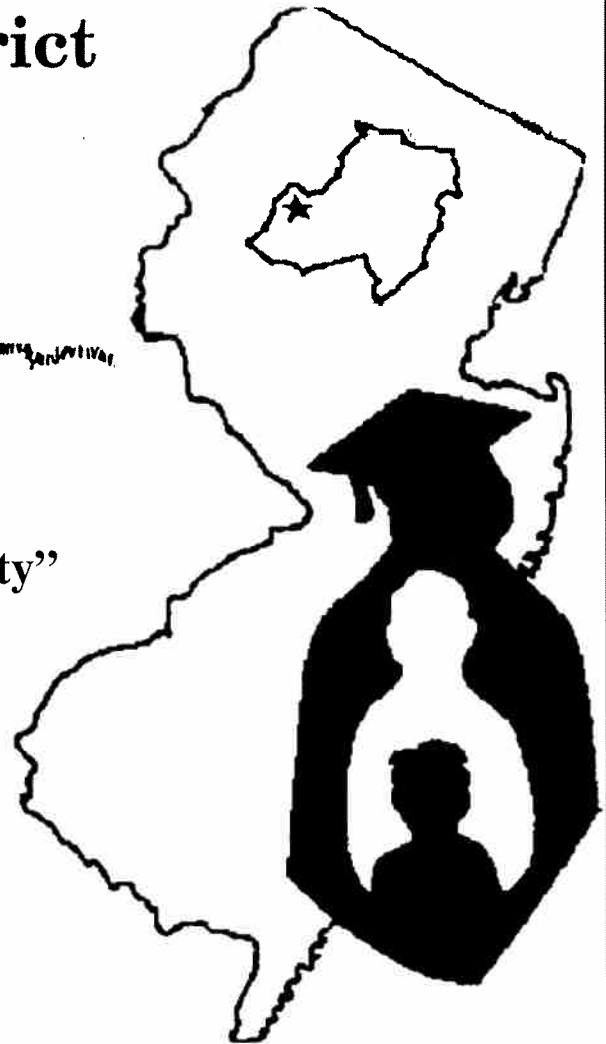
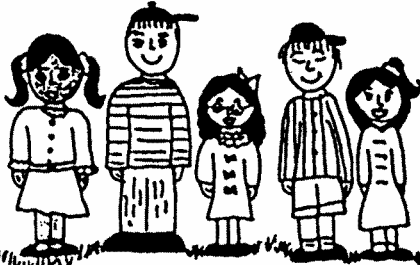
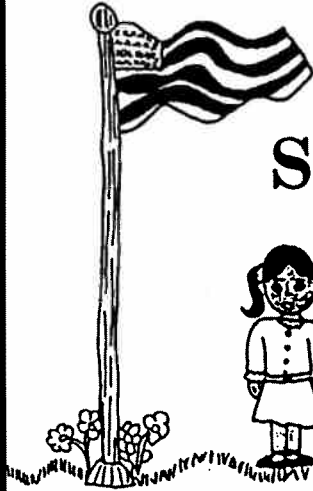


**Mt. Olive  
Township  
School District**



**“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, 2011**

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT**

BUDD LAKE, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011

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, 2011**

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**INTRODUCTORY SECTION**

# Public Schools of Mt. Olive Township

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November 18, 2011

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, 2011. 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**

The Mount Olive Township School District, along with many other public school systems in the State of New Jersey, faces a difficult economic future since the primary sources of funding are property tax revenue and state aid. 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. The growth rate on local property taxes was restricted to 4% during the current fiscal year; however, recent legislation reduced the cap to 2% beginning with the 2011-2012 school district budget.

Like many other states throughout the nation, the State of New Jersey is in a financial crisis, thereby jeopardizing the District's current level of state funding. In fact, the District experienced a significant cut in state aid in the 2010-2011 school district budget. In addition, the 2010-2011 base budget was defeated by the voters, resulting in additional budget cuts by the Mt. Olive Town Council in the amount of \$2,051,380. The substantial loss in state aid and property tax revenue forced the District to eliminate certain programs and services and to institute further user fees such as subscription busing.

After a vigorous period of residential development and expansion, the Township's growth has slowed in recent 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 over the last five years. Currently, there is adequate capacity to meet general classroom enrollment projections, both now and in the near future.

During the 2010 calendar year, 31 building permits were issued for new single-family homes within the Township. In addition, there are several existing housing projects in various stages of completion throughout the Township that may impact the student population. The most significant housing project, Morris Chase, includes 276 residential units, 105 of which are single-family homes and 171 townhouses. Construction of Morris Chase commenced in March 2010 and the project is estimated to be 22% completed. To date, 60 units have been sold – 15 single-family homes and 45 townhouses. 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.

Given the current economic climate and the lack of any significant increase in Township rates, it is expected that state aid and property tax revenue will remain relatively stagnant, making it difficult to maintain existing programs and services. Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, and mandated special education costs greatly outpace any additional revenue. Despite these uncontrollable economic factors, the District remains committed in its ongoing efforts to maintain existing programs and services. To this end, the District's administration is closely monitoring the cost of operations and continues 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 the state averages in nearly every measurable category. The following table illustrates the percentage pass rates for general education students on the New Jersey Assessment of Skills and Knowledge (NJASK) standardized tests:

	<u>Language Arts</u>	<u>Mathematics</u>
Grade 3	89.2%	94.8%
Grade 4	90.3%	94.7%
Grade 5	86.6%	96.2%
Grade 6	85.0%	95.6%
Grade 7	87.1%	89.6%

On the state mandated Grade Eight Proficiency Assessment (GEPA/NJASK8), the District achieved general education pass rates of 95.9% in language arts, 94.0% in mathematics, and 97.8% in science. All three subjects exceeded the state and DFG averages.

At the high school level, the District achieved general education pass rates of 99.0% in language arts and 91.2% in mathematics on the state mandated High School Proficiency Assessment (HSPA). The District's combined mean SAT score of 1567 is 67 points over the state and national mean scores.

Eighty-five percent of the District's 2011 graduates will be pursuing post-secondary education, with 58% attending four-year colleges and universities. Mount Olive seniors have received a number of prestigious scholarships and awards. Two seniors were recognized as finalists through the National Merit Scholarship Program and another received a special Achievement Award. One graduate was the recipient of the Bausch and Lomb Science Award while another received the Rensselaer Polytechnic Institute Outstanding Math and Science Award. Mount Olive graduates have been accepted to colleges and universities across the country including Boston College, Carnegie Mellon University, Columbia University, The Julliard School, NYU, Rice University and University of Pennsylvania. It should be noted, however, that achievement has not been acquired at the expense of disadvantaged students or those with special needs.

## 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 2011 NJASK and HSPA test results indicate that all schools in the District have met or exceeded their annual targets and are on track to become top ten performers in Morris County. In fact, half of the District’s schools (the high school, the middle school and Tinc Road Elementary School) have already met or exceeded their 2015 six-year plan target and are currently considered top ten performers in Morris County.

The District’s 2011 average test scores demonstrated measured growth in both language arts and math knowledge. Overall, “advanced proficient” scores increased 76% for language arts and 32% for mathematics since the inception of the six year plan.

For the elementary grades, the Scholastic Reading Inventory (SRI) provides teachers, administrators, and parents with a scientific measure of reading ability. The assessments, which are administered four times each year, measure student reading comprehension using “lexiles,” a mathematical comparison of student reading comprehension against a normed sample of millions of age and grade similar students. Each elementary school experienced significant gains in the SRI lexile results from the end of the first quarter to the end of the fourth quarter.

Mount Olive elementary and middle school students were also assessed twice in 2010-11 on the LEARNIA benchmark exams. LEARNIA, produced by Pearson Publishing, is a testing instrument designed to predict relative success on NJASK assessments. It is also useful to diagnose potential learning problems through a formative midterm assessment protocol. At the beginning of the year, all students in grades 2 through 8 responded to language arts and math questions posed through LEARNIA. The assessments yielded very positive results that predicted the success that was ultimately seen on the recent state exams.

The 2011 HSPA results are consistent with what is being seen across the district in all schools with the percentage of students scoring in the “advanced proficient” range rising considerably. In 2011, 40.4% of the students tested attained “advanced proficient” status in math and 32.6% attained “advanced proficient” status in language arts. In addition, Mount Olive High School was recently rated among the top 100 New Jersey high schools by *New Jersey Monthly*, which marks the first time that the high school has received this noteworthy distinction.

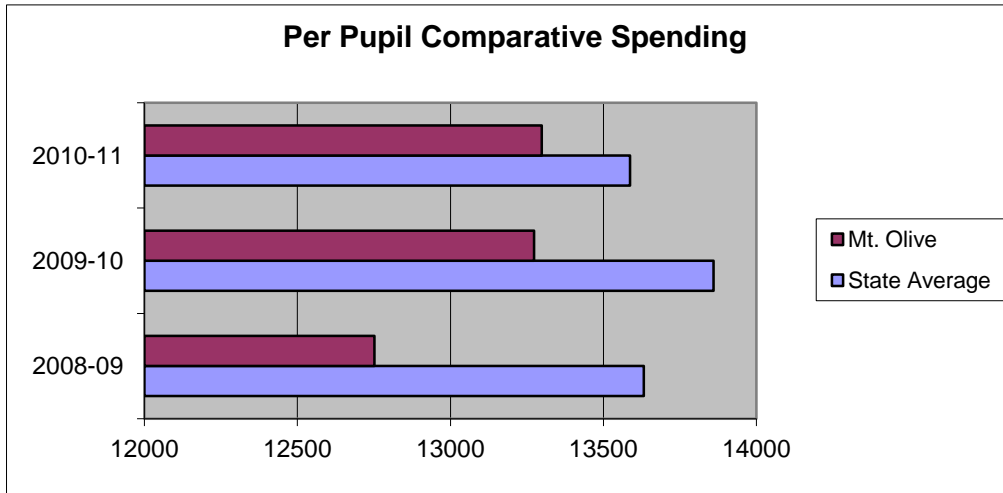
## Other Initiatives

Elimination of The D Grade - As part of the ongoing effort to improve student performance, the Mount Olive Board of Education raised academic expectations for all secondary students by increasing the standard for success from 65% to 70% mastery during the 2010-2011 school year. In essence, the District ended the practice of offering credit to any graded assignment with an overall grade less than 70% accuracy, thereby eliminating the grade of D. The Board’s plan to “raise the bar” produced positive results as the number of failing grades decreased substantially during the school year.

Special Education Redesign Plan - The most significant comprehensive reform planned for the upcoming school year is the re-design/re-engineering of 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 represent more than 90% of district population not currently performing to “proficient” standards. While significant improvements were seen in the 2011 results, the greatest risk for failure in meeting the federal requirement comes from special education. 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.

## Per Pupil Comparative Spending

On an annual basis, the New Jersey Department of Education releases its *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 2010-11 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$13,299 per pupil while the state average for similar districts was \$13,587. According to the report, per pupil costs ranged from a low of \$10,566 to a high of \$19,292. Of the 105 districts, the Mount Olive Township School District ranked 58<sup>th</sup> in per pupil spending in 2010-11. 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.

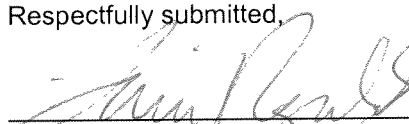
## Independent Audit

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

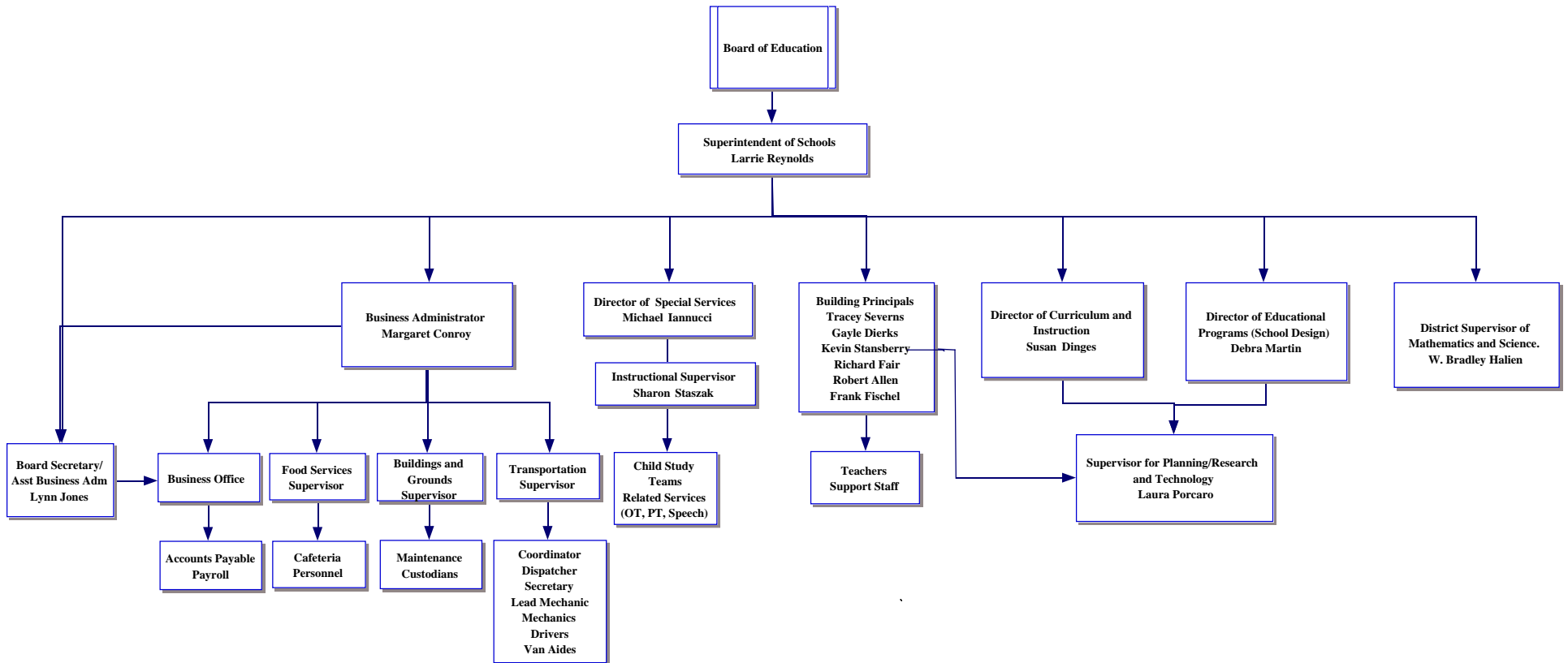
We would like to express our appreciation to the members of the Mount Olive Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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

  
\_\_\_\_\_  
Lynn Jones, CPA  
Board Secretary  
Assistant Business Administrator

# MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2011**

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

**Other Officials**

Larrie Reynolds, Ed.D., Superintendent

Susan Decker, Assistant Superintendent for Business (retired 8/1/2011)

Lynn Jones, CPA, Board Secretary

Sherry Maniscalco, Treasurer of School Monies

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

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**Bond Counsel**

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**Architect**

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Chester, NJ 07930

**Financial Consultant**

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Mt. Laurel, NJ 08054

**Risk Management Consultant**

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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, 2011, 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 opinions.

