 4.2% of anticipated revenues. The largest portion of this amount is attributable to extraordinary aid, which totaled \$2,017,945 for the 2012 fiscal year. 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 customarily omitted from the proposed school district budget, 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 any excess surplus calculation. In addition to the extraordinary aid, the District also realized excess state aid in the amount of \$737,142 as part of the additional state aid included in Governor Christie's state budget plan.
- 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 2012 fiscal year tuition income exceeded budgeted estimates by \$10,528.
- Interest income was less than the amount originally anticipated as interest rates continued at historically low rates. In the 2012 fiscal year budgeted estimates exceeded actual interest earnings by \$2,515.
- Transportation fees are derived from subscription busing, 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 2012 fiscal year transportation fees exceeded budgeted estimates by \$54,595.
- Miscellaneous income includes revenue collected for book fines, facilities usage, activity fees, 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 2012 fiscal year miscellaneous income exceeded budgeted estimates by \$112,734.
- Excluding on-behalf TPAF pension, post retirement medical benefits, social security contributions, and capital leases unexpended appropriations totaled \$2,888,106, or 3.8% of the final budget. Of this amount, \$1,335,397 is reserved for encumbrances, which will be paid during the subsequent fiscal year. District administration has made a concerted effort to reduce budgetary expenditures over the past four fiscal years in order to replenish the District's fund balance.
- The 2012 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. Transfers totaling \$1,576,137 were made from the current expense budget to the capital outlay budget to fund much of the technology equipment and capital improvement projects described on the previous page. Significant transfers were also made amongst the current expense line items to fund instructional supplies and textbooks, expanded library collections, legal fees, contracted services for the technology and maintenance departments, and maintenance supplies. Transfers were made within the same function whenever possible. The transfers were funded primarily from employee benefits, tuition, energy costs, contracted therapy services, and salary breakage from retirements, resignations, and leaves that were unanticipated at the time the budget was prepared. The Board did not authorize any additional appropriations during the 2011/2012 fiscal year.

Capital Assets

At June 30, 2012, the District had \$68,117,341 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)

	2012	2011
Land	\$ 703,670	\$ 703,670
Site and site improvements	1,866,486	1,846,445
Building and building improvements	62,461,185	64,502,600
Furniture, equipment and machinery	3,086,000	2,521,821
Total Capital Assets	\$ 68,117,341	\$ 69,574,536

Overall, the District invested \$2,520,638 in capital assets for the fiscal year 2012. Of this amount, \$166,062 was invested in site and site improvements, \$1,041,319 was invested in building and building improvements, and \$1,313,257 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$3,756,845 and the District disposed of assets with a net book value of \$220,988.

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, 2012, the District had \$52,978,699 in long-term outstanding debt, of which \$3,317,445 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2012 and June 30, 2011.

Table 4
Outstanding Debt

	2012	2011
Outstanding Bonds, Loans and Notes		
1998 Trust Loan – Sewer Connection Project	\$ 220,000	\$ 260,000
1998 Fund Loan – Sewer Connection Project	71,537	103,689
2003 Refunding Bond Issue/ERIP Liability	130,000	1,630,000
2004 Serial Bonds – High School Additions and Renovations	3,075,000	10,065,000
2004 Refunding Bonds, Net of Deferred Interest	22,315,557	23,790,934
2006 Refunding Bonds, Net of Deferred Interest	8,589,278	8,590,294
2007 Refunding Bonds, Net of Deferred Interest	8,947,014	8,950,575
2011 Refunding Bond Issue/ERIP Liability, Net of Deferred Interest	1,358,455	-
2012 Refunding Bonds, Net of Deferred Interest	6,056,403	-
Other Noncurrent Liabilities		
Capital Leases Payable	702,037	1,051,164
Accrued Compensated Absences Payable	1,513,418	1,051,412
Total Long-term Outstanding Debt	\$ 52,978,699	\$ 55,493,068

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 \$141,075,637, resulting in an available borrowing margin of \$88,360,637 at June 30, 2012.

At June 30, 2012 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 districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 19% of the District's original 2012 operating budget while local property taxes accounted for 80%. 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. The District's share of these additional funds amounted to \$1,474,284 for the 2011-2012 school year and \$771,956 for the next three years.

After a vigorous period of residential development and expansion, the Township's growth has slowed in the past few 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.

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 Education Association of Mt. Olive and the Administrators and Supervisors Association were recently settled. Negotiations with the International Brotherhood of Teamsters, Local 97 remain ongoing. 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 statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,616,625	\$ 303,002	\$ 7,919,627
Receivables, net (Note 6)	2,952,013	24,247	2,976,260
Internal balances (Note 7)	90,073	(90,073)	-
Inventory (Note 8)	-	15,703	15,703
Restricted assets:			
Cash and cash equivalents	277,478	-	277,478
Capital reserve account - cash	16,751	-	16,751
Deferred bond issuance costs, net (Note 9)	485,072	-	485,072
Capital assets, non-depreciable (Note 10)	703,670	-	703,670
Capital assets, depreciable, net (Note 10)	67,361,079	52,592	67,413,671
Total Assets	<u>79,502,761</u>	<u>305,471</u>	<u>79,808,232</u>
LIABILITIES			
Accounts payable	1,587,715	15,619	1,603,334
Deferred revenue	59,711	26,090	85,801
Accrued interest payable	948,360	-	948,360
Unamortized bond premium	1,660,677	-	1,660,677
Noncurrent liabilities, net (Note 11):			
Due within one year	3,317,445	-	3,317,445
Due beyond one year	49,642,115	19,139	49,661,254
Total Liabilities	<u>57,216,023</u>	<u>60,848</u>	<u>57,276,871</u>
NET ASSETS			
Invested in capital assets, net of related debt	18,234,468	52,592	18,287,060
Restricted for:			
Capital projects	367,205	-	367,205
Debt service	4,656	-	4,656
Other purposes	2,192,090	-	2,192,090
Unrestricted	1,488,319	192,031	1,680,350
Total Net Assets	<u>\$ 22,286,738</u>	<u>\$ 244,623</u>	<u>\$ 22,531,361</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular programs	\$ 30,440,311	\$ 7,053	\$ 3,017,338	\$ -	\$ (27,415,920)	\$ -	\$ (27,415,920)
Special education programs	8,480,211	56,178	4,196,268	-	(4,227,765)	-	(4,227,765)
Other instructional programs	1,661,105	-	302,279	-	(1,358,826)	-	(1,358,826)
School sponsored programs	1,138,941	81,658	-	-	(1,057,283)	-	(1,057,283)
Community services programs	46,610	-	-	-	(46,610)	-	(46,610)
Support services:							
Tuition	2,958,199	-	2,164,521	-	(793,678)	-	(793,678)
Student & instruction related services	11,246,504	-	1,351,098	-	(9,895,406)	-	(9,895,406)
School administrative services	4,780,646	-	388,696	-	(4,391,950)	-	(4,391,950)
Other administrative services	3,312,477	-	54,568	-	(3,257,909)	-	(3,257,909)
Plant operations and maintenance	11,842,279	158,787	46,382	266,917	(11,370,193)	-	(11,370,193)
Pupil transportation	5,138,677	229,595	33,757	-	(4,875,325)	-	(4,875,325)
Unallocated depreciation	55,909	-	-	-	(55,909)	-	(55,909)
Interest on long-term debt and capital leases	2,955,477	-	580,831	-	(2,374,646)	-	(2,374,646)
Total governmental activities	<u>84,057,346</u>	<u>533,271</u>	<u>12,135,738</u>	<u>266,917</u>	<u>(71,121,420)</u>	<u>-</u>	<u>(71,121,420)</u>
Business-type activities:							
Food service	1,272,852	922,334	364,214	-	-	13,696	13,696
Community school	40,056	20,271	-	-	-	(19,785)	(19,785)
Summer school	40,410	50,372	-	-	-	9,962	9,962
Total business-type activities	<u>1,353,318</u>	<u>992,977</u>	<u>364,214</u>	<u>-</u>	<u>-</u>	<u>3,873</u>	<u>3,873</u>
Total primary government	<u>\$ 85,410,664</u>	<u>\$ 1,526,248</u>	<u>\$ 12,499,952</u>	<u>\$ 266,917</u>	<u>\$ (71,121,420)</u>	<u>\$ 3,873</u>	<u>\$ (71,117,547)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 57,353,149	\$ -	\$ 57,353,149
Taxes levied for debt service					4,611,674	-	4,611,674
Federal and State aid not restricted					11,351,096	-	11,351,096
Investment Earnings					8,685	57	8,742
Miscellaneous Income					126,251	-	126,251
Sale and/or Disposal of Capital Assets					(220,988)	-	(220,988)
Transfers					(6,201)	6,201	-
Total general revenues, special items, extraordinary items and transfers					<u>73,223,666</u>	<u>6,258</u>	<u>73,229,924</u>
Change in Net Assets					<u>2,102,246</u>	<u>10,131</u>	<u>2,112,377</u>
Net Assets - Beginning					20,184,492	234,492	20,418,984
Net Assets - Ending					<u>\$ 22,286,738</u>	<u>\$ 244,623</u>	<u>\$ 22,531,361</u>

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

FUND FINANCIAL STATEMENTS

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,616,625	\$ -	\$ 272,822	\$ 4,656	\$ 7,894,103
Due from other funds	495,459	-	-	-	495,459
Receivables from other governments	2,194,830	337,417	280,680	-	2,812,927
Other accounts receivable	112,700	-	-	-	112,700
Restricted cash and cash equivalents	16,751	-	-	-	16,751
Total assets	\$10,436,365	\$ 337,417	\$ 553,502	\$ 4,656	\$11,331,940
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,479,266	\$ 101,754	\$ -	\$ -	\$ 1,581,020
Deposits payable	6,695	-	-	-	6,695
Due to other funds	-	175,952	203,048	-	379,000
Deferred revenue	-	59,711	-	-	59,711
Total liabilities	1,485,961	337,417	203,048	-	2,026,426
Fund balances:					
Restricted for:					
Capital reserve	16,751	-	-	-	16,751
Excess surplus - current year	2,192,090	-	-	-	2,192,090
Debt service	-	-	-	4,656	4,656
Capital projects	-	-	350,454	-	350,454
Committed to:					
Other purposes	980,583	-	-	-	980,583
Assigned to:					
Designated by the Board of Education for subsequent year's expenditures	3,286,843	-	-	-	3,286,843
Other purposes	354,814	-	-	-	354,814
Unassigned:					
General fund	2,119,323	-	-	-	2,119,323
Special revenue fund	-	-	-	-	-
Total fund balances	8,950,404	-	350,454	4,656	9,305,514
Total liabilities and fund balances	\$10,436,365	\$ 337,417	\$ 553,502	\$ 4,656	\$11,331,940

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 ASSETS
JUNE 30, 2012

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

Total fund balances - governmental funds \$ 9,305,514

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	\$115,873,241	
Accumulated depreciation	<u>(47,808,492)</u>	
		68,064,749

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 Assets.

Bond premium	(2,425,883)	
Accumulated amortization	<u>765,206</u>	
		(1,660,677)

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	<u>(1,200,457)</u>	
		2,243,293

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 Assets.

Bond issuance costs	959,457	
Accumulated amortization	<u>(474,385)</u>	
		485,072

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	(52,715,000)	
Loans payable	(291,537)	
Capital leases payable	(702,037)	
Accrued interest on bonds, notes, and capital leases	(948,360)	
Accrued compensated absences	<u>(1,494,279)</u>	
		<u>(56,151,213)</u>

Net assets of governmental activities	<u><u>\$ 22,286,738</u></u>
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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, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$57,353,149	\$ -	\$ -	\$ 4,611,674	\$61,964,823
Tuition charges	56,178	-	-	-	56,178
Interest on investments	8,634	-	-	-	8,634
Interest earned on capital reserve funds	51	-	-	-	51
Transportation fees	229,595	-	-	-	229,595
Miscellaneous	370,234	-	-	3,515	373,749
Total - Local Sources	58,017,841	-	-	4,615,189	62,633,030
State sources	21,323,591	-	266,917	580,831	22,171,339
Federal sources	214,335	1,368,077	-	-	1,582,412
Total revenues	79,555,767	1,368,077	266,917	5,196,020	86,386,781
EXPENDITURES					
Current:					
Regular instruction	21,851,738	14,134	-	-	21,865,872
Special education instruction	5,504,341	525,404	-	-	6,029,745
Other instructional programs	1,073,220	113,532	-	-	1,186,752
School sponsored programs	868,773	-	-	-	868,773
Community services programs	43,857	-	-	-	43,857
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,817,542	140,657	-	-	2,958,199
Student & instruction related services	7,632,907	498,728	-	-	8,131,635
School administrative services	3,216,347	-	-	-	3,216,347
Other administrative services	2,599,568	-	-	-	2,599,568
Plant operations and maintenance	7,054,440	-	-	-	7,054,440
Pupil transportation	3,984,861	-	-	-	3,984,861
Unallocated employee benefits	19,264,046	42,719	-	-	19,306,765
Capital outlay	1,926,828	32,903	654,125	-	2,613,856
Debt service:					
Principal	-	-	-	2,807,152	2,807,152
Interest and other charges	-	-	-	2,387,198	2,387,198
Total expenditures	77,838,468	1,368,077	654,125	5,194,350	85,055,020
Excess (Deficiency) of revenues over expenditures	1,717,299	-	(387,208)	1,670	1,331,761
OTHER FINANCING SOURCES (USES)					
Operating Transfers:					
Transfers in	1,691	-	335,664	-	337,355
Transfers out	(341,865)	-	(1,691)	-	(343,556)
Sources (Uses) of Refunding Bond Issue:					
Refunding bonds				7,710,000	7,710,000
Original issue premium				601,529	601,529
Payment to refunded bond escrow agent				(8,184,603)	(8,184,603)
Costs of issuance	-	-	-	(126,926)	(126,926)
Total other financing sources and uses	(340,174)	-	333,973	-	(6,201)
Net change in fund balances	1,377,125	-	(53,235)	1,670	1,325,560
Fund balance—July 1	7,573,279	-	403,689	2,986	7,979,954
Fund balance—June 30	\$ 8,950,404	\$ -	\$ 350,454	\$ 4,656	\$ 9,305,514

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, 2012

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) \$ 1,325,560

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	\$ (3,744,974)	
Capital outlays	2,520,638	
	(1,224,336)	(1,224,336)

The disposition of capital assets is not recorded in the governmental funds since capital outlays are reported as expenditures in the year purchased. However, in the statement of activities, the disposition of capital assets is recorded as an extraordinary item, net of the asset's book value.