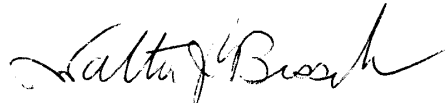
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Olive Township School District as of June 30, 2011 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 18, 2011 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.

Management's discussion and analysis and budgetary comparison information on pages 12 through 22 and 52 through 67 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's 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. 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 basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.

The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by 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*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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



ParenteBeard LLC

November 18, 2011  
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, 2011  
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, 2011. 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 2011 are as follows:

- ❖ Net assets at year-end totaled \$20,418,984, which represents an increase of \$1,912,468, or 10.3%, over the prior year net assets ending balance of \$18,506,516. 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, 2011 the District had \$16,762,880 invested in capital assets, net of related debt. In addition, \$1,210,035 was restricted for capital projects, debt service, and future operating budgets, resulting in an unrestricted net assets balance of \$2,446,069. This represents a substantial increase over the prior year net deficit balance of \$2,642,008.
- ❖ Total assets increased by \$1,968,275. This amount is primarily attributable to an increase in cash and cash equivalents totaling \$5,156,031 offset by a decrease in capital assets totaling \$3,302,488.
- ❖ Total liabilities increased \$55,807. This amount is primarily attributable to an increase in deferred revenue totaling \$2,594,712 offset by a decrease in long-term liabilities such as bonds, loans and capital leases which totaled \$2,531,515.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$71,384,121, which represents 83.5% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$60,827,558 in general revenues. Program specific revenues in the form of charges for services and grants and contributions comprised the remaining 16.5% of total revenues, or \$14,109,723. Overall, total revenues decreased \$2,358,704, approximately 2.7% over the prior year.
- ❖ Expenses totaled \$83,581,376. Of this amount, only \$14,109,723 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 \$71,384,121 were sufficient to provide for the balance of governmental expenses. Overall, expenses decreased \$1,240,263, approximately 1.5% 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, 2011 and June 30, 2010.

**Table 1  
Net Assets**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Current and Other Assets	\$12,144,209	\$6,873,446
Capital Assets	69,574,536	72,877,024
Total Assets	81,718,745	79,750,470
<b>Liabilities</b>		
Noncurrent Liabilities	55,493,068	58,024,583
Other Liabilities	5,806,693	3,219,371
Total Liabilities	61,299,761	61,243,954
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	16,762,880	17,841,270
Restricted	1,210,035	3,307,254
Unrestricted (Deficit)	2,446,069	(2,642,008)
<b>Total Net Assets</b>	<b>\$20,418,984</b>	<b>\$18,506,516</b>

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, 2011 this figure amounted to \$16,762,880, or 82% 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:

- \$420,189 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.
- \$2,986 is restricted for debt service. This amount has been appropriated and included as anticipated revenue in the Debt Service Fund budget for the fiscal year ending June 30, 2012.
- \$786,860 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, 2013.

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, 2011 and June 30, 2010.

**Table 2  
Changes in Net Assets**

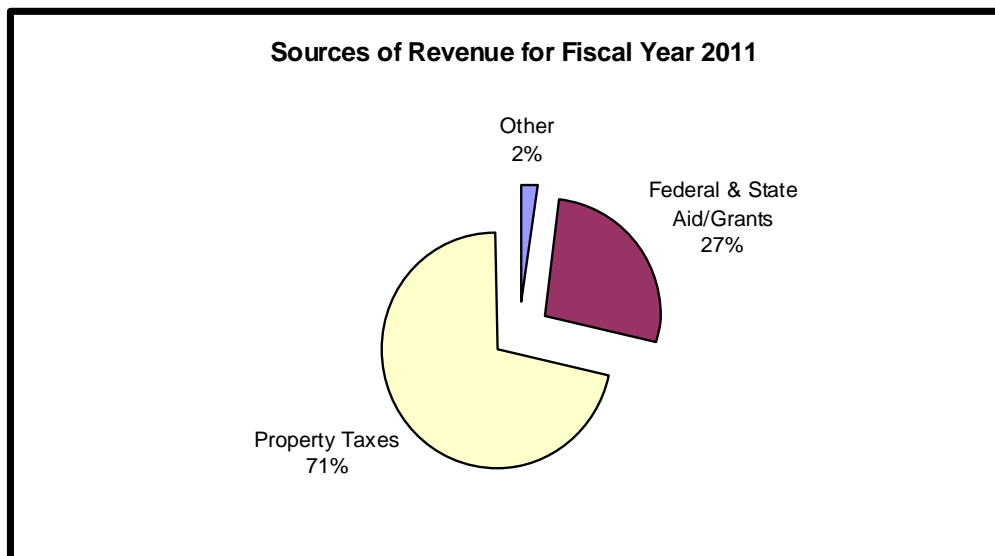
	2011	2010
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$1,522,150	\$1,461,111
Grants and contributions	12,587,573	16,573,233
General revenues:		
Property taxes	60,827,558	60,578,162
Grants and entitlements	10,199,501	9,121,265
Other	357,062	118,777
Total Revenues	85,493,844	87,852,548
<b>Program Expenses</b>		
Instruction	40,459,589	40,416,465
Support Services:		
Pupils and instructional staff	14,262,458	14,629,126
General administration, school administration, business and other support services	7,430,036	7,410,011
Plant operations and maintenance	11,953,154	12,115,937
Pupil transportation	5,204,635	5,890,727
Interest on debt	2,774,929	2,721,148
Food service operations	1,266,957	1,341,549
Other	229,618	296,676
Total Program Expenses	83,581,376	84,821,639
<b>Increase in Net Assets</b>	<b>\$1,912,468</b>	<b>\$3,030,909</b>

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 \$3,016,117.
- Depreciation on capital assets exceeded investments in capital assets by \$3,302,488.

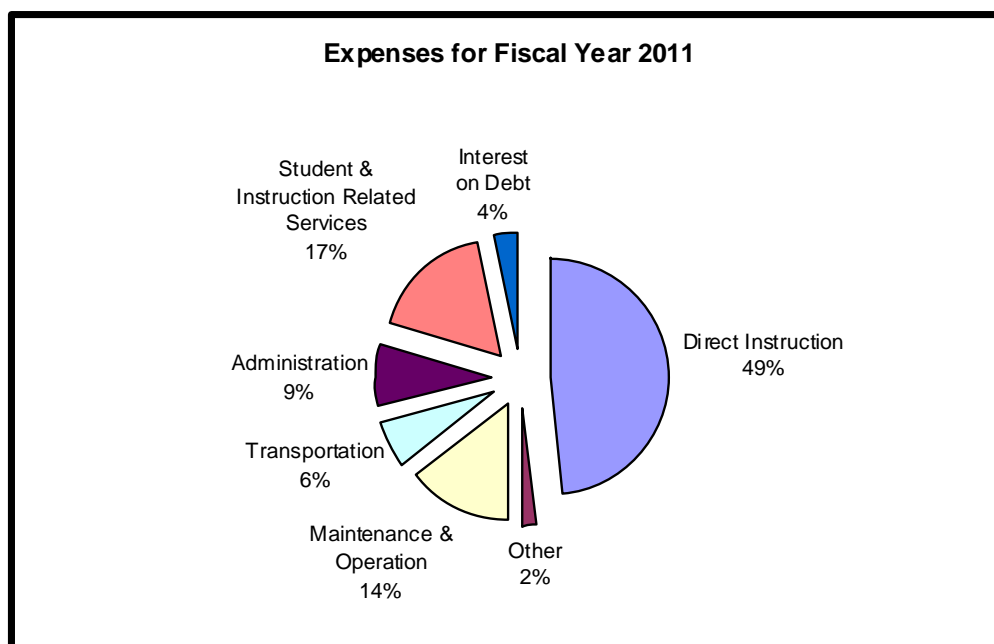
## Revenues

The unique nature of property taxes in the State of New Jersey establishes the legal requirement to annually seek voter approval of School District budgets. Property taxes made up 71 percent of revenues for the Mount Olive Township School District for the fiscal year 2011. 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 2011:



## Expenses

The total cost of all programs and services was \$83,581,376. 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 2011:





*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 \$1,296,186 and expenses totaled \$1,266,957, resulting in a net income of \$29,229. Charges for services amounted to \$950,217, or 73% 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 \$345,789, or 27% of total revenue. Salaries, employee benefits, and cost of sales comprised 96% 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 three years.
- ❖ In the community school enterprise fund, revenues totaled \$94,059 and expenses totaled \$113,517, resulting in a net loss of \$19,458. Charges for services, which represent amounts paid by patrons for course tuition, amounted to \$94,059, virtually all of the revenue derived from the program. Salaries, employee benefits, and contracted services comprised 86% of total expenses. For the past several years, the community school program has been experiencing losses resulting from decreased enrollment and has 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 \$36,484 and expenses totaled \$50,824, resulting in a net loss of \$14,340. Charges for services, which represent amounts paid by students for course tuition, amounted to \$36,295, nearly all of the revenue derived from the program. Salaries and employee benefits comprised 97% 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.

*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 \$77,818,950 and expenditures and other financing uses totaled \$75,658,568, resulting in a net increase in fund balance of \$2,160,382. 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 \$7,573,279. Of this amount, \$16,500 has been restricted for capital reserve, \$786,860 has been restricted as current year excess surplus which will be appropriated and included as anticipated revenue in the 2012-2013 annual budget, \$183,000 is committed for the bleacher replacement project at Mt. Olive High School, \$3,286,843 is assigned for subsequent year’s expenditures; and \$893,996 is assigned for year-end encumbrances. The remaining balance of \$2,406,080 is unassigned.
- ❖ In the Special Revenue Fund, revenues and expenditures totaled \$1,561,131, 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 \$442,324 and expenditures and other financing uses totaled \$39,764, resulting in a net increase in fund balance of \$402,560. The Capital Projects fund balance at year-end amounted to \$403,689, which represents the unexpended balance of the Mt. Olive High School reroofing and reflashing project at June 30, 2011.
- ❖ In the Debt Service Fund, revenues totaled \$5,179,682 and expenditures totaled \$5,179,735, resulting in a net decrease in fund balance of \$53. The Debt Service fund balance at year-end amounted to \$2,986, which was appropriated and included as anticipated revenue in the 2011-2012 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, 2011 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2010</u>	<u>Percentage Increase (Decrease)</u>
Local Sources	\$61,625,830	73.31%	\$657,000	1.08%
State Sources	20,416,124	24.28%	(808,919)	-3.81%
Federal Sources	2,025,161	2.41%	(2,100,373)	-50.91%
	<u>\$84,067,115</u>	<u>100.00%</u>	<u>(\$2,252,292)</u>	<u>-2.61%</u>

The increase in local sources is primarily attributable to an increase in the local tax levy of \$249,396, an increase in transportation fees of \$188,705, and an increase in miscellaneous revenue of \$238,983. The increase in the local tax levy was the lowest increase since the 1997 fiscal year as the Mt. Olive Township Council cut more than \$2 million from the defeated school budget. As a result, the Board was forced to institute further user fees, initiating a \$200 per child subscription bus fee for those students eligible for courtesy busing. In addition, the Board increased existing user fees, increasing participation fees to \$150 for sports and marching band, \$50 for student clubs and activities, and \$125 for parking permits.

The decrease in state sources is primarily attributable to a decrease in state categorical aids totaling \$920,291 and a decrease in debt service aid of \$102,119. In March 2010, the Governor announced an \$820 million reduction in formula aid for school districts, coupled with a 15 percent reduction in debt service aid, in order to reduce the state budget gap.

The decrease in federal sources is primarily attributable to a reduction in federal funds awarded under the American Recovery and Reinvestment Act of 2009 (ARRA). During the 2009-2010 budget year, the State of New Jersey was awarded \$1.056 billion in federal funds under ARRA. The State used these funds to partially fund its 2009-2010 equalization aid allocations. The District’s share of these ARRA funds amounted

to \$2,076,824. The District also received ARRA grant funds under the Individuals with Disabilities Education Act (IDEA) in the amount of \$980,082 in the prior fiscal year. These funds were specifically dedicated to the District's special education programs.

The District customarily receives federal grant funds under the No Child Left Behind Act (NCLB) and the Individuals with Disabilities Education Act (IDEA). In the 2010-2011 budget year, the District also received federal education funding in the amount of \$414,816 under the Education Jobs Act. Since grant revenues are recognized based on the amount of grant expenditures, the amount reported as federal sources may fluctuate dramatically from year to year, based on the needs of the programs that the grants support. The District may apply to carry over any unexpended federal grant balances.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2011 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 2010</u>	<u>Percentage Increase</u>
Current:				
Distributed Expenditures-Instruction	\$29,072,237	35.45%	\$863,304	3.06%
Undistributed Expenditures	46,707,952	56.95%	(2,044,153)	(4.19%)
Capital Outlay	1,051,275	1.28%	539,350	105.36%
Debt Service	5,179,735	6.32%	7,163	0.14%
	<u>\$82,011,199</u>	<u>100.00%</u>	<u>(\$634,336)</u>	<u>-0.77%</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 salaries totaling \$733,152. The District is a service entity and, as such, is labor intensive. During the 2010-2011 fiscal year salaries for regular education increased by \$292,849, salaries for special education increased by \$351,765, salaries for other instructional programs such as bilingual and basic skills instruction increased by \$47,423, and salaries for school sponsored programs such as student activity clubs and athletics increased by \$41,115. Salary increases are the result of contracted salary increases and column movements. In addition to the increase in salaries, expenditures for supplies increased \$118,319.

*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 net decrease in undistributed expenditures is primarily attributable to a decrease in employee benefits totaling \$1,371,833, a decrease in salaries of \$153,956, and a decrease in out-of-district tuitions totaling \$187,677. In July 2010, the District enrolled in the State Employees Health Benefits Plan, which resulted in a substantial savings in health benefit costs.

*Capital Outlay* includes equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. During the 2010-2011 fiscal year, the District purchased 41 interactive smartboards for instructional use and an interactive whiteboard audio-visual system for the board conference room for training purposes. The Board also authorized capital expenditures for the bleacher replacement project at Mt. Olive High School, the reroofing and reflashing project at Mt. Olive High School, renovations to the high school media center, and various electrical upgrades that were recommended by a recently completed energy audit. During the 2010-2011 fiscal year, the District entered into capital leases for the purchase of musical instruments, a truck for the maintenance department, and technology equipment.

*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 2011 fiscal year, the District's principal payments increased by \$123,882 while associated interest payments decreased by \$116,719.

## 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 2010-2011 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 \$2,823,120, approximately 4% of anticipated revenues. The largest portion of this amount is attributable to extraordinary aid, which totaled \$2,203,389 for the 2011 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 received unanticipated revenue of \$414,816 under the new federal Education Jobs Act.
- 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 2011 fiscal year tuition income exceeded budgeted estimates by \$11,933.
- Interest income was less than the amount originally anticipated as interest rates continued at historically low rates. In the 2011 fiscal year budgeted estimates exceeded actual interest earnings by \$7,846.
- 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 2011 fiscal year budgeted estimates exceeded actual transportation fees by \$60,933.
- 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 2011 fiscal year miscellaneous income exceeded budgeted estimates by \$218,192, due in large part to a \$133,000 legal settlement.
- Excluding on-behalf TPAF pension, post retirement medical benefits, social security contributions, and capital leases unexpended appropriations totaled \$3,152,437, or 4.3% of the original budget. Of this amount, \$1,076,996 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 three fiscal years in order to replenish the District's fund balance.
- The 2011 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 \$971,020 were made from the current expense budget to the capital outlay budget to fund the bleacher replacement project at Mt. Olive High School, the local share of the reroofing and reflashing project at Mt. Olive High School, renovations to the high school media center, electrical upgrades that were recommended by the energy audit, and the purchase of technology equipment and interactive smartboards. Significant transfers were also made amongst the current expense line items to fund an increase in the PERS assessment and instructional supplies and textbooks for the new math program. Transfers were made within the same function whenever possible. The transfers were funded primarily from employee benefits, utilities, contracted transportation, 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 2010/2011 fiscal year.

### Capital Assets

At June 30, 2011, the District had \$69,574,536 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)**

	2011	2010
Land	\$ 703,670	\$ 703,670
Site and site improvements	1,846,445	1,988,406
Building and building improvements	64,502,600	67,333,031
Furniture, equipment and machinery	2,521,821	2,851,917
<b>Total Capital Assets</b>	<b>\$ 69,574,536</b>	<b>\$ 72,877,024</b>

Overall, the District invested \$566,540 in capital assets for the fiscal year 2011. Of this amount, \$51,785 was invested in building improvements and \$514,755 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$3,869,028.

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, 2011, the District had \$55,493,068 in long-term outstanding debt, of which \$3,123,830 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2011 and June 30, 2010.

**Table 4  
Outstanding Debt**

	2011	2010
<b>Outstanding Bonds, Loans and Notes</b>		
1998 Trust Loan – Sewer Connection Project	\$ 260,000	\$ 295,000
1998 Fund Loan – Sewer Connection Project	103,689	133,988
2003 Refunding Bond Issue/ERIP Liability	1,630,000	1,745,000
2004 Serial Bonds – High School Additions and Renovations	10,065,000	10,960,000
2004 Refunding Bonds, Net of Deferred Interest	23,790,934	25,206,310
2006 Refunding Bonds, Net of Deferred Interest	8,590,294	8,591,311
2007 Refunding Bonds, Net of Deferred Interest	8,950,575	8,954,136
<b>Other Noncurrent Liabilities</b>		
Capital Leases Payable	1,051,164	895,009
Accrued Compensated Absences Payable	1,051,412	1,243,829
<b>Total Long-term Outstanding Debt</b>	<b>\$ 55,493,068</b>	<b>\$ 58,024,583</b>

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 \$148,613,894, thereby resulting in an available borrowing margin of \$93,438,894 at June 30, 2011.

At June 30, 2011, 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**

The Mount Olive Township School District, along with many other public school systems in the State of New Jersey, faces a difficult economic future since the primary sources of funding are property tax revenue and state aid. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Like many other states throughout the nation, the State of New Jersey is in a financial crisis, thereby jeopardizing the District's current level of state funding. 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. The growth rate on local property taxes was restricted to 4% during the current fiscal year; however, recent legislation reduced the cap to 2% beginning with the 2011-2012 school district budget.

The Township's growth has slowed in recent years, in part due to the latent housing market and the overall economic downturn. In the absence of any significant increase in Township rates, it is expected that property tax revenue will remain relatively stagnant, making it difficult to maintain existing programs and services. However, the reduction in residential development has allowed the District's enrollment to remain relatively stable over the past few years. Currently, there is adequate capacity to meet general classroom enrollment projections, both now and in the near future.

Labor agreements with the Education Association of Mt. Olive and the International Brotherhood of Teamsters, Local 97 expired on June 30, 2011 and are currently being renegotiated. 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](http://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, 2011

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,904,429	\$ 294,198	\$ 8,198,627
Receivables, net (Note 6)	3,034,583	29,102	3,063,685
Internal balances (Note 7)	132,108	(132,108)	-
Inventory (Note 8)	-	14,475	14,475
Restricted assets:			
Cash and cash equivalents	388,235		388,235
Capital reserve account - cash	16,500	-	16,500
Deferred bond issuance costs, net (Note 9)	462,687	-	462,687
Capital assets, non-depreciable (Note 10)	703,670	-	703,670
Capital assets, depreciable, net (Note 10)	68,806,403	64,463	68,870,866
Total Assets	<u>81,448,615</u>	<u>270,130</u>	<u>81,718,745</u>
<b>LIABILITIES</b>			
Accounts payable	843,335	19,297	862,632
Deferred revenue	2,652,566	-	2,652,566
Accrued interest payable	1,124,609	-	1,124,609
Unamortized bond premium	1,166,886	-	1,166,886
Noncurrent liabilities, net (Note 11):			
Due within one year	3,121,169	2,661	3,123,830
Due beyond one year	52,355,558	13,680	52,369,238
Total Liabilities	<u>61,264,123</u>	<u>35,638</u>	<u>61,299,761</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,698,417	64,463	16,762,880
Restricted for:			
Capital projects	420,189	-	420,189
Debt service	2,986	-	2,986
Other purposes	786,860	-	786,860
Unrestricted	2,276,040	170,029	2,446,069
Total Net Assets	<u>\$ 20,184,492</u>	<u>\$ 234,492</u>	<u>\$ 20,418,984</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, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instruction:							
Regular programs	\$ 29,279,680	\$ -	\$ 3,059,702	\$ -	\$ (26,219,978)	\$ -	\$ (26,219,978)
Special education programs	8,473,838	87,350	4,106,273	-	(4,280,215)	-	(4,280,215)
Other instructional programs	1,529,506	-	226,926	-	(1,302,580)	-	(1,302,580)
School sponsored programs	1,123,417	85,155	-	-	(1,038,262)	-	(1,038,262)
Community services programs	53,148	-	-	-	(53,148)	-	(53,148)
Support services:							
Tuition	3,039,954	-	2,527,644	-	(512,310)	-	(512,310)
Student & instruction related services	11,222,504	-	1,114,274	-	(10,108,230)	-	(10,108,230)
School administrative services	4,352,318	-	314,507	-	(4,037,811)	-	(4,037,811)
Other administrative services	3,077,718	-	45,588	-	(3,032,130)	-	(3,032,130)
Plant operations and maintenance	11,953,154	56,007	42,333	15,454	(11,839,360)	-	(11,839,360)
Pupil transportation	5,204,635	213,067	211,366	-	(4,780,202)	-	(4,780,202)
Unallocated depreciation	65,277	-	-	-	(65,277)	-	(65,277)
Interest on long-term debt and capital leases	2,774,929	-	577,717	-	(2,197,212)	-	(2,197,212)
<b>Total governmental activities</b>	<b>82,150,078</b>	<b>441,579</b>	<b>12,226,330</b>	<b>15,454</b>	<b>(69,466,715)</b>	<b>-</b>	<b>(69,466,715)</b>
<b>Business-type activities:</b>							
Food service	1,266,957	950,217	345,789	-	-	29,049	29,049
Community school	113,517	94,059	-	-	-	(19,458)	(19,458)
Summer school	50,824	36,295	-	-	-	(14,529)	(14,529)
<b>Total business-type activities</b>	<b>1,431,298</b>	<b>1,080,571</b>	<b>345,789</b>	<b>-</b>	<b>-</b>	<b>(4,938)</b>	<b>(4,938)</b>
<b>Total primary government</b>	<b>\$ 83,581,376</b>	<b>\$ 1,522,150</b>	<b>\$ 12,572,119</b>	<b>\$ 15,454</b>	<b>\$ (69,466,715)</b>	<b>\$ (4,938)</b>	<b>\$ (69,471,653)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net					\$ 56,228,577	\$ -	\$ 56,228,577
Taxes levied for debt service					4,598,981	-	4,598,981
Federal and State aid not restricted					10,199,501	-	10,199,501
Investment Earnings					12,354	369	12,723
Miscellaneous Income					344,339	-	344,339
Transfers					-	-	-
<b>Total general revenues, special items, extraordinary items and transfers</b>					<b>71,383,752</b>	<b>369</b>	<b>71,384,121</b>
Change in Net Assets					1,917,037	(4,569)	1,912,468
Net Assets - Beginning					18,267,455	239,061	18,506,516
Net Assets - Ending					<b>\$ 20,184,492</b>	<b>\$ 234,492</b>	<b>\$ 20,418,984</b>

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, 2011

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,709,290	\$ -	\$ 388,235	\$ 195,139	\$ 8,292,664
Due from other funds	518,873	-	-	-	518,873
Receivables from other governments	2,454,644	448,255	49,344	-	2,952,243
Other accounts receivable	58,241	-	-	-	58,241
Restricted cash and cash equivalents	16,500	-	-	-	16,500
<b>Total assets</b>	<b><u>\$10,757,548</u></b>	<b><u>\$ 448,255</u></b>	<b><u>\$ 437,579</u></b>	<b><u>\$ 195,139</u></b>	<b><u>\$11,838,521</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 762,464	\$ 74,176	\$ -	\$ -	\$ 836,640
Deposits payable	6,695	-	-	-	6,695
Due to other funds	-	328,776	33,890	-	362,666
Deferred revenue	2,415,110	45,303	-	192,153	2,652,566
<b>Total liabilities</b>	<b><u>3,184,269</u></b>	<b><u>448,255</u></b>	<b><u>33,890</u></b>	<b><u>192,153</u></b>	<b><u>3,858,567</u></b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital reserve	16,500	-	-	-	16,500
Excess surplus - current year	786,860	-	-	-	786,860
Debt service	-	-	-	2,986	2,986
Capital projects	-	-	403,689	-	403,689
<b>Committed to:</b>					
Other purposes	183,000	-	-	-	183,000
<b>Assigned to:</b>					
Designated by the Board of Education for subsequent year's expenditures	3,286,843	-	-	-	3,286,843
Other purposes	893,996	-	-	-	893,996
<b>Unassigned:</b>					
General fund	2,406,080	-	-	-	2,406,080
Special revenue fund	-	-	-	-	-
<b>Total fund balances</b>	<b><u>7,573,279</u></b>	<b><u>-</u></b>	<b><u>403,689</u></b>	<b><u>2,986</u></b>	<b><u>7,979,954</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$10,757,548</u></b>	<b><u>\$ 448,255</u></b>	<b><u>\$ 437,579</u></b>	<b><u>\$ 195,139</u></b>	<b><u>\$11,838,521</u></b>