Cost of capital assets	(309,206)	
Accumulated depreciation	88,218	
	(220,988)	(220,988)

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 assets, capital leases are capitalized and lease payments are reported as a reduction to long-term liabilities.

349,127

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

2,807,152

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.

Bond issue costs	126,926	
Amortization expense	(104,541)	
	22,385	22,385

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.

Bond premiums	(601,529)	
Amortization expense	107,738	
	(493,791)	(493,791)

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.

(179,904)

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.

176,249

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 (+).

(459,208)

Change in net assets of governmental activities		\$ 2,102,246
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 303,002
Intergovernmental accounts receivable	16,253
Other accounts receivables	7,994
Inventories	15,703
Total current assets	<u>342,952</u>
Noncurrent assets:	
Equipment	411,162
Less accumulated depreciation	<u>358,570</u>
Total noncurrent assets	<u>52,592</u>
Total assets	<u>395,544</u>
LIABILITIES	
Accounts payable	15,619
Deferred revenue	26,090
Interfund payable	90,073
Compensated absences payable	19,139
Total liabilities	<u>150,921</u>
NET ASSETS	
Invested in capital assets, net of related debt	52,592
Unrestricted	192,031
Total net assets	<u>\$ 244,623</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 ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 879,799
Daily sales - non-reimbursable programs	42,535
Tuition	<u>70,643</u>
Total operating revenues	<u>992,977</u>
Operating expenses:	
Salaries	552,689
Employee benefits	194,933
Supplies and materials	29,473
Depreciation	11,871
Cost of sales	547,750
Miscellaneous	1,605
Purchased professional educational services	9,199
Other purchased services	5,136
Other objects	<u>662</u>
Total operating expenses	<u>1,353,318</u>
Operating loss	<u>(360,341)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	10,641
Federal sources:	
School breakfast program	8,026
National school lunch program	251,322
Special milk program	2,402
Food donation program	91,823
Interest	<u>57</u>
Total nonoperating revenues	<u>364,271</u>
Net income before transfer	3,930
Transfer from General Fund	<u>6,201</u>
Change in net assets	10,131
Total net assets - beginning	<u>234,492</u>
Total net assets - ending	<u><u>\$ 244,623</u></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, 2012

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,019,067
Payments to employees	(587,234)
Payments for employee benefits	(196,841)
Payments to suppliers	(504,837)
Net cash used in operating activities	<u>(269,845)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	10,641
Federal Sources	261,750
Operating subsidies and transfers to other funds	6,201
Net cash provided by non-capital financing activities	<u>278,592</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest and dividends	57
Net increase in cash and cash equivalents	8,804
Cash and cash equivalents - beginning of year	294,198
Cash and cash equivalents - end of year	<u>\$ 303,002</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (360,341)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	11,871
Food donation program	91,823
Decrease in accounts receivable, net	4,856
Increase in inventories	(1,228)
Decrease in accounts payable	(3,678)
Increase in deferred revenue	26,090
Increase in compensated absences payable	2,797
Decrease in due to/from other funds	(42,035)
Total adjustments	90,496
Net cash used in operating activities	<u>\$ (269,845)</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 ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Total Agency Funds	Trust Fund	Total Trust and Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 403,789	\$ 32,681	\$ 436,470
Accounts receivable	6,595	-	6,595
Total assets	<u>410,384</u>	<u>32,681</u>	<u>443,065</u>
LIABILITIES			
Accounts payable	29,644	61,272	90,916
Payroll deductions and withholdings	10,610	-	10,610
Interfund payable	26,386	-	26,386
Due to student groups	343,744	-	343,744
Total liabilities	<u>\$ 410,384</u>	<u>61,272</u>	<u>471,656</u>
NET ASSETS			
Held in trust for unemployment claims		<u>\$ (28,591)</u>	<u>\$ (28,591)</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 ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions:	
Plan members	\$ 119,488
Board contributions	178,953
Total additions	<u>298,441</u>
DEDUCTIONS	
Quarterly contribution reports	48,019
Unemployment claims	291,407
Total deductions	<u>339,426</u>
Change in net assets	(40,985)
Net assets—beginning of the year	12,394
Net assets—end of the year	<u><u>\$ (28,591)</u></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, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Board of Education (the "Board") of the Mount Olive Township School District (the "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 more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include the elementary, middle and high schools located in Mount Olive Township, New Jersey.

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, 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. The operations of the District include four elementary schools, a middle school, and a high school located in Mount Olive Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets 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.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

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.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

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 accounts for all revenue and expenses pertaining to the Board's cafeteria operations and special schools. 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.

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, and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting:

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the County Office for approval by the Executive County Superintendent and are publicly voted upon at the annual school election in April. 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 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.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

E. 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.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenue. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenue/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements as short-term interfund loans.

On the fund financial statements, short-term interfund loans between the governmental fund types are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. 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 are reflected in the balance sheet as deferred revenue at fiscal year-end in accordance with grant accounting procedures.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

I. Inventories:

Inventories, other than those recorded in the Enterprise Fund, are recorded as an expenditure during the year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. 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, fixed 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.

K. Long Term Liabilities:

In the government-wide and enterprise fund statements of net assets, 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.

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, 2012 the District had accrued salaries and wages totaling \$829,207 for unsettled employment contracts.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

M. Compensated Absences:

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

District employees are granted personal days and vacation and sick leave in varying amounts 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 Assets, compensated absences are reported as liabilities and are broken down between those that are due within one year and those payable beyond one year.

N. Deferred Revenue:

Deferred revenue represents cash and/or commodities which have been received but not yet earned. Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. The deferred revenue amount at June 30, 2012 represents grants and entitlements received before the eligibility requirements have been met and outstanding encumbrances at June 30, 2012.

O. Fund Balance Restrictions, Commitments, and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the prior fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes 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, 2012 the District had restricted fund balances for capital reserve, excess surplus, debt service and capital projects.

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, 2012 the District had committed resources totaling \$980,583 for the following purposes:

<u>Project</u>	<u>Amount</u>
Purchase of Four 24-Passenger School Bus Vans	\$187,219
Athletic Field Lights - Mt. Olive High School	454,100
Asbestos Abatement - Mt. Olive High School	89,250
Ceiling Replacement - Mt. Olive High School	83,268
Locker Replacement - Mt. Olive High School	68,428
Gym Floor – Chester M. Stephens School	98,318

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

O. 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, 2012 the District had assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The following is an analysis of the June 30, 2012 fund balance classifications:

General Fund: Of the \$8,950,404 fund balance at June 30, 2012, \$16,751 is restricted for capital reserve; \$2,192,090 is restricted as current year excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2014; \$980,583 is committed for purposes described on the previous page, \$3,286,843 is assigned for subsequent year's expenditures; \$354,814 is assigned for year-end encumbrances and \$2,119,323 is unassigned.

Capital Projects Fund: The \$350,454 fund balance at June 30, 2012 is fully restricted for capital projects, which are partially funded by SDA grant funds.

Debt Service Fund: The \$4,656 fund balance at June 30, 2012 is fully restricted for future debt service payments. Of this amount, \$1,670 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013.

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, 2012 the District had fund balance restricted for excess surplus in the amount of \$2,192,090. The excess surplus calculation is included in the Auditor's Management Report (AMR).

Q. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the school district or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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 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. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School 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 School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, and tuition.

S. Operating Revenue and Expenses:

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

T. 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.

U. 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.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(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, 2012
(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, 2012, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash	Total
Checking and savings accounts	\$8,324,397	\$294,229	\$8,618,626
Investments (certificates of deposit)	31,700	-	31,700
	<u>\$8,356,097</u>	<u>\$294,229</u>	<u>\$8,650,326</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2012, was \$8,650,326 and the bank balance was \$9,805,702.

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 2011-12 fiscal year is as follows:

Beginning balance, July 1, 2011	\$16,500
Increased by:	
Budgeted increase in capital reserve	200
Interest earnings	51
Ending balance, June 30, 2012	<u>\$16,751</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$10,214,030. During the 2011-12 fiscal year, there were no withdrawals from the capital reserve.

5. TRANSFER TO CAPITAL PROJECTS:

During the year ending June 30, 2012, the District transferred \$335,664 to the Capital Projects Fund. The transfer was made from the capital outlay accounts to fund the Board's share of the Boiler Replacement Project at Mount Olive High School. The balance of the project was 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, 2012

6. RECEIVABLES:

Receivables at June 30, 2012, 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	\$ 2,823,539
Intergovernmental accounts receivable	5,641
Interfund accounts receivable	26,386
Other accounts receivable	<u>120,694</u>
Total receivables	<u>\$ 2,976,260</u>

7. INTERFUND BALANCES AND TRANSFERS:

On the fund financial statements, interfund loans are classified as interfund accounts receivable/payable on the respective balance sheets. Interfund loans between the governmental fund types are eliminated in the Statement of Net Assets while interfund loans between the governmental fund types and the fiduciary funds are reflected in the Statement of Net Assets as interfund accounts receivable/payable. Interfund loans between the governmental fund types and the proprietary fund types are reflected on the Statement of Net Assets as internal balances between Governmental and Business type activities. The following is a summary of internal balances:

\$ 90,073	Due to the General Fund from the Enterprise Fund
26,386	Due to the General Fund from the Fiduciary Fund
175,952	Due to the General Fund from the Special Revenue Fund
<u>203,048</u>	Due to the General Fund from the Capital Projects Fund
495,459	Total Interfund Balance - Fund Financial Statements
(379,000)	Elimination of Governmental Interfund Activities
<u>(90,073)</u>	Elimination of Internal Balances
<u>\$ 26,386</u>	

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

8. INVENTORY:

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$ 12,582
Non-Food Items	<u>3,121</u>
	<u>\$ 15,703</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, 2012 amounted to \$104,541 and the total accumulated amortization is \$474,385.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

10. CAPITAL ASSETS:

Capital Asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 703,670	\$ -	\$ -	\$ 703,670
Construction in progress	-	-	-	-
Total capital assets not being Depreciated	703,670	-	-	703,670
Site and site improvements	3,934,228	166,062	-	4,100,290
Building and building improvements	95,059,078	1,041,319	(309,206)	95,791,191
Machinery and equipment	13,964,833	1,313,257	-	15,278,090
Totals at historical cost	112,958,139	2,520,638	(309,206)	115,169,571
Less accumulated depreciation for:				
Site and site improvements	(2,087,783)	(146,021)	-	(2,233,804)
Building and improvements	(30,556,478)	(2,861,746)	88,218	(33,330,006)
Machinery and equipment	(11,507,475)	(737,207)	-	(12,244,682)
Total accumulated depreciation	(44,151,736)	(3,744,974)	88,218	(47,808,492)
Government activities capital assets, net	\$ 69,510,073	\$ (1,224,336)	\$ (220,988)	\$ 68,064,749
Business-type activities:				
Equipment	\$ 411,162	\$ -	\$ -	\$ 411,162
Less accumulated depreciation for: equipment	(346,699)	(11,871)	-	(358,570)
Business-type activities capital assets, net	\$ 64,463	\$ (11,871)	\$ -	\$ 52,592

Depreciation expense was charged to governmental functions as follows:

Regular programs instruction	\$ 140,022
Special education programs	5,920
School sponsored programs	9,419
Student and instruction related services	8,138
School administrative services	115
Other administrative services	135,970
Plant operations and maintenance	3,088,369
Pupil transportation	301,112
Unallocated depreciation	55,909
Total depreciation expense	<u>\$ 3,744,974</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, 2012

11. LONG-TERM LIABILITIES: (Continued)

Long-term obligations activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance
Governmental activities:					
Bonds payable:					
High school addition/renovations	\$ 28,455,000	\$ 6,175,000	\$ 995,000	\$ 6,055,000	\$ 27,580,000
Middle school/facilities expansion	25,090,000	-	1,590,000	-	23,500,000
Refunding bonds - E.R.I.P.	1,630,000	1,535,000	150,000	1,380,000	1,635,000
	55,175,000	7,710,000	2,735,000	7,435,000	52,715,000
Less: Deferred interest	(2,148,197)	179,904	275,000	-	(2,243,293)
Total bonds payable	53,026,803	7,889,904	3,010,000	7,435,000	50,471,707
Loans payable:					
Sewer project loan #1	260,000	-	40,000	-	220,000
Sewer project loan #2	103,689	-	32,152	-	71,537
Total loans payable	363,689	-	72,152	-	291,537
Other Liabilities:					
Capital leases payable	1,051,164	-	349,127	-	702,037
Compensated absences payable	1,035,071	649,124	189,916	-	1,494,279
Total other liabilities	2,086,235	649,124	539,043	-	2,196,316
Total all governmental activities	\$ 55,476,727	\$ 8,539,028	\$ 3,621,195	\$ 7,435,000	\$ 52,959,560
Business-Type Activities:					
Compensated absences payable	\$ 16,341	\$ 5,458	\$ 2,660	\$ -	\$ 19,139
Total all business-type activities	\$ 16,341	\$ 5,458	\$ 2,660	\$ -	\$ 19,139

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Bonds payable:			
High school addition/renovations	\$ 1,067,736	\$ 25,599,959	\$ 26,667,695
Middle school/facilities expansion	1,560,376	20,755,181	22,315,557
Refunding bonds - E.R.I.P.	138,091	1,350,364	1,488,455
Total bonds payable	2,766,203	47,705,504	50,471,707
Loans payable:			
Sewer project loan #1	40,000	180,000	220,000
Sewer project loan #2	30,868	40,669	71,537
Total loans payable	70,868	220,669	291,537
Other Liabilities:			
Capital leases payable	291,548	410,489	702,037
Compensated absences payable	188,826	1,305,453	1,494,279
Total other liabilities	480,374	1,715,942	2,196,316
Total all governmental activities	\$ 3,317,445	\$ 49,642,115	\$ 52,959,560
Business-Type Activities:			
Compensated absences payable	\$ -	\$ 19,139	\$ 19,139
Total all business-type activities	\$ -	\$ 19,139	\$ 19,139

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

11. LONG-TERM LIABILITIES: (Continued)

Debt Obligations:

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 2,970,000	\$ 2,105,851	\$ 5,075,851
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
2018-2022	19,465,000	6,225,310	25,690,310
2023-2027	11,310,000	2,330,310	13,640,310
2028-2030	6,040,000	391,637	6,431,637
	\$ 52,715,000	\$ 18,593,966	\$ 71,308,966

Bonds Authorized But Not Issued:

The District had no bonds authorized but not issued as of June 30, 2012.