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, 2011

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

Total fund balances - governmental funds		\$ 7,979,954
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
Cost of capital assets	\$113,661,809	
Accumulated depreciation	<u>(44,151,736)</u>	69,510,073
<p>Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued, but are capitalized in the Statement of Net Assets.</p>		
Bond premium	(1,824,354)	
Accumulated amortization	<u>657,468</u>	(1,166,886)
<p>Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.</p>		
Deferred interest	3,168,750	
Accumulated amortization	<u>(1,020,553)</u>	2,148,197
<p>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.</p>		
Bond issuance costs	832,531	
Accumulated amortization	<u>(369,844)</u>	462,687
<p>Long-term liabilities and the corresponding interest accruals are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (See Note 10) Liabilities at year end consist of:</p>		
Bonds payable	(55,175,000)	
Loans payable	(363,689)	
Capital leases payable	(1,051,164)	
Accrued interest on bonds and notes	(1,112,520)	
Accrued interest on capital leases	(12,089)	
Accrued compensated absences	<u>(1,035,071)</u>	<u>(58,749,533)</u>
Net assets of governmental activities		<u><u>\$ 20,184,492</u></u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$56,228,577	\$ -	\$ -	\$ 4,598,981	\$60,827,558
Tuition charges	87,350	-	-	-	87,350
Interest on investments	12,296	-	-	-	12,296
Interest earned on capital reserve funds	58	-	-	-	58
Transportation fees	213,067	-	-	-	213,067
Miscellaneous	482,517	-	-	2,984	485,501
Total - Local Sources	<u>57,023,865</u>	<u>-</u>	<u>-</u>	<u>4,601,965</u>	<u>61,625,830</u>
State sources	19,822,953	-	15,454	577,717	20,416,124
Federal sources	464,030	1,561,131	-	-	2,025,161
Total revenues	<u>77,310,848</u>	<u>1,561,131</u>	<u>15,454</u>	<u>5,179,682</u>	<u>84,067,115</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	20,930,219	18,957	-	-	20,949,176
Special education instruction	5,559,214	567,199	-	-	6,126,413
Other instructional programs	1,022,292	80,280	-	-	1,102,572
School sponsored programs	846,534	-	-	-	846,534
Community services programs	47,542	-	-	-	47,542
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,715,699	324,255	-	-	3,039,954
Student & instruction related services	7,834,229	463,067	-	-	8,297,296
School administrative services	3,062,816	-	-	-	3,062,816
Other administrative services	2,401,104	-	-	-	2,401,104
Plant operations and maintenance	7,275,560	-	-	-	7,275,560
Pupil transportation	3,963,774	-	-	-	3,963,774
Unallocated employee benefits	18,637,574	29,874	-	-	18,667,448
Capital outlay	935,141	77,499	38,635	-	1,051,275
Debt service:					
Principal	-	-	-	2,665,299	2,665,299
Interest and other charges	-	-	-	2,514,436	2,514,436
Total expenditures	<u>75,231,698</u>	<u>1,561,131</u>	<u>38,635</u>	<u>5,179,735</u>	<u>82,011,199</u>
Excess (Deficiency) of revenues over expenditures	<u>2,079,150</u>	<u>-</u>	<u>(23,181)</u>	<u>(53)</u>	<u>2,055,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,129	-	426,870	-	427,999
Transfers out	(426,870)	-	(1,129)	-	(427,999)
Capital leases (non-budgeted)	506,973	-	-	-	506,973
Total other financing sources and uses	<u>81,232</u>	<u>-</u>	<u>425,741</u>	<u>-</u>	<u>506,973</u>
Net change in fund balances	2,160,382	-	402,560	(53)	2,562,889
Fund balance—July 1	5,412,897	-	1,129	3,039	5,417,065
Fund balance—June 30	<u>\$ 7,573,279</u>	<u>\$ -</u>	<u>\$ 403,689</u>	<u>\$ 2,986</u>	<u>\$ 7,979,954</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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)	\$ 2,562,889	
<p>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.</p>		
Depreciation expense	\$ (3,855,525)	
Capital outlays	<u>566,540</u>	(3,288,985)
<p>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.</p>		
Capital leases	(506,973)	
Lease payments	<u>350,818</u>	(156,155)
<p>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.</p>		
		2,665,299
<p>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.</p>		
		(36,395)
<p>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.</p>		
		100,701
<p>Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.</p>		
		(170,046)
<p>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.</p>		
		43,301
<p>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 (+).</p>		
		<u>196,428</u>
Change in net assets of governmental activities		<u><u>\$ 1,917,037</u></u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2011

	Business-type Activities - Non-Major <hr/> Total <hr/> Enterprise Funds
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 294,198
Intergovernmental accounts receivable	21,210
Other accounts receivables	7,892
Inventories	14,475
Total current assets	<hr/> 337,775 <hr/>
Noncurrent assets:	
Equipment	411,162
Less accumulated depreciation	346,699
Total noncurrent assets	<hr/> 64,463 <hr/>
Total assets	<hr/> 402,238 <hr/>
<b>LIABILITIES</b>	
Accounts payable	19,297
Interfund payable	132,108
Compensated absences payable	16,341
Total liabilities	<hr/> 167,746 <hr/>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	64,463
Unrestricted	170,029
Total net assets	<hr/> \$ 234,492 <hr/>

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, 2011

	Business-type Activities - Non-Major <u>Total</u> <u>Enterprise Funds</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 914,583
Daily sales - non-reimbursable programs	35,634
Tuition	130,354
Total operating revenues	<u>1,080,571</u>
Operating expenses:	
Salaries	613,745
Employee benefits	224,680
Supplies and materials	35,277
Depreciation	13,503
Cost of sales	482,462
Miscellaneous	437
Purchased professional educational services	45,147
Office expense	16,047
Total operating expenses	<u>1,431,298</u>
Operating loss	<u>(350,727)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	10,668
Federal sources:	
School breakfast program	10,483
National school lunch program	249,997
Special milk program	2,796
Food donation program	71,845
Interest	369
Total nonoperating revenues	<u>346,158</u>
Change in net assets	(4,569)
Total net assets - beginning	239,061
Total net assets - ending	<u>\$ 234,492</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, 2011

	Business-type Activities - Non-Major <hr/> Total <hr/> Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,080,571
Payments to employees	(613,745)
Payments for employee benefits	(224,680)
Payments to suppliers	(491,152)
Net cash used in operating activities	<u>(249,006)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	10,668
Federal Sources	263,276
Operating subsidies and transfers to other funds	24,442
Net cash provided by non-capital financing activities	<u>298,386</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>	
Interest and dividends	369
Net increase (decrease) in cash and cash equivalents	<u>49,749</u>
Cash and cash equivalents - beginning of year	244,449
Cash and cash equivalents - end of year	<u>\$ 294,198</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (350,727)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	13,503
Food donation program	71,845
(Increase) in accounts receivable, net	4,418
Decrease in inventories	(1,808)
Increase in accounts payable	(5,868)
(Decrease) in compensated absences payable	4,011
Increase in due to/from other funds	15,620
Total adjustments	<u>101,721</u>
Net cash used in operating activities	<u>\$ (249,006)</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, 2011

	Total Agency Funds	Trust Fund	Total Trust and Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 398,519	\$ 25,156	\$ 423,675
Accounts receivable	14,528	-	14,528
Total assets	<u>413,047</u>	<u>25,156</u>	<u>438,203</u>
<b>LIABILITIES</b>			
Accounts payable	42,305	12,762	55,067
Payroll deductions and withholdings	8,678	-	8,678
Interfund payable	24,099	-	24,099
Due to student groups	337,965	-	337,965
Total liabilities	<u>\$ 413,047</u>	<u>12,762</u>	<u>425,809</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims		<u>\$ 12,394</u>	<u>\$ 12,394</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, 2011

	<u>Unemployment Compensation Insurance Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan members	\$ 116,684
Board contributions	188,000
Total additions	<u>304,684</u>
<b>DEDUCTIONS</b>	
Quarterly contribution reports	46,026
Unemployment claims	247,678
Total deductions	<u>293,704</u>
Change in net assets	10,980
Net assets—beginning of the year	1,414
Net assets—end of the year	<u><u>\$ 12,394</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, 2011

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, 2011  
(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, 2011  
(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, 2011  
(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 SDA grant funds. On the budgetary basis, SDA grants are recognized in full when the grant is awarded. On the GAAP financial statement, 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, 2011  
(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, 2011  
 (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:

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

In the fund financial statements, 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, 2011 the District had no accrued salaries and wages.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(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 recognized before revenue recognition criteria have been satisfied. In the General and Debt Service Funds, the deferred revenue amount at June 30, 2011 includes the July 2011 tax levy payment, which was received in June, and prepaid transportation and subscription bus fees. In the Special Revenue Fund the deferred revenue amount at June 30, 2011 represents grants and entitlements received before the eligibility requirements have been met and outstanding encumbrances at June 30, 2011.

O. Fund Balance Restrictions, Commitments, and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current 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, 2011 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, 2011 the District had committed resources for the bleacher replacement project at Mt. Olive High School in the amount of \$183,000.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(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. In governmental funds other than the General Fund, assigned fund balances represent the remaining amount that is not restricted or committed. At June 30, 2011 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, 2011 fund balance classifications:

General Fund: Of the \$7,573,279 fund balance at June 30, 2011, \$16,500 is restricted for capital reserve; \$786,860 is restricted as current year excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013; \$183,000 is committed for other purposes, \$3,286,843 is assigned for subsequent year's expenditures; \$893,996 is assigned for year-end encumbrances and \$2,406,080 is unassigned.

Capital Projects Fund: The \$403,689 fund balance at June 30, 2011 is fully restricted for capital projects, which are partially funded by SDA grant funds.

Debt Service Fund: The \$2,986 fund balance at June 30, 2011 is fully restricted for future debt service payments. This amount has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2012.

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, 2011 the District had fund balance restricted for excess surplus in the amount of \$786,860. 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, 2011  
(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, 2011  
(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, 2011  
 (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, 2011, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash	Total
Checking and savings accounts	\$8,590,660	\$404,735	\$8,995,395
Investments (certificates of deposit)	31,642	-	31,642
	\$8,622,302	\$404,735	\$9,027,037

The carrying amount of the Board's cash and cash equivalents at June 30, 2011, was \$9,027,037 and the bank balance was \$9,682,608.

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 2010-11 fiscal year is as follows:

Beginning balance, July 1, 2010	\$16,242
Increased by:	
Budgeted increase in capital reserve	200
Interest earnings	58
Ending balance, June 30, 2011	\$16,500

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$9,800,700. During the 2010-11 fiscal year, there were no withdrawals from the capital reserve.