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
2013	\$ 70,868	\$ 10,500	\$ 81,368
2014	80,669	8,400	89,069
2015	45,000	6,169	51,169
2016	45,000	3,806	48,806
2017	50,000	1,312	51,312
	\$ 291,537	\$ 30,187	\$ 321,724

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
2013	\$ 291,548
2014	201,061
2015	116,956
2016	92,472
	\$ 702,037

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

11. LONG-TERM LIABILITIES: (Continued)

Advance Refundings:

During the 2011-12 fiscal year, the District partially refunded two of its existing bond issues, which resulted in a total net debt service savings of \$350,402 over the life of the bonds, computed as follows:

	12/20/11 Refunding Bond Issue	5/31/12 Refunding Bond Issue
Cash flow requirements to service old debt	\$ 1,879,695	\$ 7,537,869
Less: Cash flow requirements for new debt	1,791,937	7,275,225
	\$ 87,758	\$ 262,644

The combined net present value cash flow savings is \$326,721.

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, 2012. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The entire compensated absence liability is reported on the District-wide financial statements.

The total liability for compensated absences amounted to \$1,513,418 at June 30, 2012. Of this amount, \$188,826 is due within one year and \$1,324,592 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. During the 2011-12 fiscal year, District employees contributed 6.5% of annual compensation, as defined by the Plan. 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

12. PENSION PLANS: (Continued)

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

Fiscal Year Ending June 30,	State On-Behalf Pension Payments (TPAF)	District Contributions (PERS)
2012	\$954,561	\$1,156,605
2011	92,326	1,145,302
2010	104,214	931,760

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.

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, 2011 there were 93,323 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 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

For the fiscal years ended June 30, 2012, 2011 and 2010 the State of New Jersey contributed \$1,918,915, \$1,961,010 and \$1,957,281 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
2012	\$ 2,222,539
2011	\$ 2,300,128
2010	\$ 2,269,064

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. CONSTRUCTION COMMITMENTS:

The District had no outstanding construction commitments at June 30, 2012.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

16. DEFERRED COMPENSATION:

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The tax sheltered annuity plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Deferred compensation plans are available from the following providers:

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

17. 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
2011-2012	\$119,488	\$178,953	\$48,019	\$291,407	(\$28,591)
2010-2011	\$116,684	\$188,000	\$46,026	\$247,678	\$12,394
2009-2010	\$126,950	\$141,469	\$56,425	\$219,724	\$1,414

The 2012-2013 operating budget includes an appropriation in the amount of \$187,900 for contributions to the Unemployment Insurance Trust Fund.

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 57,353,149	\$ -	\$ 57,353,149	\$ 57,353,149	\$ -
Tuition charges	45,650	-	45,650	56,178	10,528
Interest on investments	11,000	-	11,000	8,634	(2,366)
Interest earned on capital reserve funds	200	-	200	51	(149)
Transportation fees	175,000	-	175,000	229,595	54,595
Miscellaneous	257,500	-	257,500	370,234	112,734
Total - Local Sources	57,842,499	-	57,842,499	58,017,841	175,342
State sources:					
Categorical special education aid	2,810,106	-	2,810,106	2,810,106	-
Equalization aid	10,773,519	-	10,773,519	11,500,936	727,417
Categorical security aid	-	-	-	9,725	9,725
Extraordinary aid	-	-	-	2,017,945	2,017,945
Nonpublic transportation aid	-	-	-	33,757	33,757
Other state aid	-	-	-	6,577	6,577
On-behalf TPAF contributions (Non-Budgeted)	-	-	-	2,873,476	2,873,476
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,222,539	2,222,539
Total - State Sources	13,583,625	-	13,583,625	21,475,061	7,891,436
Federal sources:					
Education Jobs Fund	132,084	18,005	150,089	150,089	-
Medicaid Reimbursement	43,911	-	43,911	64,246	20,335
Total - Federal Sources	175,995	18,005	194,000	214,335	20,335
TOTAL REVENUES	71,602,119	18,005	71,620,124	79,707,237	8,087,113

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, 2012

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Kindergarten	\$ 569,282	\$ (50,741)	\$ 518,541	\$ 517,846	\$ 695
Grades 1 - 5	7,321,252	(86,800)	7,234,452	7,174,300	60,152
Grades 6 - 8	4,874,379	(75,000)	4,799,379	4,703,435	95,944
Grades 9 - 12	6,712,604	(17,225)	6,695,379	6,694,979	400
Regular programs - home instruction:					
Salaries of teachers	9,400	3,900	13,300	13,207	93
Purchased professional - educational services	15,000	30,880	45,880	43,615	2,265
Regular programs - undistributed instruction:					
Other salaries for instruction	91,208	11,077	102,285	99,197	3,088
Purchased professional - educational services	21,000	(600)	20,400	20,400	-
Other purchased services	496,942	105,689	602,631	598,774	3,857
General supplies	1,088,513	585,536	1,674,049	1,621,086	52,963
Textbooks	162,093	196,600	358,693	357,722	971
Other objects	17,310	(500)	16,810	7,177	9,633
Total Regular Programs - Instruction	21,378,983	702,816	22,081,799	21,851,738	230,061
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	893,945	(167,000)	726,945	713,864	13,081
Other salaries for instruction	127,635	20,000	147,635	146,448	1,187
Total Learning and/or Language Disabilities	1,021,580	(147,000)	874,580	860,312	14,268
Behavioral disabilities:					
Salaries of teachers	181,855	(49,100)	132,755	119,724	13,031
Other salaries for instruction	69,088	11,280	80,368	76,412	3,956
Total Behavioral Disabilities	250,943	(37,820)	213,123	196,136	16,987

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 271,796	\$ 33,647	\$ 305,443	\$ 296,097	\$ 9,346
Other salaries for instruction	41,980	-	41,980	41,361	619
Other objects	100	-	100	-	100
Total Multiple Disabilities	313,876	33,647	347,523	337,458	10,065
Resource room/resource center:					
Salaries of teachers	3,238,846	(75,946)	3,162,900	3,119,897	43,003
Other salaries for instruction	456,682	(1,279)	455,403	447,116	8,287
Total Resource Room/Resource Center	3,695,528	(77,225)	3,618,303	3,567,013	51,290
Autism:					
Salaries of teachers	118,246	1,200	119,446	119,362	84
Other salaries for instruction	19,905	-	19,905	19,879	26
Total Autism	138,151	1,200	139,351	139,241	110
Preschool disabilities - Part-Time:					
Salaries of teachers	169,686	137,139	306,825	300,170	6,655
Other salaries for instruction	65,659	(2,275)	63,384	19,523	43,861
Total Preschool Disabilities - Part-Time	235,345	134,864	370,209	319,693	50,516
Preschool disabilities - Full-Time:					
Salaries of teachers	78,443	(7,066)	71,377	11,826	59,551
Other salaries for instruction	20,725	5,000	25,725	25,144	581
General supplies	-	300	300	-	300
Total Preschool Disabilities - Full-Time	99,168	(1,766)	97,402	36,970	60,432
Home instruction:					
Salaries of teachers	16,800	21,000	37,800	36,112	1,688
Purchased professional - educational services	15,000	3,050	18,050	11,406	6,644
Total Home Instruction	31,800	24,050	55,850	47,518	8,332
Total Special Education - Instruction	5,786,391	(70,050)	5,716,341	5,504,341	212,000

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 727,242	\$ 8,300	\$ 735,542	\$ 735,466	\$ 76
General supplies	3,500	34	3,534	3,387	147
Total Basic Skills/Remedial - Instruction	730,742	8,334	739,076	738,853	223
Bilingual education - instruction:					
Salaries of teachers	337,891	-	337,891	332,658	5,233
General supplies	3,500	1,654	5,154	1,709	3,445
Total Bilingual Education - Instruction	341,391	1,654	343,045	334,367	8,678
Total Other Instructional Programs	1,072,133	9,988	1,082,121	1,073,220	8,901
School sponsored other instructional programs:					
School sponsored co-curricular activities - instruction:					
Salaries	173,692	-	173,692	163,011	10,681
Purchased services	30,000	(1,500)	28,500	15,151	13,349
Supplies and materials	-	1,500	1,500	1,378	122
Other objects	22,360	5,280	27,640	19,805	7,835
Total School Sponsored Co-Curricular Activities	226,052	5,280	231,332	199,345	31,987
School sponsored athletics - instruction:					
Salaries	409,891	26,275	436,166	436,149	17
Purchased services	101,260	2,000	103,260	103,232	28
Supplies and materials	77,000	41,718	118,718	104,163	14,555
Other objects	46,000	(14,750)	31,250	25,884	5,366
Total School Sponsored Athletics - instruction	634,151	55,243	689,394	669,428	19,966
Total School Sponsored Other Instructional Programs	860,203	60,523	920,726	868,773	51,953

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Community services programs:					
Salaries	\$ 12,895	\$ (6,571)	\$ 6,324	\$ 6,323	\$ 1
Purchased services	23,000	14,534	37,534	37,534	-
Total Community Services Programs	35,895	7,963	43,858	43,857	1
TOTAL DISTRIBUTED EXPENDITURES	29,133,605	711,240	29,844,845	29,341,929	502,916
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	14,900	(13,330)	1,570	-	1,570
Tuition to other LEAs within the state - special	290,827	-	290,827	270,374	20,453
Tuition to county vocational school districts - regular	410,228	27,360	437,588	418,899	18,689
Tuition to county vocational school districts - special	19,664	-	19,664	6,882	12,782
Tuition to CSSSD and regional day schools	436,727	(60,800)	375,927	277,760	98,167
Tuition to private schools for the handicapped - within state	1,954,832	(278,475)	1,676,357	1,595,688	80,669
Tuition - state facilities	151,982	-	151,982	151,982	-
Total Undistributed Expenditures - Instruction	3,279,160	(325,245)	2,953,915	2,721,585	232,330
Health services:					
Salaries	616,852	(19,070)	597,782	585,214	12,568
Purchased professional and technical services	63,700	-	63,700	62,149	1,551
Other purchased services	3,539	-	3,539	3,072	467
Supplies and materials	28,388	-	28,388	27,519	869
Total Health Services	712,479	(19,070)	693,409	677,954	15,455
Other support services - students - related services:					
Salaries	1,112,804	-	1,112,804	1,089,227	23,577
Purchased professional - educational services	94,390	-	94,390	89,473	4,917
Other objects	229	-	229	225	4
Total Other Support Services - Students - Related Services	1,207,423	-	1,207,423	1,178,925	28,498

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary services:					
Salaries	\$ 1,392,918	\$ (55,536)	\$ 1,337,382	\$ 1,298,511	\$ 38,871
Purchased professional - educational services	545,758	(352,000)	193,758	122,028	71,730
Total Other Support Services - Students - Extra. Serv.	1,938,676	(407,536)	1,531,140	1,420,539	110,601
Other support services - students - regular:					
Salaries of other professional staff	1,245,047	(23,000)	1,222,047	1,168,933	53,114
Salaries of secretarial and clerical assistants	108,894	-	108,894	106,943	1,951
Other purchased professional and technical services	25,000	-	25,000	16,253	8,747
Other purchased services	27,464	-	27,464	25,385	2,079
Supplies and materials	12,741	-	12,741	5,399	7,342
Other objects	1,500	-	1,500	918	582
Total Other Support Services - Students - Regular	1,420,646	(23,000)	1,397,646	1,323,831	73,815
Other support services - students - special:					
Salaries of other professional staff	1,143,089	(38,500)	1,104,589	1,090,207	14,382
Salaries of secretarial and clerical assistants	226,135	10,000	236,135	232,973	3,162
Purchased professional - educational services	51,000	-	51,000	39,844	11,156
Other purchased professional and technical services	4,550	-	4,550	-	4,550
Miscellaneous purchased services	2,500	-	2,500	2,354	146
Supplies and materials	4,000	4,515	8,515	6,795	1,720
Total Other Support Services - Students - Special	1,431,274	(23,985)	1,407,289	1,372,173	35,116
Improvement of instructional services:					
Salaries of supervisors of instruction	526,343	2,000	528,343	528,343	-
Salaries of other professional staff	49,880	-	49,880	44,839	5,041
Salaries of secretarial and clerical assistants	128,797	22,277	151,074	151,035	39
Other purchased services	40,364	-	40,364	37,854	2,510
Supplies and materials	15,200	(932)	14,268	11,982	2,286
Other objects	7,000	-	7,000	5,400	1,600
Total Improvement of Instruction Services	767,584	23,345	790,929	779,453	11,476

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	\$ 571,675	\$ (1,144)	\$ 570,531	\$ 566,933	\$ 3,598
Other purchased services	45,289	-	45,289	36,001	9,288
Supplies and materials	107,618	74,775	182,393	155,006	27,387
Other objects	350	-	350	-	350
Total Educational Media Services/School Library	724,932	73,631	798,563	757,940	40,623
Instructional staff training services:					
Salaries of other professional staff	10,000	-	10,000	5,628	4,372
Purchased professional - educational services	112,000	7,850	119,850	100,250	19,600
Other purchased services	21,000	-	21,000	11,873	9,127
Supplies and materials	4,000	500	4,500	4,341	159
Other objects	1,000	(500)	500	-	500
Total Instructional Staff Training Services	148,000	7,850	155,850	122,092	33,758
Support services - general administration:					
Salaries	429,931	12,297	442,228	440,994	1,234
Legal services	190,000	101,300	291,300	291,262	38
Audit fees	32,200	-	32,200	32,200	-
Architectural/Engineering services	1,500	(1,500)	-	-	-
Other purchased professional services	29,750	(730)	29,020	17,420	11,600
Communications/telephone	158,224	11,906	170,130	169,895	235
BOE other purchased services	4,500	(2,243)	2,257	2,178	79
Other purchased services	307,077	(19,150)	287,927	286,898	1,029
General supplies	10,000	(2,000)	8,000	7,122	878
Judgements against the school district	-	23,000	23,000	23,000	-
Miscellaneous expenditures	15,270	(1,152)	14,118	12,967	1,151
BOE membership dues and fees	27,700	-	27,700	26,809	891
Total Support Services - General Administration	1,206,152	121,728	1,327,880	1,310,745	17,135

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,477,253	\$ (102,087)	\$ 1,375,166	\$ 1,373,219	\$ 1,947
Salaries of other professional staff	900,717	94,984	995,701	995,201	500
Salaries of secretarial and clerical assistants	719,427	(10,000)	709,427	698,461	10,966
Other purchased services	52,556	(3,000)	49,556	45,676	3,880
Supplies and materials	75,060	5,531	80,591	78,560	2,031
Other objects	29,800	(3,200)	26,600	25,230	1,370
Total Support Services - School Administration	3,254,813	(17,772)	3,237,041	3,216,347	20,694
Central services:					
Salaries	561,712	(35,000)	526,712	522,968	3,744
Miscellaneous purchased services	50,552	-	50,552	41,817	8,735
Supplies and materials	13,250	7	13,257	12,555	702
Miscellaneous expenditures	1,550	-	1,550	1,514	36
Total Central Services	627,064	(34,993)	592,071	578,854	13,217
Administrative information technology:					
Salaries	275,266	-	275,266	273,192	2,074
Other purchased services	313,983	154,406	468,389	422,854	45,535
Supplies and materials	10,000	3,390	13,390	11,598	1,792
Other objects	525	1,800	2,325	2,325	-
Total Administrative Information Technology	599,774	159,596	759,370	709,969	49,401
Required maintenance for school facilities:					
Salaries	181,583	(11,000)	170,583	170,182	401
Cleaning, repair and maintenance services	503,018	297,687	800,705	776,623	24,082
General supplies	164,900	148,878	313,778	306,283	7,495
Other objects	5,700	-	5,700	3,708	1,992
Total Required Maintenance for School Facilities	855,201	435,565	1,290,766	1,256,796	33,970

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Salaries	\$ 2,834,045	\$ (29,000)	\$ 2,805,045	\$ 2,759,866	\$ 45,179
Salaries of non-instructional aides	272,073	10,536	282,609	282,601	8
Purchased professional and technical services	63,000	9,510	72,510	57,338	15,172
Cleaning, repair and maintenance services	84,295	48,700	132,995	131,781	1,214
Other purchased property services	109,910	1,200	111,110	110,614	496
Insurance	110,893	-	110,893	110,893	-
Miscellaneous purchased services	3,400	2,126	5,526	4,924	602
General supplies	335,800	(9,894)	325,906	296,243	29,663
Energy (gasoline)	61,500	-	61,500	34,941	26,559
Energy (electricity)	1,295,000	(184,959)	1,110,041	1,087,343	22,698
Energy (natural gas)	580,000	(170,000)	410,000	351,881	58,119
Energy (oil)	7,000	-	7,000	6,722	278
Other objects	5,450	-	5,450	2,880	2,570
Total Custodial Services	5,762,366	(321,781)	5,440,585	5,238,027	202,558
Care and upkeep of grounds:					
Salaries	237,255	-	237,255	226,081	11,174
Purchased professional and technical services	-	5,500	5,500	3,500	2,000
Cleaning, repair and maintenance services	116,700	27,975	144,675	137,331	7,344
General supplies	128,400	-	128,400	93,993	34,407
Total Care and Upkeep of Grounds	482,355	33,475	515,830	460,905	54,925
Security:					
Salaries	71,427	8,821	80,248	78,862	1,386
Purchased professional and technical services	24,500	-	24,500	19,850	4,650
General supplies	10,000	-	10,000	-	10,000
Total Security	105,927	8,821	114,748	98,712	16,036
Total Operation and Maintenance of Plant Services	7,205,849	156,080	7,361,929	7,054,440	307,489

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil trans. (between home & school) - regular	\$ 1,576,046	\$ (79,602)	\$ 1,496,444	\$ 1,494,625	\$ 1,819
Salaries for pupil trans. (between home & school) - special ed.	301,481	-	301,481	300,951	530
Salaries for pupil trans. (other than between home & school)	161,300	(4,500)	156,800	156,580	220
Salaries for pupil trans. (between home & school) - nonpublic	49,372	7,735	57,107	56,862	245
Salaries of non-instructional aides	152,655	(18,650)	134,005	129,184	4,821
Management fees - ESC & CTSA transportation programs	31,293	-	31,293	28,172	3,121
Cleaning, repair and maintenance services	68,580	9,101	77,681	64,827	12,854
Lease purchase payments - school buses	156,191	(33,860)	122,331	122,326	5
Contracted services - aid in lieu payments - nonpublic schools	67,184	4,510	71,694	71,250	444
Contracted services - aid in lieu payments - charter schools	8,840	(410)	8,430	7,956	474
Contracted services (other than bet. home & school) - vendors	1,000	-	1,000	471	529
Contracted services (between home & school) - joint agreements	4,966	1,000	5,966	5,957	9
Contracted services (special ed. students) - vendors	24,000	-	24,000	20,880	3,120
Contracted services (regular students) - ESCs & CTSAs	93,990	6,150	100,140	94,812	5,328
Contracted services (special ed. students) - ESCs & CTSAs	688,335	(56,388)	631,947	618,501	13,446
Miscellaneous purchased services	100,230	5,636	105,866	104,417	1,449
General supplies	322,000	26,400	348,400	348,321	79
Transportation supplies	320,450	37,843	358,293	357,283	1,010
Miscellaneous expenditures	1,500	-	1,500	1,486	14
Total Student Transportation Services	4,129,413	(95,035)	4,034,378	3,984,861	49,517
Unallocated employee benefits:					
Social security contributions	1,097,485	(29,821)	1,067,664	1,053,637	14,027
TPAF contributions - regular	-	-	-	-	-
Other retirement contributions - PERS	1,216,839	(59,306)	1,157,533	1,154,484	3,049
Other retirement contributions - regular	28,990	6,982	35,972	32,575	3,397
Unemployment compensation	178,953	-	178,953	178,677	276
Workers compensation	640,669	(51,000)	589,669	589,265	404
Health benefits	11,580,400	(951,940)	10,628,460	10,582,214	46,246
Tuition reimbursement	275,000	(32,780)	242,220	190,889	51,331
Other employee benefits	405,675	(7,200)	398,475	386,290	12,185
Total Unallocated Benefits - Employee Benefits	15,424,011	(1,125,065)	14,298,946	14,168,031	130,915

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf payments:					
On-behalf TPAF contributions (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 2,873,476	\$ (2,873,476)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,222,539	(2,222,539)
Total On-behalf Payments	-	-	-	5,096,015	(5,096,015)
TOTAL UNDISTRIBUTED EXPENDITURES	44,077,250	(1,529,471)	42,547,779	46,473,754	(3,925,975)
TOTAL EXPENDITURES - CURRENT	73,210,855	(818,231)	72,392,624	75,815,683	(3,423,059)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction::					
Grades 1 - 5	64,450	161,004	225,454	225,454	-
Grades 6 - 8	29,848	33,987	63,835	63,437	398
Grades 9 - 12	18,000	175,957	193,957	180,500	13,457
School sponsored athletics	9,400	54,500	63,900	35,770	28,130
Undistributed expenditures:					
Educational media services/school library	-	35,089	35,089	35,089	-
Instructional staff training services	-	7,200	7,200	7,200	-
School administration	-	7,200	7,200	7,200	-
Information technology services	371,288	200,488	571,776	553,776	18,000
Required maintenance for school facilities	12,500	42,016	54,516	54,468	48
Custodial services	41,300	23,185	64,485	63,670	815
Care and upkeep of grounds	14,800	-	14,800	14,674	126
Student transportation services - non-instructional equipment	15,000	25,872	40,872	39,117	1,755
School buses - special	-	187,220	187,220	-	187,220
Total Equipment	576,586	953,718	1,530,304	1,280,355	249,949

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, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities acquisition and construction services:					
Architectural and engineering services	\$ 27,834	\$ 8,850	\$ 36,684	\$ 13,518	\$ 23,166
Construction services	347,900	1,126,714	1,474,614	539,737	934,877
Other objects	93,218	-	93,218	93,218	-
Total Facilities Acquisition and Construction Services:	468,952	1,135,564	1,604,516	646,473	958,043
TOTAL CAPITAL OUTLAY	1,045,538	2,089,282	3,134,820	1,926,828	1,207,992
CHARTER SCHOOL:					
Allocation of funds to charter school	102,000	1,115	103,115	95,957	7,158
Total Charter School	102,000	1,115	103,115	95,957	7,158
TOTAL EXPENDITURES	74,358,393	1,272,166	75,630,559	77,838,468	(2,207,909)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,756,274)	(1,254,161)	(4,010,435)	1,868,769	(5,879,204)
OTHER FINANCING SOURCES (USES):					
Transfers In:					
Transfer from Capital Projects Fund	-	-	-	1,691	(1,691)
Transfers Out:					
Interest Deposit to Capital Reserve	(200)	-	(200)	-	(200)
Transfer to Capital Projects Fund	(530,369)	183,366	(347,003)	(335,664)	(11,339)
Transfer to Enterprise Fund	-	(6,201)	(6,201)	(6,201)	-
TOTAL OTHER FINANCING SOURCES (USES)	(530,569)	177,165	(353,404)	(340,174)	(13,230)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	\$ (3,286,843)	\$(1,076,996)	\$ (4,363,839)	\$ 1,528,595	\$ (5,892,434)
FUND BALANCE, July 1	8,815,874	-	8,815,874	8,815,874	-
FUND BALANCE, June 30	<u>\$ 5,529,031</u>	<u>\$(1,076,996)</u>	<u>\$ 4,452,035</u>	<u>\$ 10,344,469</u>	<u>\$ (5,892,434)</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
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Recapitulation:

Restricted Fund Balance:	
Capital reserve	\$ 16,751
Excess surplus - current year	2,192,090
Committed Fund Balance:	
Year-end encumbrances	980,583
Assigned Fund Balance:	
Year-end encumbrances	354,814
Designated for subsequent year's expenditures	3,286,843
Unassigned Fund Balance	3,513,388
	<u>10,344,469</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last state aid payment not recognized on GAAP basis	<u>(1,394,065)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 8,950,404</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
EDUCATION JOBS FUND PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

C-1a

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 132,084	\$ 18,005	\$ 150,089	\$ 150,089	\$ -
Total Revenues	132,084	18,005	150,089	150,089	-
EXPENDITURES:					
Regular programs - undistributed instruction:					
Other salaries for instruction	-	11,077	11,077	11,077	-
Total Regular Programs - Instruction	-	11,077	11,077	11,077	-
Special education - instruction:					
Learning and/or language disabilities:					
Other salaries for instruction	-	10,000	10,000	10,000	-
Total Learning and/or Language Disabilities	-	10,000	10,000	10,000	-
Special education - instruction:					
Behavioral disabilities:					
Other salaries for instruction	-	5,959	5,959	5,959	-
Total Behavioral Disabilities	-	5,959	5,959	5,959	-
Health services:					
Salaries	43,608	(19,070)	24,538	24,538	-
Total Health Services	43,608	(19,070)	24,538	24,538	-
Educational media services/school library:					
Salaries	52,017	(1,144)	50,873	50,873	-
Total Educational Media Services/School Library	52,017	(1,144)	50,873	50,873	-
Security services:					
Salaries	26,133	8,821	34,954	34,954	-
Total Security Services	26,133	8,821	34,954	34,954	-
Unallocated employee benefits:					
Social security contributions	3,336	7,179	10,515	10,515	-
Other retirement contributions - regular	6,990	(5,743)	1,247	1,247	-
Health benefits	-	926	926	926	-
Total Unallocated Employee Benefits	10,326	2,362	12,688	12,688	-
Total Expenditures	132,084	18,005	150,089	150,089	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2012