5. TRANSFER TO CAPITAL PROJECTS:

During the year ending June 30, 2011, the District transferred \$426,870 to the Capital Projects Fund. The transfer was made from the capital outlay accounts to fund the Board's share of the Reroofing and Reflashing 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, 2011

6. RECEIVABLES:

Receivables at June 30, 2011, 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	\$ 2,955,201
Intergovernmental accounts receivable	18,252
Interfund accounts receivable	24,099
Other accounts receivable	<u>66,133</u>
Total receivables	<u>\$ 3,063,685</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:

\$ 132,108		Due to the General Fund from the Enterprise Fund
	328,776	Due to the General Fund from the Special Revenue Fund
	<u>33,890</u>	Due to the General Fund from the Capital Projects Fund
	494,774	Total Interfund Balance - Fund Financial Statements
	<u>(362,666)</u>	Elimination of Governmental Interfund Activities
	<u>\$ 132,108</u>	

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

8. INVENTORY:

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	\$ 11,389
Non-Food Items	<u>3,086</u>
	<u>\$ 14,475</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 (18 to 25 years). The costs associated with the issues of the various bonds amounted to \$832,531. The amortization expense for the fiscal year ended June 30, 2011, amounted to \$36,395 and the total accumulated amortization is \$369,844.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

10. CAPITAL ASSETS:

Capital Asset activity for the year ended June 30, 2011 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	-	-	3,934,228
Building and building improvements	95,007,293	51,785	-	95,059,078
Machinery and equipment	13,450,078	514,755	-	13,964,833
Totals at historical cost	112,391,599	566,540	-	112,958,139
Less accumulated depreciation for:				
Site and site improvements	(1,945,822)	(141,961)	-	(2,087,783)
Building and improvements	(27,674,262)	(2,882,216)	-	(30,556,478)
Machinery and equipment	(10,676,127)	(831,348)	-	(11,507,475)
Total accumulated depreciation	(40,296,211)	(3,855,525)	-	(44,151,736)
Government activities capital assets, net	<u>\$ 72,799,058</u>	<u>\$ (3,288,985)</u>	<u>\$ -</u>	<u>\$ 69,510,073</u>
Business-type activities:				
Equipment	\$ 411,162	\$ -	\$ -	\$ 411,162
Less accumulated depreciation for: equipment	(333,196)	(13,503)	-	(346,699)
Business-type activities capital assets, net	<u>\$ 77,966</u>	<u>\$ (13,503)</u>	<u>\$ -</u>	<u>\$ 64,463</u>

Depreciation expense was charged to governmental functions as follows:

Regular programs instruction	\$ 148,194
Special education programs	3,781
School sponsored programs	9,189
Student and instruction related services	6,823
School administrative services	115
Other administrative services	122,787
Plant operations and maintenance	3,106,198
Pupil transportation	393,161
Unallocated depreciation	65,277
Total depreciation expense	<u>\$ 3,855,525</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, 2011

11. LONG-TERM LIABILITIES: (Continued)

Long-term obligations activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance
<b>Governmental activities:</b>					
<b>Bonds payable:</b>					
High school addition/renovations	\$ 29,410,000	\$ -	\$ 955,000	\$ -	\$ 28,455,000
Middle school/facilities expansion	26,620,000	-	1,530,000	-	25,090,000
Refunding bonds - E.R.I.P.	1,745,000	-	115,000	-	1,630,000
	<u>57,775,000</u>	<u>-</u>	<u>2,600,000</u>	<u>-</u>	<u>55,175,000</u>
Less: Deferred interest	(2,318,243)	170,046	-	-	(2,148,197)
Total bonds payable	<u>55,456,757</u>	<u>170,046</u>	<u>2,600,000</u>	<u>-</u>	<u>53,026,803</u>
<b>Loans payable:</b>					
Sewer project loan #1	295,000	-	35,000	-	260,000
Sewer project loan #2	133,988	-	30,299	-	103,689
Total loans payable	<u>428,988</u>	<u>-</u>	<u>65,299</u>	<u>-</u>	<u>363,689</u>
<b>Other Liabilities:</b>					
Capital leases payable	895,009	506,973	350,818	-	1,051,164
Compensated absences payable	1,231,499	129,493	325,921	-	1,035,071
Total other liabilities	<u>2,126,508</u>	<u>636,466</u>	<u>676,739</u>	<u>-</u>	<u>2,086,235</u>
Total all governmental activities	<u>\$ 58,012,253</u>	<u>\$ 806,512</u>	<u>\$ 3,342,038</u>	<u>\$ -</u>	<u>\$ 55,476,727</u>
<b>Business-Type Activities:</b>					
Compensated absences payable	\$ 12,330	\$ 4,161	\$ 150	\$ -	\$ 16,341
Total all business-type activities	<u>\$ 12,330</u>	<u>\$ 4,161</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 16,341</u>

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
<b>Governmental activities:</b>			
<b>Bonds payable:</b>			
High school addition/renovations	\$ 939,578	\$ 26,666,291	\$ 27,605,869
Middle school/facilities expansion	1,475,376	22,315,558	23,790,934
Refunding bonds - E.R.I.P.	120,000	1,510,000	1,630,000
Total bonds payable	<u>2,534,954</u>	<u>50,491,849</u>	<u>53,026,803</u>
<b>Loans payable:</b>			
Sewer project loan #1	40,000	220,000	260,000
Sewer project loan #2	32,152	71,537	103,689
Total loans payable	<u>72,152</u>	<u>291,537</u>	<u>363,689</u>
<b>Other Liabilities:</b>			
Capital leases payable	349,127	702,037	1,051,164
Compensated absences payable	164,936	870,135	1,035,071
Total other liabilities	<u>514,063</u>	<u>1,572,172</u>	<u>2,086,235</u>
Total all governmental activities	<u>\$ 3,121,169</u>	<u>\$ 52,355,558</u>	<u>\$ 55,476,727</u>
<b>Business-Type Activities:</b>			
Compensated absences payable	\$ 2,661	\$ 13,680	\$ 16,341
Total all business-type activities	<u>\$ 2,661</u>	<u>\$ 13,680</u>	<u>\$ 16,341</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

11. LONG-TERM LIABILITIES: (Continued)

Debt Obligations:

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 2,705,000	\$ 2,405,738	\$ 5,110,738
2013	2,845,000	2,279,597	5,124,597
2014	2,970,000	2,163,402	5,133,402
2015	3,115,000	2,041,815	5,156,815
2016	3,255,000	1,912,858	5,167,858
2017-2021	18,835,000	7,168,281	26,003,281
2022-2026	13,540,000	2,934,200	16,474,200
2027-2030	7,910,000	688,075	8,598,075
	<u>\$ 55,175,000</u>	<u>\$ 21,593,966</u>	<u>\$ 76,768,966</u>

Bonds Authorized But Not Issued:

The District had no bonds authorized but not issued as of June 30, 2011.

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
2012	\$ 72,152	\$ 12,600	\$ 84,752
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
	<u>\$ 363,689</u>	<u>\$ 42,787</u>	<u>\$ 406,476</u>

Lease Obligations:

The District has entered into various leases for buses, maintenance and technology department vehicles, computer equipment and peripherals, and network upgrades. All capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under capital leases:

Fiscal Year Ending June 30,	Future Minimum Lease Payments
2012	\$ 349,127
2013	291,548
2014	201,061
2015	116,956
2016	92,472
	<u>\$ 1,051,164</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

11. LONG-TERM LIABILITIES: (Continued)

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, 2011. 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 \$1,051,412 at June 30, 2011. Of this amount, \$167,597 is due within one year and \$883,815 is due beyond one year.

12. CONSTRUCTION COMMITMENTS:

As of June 30, 2011 the District had two outstanding construction commitments for the installation of bleachers at Mt. Olive High School and the reroofing and reflashing project at Mt. Olive High School.

13. PENSION PLANS:

Substantially all of the Board's employees participate in one of the 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 Board 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 and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes the number of creditable service years divided by 55 multiplied by the average annual compensation of the highest three fiscal years. 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. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. 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.

District contributions to PERS amounted to \$1,145,302, \$931,760, and \$784,895 for the fiscal years ended June 30, 2011, 2010 and 2009 respectively.

During the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey made no contributions to the TPAF for normal pension benefits on behalf of the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

14. 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, 2010 there were 87,288 retirees eligible for 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, P.L. 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 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

For the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey contributed \$2,053,336, \$2,061,495 and \$1,954,252 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.

15. ON-BEHALF TPAF SOCIAL SECURITY CONTRIBUTIONS:

In addition to the TPAF post retirement medical contribution 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.

Three-Year Trend Information for TPAF Social Security Contributions (Paid on-behalf of the District)

Funding Year June 30,	Annual Reimbursement
2011	\$ 2,300,128
2010	\$ 2,269,064
2009	\$ 2,244,549

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.

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:

- American
- Equitable
- American Federal Express
- Traveler's
- Valic

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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	Interest Earnings	Quarterly Billings	Reimbursed to State	Ending Balance
2010-2011	\$116,684	\$188,000	-	\$46,026	\$247,678	\$12,394
2009-2010	\$126,950	\$141,469	-	\$56,425	\$219,724	\$1,414
2008-2009	\$115,155	-	\$1,253	\$46,153	\$206,203	\$9,144

The 2011-2012 budget includes an appropriation in the amount of \$178,953 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. MATERIAL EVENTS:

In April, 2011 Moody’s Investors Service downgraded the State of New Jersey’s credit rating from Aa2 to Aa3, citing the State’s weakening financial position and its \$31 billion public pension shortfall. The downgrade of the State’s credit rating will likely impact the rating of some New Jersey School District’s outstanding debt and could possibly impact the value of outstanding bonds.

20. 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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 56,228,577	\$ -	\$ 56,228,577	\$ 56,228,577	\$ -
Tuition charges	75,417	-	75,417	87,350	11,933
Interest on investments	20,000	-	20,000	12,296	(7,704)
Interest earned on capital reserve funds	200	-	200	58	(142)
Transportation fees	274,000	-	274,000	213,067	(60,933)
Miscellaneous	264,325	-	264,325	482,517	218,192
<b>Total - Local Sources</b>	<b>56,862,519</b>	<b>-</b>	<b>56,862,519</b>	<b>57,023,865</b>	<b>161,346</b>
State sources:					
Categorical special education aid	1,345,547	1,464,559	2,810,106	2,810,106	-
Equalization aid	11,500,936	(1,464,559)	10,036,377	10,036,377	-
Categorical security aid	-	-	-	-	-
Categorical transportation aid	-	-	-	-	-
Extraordinary aid	-	-	-	2,203,389	2,203,389
Other state aid	-	-	-	29,323	29,323
On-behalf TPAF contributions (Non-Budgeted)	-	-	-	2,053,336	2,053,336
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,300,128	2,300,128
<b>Total - State Sources</b>	<b>12,846,483</b>	<b>-</b>	<b>12,846,483</b>	<b>19,432,659</b>	<b>6,586,176</b>
Federal sources:					
Education Jobs Fund	-	-	-	414,816	414,816
Medicaid Reimbursement	34,968	-	34,968	49,214	14,246
<b>Total - Federal Sources</b>	<b>34,968</b>	<b>-</b>	<b>34,968</b>	<b>464,030</b>	<b>429,062</b>
<b>TOTAL REVENUES</b>	<b>69,743,970</b>	<b>-</b>	<b>69,743,970</b>	<b>76,920,554</b>	<b>7,176,584</b>