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$1,069,617	\$ 359,547	\$1,429,164	\$ 1,382,485	\$ 46,679
Total Revenues	1,069,617	359,547	1,429,164	1,382,485	46,679
EXPENDITURES:					
Instruction:					
Personal services - salaries	489,533	31,653	521,186	521,185	1
Purchased professional educational and technical services	2,000	(2,000)	-	-	-
Other purchased services	-	140,657	140,657	140,657	-
General supplies	71,459	79,361	150,820	122,993	27,827
Other objects	1,615	(1,573)	42	42	-
Total Instruction	564,607	248,098	812,705	784,877	27,828
Support Services:					
Personal services - salaries	146,845	(32,419)	114,426	114,256	170
Personal services - employee benefits	50,319	(7,588)	42,731	42,719	12
Purchased professional educational and technical services	252,926	113,341	366,267	358,830	7,437
Other purchased services	850	25,053	25,903	15,703	10,200
Supplies and materials	17,945	29,286	47,231	46,199	1,032
Total Support Services	468,885	127,673	596,558	577,707	18,851
Facilities Acquisition and Construction Services:					
Instructional equipment	36,125	(16,224)	19,901	19,901	-
Non-instructional equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	36,125	(16,224)	19,901	19,901	-
Total Expenditures	1,069,617	359,547	1,429,164	1,382,485	46,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2012

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	\$79,707,237	\$ 1,382,485
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, 2011	-	35,951
Outstanding encumbrances at June 30, 2012	-	(50,359)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2011	1,242,595	-
State aid receivable at June 30, 2012	(1,394,065)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$79,555,767</u>	<u>\$ 1,368,077</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$77,838,468	\$ 1,382,485
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, 2011	-	35,951
Outstanding encumbrances at June 30, 2012	-	(50,359)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$77,838,468</u>	<u>\$ 1,368,077</u>

OTHER SUPPLEMENTARY INFORMATION

<p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p>
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The Special Revenue Fund is used to account for the proceeds of special revenue sources (other than major capital projects) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	TITLE I		TITLE II		TITLE III	
	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part A Carryover	Part A Current
REVENUES:						
Federal sources	\$ 5,583	\$ 79,999	\$ 29,876	\$ 78,401	\$ 2,446	\$ 24,494
Total Revenues	<u>\$ 5,583</u>	<u>\$ 79,999</u>	<u>\$ 29,876</u>	<u>\$ 78,401</u>	<u>\$ 2,446</u>	<u>\$ 24,494</u>
EXPENDITURES:						
Instruction:						
Personal services - salaries	\$ 3,480	\$ 55,449	\$ -	\$ -	\$ -	\$ -
Other purchased services	-	-	-	-	-	-
General supplies	2,103	15,030	-	5,000	2,446	23,864
Other objects	-	-	-	-	-	-
Total Instruction	<u>5,583</u>	<u>70,479</u>	<u>-</u>	<u>5,000</u>	<u>2,446</u>	<u>23,864</u>
Support Services:						
Personal services - salaries	-	-	-	-	-	-
Personal services - employee benefits	-	9,520	-	-	-	-
Purchased professional educational and technical services	-	-	29,876	56,026	-	-
Other purchased services	-	-	-	-	-	630
Supplies and materials	-	-	-	17,375	-	-
Total Support Services	<u>-</u>	<u>9,520</u>	<u>29,876</u>	<u>73,401</u>	<u>-</u>	<u>630</u>
Facilities Acquisition and Construction Services:						
Instructional equipment	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 5,583</u>	<u>\$ 79,999</u>	<u>\$ 29,876</u>	<u>\$ 78,401</u>	<u>\$ 2,446</u>	<u>\$ 24,494</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, 2012

	I.D.E.A.				Carl D. Perkins Vocational Ed. Secondary Allocation	Total
	Part B - Basic Reg. Prog. Carryover	Part B - Basic Reg. Prog. Current	Part B Preschool Carryover	Part B Preschool Current		
REVENUES:						
Federal sources	\$ 97,552	\$ 979,523	\$ 24,255	\$ 43,272	\$ 17,084	\$ 1,382,485
Total Revenues	<u>\$ 97,552</u>	<u>\$ 979,523</u>	<u>\$ 24,255</u>	<u>\$ 43,272</u>	<u>\$ 17,084</u>	<u>\$ 1,382,485</u>
EXPENDITURES:						
Instruction:						
Personal services - salaries	\$ -	\$ 419,818	\$ 4,600	\$ 37,838	\$ -	\$ 521,185
Other purchased services	-	140,657	-	-	-	140,657
General supplies	7,184	43,366	12,567	1,200	10,233	122,993
Other objects	-	42	-	-	-	42
Total Instruction	<u>7,184</u>	<u>603,883</u>	<u>17,167</u>	<u>39,038</u>	<u>10,233</u>	<u>784,877</u>
Support Services:						
Personal services - salaries	-	108,582	-	-	5,674	114,256
Personal services - employee benefits	-	29,518	352	2,895	434	42,719
Purchased professional educational and technical services	72,924	191,929	6,736	1,339	-	358,830
Other purchased services	981	13,349	-	-	743	15,703
Supplies and materials	1,057	27,767	-	-	-	46,199
Total Support Services	<u>74,962</u>	<u>371,145</u>	<u>7,088</u>	<u>4,234</u>	<u>6,851</u>	<u>577,707</u>
Facilities Acquisition and Construction Services:						
Instructional equipment	15,406	4,495	-	-	-	19,901
Non-instructional equipment	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>15,406</u>	<u>4,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,901</u>
Total Expenditures	<u>\$ 97,552</u>	<u>\$ 979,523</u>	<u>\$ 24,255</u>	<u>\$ 43,272</u>	<u>\$ 17,084</u>	<u>\$ 1,382,485</u>

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

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, 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, 2012

<u>Year</u>	<u>Project Title</u>	<u>Appropriation</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2011	Mt. Olive High School Reroofing and Reflashing Project	\$ 707,550	\$ 38,635	\$ 642,725	\$ 26,190
2012	Mt. Olive High School Boiler Replacement Project	335,664	-	11,400	324,264
		<u>\$ 1,043,214</u>	<u>\$ 38,635</u>	<u>\$ 654,125</u>	<u>\$ 350,454</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2012</u>
REVENUES AND OTHER FINANCING SOURCES:	
State Sources - SDA Grant	\$ 370,072
Transfer from capital outlay	<u>530,369</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>900,441</u>
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	9,600
Construction services	644,525
Transfer to General Fund	<u>1,691</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>655,816</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	244,625
FUND BALANCE, July 1	<u>672,815</u>
FUND BALANCE, June 30	<u><u>\$ 917,440</u></u>
Reconciliation to Governmental Funds Statements (GAAP):	
Restricted fund balance - budgetary basis	\$ 917,440
Less: SDA grant receivable not recognized on GAAP basis	<u>(566,986)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 350,454</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MT. VIEW ELEMENTARY SCHOOL ROOF PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 68,465	\$ 1,691	\$ 70,156	\$ 70,156
Transfer from capital outlay	103,828	-	103,828	103,828
TOTAL REVENUES AND OTHER FINANCING SOURCES	172,293	1,691	173,984	173,984
EXPENDITURES:				
Purchased professional and technical services	12,115	-	12,115	12,115
Construction services	159,049	-	159,049	159,049
Transfer to General Fund	1,129	1,691	2,820	2,820
TOTAL EXPENDITURES	172,293	1,691	173,984	173,984
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION:

Project number	3450-060-09-1001
Grant date	1/15/2009
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 175,944
Additional authorized cost	-
Revised authorized cost	\$ 175,944
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	Sep-09
Revised target completion date	Sep-09

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, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ 284,580	\$ -	\$ 284,580	\$ 293,090
Transfer from capital outlay	426,870	-	426,870	418,360
TOTAL REVENUES AND OTHER FINANCING SOURCES	711,450	-	711,450	711,450
EXPENDITURES:				
Purchased professional and technical services	38,635	9,600	48,235	51,000
Construction services	-	633,125	633,125	660,450
TOTAL EXPENDITURES	38,635	642,725	681,360	711,450
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 672,815</u>	<u>\$ (642,725)</u>	<u>\$ 30,090</u>	<u>\$ -</u>

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	-
Revised authorized cost	\$ 711,450
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, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ -	\$ 368,381	\$ 368,381	\$ 368,381
Transfer from capital outlay	-	530,369	530,369	530,369
		-		
TOTAL REVENUES AND OTHER FINANCING SOURCES	-	898,750	898,750	898,750
EXPENDITURES:				
Purchased professional and technical services	-	-	-	64,000
Construction services	-	11,400	11,400	834,750
TOTAL EXPENDITURES	-	11,400	11,400	898,750
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ -	\$ 887,350	\$ 887,350	\$ -

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	-
Revised authorized cost	\$ 898,750
Percentage increase over original authorized cost	0.00%
Percentage completion	1.27%
Original target completion date	Aug-12
Revised target completion date	Aug-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 community school and summer school programs.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	Food Services	Special Schools Community School	Summer School	Totals
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 240,091	\$ -	\$ 62,911	\$ 303,002
Accounts receivable:				
State	650	-	-	650
Federal	15,603	-	-	15,603
Other	7,994	-	-	7,994
Inventories	15,703	-	-	15,703
Total Current Assets	<u>280,041</u>	<u>-</u>	<u>62,911</u>	<u>342,952</u>
NONCURRENT ASSETS:				
Equipment	411,162	-	-	411,162
Less: accumulated depreciation	358,570	-	-	358,570
Total Noncurrent Assets	<u>52,592</u>	<u>-</u>	<u>-</u>	<u>52,592</u>
TOTAL ASSETS	<u>332,633</u>	<u>-</u>	<u>62,911</u>	<u>395,544</u>
LIABILITIES:				
Accounts payable	15,619	-	-	15,619
Deferred revenue	-	-	26,090	26,090
Interfund payable	84,673	-	5,400	90,073
Compensated absences payable	19,139	-	-	19,139
TOTAL LIABILITIES	<u>119,431</u>	<u>-</u>	<u>31,490</u>	<u>150,921</u>
NET ASSETS:				
Invested in capital assets, net of related debt	52,592	-	-	52,592
Unrestricted	160,610	-	31,421	192,031
TOTAL NET ASSETS	<u>\$ 213,202</u>	<u>\$ -</u>	<u>\$ 31,421</u>	<u>\$ 244,623</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Services	Special Schools Community School	Summer School	Totals
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$ 879,799	\$ -	\$ -	\$ 879,799
Daily sales - non-reimbursable programs	42,535	-	-	42,535
Tuition	-	20,271	50,372	70,643
Total Operating Revenues	922,334	20,271	50,372	992,977
OPERATING EXPENSES:				
Salaries	492,005	23,154	37,530	552,689
Employee benefits	190,291	1,771	2,871	194,933
Supplies and materials	29,330	143	-	29,473
Depreciation	11,871	-	-	11,871
Cost of sales	547,750	-	-	547,750
Miscellaneous	1,605	-	-	1,605
Purchased professional educational services	-	9,199	-	9,199
Other purchased services	-	5,136	-	5,136
Other objects	-	653	9	662
Total Operating Expenses	1,272,852	40,056	40,410	1,353,318
OPERATING INCOME (LOSS)	(350,518)	(19,785)	9,962	(360,341)
NON-OPERATING REVENUES:				
State sources:				
State school lunch program	10,641	-	-	10,641
Federal sources:				
School breakfast program	8,026	-	-	8,026
National school lunch program	251,322	-	-	251,322
Special milk program	2,402	-	-	2,402
Food donation program	91,823	-	-	91,823
Interest	-	-	57	57
Total Non-Operating Revenues	364,214	-	57	364,271
Net income (loss) before transfer	13,696	(19,785)	10,019	3,930
Transfer from General Fund	-	6,201	-	6,201
Change in net assets	13,696	(13,584)	10,019	10,131
Total net assets - beginning	199,506	13,584	21,402	234,492
Total net assets - ending	\$ 213,202	\$ -	\$ 31,421	\$ 244,623

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Services	Special Schools Community School	Summer School	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 922,334	\$ 20,271	\$ 76,462	\$ 1,019,067
Payments to employees	(492,005)	(48,099)	(47,130)	(587,234)
Payments for employee benefits	(190,291)	(3,679)	(2,871)	(196,841)
Payments to suppliers	(489,697)	(15,131)	(9)	(504,837)
Net cash provided by (used in) operating activities	<u>(249,659)</u>	<u>(46,638)</u>	<u>26,452</u>	<u>(269,845)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	10,641	-	-	10,641
Federal Sources	261,750	-	-	261,750
Operating subsidies and transfers to other funds	-	6,201	-	6,201
Net cash provided by non-capital financing activities	<u>272,391</u>	<u>6,201</u>	<u>-</u>	<u>278,592</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest and dividends	-	-	57	57
Net increase (decrease) in cash and cash equivalents	<u>22,732</u>	<u>(40,437)</u>	<u>26,509</u>	<u>8,804</u>
Cash and cash equivalents - beginning of year	217,359	40,437	36,402	294,198
Cash and cash equivalents - end of year	<u>\$ 240,091</u>	<u>\$ -</u>	<u>\$ 62,911</u>	<u>\$ 303,002</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating income (loss)	\$ (350,518)	\$ (19,785)	\$ 9,962	\$ (360,341)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	11,871	-	-	11,871
Food donation program	91,823	-	-	91,823
Decrease in accounts receivable, net	4,856	-	-	4,856
Increase in inventories	(1,228)	-	-	(1,228)
Decrease in accounts payable	(3,678)	-	-	(3,678)
Increase in deferred revenue	-	-	26,090	26,090
Increase in compensated absences payable	2,797	-	-	2,797
Decrease in due to/from other funds	(5,582)	(26,853)	(9,600)	(42,035)
Total adjustments	<u>100,859</u>	<u>(26,853)</u>	<u>16,490</u>	<u>90,496</u>
Net cash provided by (used in) operating activities	<u>\$ (249,659)</u>	<u>\$ (46,638)</u>	<u>\$ 26,452</u>	<u>\$ (269,845)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS
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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 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 the unemployment transactions of the school district.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2012

	Agency Funds			Trust Fund
	Student Activity	Payroll	Total Agency	Unemployment Compensation Insurance Trust
ASSETS:				
Cash and cash equivalents	\$ 393,179	\$ 10,610	\$ 403,789	\$ 32,681
Accounts receivable	6,595	-	6,595	-
TOTAL ASSETS	399,774	10,610	410,384	32,681
LIABILITIES:				
Accounts payable	29,644	-	29,644	61,272
Payroll deductions and withholdings	-	10,610	10,610	-
Interfund payable	26,386	-	26,386	-
Due to student groups	343,744	-	343,744	-
TOTAL LIABILITIES	399,774	10,610	410,384	61,272
NET ASSETS:				
Held in trust for unemployment claims	-	-	-	(28,591)
TOTAL NET ASSETS	\$ -	\$ -	\$ -	\$ (28,591)

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Insurance Trust</u>
ADDITIONS:	
Contributions:	
Plan members	\$ 119,488
Board contributions	178,953
Total additions	<u>298,441</u>
DEDUCTIONS:	
Quarterly contribution reports	48,019
Unemployment claims	291,407
Total deductions	<u>339,426</u>
Change in net assets	(40,985)
Net assets-beginning of the year	12,394
Net assets-end of the year	<u><u>\$ (28,591)</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable/ (Receivable)</u>	<u>Balance June 30, 2012</u>
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 15,967	\$ 30,245	\$ 45,620	\$ (9,485)	\$ 10,077
Mountain View School	12,385	16,750	17,958	1,271	9,906
Tinc Road School	14,891	13,529	10,445	509	17,466
CMS Elementary School	9,868	45,836	42,305	2,189	11,210
TOTAL ELEMENTARY SCHOOLS	<u>53,111</u>	<u>106,360</u>	<u>116,328</u>	<u>(5,516)</u>	<u>48,659</u>
MIDDLE SCHOOL:					
Mount Olive Middle School	<u>72,855</u>	<u>197,980</u>	<u>168,196</u>	<u>9,547</u>	<u>93,092</u>
TOTAL MIDDLE SCHOOL	<u>72,855</u>	<u>197,980</u>	<u>168,196</u>	<u>9,547</u>	<u>93,092</u>
HIGH SCHOOL:					
Mount Olive High School	153,804	330,335	337,503	(6,472)	153,108
Athletic Account	58,195	105,814	115,124	-	48,885
TOTAL HIGH SCHOOL	<u>211,999</u>	<u>436,149</u>	<u>452,627</u>	<u>(6,472)</u>	<u>201,993</u>
TOTAL ALL SCHOOLS	<u>\$ 337,965</u>	<u>\$ 740,489</u>	<u>\$ 737,151</u>	<u>\$ (2,441)</u>	<u>\$ 343,744</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and cash equivalents	\$ 8,679	\$ 59,641,625	\$ 59,639,694	\$ 10,610
TOTAL ASSETS	<u>\$ 8,679</u>	<u>\$ 59,641,625</u>	<u>\$ 59,639,694</u>	<u>\$ 10,610</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 8,679	\$ 59,641,625	\$ 59,639,694	\$ 10,610
TOTAL LIABILITIES	<u>\$ 8,679</u>	<u>\$ 59,641,625</u>	<u>\$ 59,639,694</u>	<u>\$ 10,610</u>

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	RETIRED	REFUNDED	BALANCE JUNE 30, 2012
			DATE	AMOUNT						
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	11/01/04	\$30,500,000	1/15/2013	\$1,675,000	4.00%	\$ 25,090,000	\$ -	\$ 1,590,000	\$ -	\$ 23,500,000
			1/15/2014	1,750,000	4.00%					
			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	2/1/2013	130,000	5.15%	1,630,000	-	120,000	1,380,000	130,000
Early Retirement Incentive Program - Refunding Bonds	12/20/11	1,535,000	2/1/2013	25,000	1.02%	-	1,535,000	30,000	-	1,505,000
			2/1/2014	165,000	1.35%					
			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	7/15/2012	980,000	4.00%	10,065,000	-	935,000	6,055,000	3,075,000
			7/15/2013	1,020,000	4.00%					
			7/15/2014	1,075,000	4.00%					
Addition/Renovations to Mt. Olive High School - Refunding Bonds	05/31/12	\$ 6,175,000	7/15/2012	100,000	2.00%	-	6,175,000	-	-	6,175,000
			7/15/2013	25,000	2.00%					
			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, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	RETIRED	REFUNDED	BALANCE JUNE 30, 2012
			DATE	AMOUNT						
Addition/Renovations to Mt. Olive High School - Refunding Bonds	09/14/06	\$ 9,100,000	7/15/2012	\$ 25,000	4.00%	\$ 9,015,000	\$ -	\$ 25,000	\$ -	\$ 8,990,000
			7/15/2013	25,000	4.00%					
			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	7/15/2012	35,000	4.00%	9,375,000	-	35,000	-	9,340,000
			7/15/2013	40,000	4.00%					
			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%					
						\$ 55,175,000	\$ 7,710,000	\$ 2,735,000	\$ 7,435,000	\$ 52,715,000

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance	Retired	Balance
			Principal	Interest		July 1, 2011		June 30, 2012
(4) 2008 Thomas School Buses Computer and Peripheral Equipment	09/28/07	5 Years	\$ 487,513	\$ 49,472	4.03%	\$ 154,591	\$ 102,062	\$ 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%	218,423	85,237	133,186
(2) 2009 Ford F-350 Super Cab Trucks	11/28/08	4 Years	60,269	6,203	6.95%	15,538	15,538	-
(1) 2010 Ford F-450 Super Cab Truck Computer and Peripheral Equipment	09/15/09	5 Years	230,000	24,869	3.73%	170,572	46,505	124,067
(1) 2011 Ford F-350 Super Cab Truck Computer and Peripheral Equipment	11/10/10	5 Years	450,002	37,463	2.75%	449,985	87,556	362,429
Musical Instruments	02/28/11	4 Years	56,971	11,622	13.16%	42,055	12,229	29,826
						<u>\$ 1,051,164</u>	<u>\$ 349,127</u>	<u>\$ 702,037</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,611,674	\$ -	\$ 4,611,674	\$ 4,611,674	\$ -
Miscellaneous	-	-	-	3,515	3,515
Total local sources	4,611,674	-	4,611,674	4,615,189	3,515
State sources:					
Debt service aid type II	580,831	-	580,831	580,831	-
Total state sources	580,831	-	580,831	580,831	-
TOTAL REVENUES	5,192,505	-	5,192,505	5,196,020	3,515
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	90,730	(30,000)	60,730	59,590	1,140
Interest on loans and serial bonds	2,327,608	-	2,327,608	2,327,608	-
Redemption of principal - early retirement bonds	120,000	30,000	150,000	150,000	-
Redemption of principal - loans and serial bonds	2,657,152	-	2,657,152	2,657,152	-
Total Regular Debt Service	5,195,490	-	5,195,490	5,194,350	1,140
TOTAL EXPENDITURES	5,195,490	-	5,195,490	5,194,350	1,140
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,985)	-	(2,985)	1,670	4,655
OTHER FINANCING SOURCES (USES):					
Sources (Uses) of Refunding Bond Issue:					
Refunding bonds	-	-	-	7,710,000	7,710,000
Original issue premium	-	-	-	601,529	601,529
Payment to refunded bond escrow agent	-	-	-	(8,184,603)	(8,184,603)
Costs of issuance	-	-	-	(126,926)	(126,926)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,985)	-	(2,985)	1,670	4,655
FUND BALANCE, July 1	2,986	-	2,986	2,986	-
FUND BALANCE, June 30	\$ 1	\$ -	\$ 1	\$ 4,656	\$ 4,655
RECAPITULATION OF EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES:					
Budgeted Fund Balance	\$ (2,985)	\$ -	\$ (2,985)	\$ 1,670	\$ 4,655

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.	86-93
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	94-97
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.	98-101
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.	102-103
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.	104-108

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

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

	2012	2011	2010	2009	Fiscal Year Ended June 30,		2006	2005	2004	2003
					2008	2007				
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 707,724
Restricted	2,563,951	1,210,035	20,411	32,181	139,129	984,926	6,806,079	2,232,179	594,296	(74,723)
Unrestricted (Deficit)	1,488,319	2,276,040	483,740	(3,576,575)	(4,321,297)	(162,155)	(1,166,971)	(1,417,427)	386,079	838,388
Total governmental activities net assets	<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>	<u>\$ 1,471,389</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 52,592	\$ 64,463	\$ 77,966	\$ 91,469	\$ 105,678	\$ 122,638	\$ 134,041	\$ 145,838	\$ 153,533	\$ 167,376
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	192,031	170,029	161,095	193,661	220,513	287,269	323,985	229,094	142,306	240,648
Total business-type activities net assets	<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>	<u>\$ 408,024</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 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	\$ 875,100
Restricted	2,563,951	1,210,035	20,411	32,181	139,129	984,926	6,806,079	2,232,179	594,296	(74,723)
Unrestricted (Deficit)	1,680,350	2,446,069	644,835	(3,382,914)	(4,100,784)	125,114	(842,986)	(1,188,333)	528,385	1,079,036
Total district net assets	<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>	<u>\$ 1,879,413</u>

Source: District records

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

	2012	2011	2010	2009	Fiscal Year Ended June 30,		2006	2005	2004	2003
					2008	2007				
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 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	\$ 21,709,607
Special education programs	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	4,523,744
Other instructional programs	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	1,065,252
School sponsored programs	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	847,286
Community services programs	46,610	53,148	40,789	-	237,671	192,694	140,792	27,798	24,203	33,517
Support Services:										
Tuition	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	1,987,021
Student & instruction related services	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	7,272,373
School administrative services	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	2,990,070
Other administrative services	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	1,753,771
Plant operations and maintenance	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	7,035,165
Pupil transportation	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	3,769,890
Charter schools	95,957	75,946	72,424		45,123	47,348	37,299	4,031	-	-
Interest on long-term debt and capital leases	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	1,837,297
Unallocated depreciation	55,909	65,277	79,015	86,339	92,320	101,418	1,238,708	1,374,521	1,448,717	1,525,506
Total governmental activities expenses	<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>	<u>56,350,499</u>
Business-type activities:										
Food service	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	1,276,834
Community school	40,056	113,517	160,173	195,828	173,357	181,389	172,239	148,861	135,199	124,606
Summer school	40,410	50,824	57,488	42,759	39,865	31,801	24,940	33,473	35,881	62,787
Total business-type activities expenses	<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>	<u>1,464,227</u>
Total district expenses	<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>	<u>\$ 57,814,726</u>

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

	2012	2011	2010	2009	Fiscal Year Ended June 30, 2008	2007	2006	2005	2004	2003
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs (Sunset Academy fees)	\$ 7,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special education programs (tuition)	56,178	87,350	113,801	103,408	271,335	126,618	94,978	131,562	222,321	131,274
School sponsored programs (sports and activity fees)	81,658	85,155	63,787	-	-	-	-	-	-	-
Plant operations and maintenance (building usage fees)	158,787	56,007	70,875	50,572	67,918	43,284	115,653	176,837	141,706	139,956
Pupil transportation (transportation fees)	229,595	213,067	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930
Operating grants and contributions	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	9,182,058
Capital grants and contributions	266,917	15,454	68,465	-	-	8,700,382	4,403,899	1,601,097	-	-
Total governmental activities program revenues	<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>	<u>9,668,218</u>
Business-type activities:										
Charges for services:										
Food service	922,334	950,217	1,001,572	1,059,598	1,088,892	1,076,005	1,105,351	1,029,665	984,216	925,800
Community school	20,271	94,059	152,901	183,467	190,352	167,724	163,208	161,175	154,691	142,916
Summer school	50,372	36,295	33,813	51,258	47,551	46,494	10,894	4,235	5,100	69,159
Operating grants and contributions	364,214	345,789	343,921	291,976	317,405	300,809	238,713	212,075	222,376	211,790
Total business-type activities program revenues	<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>	<u>1,349,665</u>
Total district program revenues	<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>	<u>\$ 11,017,883</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (46,682,281)
Business-type activities	3,873	(4,938)	(27,003)	(709)	(51,314)	(63,756)	(34,522)	(59,455)	(114,505)	(114,562)
Total district-wide net (expense)/revenue	<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>	<u>\$ (46,796,843)</u>

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

	2012	2011	2010	2009	Fiscal Year Ended June 30,		2006	2005	2004	2003
					2008	2007				
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 36,578,161
Taxes levied for debt service	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	2,581,095
Unrestricted grants and contributions	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	8,233,511
Extraordinary items	(220,988)	-	-	-	(230,425)	-	96,500	-	-	471,460
Investment earnings	8,685	12,354	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901
Miscellaneous income	126,251	344,339	111,856	270,079	932,599	97,776	152,139	41,558	37,271	106,337
Transfers	(6,201)	-	20,000	42,000	42,000	1,000	(103,000)	(132,000)	-	30,000
Total governmental activities	<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>	<u>48,120,465</u>
Business-type activities:										
Investment earnings	57	369	934	1,648	9,598	16,637	14,616	6,548	2,320	3,148
Transfers	6,201	-	(20,000)	(42,000)	(42,000)	(1,000)	103,000	132,000	-	(30,000)
Total business-type activities	<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>	<u>(26,852)</u>
Total district-wide	<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>	<u>\$ 48,093,613</u>
Change in Net Assets										
Governmental activities	\$ 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	\$ 1,438,184
Business-type activities	10,131	(4,569)	(46,069)	(41,061)	(83,716)	(48,119)	83,094	79,093	(112,185)	(141,414)
Total district	<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>	<u>\$ 1,296,770</u>