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, 2011

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Kindergarten	\$ 496,683	\$ 53,070	\$ 549,753	\$ 546,495	\$ 3,258
Grades 1 - 5	7,163,517	(65,248)	7,098,269	7,051,074	47,195
Grades 6 - 8	4,715,583	82,789	4,798,372	4,786,607	11,765
Grades 9 - 12	6,620,971	(58,282)	6,562,689	6,562,643	46
Regular programs - home instruction:					
Salaries of teachers	9,400	4,520	13,920	13,920	-
Purchased professional - educational services	12,000	5,800	17,800	17,791	9
Regular programs - undistributed instruction:					
Other salaries for instruction	89,505	109,908	199,413	194,633	4,780
Purchased professional - educational services	19,600	2,700	22,300	22,300	-
Other purchased services	456,764	81,550	538,314	450,894	87,420
General supplies	740,824	556,872	1,297,696	998,295	299,401
Textbooks	146,799	157,374	304,173	278,280	25,893
Other objects	18,910	-	18,910	7,287	11,623
<b>Total Regular Programs - Instruction</b>	<b>20,490,556</b>	<b>931,053</b>	<b>21,421,609</b>	<b>20,930,219</b>	<b>491,390</b>
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	816,250	55,790	872,040	862,248	9,792
Other salaries for instruction	54,336	70,860	125,196	124,691	505
<b>Total Learning and/or Language Disabilities</b>	<b>870,586</b>	<b>126,650</b>	<b>997,236</b>	<b>986,939</b>	<b>10,297</b>
Behavioral disabilities:					
Salaries of teachers	166,325	8,480	174,805	167,641	7,164
Other salaries for instruction	70,091	460	70,551	70,511	40
<b>Total Behavioral Disabilities</b>	<b>236,416</b>	<b>8,940</b>	<b>245,356</b>	<b>238,152</b>	<b>7,204</b>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 201,670	\$ 64,260	\$ 265,930	\$ 265,748	\$ 182
Other salaries for instruction	114,453	(71,360)	43,093	36,323	6,770
Other objects	500	-	500	69	431
Total Multiple Disabilities	<u>316,623</u>	<u>(7,100)</u>	<u>309,523</u>	<u>302,140</u>	<u>7,383</u>
Resource room/resource center:					
Salaries of teachers	3,283,260	(151,670)	3,131,590	3,103,009	28,581
Other salaries for instruction	278,133	156,220	434,353	433,621	732
Total Resource Room/Resource Center	<u>3,561,393</u>	<u>4,550</u>	<u>3,565,943</u>	<u>3,536,630</u>	<u>29,313</u>
Autism:					
Salaries of teachers	117,250	-	117,250	114,586	2,664
Other salaries for instruction	58,809	(39,270)	19,539	19,536	3
Total Autism	<u>176,059</u>	<u>(39,270)</u>	<u>136,789</u>	<u>134,122</u>	<u>2,667</u>
Preschool disabilities - Part-Time:					
Salaries of teachers	150,870	17,520	168,390	168,264	126
Other salaries for instruction	82,318	(19,110)	63,208	51,772	11,436
Total Preschool Disabilities - Part-Time	<u>233,188</u>	<u>(1,590)</u>	<u>231,598</u>	<u>220,036</u>	<u>11,562</u>
Preschool disabilities - Full-Time:					
Salaries of teachers	82,705	(3,120)	79,585	76,905	2,680
Other salaries for instruction	22,188	-	22,188	19,855	2,333
Total Preschool Disabilities - Full-Time	<u>104,893</u>	<u>(3,120)</u>	<u>101,773</u>	<u>96,760</u>	<u>5,013</u>
Home instruction:					
Salaries of teachers	16,500	17,370	33,870	33,870	-
Purchased professional - educational services	15,000	(4,430)	10,570	10,565	5
Total Home Instruction	<u>31,500</u>	<u>12,940</u>	<u>44,440</u>	<u>44,435</u>	<u>5</u>
Total Special Education - Instruction	<u>5,530,658</u>	<u>102,000</u>	<u>5,632,658</u>	<u>5,559,214</u>	<u>73,444</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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 630,573	\$ 77,790	\$ 708,363	\$ 708,222	\$ 141
General supplies	3,500	-	3,500	3,272	228
Total Basic Skills/Remedial - Instruction	<u>634,073</u>	<u>77,790</u>	<u>711,863</u>	<u>711,494</u>	<u>369</u>
Bilingual education - instruction:					
Salaries of teachers	345,557	(10,000)	335,557	309,288	26,269
General supplies	3,500	-	3,500	1,510	1,990
Total Bilingual Education - Instruction	<u>349,057</u>	<u>(10,000)</u>	<u>339,057</u>	<u>310,798</u>	<u>28,259</u>
Total Other Instructional Programs	<u>983,130</u>	<u>67,790</u>	<u>1,050,920</u>	<u>1,022,292</u>	<u>28,628</u>
School sponsored other instructional programs:					
School sponsored co-curricular activities - instruction:					
Salaries	158,762	12,260	171,022	170,940	82
Purchased services	35,000	(13,220)	21,780	21,623	157
Other objects	32,360	(8,500)	23,860	23,195	665
Total School Sponsored Co-Curricular Activities	<u>226,122</u>	<u>(9,460)</u>	<u>216,662</u>	<u>215,758</u>	<u>904</u>
School sponsored athletics - instruction:					
Salaries	395,527	36,600	432,127	432,066	61
Purchased services	101,260	740	102,000	100,333	1,667
Supplies and materials	77,000	2,471	79,471	59,346	20,125
Other objects	46,730	(7,140)	39,590	39,031	559
Total School Sponsored Athletics - instruction	<u>620,517</u>	<u>32,671</u>	<u>653,188</u>	<u>630,776</u>	<u>22,412</u>
Total School Sponsored Other Instructional Programs	<u>846,639</u>	<u>23,211</u>	<u>869,850</u>	<u>846,534</u>	<u>23,316</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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Community services programs:					
Salaries	\$ 12,647	\$ -	\$ 12,647	\$ 12,628	\$ 19
Purchased services	8,000	26,915	34,915	34,914	1
Total Community Services Programs	<u>20,647</u>	<u>26,915</u>	<u>47,562</u>	<u>47,542</u>	<u>20</u>
TOTAL DISTRIBUTED EXPENDITURES	<u>27,871,630</u>	<u>1,150,969</u>	<u>29,022,599</u>	<u>28,405,801</u>	<u>616,798</u>
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	-	14,620	14,620	7,305	7,315
Tuition to other LEAs within the state - special	255,860	(20,290)	235,570	235,567	3
Tuition to county vocational school districts - regular	337,174	20,330	357,504	344,087	13,417
Tuition to county vocational school districts - special	24,575	(5,600)	18,975	15,976	2,999
Tuition to CSSSD and regional day schools	405,385	(81,650)	323,735	235,351	88,384
Tuition to private schools for the handicapped - within state	1,744,632	(1,710)	1,742,922	1,718,684	24,238
Tuition to private schools for the handicapped - outside state	-	14,100	14,100	14,051	49
Tuition - state facilities	68,732	-	68,732	68,732	-
Tuition - other	38,073	(37,900)	173	-	173
Total Undistributed Expenditures - Instruction	<u>2,874,431</u>	<u>(98,100)</u>	<u>2,776,331</u>	<u>2,639,753</u>	<u>136,578</u>
Health services:					
Salaries	563,517	24,788	588,305	561,235	27,070
Purchased professional and technical services	61,200	800	62,000	57,882	4,118
Other purchased services	3,529	-	3,529	3,106	423
Supplies and materials	26,409	4,000	30,409	29,412	997
Total Health Services	<u>654,655</u>	<u>29,588</u>	<u>684,243</u>	<u>651,635</u>	<u>32,608</u>
Other support services - students - related services:					
Salaries	1,112,833	58,200	1,171,033	1,090,351	80,682
Purchased professional - educational services	160,057	(2,800)	157,257	139,835	17,422
Other objects	225	-	225	225	-
Total Other Support Services - Students - Related Services	<u>1,273,115</u>	<u>55,400</u>	<u>1,328,515</u>	<u>1,230,411</u>	<u>98,104</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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - extraordinary services:					
Salaries	\$ 1,315,347	\$ -	\$ 1,315,347	\$ 1,275,280	\$ 40,067
Purchased professional - educational services	648,218	(81,150)	567,068	457,404	109,664
Total Other Support Services - Students - Extra. Serv.	<u>1,963,565</u>	<u>(81,150)</u>	<u>1,882,415</u>	<u>1,732,684</u>	<u>149,731</u>
Other support services - students - regular:					
Salaries of other professional staff	1,210,177	(19,400)	1,190,777	1,186,338	4,439
Salaries of secretarial and clerical assistants	95,822	12,900	108,722	108,524	198
Other purchased professional and technical services	9,300	26,500	35,800	33,118	2,682
Other purchased services	27,623	-	27,623	25,200	2,423
Supplies and materials	13,388	(5,000)	8,388	6,417	1,971
Other objects	2,000	300	2,300	403	1,897
Total Other Support Services - Students - Regular	<u>1,358,310</u>	<u>15,300</u>	<u>1,373,610</u>	<u>1,360,000</u>	<u>13,610</u>
Other support services - students - special:					
Salaries of other professional staff	1,104,370	(22,010)	1,082,360	1,053,700	28,660
Purchased professional - educational services	50,000	20,750	70,750	70,745	5
Other purchased professional and technical services	4,500	15,100	19,600	19,555	45
Miscellaneous purchased services	3,000	-	3,000	87	2,913
Supplies and materials	4,000	2,490	6,490	1,971	4,519
Total Other Support Services - Students - Special	<u>1,165,870</u>	<u>16,330</u>	<u>1,182,200</u>	<u>1,146,058</u>	<u>36,142</u>
Improvement of instructional services:					
Salaries of supervisors of instruction	392,699	112,490	505,189	505,163	26
Salaries of other professional staff	75,000	-	75,000	43,131	31,869
Salaries of secretarial and clerical assistants	397,591	(51,800)	345,791	345,661	130
Other purchased services	40,680	(1,000)	39,680	37,700	1,980
Supplies and materials	15,200	420	15,620	9,202	6,418
Other objects	6,000	1,000	7,000	5,381	1,619
Total Improvement of Instruction Services	<u>927,170</u>	<u>61,110</u>	<u>988,280</u>	<u>946,238</u>	<u>42,042</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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	\$ 509,108	\$ 85,117	\$ 594,225	\$ 543,275	\$ 50,950
Other purchased services	43,975	-	43,975	40,288	3,687
Supplies and materials	104,733	1,347	106,080	92,607	13,473
Other objects	350	350	700	350	350
<b>Total Educational Media Services/School Library</b>	<b>658,166</b>	<b>86,814</b>	<b>744,980</b>	<b>676,520</b>	<b>68,460</b>
Instructional staff training services:					
Salaries of other professional staff	10,000	550	10,550	9,658	892
Purchased professional - educational services	122,000	(45,042)	76,958	59,522	17,436
Other purchased services	21,000	(550)	20,450	13,203	7,247
Supplies and materials	4,000	9,402	13,402	8,100	5,302
Other objects	1,500	-	1,500	200	1,300
<b>Total Instructional Staff Training Services</b>	<b>158,500</b>	<b>(35,640)</b>	<b>122,860</b>	<b>90,683</b>	<b>32,177</b>
Support services - general administration:					
Salaries	440,199	-	440,199	413,849	26,350
Legal services	167,500	54,060	221,560	221,556	4
Audit fees	31,000	-	31,000	31,000	-
Architectural/Engineering services	5,000	-	5,000	-	5,000
Other purchased professional services	13,100	15,875	28,975	19,486	9,489
Communications/telephone	147,224	33,720	180,944	180,930	14
BOE other purchased services	4,500	-	4,500	170	4,330
Other purchased services	309,641	-	309,641	298,235	11,406
General supplies	10,000	-	10,000	9,644	356
Judgements against the school district	10,000	(10,000)	-	-	-
Miscellaneous expenditures	14,820	-	14,820	14,126	694
BOE membership dues and fees	29,250	-	29,250	26,720	2,530
<b>Total Support Services - General Administration</b>	<b>1,182,234</b>	<b>93,655</b>	<b>1,275,889</b>	<b>1,215,716</b>	<b>60,173</b>

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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,482,887	\$ (119,000)	\$ 1,363,887	\$ 1,357,713	\$ 6,174
Salaries of other professional staff	792,041	75,520	867,561	867,554	7
Salaries of secretarial and clerical assistants	709,580	-	709,580	703,173	6,407
Other purchased services	60,900	(4,000)	56,900	48,776	8,124
Supplies and materials	84,697	(4,285)	80,412	58,639	21,773
Other objects	33,800	-	33,800	26,961	6,839
Total Support Services - School Administration	<u>3,163,905</u>	<u>(51,765)</u>	<u>3,112,140</u>	<u>3,062,816</u>	<u>49,324</u>
Central services:					
Salaries	559,664	-	559,664	554,914	4,750
Miscellaneous purchased services	54,200	(14,130)	40,070	35,265	4,805
Supplies and materials	13,000	76	13,076	13,067	9
Miscellaneous expenditures	1,525	-	1,525	1,505	20
Total Central Services	<u>628,389</u>	<u>(14,054)</u>	<u>614,335</u>	<u>604,751</u>	<u>9,584</u>
Administrative information technology:					
Salaries	269,790	3,750	273,540	272,284	1,256
Other purchased services	280,759	44,000	324,759	295,742	29,017
Supplies and materials	9,000	3,972	12,972	12,086	886
Other objects	525	-	525	525	-
Total Administrative Information Technology	<u>560,074</u>	<u>51,722</u>	<u>611,796</u>	<u>580,637</u>	<u>31,159</u>
Required maintenance for school facilities:					
Salaries	178,058	-	178,058	174,152	3,906
Cleaning, repair and maintenance services	400,003	281,155	681,158	448,807	232,351
General supplies	155,400	37,420	192,820	191,405	1,415
Other objects	5,600	-	5,600	3,708	1,892
Total Required Maintenance for School Facilities	<u>739,061</u>	<u>318,575</u>	<u>1,057,636</u>	<u>818,072</u>	<u>239,564</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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Salaries	\$ 2,829,103	\$ (47,920)	\$ 2,781,183	\$ 2,748,651	\$ 32,532
Salaries of non-instructional aides	262,230	20,240	282,470	281,194	1,276
Purchased professional and technical services	65,000	13,518	78,518	53,425	25,093
Cleaning, repair and maintenance services	83,556	5,794	89,350	89,312	38
Rental of land and buildings other than lease purchase	476,487	-	476,487	476,487	-
Other purchased property services	106,828	-	106,828	96,512	10,316
Insurance	110,893	-	110,893	110,787	106
Miscellaneous purchased services	4,600	-	4,600	532	4,068
General supplies	333,400	2,331	335,731	335,407	324
Energy (gasoline)	57,500	-	57,500	47,058	10,442
Energy (electricity)	1,331,295	(73,690)	1,257,605	1,257,567	38
Energy (natural gas)	780,122	(279,550)	500,572	462,968	37,604
Energy (oil)	7,047	-	7,047	6,215	832
Other objects	5,450	-	5,450	3,071	2,379
<b>Total Custodial Services</b>	<b>6,453,511</b>	<b>(359,277)</b>	<b>6,094,234</b>	<b>5,969,186</b>	<b>125,048</b>
Care and upkeep of grounds:					
Salaries	228,868	20,990	249,858	249,848	10
Cleaning, repair and maintenance services	86,700	40	86,740	54,462	32,278
General supplies	135,000	(39,020)	95,980	81,423	14,557
<b>Total Care and Upkeep of Grounds</b>	<b>450,568</b>	<b>(17,990)</b>	<b>432,578</b>	<b>385,733</b>	<b>46,845</b>
Security:					
Salaries	81,918	23,000	104,918	41,028	63,890
Purchased professional and technical services	112,000	(47,240)	64,760	59,836	4,924
General supplies	-	10,000	10,000	1,705	8,295
<b>Total Security</b>	<b>193,918</b>	<b>(14,240)</b>	<b>179,678</b>	<b>102,569</b>	<b>77,109</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>7,837,058</b>	<b>(72,932)</b>	<b>7,764,126</b>	<b>7,275,560</b>	<b>488,566</b>