Source: District records

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

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Restricted	\$2,208,841	\$ 803,360	\$ 16,243	\$ 15,986	\$ 15,676	\$ 389,030	\$ 118,048	\$ 483,508	\$ 271,001	\$ 136,179
Committed	980,583	183,000	-	-	-	19,380	-	-	-	60,071
Assigned	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	1,109,120
Unassigned	2,119,323	2,406,080	1,737,601	392,743	(478,391)	848,984	755,924	739,642	1,231,607	1,751,214
Total general fund	<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>	<u>\$3,056,584</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	(214,087)
Debt service	4,656	2,986	3,039	13,995	-	162,198	50,923	187,540	94,496	3,185
Unassigned	-	-	-	-	-	-	-	-	-	(9,437)
Total all other governmental funds	<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>	<u>\$ (210,902)</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,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Tax levy	\$ 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	\$ 39,159,256
Tuition charges	56,178	87,350	113,801	103,408	271,335	126,618	94,978	131,562	222,321	131,274
Interest earnings	8,685	12,354	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901
Transportation fees	229,595	213,067	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930
Rental income	-	-	-	-	-	-	85,633	146,375	141,706	139,956
Miscellaneous	373,749	485,501	246,518	321,443	1,005,621	141,060	282,699	90,571	37,271	106,337
State sources	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	16,509,865
Federal sources	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	905,704
Total revenue	<u>86,386,781</u>	<u>84,067,115</u>	<u>86,319,407</u>	<u>80,929,189</u>	<u>80,445,509</u>	<u>87,652,651</u>	<u>76,736,594</u>	<u>70,781,332</u>	<u>63,576,320</u>	<u>57,287,223</u>
Expenditures										
Instruction:										
Regular Instruction	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	16,774,120
Special education instruction	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	3,469,009
Other instructional programs	1,186,752	1,102,572	1,081,345	933,563	901,818	959,586	873,650	871,428	850,929	808,791
School sponsored programs	868,773	846,534	813,821	770,131	910,714	900,141	866,945	871,800	766,499	712,611
Community services programs	43,857	47,542	35,390	-	164,377	134,694	104,320	23,478	20,361	27,665
Support Services:										
Tuition	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	1,987,021
Student & inst. related services	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	5,819,991
School administrative services	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	2,317,905
Other administrative services	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	1,527,104
Plant operations and maintenance	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	6,179,592
Pupil transportation	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	2,917,859
Employee benefits	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	10,208,438
Charter Schools	95,957	75,946	72,424	65,644	45,123	47,348	-	-	-	-
Capital outlay	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	1,162,104
Debt service:										
Principal	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	1,526,613
Interest and other charges	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	1,809,577
Total expenditures	<u>85,055,020</u>	<u>82,011,199</u>	<u>82,645,535</u>	<u>81,108,576</u>	<u>83,330,922</u>	<u>98,022,759</u>	<u>98,761,796</u>	<u>70,143,074</u>	<u>64,805,378</u>	<u>57,248,400</u>
Excess (Deficiency) of revenues over (under) expenditures	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)	38,823

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,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	32,280,000	-
Permanent financing of temp. debt	-	-	-	-	-	-	-	-	412,000	205,000
Refunding bonds	7,710,000	-	-	-	-	18,600,000	-	30,500,000	-	2,395,000
Original issue premium	601,529	-	-	-	-	133,310	-	1,691,044	-	-
Payments to escrow agent	(8,184,603)	-	-	-	-	(18,465,867)	-	(31,863,490)	-	(2,308,744)
Costs of issuance	(126,926)	-	-	-	-	(240,752)	-	(327,554)	-	(86,256)
Cancellation of loans payable	-	-	-	-	-	-	-	-	-	(82,571)
Capital leases	-	506,973	230,000	480,269	516,291	855,822	286,785	-	-	-
Transfers in	337,355	427,999	126,028	42,000	42,000	193,441	892,386	649,047	215,803	30,000
Transfers out	(343,556)	(427,999)	(106,028)	-	-	(192,441)	(995,386)	(781,047)	(215,803)	-
Total other financing sources (uses)	<u>(6,201)</u>	<u>506,973</u>	<u>250,000</u>	<u>522,269</u>	<u>558,291</u>	<u>883,513</u>	<u>183,785</u>	<u>(132,000)</u>	<u>32,692,000</u>	<u>152,429</u>
Net change in fund balances	<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>	<u>\$ 191,252</u>
Debt service as a percentage of noncapital expenditures	6.30%	6.40%	6.30%	6.39%	5.32%	8.44%	6.99%	6.88%	5.48%	5.95%

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
2003	\$ 1,990	\$ 13,681	\$ 2,224	\$ -	\$ 30,473	\$ 45,108	\$ 11,923	\$ -	\$ -	\$ -	\$ -	\$ 938	\$ 106,337
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

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
2002	\$93,974,600	\$ 1,031,092,200	\$7,558,200	\$1,212,900	\$182,951,300	\$391,380,800	\$143,800,000	\$1,851,970,000	\$ 5,029,543	\$1,856,999,543	\$120,742,400	\$ 2,049,824,593	\$ 2.01
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

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
2002	\$ 1.88	\$ 0.13	\$ 2.01	\$ 0.70	\$ 0.33	\$ 3.04
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

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, 2011			December 31, 2001		
	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	3.31%	\$ 50,300,000	2	2.83%
Segal Realty Associates of NJ, LLC	78,700,000	2	2.62%	48,700,000	3	2.74%
Toys R Us Inc.	51,800,000	3	1.72%	32,000,000	5	1.80%
ATC Realty Sixteen Inc. (formerly BASF Corporation)	33,600,000	4	1.12%	160,000,000	1	9.01%
Eagle Rock Village Inc.	32,000,000	5	1.06%	23,465,000	6	1.32%
Kings Village, LLC	20,400,000	6	0.68%	-	-	-
NJ Development Group, LLC (Calvin Klein)	20,000,000	7	0.66%	34,200,000	4	1.93%
SCI ITC South Fund, LLC	20,000,000	8	0.66%	-	-	-
Armstrong Sutton	18,500,000	9	0.61%	-	-	-
National Shopping Center Associates, LLC	18,500,000	10	0.61%	-	-	-
DE-149	-	-	-	14,200,000	7	0.80%
AIG Baker	-	-	-	13,650,300	8	0.77%
Lucent	-	-	-	13,650,000	9	0.77%
Givaudan	-	-	-	13,000,000	10	0.73%
Total	<u>\$ 393,000,000</u>		<u>13.06%</u>	<u>\$ 403,165,300</u>		<u>22.70%</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	
2002	\$ 37,213,630	\$ 37,213,630	100.00%	-
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%	-

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)			
2003	\$ 36,555,000	\$ 858,006	\$ 412,000	\$ 37,825,006	2.69%	\$ 1,520
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	N/A	1,875

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		
2003	\$ 36,555,000	-	\$ 36,555,000	1.97%	\$ 1,448
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%	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, 2012
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	\$ 24,643,065	100.000%	\$ 24,643,065
County of Morris ^c	266,302,360	3.619%	<u>9,636,311</u>
Subtotal, overlapping debt			34,279,376
Mt. Olive Township School District Direct Debt ^d			<u>53,006,537</u>
Total direct and overlapping debt			<u><u>\$ 87,285,913</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, 2011 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, 2012 as reported by the County of Morris.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2012 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 2012

Equalized valuation basis	
2011	\$ 3,305,375,523
2010	3,529,825,576
2009	3,745,471,695
[A]	<u>\$ 10,580,672,794</u>
Average equalized valuation of taxable property [A/3]	\$ 3,526,890,931
Debt limit (4% of average equalized valuation) [B]	\$ 141,075,637 ^a
Total net debt applicable to limit [C]	<u>52,715,000</u>
Legal debt margin [B-C]	<u>\$ 88,360,637</u>

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$78,143,014	\$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
Total net debt applicable to limit	<u>36,555,000</u>	<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>
Legal debt margin	<u>\$41,588,014</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	46.78%	78.64%	68.26%	56.96%	48.70%	43.08%	39.47%	37.77%	37.13%	37.37%

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>
2002	24,879	\$ 1,403,722,938	\$ 56,422	5.9%
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	N/A	N/A	8.2%

Source:

^a Population estimates provided by the New Jersey Department of Labor and Workforce Development.

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

^c Per capita personal income based on average for Morris County. Information provided by the US Bureau of Economic Analysis. The most current year is a projected figure.

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR
UNAUDITED

Employer	Employees	Rank	Percentage of Total Municipal Employment ^a
Mt. Olive Township School District	781	1	4.75%
Siemens Medical Solutions	423	2	2.57%
Toys R Us	275	3	1.67%
Givaudan Fragrances Corp.	230	4	1.40%
Lowe's Home Centers Inc.	180	5	1.09%
Wal-Mart Stores Inc.	170	6	1.03%
Mount Olive Township	138	7	0.84%
American Sensor Technologies	100	8	0.61%
Seiko Corp. of America	100	9	0.61%
L-3 Communications Corp.	80	10	0.49%
	<u>2,477</u>		<u>15.06%</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 2011 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>2003</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>
Instruction:										
Regular	308.0	336.5	338.0	334.0	321.0	323.0	307.5	286.0	282.0	270.0
Special education	76.5	94.0	103.0	109.0	123.0	123.0	114.5	121.5	125.0	125.0
Other instruction	11.0	11.0	11.0	11.0	11.0	11.5	11.5	11.5	16.0	16.0
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	102.0	112.5	115.0	126.0	121.5	122.5	118.0	124.5	129.8	130.3
General administration	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	32.5	33.5	36.5	39.0	39.0	37.0	36.0	39.0	40.0	40.0
Business and other support services	10.5	10.5	10.5	10.5	10.5	10.5	10.0	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
Plant operations and maintenance	72.0	75.5	71.0	69.0	69.0	70.0	86.5	88.5	84.0	85.0
Pupil transportation	67.0	68.0	69.0	71.0	68.0	68.0	75.0	73.5	66.0	66.0
Total	<u>683.5</u>	<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>

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				
2003	4,623.0	\$ 52,660,670	\$ 11,391	2.25%	409	21	25	23	4,636	4,417	6.45%	95.28%
2004	4,779.0	58,601,793	12,262	7.65%	432	19	22	23	4,769	4,546	2.87%	95.32%
2005	4,883.5	63,228,877	12,947	5.59%	471	22	24	25	4,847	4,613	1.64%	95.17%
2006	4,979.0	66,996,842	13,456	3.93%	455	19	21	20	4,921	4,673	1.53%	94.96%
2007	5,028.5	72,305,607	14,379	6.86%	480	19	21	23	4,965	4,729	0.89%	95.25%
2008	4,964.5	77,881,473	15,688	9.10%	477	18	22	19	4,907	4,685	-1.17%	95.48%
2009	4,966.5	75,272,373	15,156	-3.39%	451	19	21	18	4,906	4,668	-0.02%	95.15%
2010	4,941.5	76,961,038	15,574	2.76%	429	22	25	18	4,903	4,685	-0.06%	95.55%
2011	4,930.0	75,780,189	15,371	-1.30%	435	21	25	24	4,864	4,626	-0.80%	95.11%
2012	4,792.5	77,246,814	16,118	4.86%	434	18	20	17	4,735	4,515	-2.65%	95.35%

Source: District records

^a Enrollment is based on the annual October district count. The 2012 count represents student enrollment as of October 15, 2011.

^b Operating expenditures equal total expenditures 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>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<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	880	887
Enrollment ^b	564	600	593	609	676	714	719	700	697	692
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	886	886
Enrollment ^b	661	701	713	675	628	623	608	607	599	579
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	653	589
Enrollment ^b	477	505	496	514	497	440	451	426	422	384
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	676	688
Enrollment ^b	553	561	570	582	591	561	538	527	526	494
<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	1,200	1,400
Enrollment ^b	1,136	1,092	1,132	1,173	1,223	1,197	1,167	1,164	1,137	1,150
<u>High School</u>										
Mt. Olive High School (1978)										
Square Feet	205,000	205,000	205,000	205,000	335,000	335,000	335,000	335,000	335,000	335,000
Capacity (students) ^a	1,214	1,214	1,214	1,214	1,740	1,740	1,740	1,740	1,740	1,600
Enrollment ^b	1,182	1,271	1,317	1,358	1,378	1,376	1,425	1,468	1,508	1,456
<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	15,000	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	14,576	-	-	-	-	-	-	-
Number of Schools at June 30, 2012										
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 2012 functional capacity based on 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 2012 count represents the number of on roll full-time and shared-time students as of October 15, 2011.

^c The Flanders School was sold during the 2005/2006 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		
2003	\$ 207,123	\$ 45,180	\$ 55,640	\$ 73,814	\$ 47,152	\$ 70,989	\$ 254,610	\$ 754,508
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
Total School Facilities	<u>\$ 2,200,207</u>	<u>\$ 1,121,824</u>	<u>\$ 650,494</u>	<u>\$ 507,547</u>	<u>\$ 483,291</u>	<u>\$ 700,387</u>	<u>\$ 2,506,962</u>	<u>\$ 8,170,712</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, 2012
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

Independent Auditors' 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
Mount Olive Township School District
County of Morris, New Jersey

We have audited the 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 Mount Olive Township School District, in the County of Morris, State of New Jersey (District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

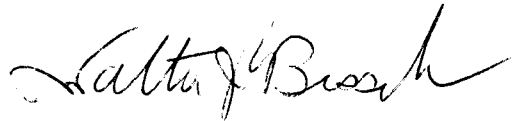
A *deficiency internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the District's Board, the New Jersey Department of Education, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Walter J. Brasch
Licensed Public School Accountant
No. CS-01063



ParenteBeard LLC

November 30, 2012
Clark, New Jersey

Independent Auditors' Report on Compliance with Requirements
that Could have a Direct and Material Effect on Each Major Program
and on Internal Control Over Compliance in Accordance with
OMB Circular A-133 and New Jersey OMB Circular 04-04

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

Compliance

We have audited the Board of Education of the Mount Olive Township School District, County of Morris, State of New Jersey's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement*, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, OMB Circular A-133 and New Jersey OMB's 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 or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2012.