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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil trans. (between home & school) - regular	\$ 1,699,259	\$ (10,550)	\$ 1,688,709	\$ 1,586,222	\$ 102,487
Salaries for pupil trans. (between home & school) - special ed.	260,441	29,920	290,361	275,033	15,328
Salaries for pupil trans. (other than between home & school)	161,300	-	161,300	159,484	1,816
Salaries for pupil trans. (between home & school) - nonpublic	48,698	10,150	58,848	58,843	5
Salaries of non-instructional aides	152,655	-	152,655	123,613	29,042
Management fees - ESC & CTSA transportation programs	41,425	(7,725)	33,700	27,373	6,327
Cleaning, repair and maintenance services	68,580	13,116	81,696	81,690	6
Rental payments - school buses	-	17,260	17,260	17,257	3
Lease purchase payments - school buses	156,191	-	156,191	156,191	-
Contracted services - aid in lieu payments - nonpublic schools	73,372	-	73,372	58,555	14,817
Contracted services - aid in lieu payments - charter schools	7,072	-	7,072	6,669	403
Contracted services (other than bet. home & school) - vendors	1,000	-	1,000	-	1,000
Contracted services (between home & school) - joint agreements	4,510	500	5,010	4,966	44
Contracted services (special ed. students) - vendors	39,000	(5,640)	33,360	26,441	6,919
Contracted services (regular students) - ESCs & CTSA	95,160	(5,450)	89,710	87,740	1,970
Contracted services (special ed. students) - ESCs & CTSA	872,969	(162,180)	710,789	597,900	112,889
Miscellaneous purchased services	94,220	4,840	99,060	85,027	14,033
General supplies	286,557	5,450	292,007	292,000	7
Transportation supplies	311,983	5,140	317,123	317,117	6
Miscellaneous expenditures	1,500	160	1,660	1,653	7
<b>Total Student Transportation Services</b>	<b>4,375,892</b>	<b>(105,009)</b>	<b>4,270,883</b>	<b>3,963,774</b>	<b>307,109</b>
Unallocated employee benefits:					
Social security contributions	1,096,611	(2,763)	1,093,848	1,053,855	39,993
TPAF contributions - regular	-	9,534	9,534	9,534	-
Other retirement contributions - PERS	1,065,158	97,420	1,162,578	1,161,840	738
Other retirement contributions - regular	-	26,692	26,692	18,668	8,024
Unemployment compensation	178,953	9,100	188,053	187,976	77
Workers compensation	624,965	(9,100)	615,865	604,028	11,837
Health benefits	12,473,884	(1,313,720)	11,160,164	10,613,324	546,840
Tuition reimbursement	275,000	(83,050)	191,950	187,110	4,840
Other employee benefits	370,571	95,000	465,571	447,775	17,796
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>16,085,142</b>	<b>(1,170,887)</b>	<b>14,914,255</b>	<b>14,284,110</b>	<b>630,145</b>

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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf payments:					
On-behalf TPAF contributions (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 2,053,336	\$ (2,053,336)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,300,128	(2,300,128)
Total On-behalf Payments	-	-	-	4,353,464	(4,353,464)
TOTAL UNDISTRIBUTED EXPENDITURES	44,866,476	(1,219,618)	43,646,858	45,814,810	(2,167,952)
TOTAL EXPENDITURES - CURRENT	72,738,106	(68,649)	72,669,457	74,220,611	(1,551,154)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction::					
Grades 1 - 5	-	157,800	157,800	101,364	56,436
Grades 6 - 8	-	11,490	11,490	-	11,490
Grades 9 - 12	-	10,750	10,750	2,200	8,550
Undistributed expenditures:					
Educational media services/school library	-	35,100	35,100	-	35,100
Information technology services	-	26,230	26,230	-	26,230
Required maintenance for school facilities	17,300	97,829	115,129	115,124	5
Custodial services	-	12,150	12,150	8,961	3,189
Care and upkeep of grounds	12,500	(2,365)	10,135	9,719	416
Student transportation services - non-instructional equipment	10,000	7,750	17,750	17,733	17
Total Equipment	39,800	356,734	396,534	255,101	141,433
Facilities acquisition and construction services:					
Purchased professional and technical services	-	22,000	22,000	13,150	8,850
Construction services	-	183,000	183,000	-	183,000
Other objects	159,917	-	159,917	159,917	-
Total Facilities Acquisition and Construction Services:	159,917	205,000	364,917	173,067	191,850

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, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Assets acquired under capital leases (non-budgeted):					
Instruction - regular programs	\$ -	\$ -	\$ -	\$ 200,305	\$ (200,305)
Operation and maintenance of plant services	-	-	-	35,679	(35,679)
Administrative information technology	-	-	-	270,989	(270,989)
Total Assets Acquired Under Capital Leases (Non-budgeted)	-	-	-	506,973	(506,973)
TOTAL CAPITAL OUTLAY	199,717	561,734	761,451	935,141	(173,690)
CHARTER SCHOOL:					
Allocation of funds to charter school	92,790	-	92,790	75,946	16,844
Total Charter School	92,790	-	92,790	75,946	16,844
TOTAL EXPENDITURES	73,030,613	493,085	73,523,698	75,231,698	(1,708,000)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,286,643)	(493,085)	(3,779,728)	1,688,856	(5,468,584)
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-budgeted)	-	-	-	506,973	(506,973)
Transfers In:					
Transfer from Capital Projects Fund	-	1,129	1,129	1,129	-
Transfers Out:					
Interest Deposit to Capital Reserve	(200)	-	(200)	-	(200)
Transfer to Capital Projects Fund	-	(426,870)	(426,870)	(426,870)	-
TOTAL OTHER FINANCING SOURCES (USES)	(200)	(425,741)	(425,941)	81,232	(507,173)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,286,843)	(918,826)	(4,205,669)	1,770,088	(5,975,757)
FUND BALANCE, July 1	7,045,786	-	7,045,786	7,045,786	-
FUND BALANCE, June 30	\$ 3,758,943	\$ (918,826)	\$ 2,840,117	\$ 8,815,874	\$ (5,975,757)

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, 2011

Recapitulation:	
Restricted Fund Balance:	
Capital reserve	\$ 16,500
Excess surplus - current year	786,860
Committed Fund Balance:	
Year-end encumbrances	183,000
Assigned Fund Balance:	
Year-end encumbrances	893,996
Designated for subsequent year's expenditures	3,286,843
Unassigned Fund Balance	<u>3,648,675</u>
	8,815,874
Reconciliation to Governmental Funds Statements (GAAP):	
Last state aid payment not recognized on GAAP basis	<u>(1,242,595)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 7,573,279</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, 2011

C-1a

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 547,745	\$ -	\$ 547,745	\$ 414,816	\$ 132,929
Total Revenues	<u>547,745</u>	<u>-</u>	<u>547,745</u>	<u>414,816</u>	<u>132,929</u>
EXPENDITURES:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Grades 1-5	90,272	-	90,272	90,272	-
Grades 6-8	69,029	-	69,029	69,029	-
Grades 9-12	67,818	-	67,818	67,818	-
Regular programs - undistributed instruction:					
Other salaries for instruction	109,908	-	109,908	109,908	-
Total Regular Programs - Instruction	<u>337,027</u>	<u>-</u>	<u>337,027</u>	<u>337,027</u>	<u>-</u>
Health services:					
Salaries	24,788	-	24,788	-	24,788
Total Health Services	<u>24,788</u>	<u>-</u>	<u>24,788</u>	<u>-</u>	<u>24,788</u>
Educational media services/school library:					
Salaries	85,117	-	85,117	34,167	50,950
Total Educational Media Services/School Library	<u>85,117</u>	<u>-</u>	<u>85,117</u>	<u>34,167</u>	<u>50,950</u>
Security services:					
Salaries	35,000	-	35,000	-	35,000
Total Security Services	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Unallocated employee benefits:					
Social security contributions	50,587	-	50,587	28,396	22,191
TPAF contributions - regular	9,534	-	9,534	9,534	-
Other retirement contributions - regular	5,692	-	5,692	5,692	-
Total Unallocated Employee Benefits	<u>65,813</u>	<u>-</u>	<u>65,813</u>	<u>43,622</u>	<u>22,191</u>
Total Expenditures	<u>547,745</u>	<u>-</u>	<u>547,745</u>	<u>414,816</u>	<u>132,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$1,098,393	\$ 620,896	\$1,719,289	\$ 1,548,580	\$ 170,709
Total Revenues	1,098,393	620,896	1,719,289	1,548,580	170,709
EXPENDITURES:					
Instruction:					
Personal services - salaries	606,315	(45,923)	560,392	539,234	21,158
Purchased professional educational and technical services	-	1,000	1,000	150	850
Other purchased services	138,000	220,888	358,888	324,255	34,633
General supplies	61,132	80,671	141,803	134,113	7,690
Other objects	500	1,400	1,900	-	1,900
Total Instruction	805,947	258,036	1,063,983	997,752	66,231
Support Services:					
Personal services - salaries	33,436	30,609	64,045	63,814	231
Personal services - employee benefits	78,617	(39,982)	38,635	29,874	8,761
Purchased professional educational and technical services	140,500	290,018	430,518	358,098	72,420
Other purchased services	11,726	2,626	14,352	4,919	9,433
Supplies and materials	20,344	14,855	35,199	33,572	1,627
Total Support Services	284,623	298,126	582,749	490,277	92,472
Facilities Acquisition and Construction Services:					
Instructional equipment	7,823	49,660	57,483	51,480	6,003
Non-instructional equipment	-	15,074	15,074	9,071	6,003
Total Facilities Acquisition and Construction Services	7,823	64,734	72,557	60,551	12,006
Total Expenditures	1,098,393	620,896	1,719,289	1,548,580	170,709
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  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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	\$76,920,554	\$ 1,548,580
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, 2010	-	48,502
Outstanding encumbrances at June 30, 2011	-	(35,951)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2010	1,632,889	-
State aid receivable at June 30, 2011	(1,242,595)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$77,310,848	\$ 1,561,131
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$75,231,698	\$ 1,548,580
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, 2010	-	48,502
Outstanding encumbrances at June 30, 2011	-	(35,951)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$75,231,698	\$ 1,561,131

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE I		TITLE II		TITLE III		Carl D. Perkins Vocational Ed. Secondary Allocation
	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part A Carryover	Part A Current	
REVENUES:							
Federal sources	\$ 729	\$ 123,912	\$ 5,090	\$ 37,770	\$ 1,496	\$ 28,037	\$ 16,219
Total Revenues	<u>\$ 729</u>	<u>\$ 123,912</u>	<u>\$ 5,090</u>	<u>\$ 37,770</u>	<u>\$ 1,496</u>	<u>\$ 28,037</u>	<u>\$ 16,219</u>
EXPENDITURES:							
Instruction:							
Personal services - salaries	\$ -	\$ 47,362	\$ -	\$ -	\$ -	\$ 17,000	\$ -
Purchased professional educational and technical services	-	-	-	-	-	150	-
Other purchased services	-	-	-	-	-	-	-
General supplies	729	27,067	-	-	1,496	8,398	6,408
Total Instruction	<u>729</u>	<u>74,429</u>	<u>-</u>	<u>-</u>	<u>1,496</u>	<u>25,548</u>	<u>6,408</u>
Support Services:							
Personal services - salaries	-	-	-	-	-	-	5,639
Personal services - employee benefits	-	6,671	-	-	-	2,489	431
Purchased professional educational and technical services	-	-	-	37,770	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies and materials	-	-	5,090	-	-	-	3,741
Total Support Services	<u>-</u>	<u>6,671</u>	<u>5,090</u>	<u>37,770</u>	<u>-</u>	<u>2,489</u>	<u>9,811</u>
Facilities Acquisition and Construction Services:							
Instructional equipment	-	42,812	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>42,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 729</u>	<u>\$ 123,912</u>	<u>\$ 5,090</u>	<u>\$ 37,770</u>	<u>\$ 1,496</u>	<u>\$ 28,037</u>	<u>\$ 16,219</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, 2011

	I.D.E.A.				A.R.R.A. - I.D.E.A.		Total
	Part B - Basic Reg. Prog. Carryover	Part B - Basic Reg. Prog. Current	Part B Preschool Carryover	Part B Preschool Current	Part B - Basic Reg. Prog. Carryover	Part B Preschool Carryover	
REVENUES:							
Federal sources	\$ 318,563	\$ 860,237	\$ 24,183	\$ 18,997	\$ 109,649	\$ 3,698	\$ 1,548,580
Total Revenues	<u>\$ 318,563</u>	<u>\$ 860,237</u>	<u>\$ 24,183</u>	<u>\$ 18,997</u>	<u>\$ 109,649</u>	<u>\$ 3,698</u>	<u>\$ 1,548,580</u>
EXPENDITURES:							
Instruction:							
Personal services - salaries	\$ -	\$ 455,953	\$ -	\$ 18,919	\$ -	\$ -	\$ 539,234
Purchased professional educational and technical services	-	-	-	-	-	-	150
Other purchased services	128,312	121,704	-	-	74,239	-	324,255
General supplies	4,016	43,283	6,109	78	35,410	1,119	134,113
Total Instruction	<u>132,328</u>	<u>620,940</u>	<u>6,109</u>	<u>18,997</u>	<u>109,649</u>	<u>1,119</u>	<u>997,752</u>
Support Services:							
Personal services - salaries	-	58,175	-	-	-	-	63,814
Personal services - employee benefits	-	17,704	-	-	-	2,579	29,874
Purchased professional educational and technical services	171,083	144,566	4,679	-	-	-	358,098
Other purchased services	-	4,919	-	-	-	-	4,919
Supplies and materials	10,808	13,933	-	-	-	-	33,572
Total Support Services	<u>181,891</u>	<u>239,297</u>	<u>4,679</u>	<u>-</u>	<u>-</u>	<u>2,579</u>	<u>490,277</u>
Facilities Acquisition and Construction Services:							
Instructional equipment	4,344	-	4,324	-	-	-	51,480
Non-instructional equipment	-	-	9,071	-	-	-	9,071
Total Facilities Acquisition and Construction Services	<u>4,344</u>	<u>-</u>	<u>13,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,551</u>
Total Expenditures	<u>\$ 318,563</u>	<u>\$ 860,237</u>	<u>\$ 24,183</u>	<u>\$ 18,997</u>	<u>\$ 109,649</u>	<u>\$ 3,698</u>	<u>\$ 1,548,580</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<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>	
2009	Mt. View Elementary School Roof Project	\$ 172,293	\$ 171,164	\$ 1,129	\$ -
2011	Mt. Olive High School Reroofing and Reflashing Project	442,324	-	38,635	403,689
		<u>\$ 614,617</u>	<u>\$ 171,164</u>	<u>\$ 39,764</u>	<u>\$ 403,689</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, 2011