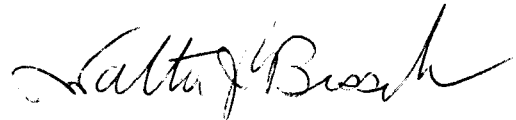
Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the District's Board, the New Jersey Department of Education, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Walter J. Brasch
Licensed Public School Accountant
No. CS-01063



ParenteBeard LLC

November 30, 2012
Clark, New Jersey

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2011
			From	To	
U.S. Department of Education					
Passed-through State Department of Education					
General Fund:					
Education Jobs Fund Grants	84.410	547,745	08/10/10	09/30/12	(78,780)
Medicaid Administrative Claiming (MAC)	93.778	2,295	09/01/11	08/31/12	-
Special Education Medicaid Initiative (SEMI)	93.778	49,214	09/01/10	08/31/11	(7,190)
Special Education Medicaid Initiative (SEMI)	93.778	61,951	09/01/11	08/31/12	-
Total General Fund					(85,970)
Special Revenue Fund:					
Title I Part A, Improving Basic Programs	84.010	107,142	09/01/11	08/31/12	-
Title I Part A, Improving Basic Programs	84.010	129,305	09/01/10	08/31/11	(44,371)
Title I Part A, Improving Basic Programs	84.010	94,493	09/01/09	08/31/10	(173)
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	84,054	09/01/11	08/31/12	-
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	62,846	09/01/10	08/31/11	(37,770)
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	92,035	09/01/09	08/31/10	(4,985)
Title III, English Language Acquisition and Language Enhancement	84.365	24,743	09/01/11	08/31/12	-
Title III, English Language Acquisition and Language Enhancement	84.365	30,483	09/01/10	08/31/11	(9,317)
I.D.E.A. Part B (Basic)	84.027	982,561	09/01/11	08/31/12	-
I.D.E.A. Part B (Basic)	84.027	957,785	09/01/10	08/31/11	(195,762)
I.D.E.A. Part B (Basic)	84.027	942,117	09/01/09	08/31/10	(127,416)
I.D.E.A. Part B (Preschool Grants)	84.173	43,272	09/01/11	08/31/12	-
I.D.E.A. Part B (Preschool Grants)	84.173	43,251	09/01/10	08/31/11	(3,728)
I.D.E.A. Part B (Preschool Grants)	84.173	41,603	09/01/09	08/31/10	(13,979)
Vocational Education - Basic Grants to States	84.048	18,185	07/01/11	06/30/12	-
Vocational Education - Basic Grants to States	84.048	17,916	07/01/10	06/30/11	(10,754)
Total Special Revenue Fund					(448,255)
U.S. Department of Agriculture					
Passed-through State Department of Education					
Enterprise Fund:					
Food Donation	10.550	91,823	09/01/11	08/31/12	-
School Breakfast Program	10.553	8,026	09/01/11	08/31/12	-
School Breakfast Program	10.553	10,483	09/01/10	08/31/11	(985)
National School Lunch Program	10.555	251,322	09/01/11	08/31/12	-
National School Lunch Program	10.555	249,997	09/01/10	08/31/11	(19,112)
Special Milk for Children	10.556	2,402	09/01/11	08/31/12	-
Special Milk for Children	10.556	2,796	09/01/10	08/31/11	(201)
Total Enterprise Fund					(20,298)
Sub-Total Federal Financial Awards					\$ (554,523)

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		
					Accounts Receivable	Deferred Revenue	Due to Grantor
-	227,943	(150,089)	-	-	(926)	-	-
-	-	(2,295)	-	-	(2,295)	-	-
-	7,190	-	-	-	-	-	-
-	39,588	(61,951)	-	-	(22,363)	-	-
-	274,721	(214,335)	-	-	(25,584)	-	-
-	62,468	(79,999)	-	-	(17,531)	-	-
-	49,954	(5,583)	-	-	-	-	-
-	173	-	-	-	-	-	-
-	-	(78,401)	-	-	(78,401)	-	-
-	58,329	(29,876)	-	-	(9,317)	-	-
-	4,985	-	-	-	-	-	-
-	10,080	(24,494)	-	-	(14,414)	-	-
-	11,763	(2,446)	-	-	-	-	-
-	776,295	(979,523)	-	-	(203,228)	-	-
-	293,314	(97,552)	-	-	-	-	-
-	127,416	-	-	-	-	-	-
-	30,381	(43,272)	-	-	(12,891)	-	-
-	27,983	(24,255)	-	-	-	-	-
-	13,979	-	-	-	-	-	-
-	15,449	(17,084)	-	-	(1,635)	-	-
-	10,754	-	-	-	-	-	-
-	1,493,323	(1,382,485)	-	-	(337,417)	-	-
-	91,823	(91,823)	-	-	-	-	-
-	7,491	(8,026)	-	-	(535)	-	-
-	985	-	-	-	-	-	-
-	236,407	(251,322)	-	-	(14,915)	-	-
-	19,112	-	-	-	-	-	-
-	2,249	(2,402)	-	-	(153)	-	-
-	201	-	-	-	-	-	-
-	358,268	(353,573)	-	-	(15,603)	-	-
\$ -	\$ 2,126,312	\$ (1,950,393)	\$ -	\$ -	\$ (378,604)	\$ -	\$ -

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (K-4)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount
			From	To		
State Department of Education						
General Fund:						
Special Education Aid, Carryover	11-495-034-5120-089	\$ 2,810,106	07/01/10	06/30/11	\$ (281,011)	\$ -
Special Education Aid	12-495-034-5120-089	2,810,106	07/01/11	06/30/12	-	-
Extraordinary Special Education Costs Aid, Carryover	11-100-034-5120-473	2,203,389	07/01/10	06/30/11	(2,203,389)	-
Extraordinary Special Education Costs Aid	12-100-034-5120-473	2,017,945	07/01/11	06/30/12	-	-
Nonpublic school transportation aid, Carryover	11-100-034-5120-067	29,323	07/01/10	06/30/11	(29,323)	-
Nonpublic school transportation aid	12-100-034-5120-067	33,757	07/01/11	06/30/12	-	-
Equalization Aid, Carryover	11-495-034-5120-078	10,036,377	07/01/10	06/30/11	(961,584)	-
Equalization Aid	12-495-034-5120-078	11,500,936	07/01/11	06/30/12	-	-
Security Aid	12-495-034-5120-084	9,725	07/01/11	06/30/12	-	-
Prior Year CSSD Tuition Adjustment	N/A	6,577	07/01/11	06/30/12	-	-
Homeless Tuition Reimbursement, Carryover	N/A	3,938	07/01/10	06/30/11	(3,938)	-
Homeless Tuition Reimbursement	N/A	23,473	07/01/11	06/30/12	-	-
*On-behalf T.P.A.F. Pension	12-100-034-5095-116	2,873,476	07/01/11	06/30/12	-	-
Reimbursed T.P.A.F. Social Security Tax, Carryover	11-495-034-5095-002	2,300,128	07/01/10	06/30/11	(113,772)	-
Reimbursed T.P.A.F. Social Security Tax	12-495-034-5095-002	2,222,539	07/01/11	06/30/12	-	-
Total General Fund					(3,593,017)	-
Capital Projects Fund:						
Schools Construction Corporation Grant	1650-050-05-1000	368,381	09/09/11	06/30/12	-	-
Schools Construction Corporation Grant	1650-050-05-1000	293,090	09/23/10	06/30/12	(15,454)	-
Schools Construction Corporation Grant, Carryover	1650-050-05-1000	70,156	01/15/09	06/30/12	(33,890)	-
Total Capital Projects Fund					(49,344)	-
Debt Service Fund:						
Debt Service Aid - State Support	12-495-034-5120-075	580,831	07/01/11	06/30/12	-	-
Total Debt Service Fund					-	-
State Department of Agriculture						
Enterprise Fund:						
National School Lunch Program, Carryover	11-100-034-5120-122	10,668	07/01/10	06/30/11	(912)	-
National School Lunch Program	12-100-034-5120-122	10,641	07/01/11	06/30/12	-	-
Total Enterprise Fund					(912)	-
Total State Financial Assistance					\$ (3,643,273)	\$ -

* Not included for major program determination

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (K-4) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 281,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,529,095	(2,810,106)	-	-	-	-	-	(281,011)	2,810,106
2,203,389	-	-	-	-	-	-	-	-
-	(2,017,945)	-	-	(2,017,945)	-	-	-	2,017,945
29,323	-	-	-	-	-	-	-	-
-	(33,757)	-	-	(33,757)	-	-	-	33,757
961,584	-	-	-	-	-	-	-	-
10,389,512	(11,500,936)	-	-	-	-	-	(1,111,424)	11,500,936
8,752	(9,725)	-	-	-	-	-	(973)	9,725
5,919	(6,577)	-	-	-	-	-	(658)	6,577
3,938	-	-	-	-	-	-	-	-
21,796	(23,472)	-	-	(1,676)	-	-	-	23,472
2,873,476	(2,873,476)	-	-	-	-	-	-	-
113,772	-	-	-	-	-	-	-	-
2,112,312	(2,222,539)	-	-	(110,227)	-	-	-	2,222,539
21,533,879	(21,498,533)	-	-	(2,163,605)	-	-	(1,394,066)	18,625,057
-	-	-	-	-	-	-	-	-
-	(265,226)	-	-	(280,680)	-	-	-	280,680
35,581	(1,691)	-	-	-	-	-	-	70,156
35,581	(266,917)	-	-	(280,680)	-	-	-	350,836
580,831	(580,831)	-	-	-	-	-	-	580,831
580,831	(580,831)	-	-	-	-	-	-	580,831
912	-	-	-	-	-	-	-	-
9,991	(10,641)	-	-	(650)	-	-	-	10,641
10,903	(10,641)	-	-	(650)	-	-	-	10,641
<u>\$ 22,161,194</u>	<u>\$ (22,356,922)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,444,935)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,394,066)</u>	<u>\$ 19,567,365</u>

See Notes to Schedule of Expenditures of Federal and State Awards

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

For the Fiscal Year ended June 30, 2012

1. General

The accompanying schedules of expenditures of federal and state awards present the activity of all federal and state award programs of the Mount Olive Township School District (District). The District is defined in Note 1 to the District'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 are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented using the modified accrual basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting, and those recorded in the Special Revenue Fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District'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 from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with or reconcile to amounts reported in the basic financial statements which present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

For the Fiscal Year ended June 30, 2012

3. Relationship to Basic Financial Statements (continued)

the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(151,470) for the General Fund and \$(14,408) for the Special Revenue Fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and Special Revenue Fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 214,335	\$21,323,591	\$21,537,926
Special Revenue Fund	1,368,077		1,368,077
Capital Projects Fund		266,917	266,917
Debt Service Fund		580,831	580,831
Proprietary Fund	353,630	10,641	364,271
Total Awards & Financial Assistance	<u>\$1,936,042</u>	<u>22,181,980</u>	<u>\$24,118,022</u>

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.

Mount Olive Township School District

Notes to Schedules of Expenditures of
Federal and State Awards

For the Fiscal Year ended June 30, 2012

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2012.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04.

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2012

Part I-Summary of Auditors' Results

Financial Statement Section

- | | | |
|-------|---|----------------------------------|
| (i) | Type of auditors' report issued: | Unqualified |
| (ii) | Internal control over financial reporting: | |
| | Material weakness(es) identified? | _____ Yes <u>✓</u> No |
| | Significant deficiency(ies) identified? | _____ Yes <u>✓</u> None Reported |
| (iii) | Noncompliance material to financial statements noted? | _____ Yes <u>✓</u> No |

Federal and State Awards Section

- | | | |
|--------|--|--|
| (viii) | Dollar threshold used to determine between type A and type B programs: | Federal - \$300,000 State - \$584,503 |
| (ix) | Auditee qualified as low-risk auditee? | <u>✓</u> Yes _____ No |
| (v) | Type of auditors' report on compliance for major programs: | Unqualified |
| (iv) | Internal control over compliance for major programs: | |
| | Material weakness(es) identified? | _____ Yes <u>✓</u> No |
| | Were significant deficiency(ies) identified? | _____ Yes <u>✓</u> None Reported |
| (v) | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and New Jersey OMB Circular 04-04? | _____ Yes <u>✓</u> No |

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2012

Part I—Summary of Auditors Results (continued)

Federal and State Awards Section (continued)

(vii) Identification of major programs:

CFDA Number(s) or State Program Number		Name of Federal or State Program or Cluster
Federal:		
84.027		IDEA Preschool
84.173		IDEA Part B
State:		
495-034-5095-002		Reimbursed TPAF Social Security Contributions
100-034-5120-473		Extraordinary Special Education Aid
495-034-5120-078		Equalization Aid
495-034-5120-089		Special Education Categorical Aid
495-034-5120-084		Security Aid

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2012

Part II—Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2012

Part III–Federal and State Award Findings and Questioned Costs

No federal or state award findings and questioned costs noted that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

Mount Olive Township School District
Summary Schedule of Prior Audit Findings

June 30, 2011

This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

There were no federal or state award findings and questioned costs noted that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 for prior year.