	2011
REVENUES AND OTHER FINANCING SOURCES:	
State Sources - SDA Grant	\$ 284,580
Transfer from capital outlay	426,870
TOTAL REVENUES AND OTHER FINANCING SOURCES	711,450
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	38,635
Transfer to General Fund	1,129
TOTAL EXPENDITURES AND OTHER FINANCING USES	39,764
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	671,686
FUND BALANCE, July 1	1,129
FUND BALANCE, June 30	\$ 672,815
Reconciliation to Governmental Funds Statements (GAAP):	
Restricted fund balance - budgetary basis	\$ 672,815
Less: SDA grant receivable not recognized on GAAP basis	(269,126)
Fund Balance per Governmental Funds (GAAP)	\$ 403,689



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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources - SDA Grant	\$ 68,465	\$ -	\$ 68,465	\$ 68,465
Transfer from capital outlay	103,828	-	103,828	103,828
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>172,293</b>	<b>-</b>	<b>172,293</b>	<b>172,293</b>
<b>EXPENDITURES:</b>				
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	1,129	1,129
<b>TOTAL EXPENDITURES</b>	<b>171,164</b>	<b>1,129</b>	<b>172,293</b>	<b>172,293</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>\$ 1,129</b>	<b>\$ (1,129)</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources - SDA Grant	\$ -	\$ 284,580	\$ 284,580	\$ 284,580
Transfer from capital outlay	-	426,870	426,870	426,870
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>-</b>	<b>711,450</b>	<b>711,450</b>	<b>711,450</b>
<b>EXPENDITURES:</b>				
Purchased professional and technical services	-	38,635	38,635	51,000
Construction services	-	-	-	660,450
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>38,635</b>	<b>38,635</b>	<b>711,450</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 672,815</b>	<b>\$ 672,815</b>	<b>\$ -</b>

**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	5.43%
Original target completion date	Aug-11
Revised target completion date	Aug-11

**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, 2011

	Food Services	Special Schools		Totals
		Community School	Summer School	
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 217,359	\$ 40,437	\$ 36,402	\$ 294,198
Accounts receivable:				
State	912	-	-	912
Federal	20,298	-	-	20,298
Other	7,892	-	-	7,892
Inventories	14,475	-	-	14,475
<b>Total Current Assets</b>	<b>260,936</b>	<b>40,437</b>	<b>36,402</b>	<b>337,775</b>
<b>NONCURRENT ASSETS:</b>				
Equipment	411,162	-	-	411,162
Less: accumulated depreciation	346,699	-	-	346,699
<b>Total Noncurrent Assets</b>	<b>64,463</b>	<b>-</b>	<b>-</b>	<b>64,463</b>
<b>TOTAL ASSETS</b>	<b>325,399</b>	<b>40,437</b>	<b>36,402</b>	<b>402,238</b>
<b>LIABILITIES:</b>				
Accounts payable	19,297	-	-	19,297
Interfund payable	90,255	26,853	15,000	132,108
Compensated absences payable	16,341	-	-	16,341
<b>TOTAL LIABILITIES</b>	<b>125,893</b>	<b>26,853</b>	<b>15,000</b>	<b>167,746</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	64,463	-	-	64,463
Unrestricted	135,043	13,584	21,402	170,029
<b>TOTAL NET ASSETS</b>	<b>\$ 199,506</b>	<b>\$ 13,584</b>	<b>\$ 21,402</b>	<b>\$ 234,492</b>

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, 2011

	Food Services	Special Schools		Totals
		Community School	Summer School	
<b>OPERATING REVENUES:</b>				
Charges for services:				
Daily sales - reimbursable programs	\$ 914,583	\$ -	\$ -	\$ 914,583
Daily sales - non-reimbursable programs	35,634	-	-	35,634
Tuition	-	94,059	36,295	130,354
<b>Total Operating Revenues</b>	<b>950,217</b>	<b>94,059</b>	<b>36,295</b>	<b>1,080,571</b>
<b>OPERATING EXPENSES:</b>				
Salaries	518,688	49,153	45,904	613,745
Employee benefits	217,408	3,760	3,512	224,680
Supplies and materials	34,459	585	233	35,277
Depreciation	13,503	-	-	13,503
Cost of sales	482,462	-	-	482,462
Miscellaneous	437	-	-	437
Purchased professional educational services	-	45,147	-	45,147
Office expense	-	14,872	1,175	16,047
<b>Total Operating Expenses</b>	<b>1,266,957</b>	<b>113,517</b>	<b>50,824</b>	<b>1,431,298</b>
<b>OPERATING LOSS</b>	<b>(316,740)</b>	<b>(19,458)</b>	<b>(14,529)</b>	<b>(350,727)</b>
<b>NON-OPERATING REVENUES:</b>				
State sources:				
State school lunch program	10,668	-	-	10,668
Federal sources:				
School breakfast program	10,483	-	-	10,483
National school lunch program	249,997	-	-	249,997
Special milk program	2,796	-	-	2,796
Food donation program	71,845	-	-	71,845
Interest	180	-	189	369
<b>Total Non-Operating Revenues</b>	<b>345,969</b>	<b>-</b>	<b>189</b>	<b>346,158</b>
Change in net assets	29,229	(19,458)	(14,340)	(4,569)
Total net assets - beginning	170,277	33,042	35,742	239,061
Total net assets - ending	\$ 199,506	\$ 13,584	\$ 21,402	\$ 234,492

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Services	Special Schools		Total
		Community School	Summer School	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 950,217	\$ 94,059	\$ 36,295	\$ 1,080,571
Payments to employees	(518,688)	(49,153)	(45,904)	(613,745)
Payments for employee benefits	(217,408)	(3,760)	(3,512)	(224,680)
Payments to suppliers	(429,140)	(60,604)	(1,408)	(491,152)
Net cash used in operating activities	<u>(215,019)</u>	<u>(19,458)</u>	<u>(14,529)</u>	<u>(249,006)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	10,668	-	-	10,668
Federal Sources	263,276	-	-	263,276
Operating subsidies and transfers to other funds	-	9,442	15,000	24,442
Net cash provided by (used in) non-capital financing activities	<u>273,944</u>	<u>9,442</u>	<u>15,000</u>	<u>298,386</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>				
Interest and dividends	180	-	189	369
Net increase (decrease) in cash and cash equivalents	59,105	(10,016)	660	49,749
Cash and cash equivalents - beginning of year	158,254	50,453	35,742	244,449
Cash and cash equivalents - end of year	<u>\$ 217,359</u>	<u>\$ 40,437</u>	<u>\$ 36,402</u>	<u>\$ 294,198</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (316,740)	\$ (19,458)	\$ (14,529)	\$ (350,727)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	13,503	-	-	13,503
Food donation program	71,845	-	-	71,845
Increase in accounts receivable, net	4,418	-	-	4,418
Decrease in inventories	(1,808)	-	-	(1,808)
Increase in accounts payable	(5,868)	-	-	(5,868)
Decrease in compensated absences payable	4,011	-	-	4,011
Increase in due to/from other funds	15,620	-	-	15,620
Total adjustments	<u>101,721</u>	<u>-</u>	<u>-</u>	<u>101,721</u>
Net cash used in operating activities	<u>\$ (215,019)</u>	<u>\$ (19,458)</u>	<u>\$ (14,529)</u>	<u>\$ (249,006)</u>

**FIDUCIARY FUNDS  
DETAIL STATEMENTS**

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, 2011

	Agency Funds			Trust Fund
	Student Activity	Payroll	Total Agency	Unemployment Compensation Insurance Trust
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 389,841	\$ 8,678	\$ 398,519	\$ 25,156
Accounts receivable	14,528	-	14,528	-
<b>TOTAL ASSETS</b>	<b>404,369</b>	<b>8,678</b>	<b>413,047</b>	<b>25,156</b>
<b>LIABILITIES:</b>				
Accounts payable	42,305	-	42,305	12,762
Payroll deductions and withholdings	-	8,678	8,678	-
Interfund payable	24,099	-	24,099	-
Due to student groups	337,965	-	337,965	-
<b>TOTAL LIABILITIES</b>	<b>404,369</b>	<b>8,678</b>	<b>413,047</b>	<b>12,762</b>
<b>NET ASSETS:</b>				
Held in trust for unemployment claims	-	-	-	12,394
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,394</b>



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Insurance Trust</u>
ADDITIONS:	
Contributions:	
Plan members	\$ 116,684
Board contributions	<u>188,000</u>
Total additions	<u>304,684</u>
DEDUCTIONS:	
Quarterly contribution reports	46,026
Unemployment claims	<u>247,678</u>
Total deductions	<u>293,704</u>
Change in net assets	10,980
Net assets-beginning of the year	<u>1,414</u>
Net assets-end of the year	<u><u>\$ 12,394</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable/ (Receivable)</u>	<u>Balance June 30, 2011</u>
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 16,719	\$ 48,679	\$ 37,956	\$ 11,475	\$ 15,967
Mountain View School	8,777	22,744	17,724	1,412	12,385
Tinc Road School	12,538	16,917	11,011	3,553	14,891
CMS Elementary School	6,862	40,368	33,663	3,699	9,868
TOTAL ELEMENTARY SCHOOLS	<u>44,896</u>	<u>128,708</u>	<u>100,354</u>	<u>20,139</u>	<u>53,111</u>
MIDDLE SCHOOL:					
Mount Olive Middle School	<u>72,626</u>	<u>190,813</u>	<u>176,171</u>	<u>14,413</u>	<u>72,855</u>
TOTAL MIDDLE SCHOOL	<u>72,626</u>	<u>190,813</u>	<u>176,171</u>	<u>14,413</u>	<u>72,855</u>
HIGH SCHOOL:					
Mount Olive High School	180,612	315,006	324,490	17,324	153,804
Athletic Account	40,799	111,945	94,549	-	58,195
TOTAL HIGH SCHOOL	<u>221,411</u>	<u>426,951</u>	<u>419,039</u>	<u>17,324</u>	<u>211,999</u>
TOTAL ALL SCHOOLS	<u>\$ 338,933</u>	<u>\$ 746,472</u>	<u>\$ 695,564</u>	<u>\$ 51,876</u>	<u>\$ 337,965</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 10,644</u>	<u>\$ 60,323,297</u>	<u>\$ 60,325,263</u>	<u>\$ 8,678</u>
TOTAL ASSETS	<u><u>\$ 10,644</u></u>	<u><u>\$ 60,323,297</u></u>	<u><u>\$ 60,325,263</u></u>	<u><u>\$ 8,678</u></u>
LIABILITIES:				
Payroll deductions and withholdings	<u>\$ 10,644</u>	<u>\$ 60,323,297</u>	<u>\$ 60,325,263</u>	<u>\$ 8,678</u>
TOTAL LIABILITIES	<u><u>\$ 10,644</u></u>	<u><u>\$ 60,323,297</u></u>	<u><u>\$ 60,325,263</u></u>	<u><u>\$ 8,678</u></u>

**LONG-TERM DEBT SCHEDULES**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2010	RETIRED	BALANCE JUNE 30, 2011
			DATE	AMOUNT				
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	11/01/04	\$ 30,500,000	1/15/2012	\$ 1,590,000	5.00%	\$ 26,620,000	\$ 1,530,000	\$ 25,090,000
			1/15/2013	1,675,000	4.00%			
			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	2/1/2012	120,000	4.95%	1,745,000	115,000	1,630,000
			2/1/2013	130,000	5.15%			
			2/1/2014	135,000	5.25%			
			2/1/2015	145,000	5.35%			
			2/1/2016	155,000	5.75%			
			2/1/2017	165,000	5.75%			
			2/1/2018	175,000	5.75%			
			2/1/2019	190,000	5.75%			
			2/1/2020	200,000	5.75%			
			2/1/2021	215,000	5.75%			
			Addition/Renovations to Mt. Olive High School	05/15/04	32,280,000			
7/15/2012	980,000	4.00%						
7/15/2013	1,020,000	4.00%						
7/15/2014	1,075,000	4.00%						
7/15/2015	1,120,000	4.25%						
7/15/2016	1,170,000	4.25%						
7/15/2017	1,225,000	4.35%						
7/15/2018	1,285,000	4.50%						
7/15/2019	1,255,000	4.50%						

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2010	RETIRED	BALANCE JUNE 30, 2011
			DATE	AMOUNT				
Addition/Renovations to Mt. Olive High School - Refunding Bonds	09/14/06	\$ 9,100,000	7/15/2011	\$ 25,000	4.00%	9,040,000	25,000	9,015,000
			7/15/2012	25,000	4.00%			
			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	7/15/2011	35,000	4.00%	9,410,000	35,000	9,375,000
			7/15/2012	35,000	4.00%			
			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%						
						<u>\$ 57,775,000</u>	<u>\$ 2,600,000</u>	<u>\$ 55,175,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
			Principal	Interest					
(2) Type C 29-Passenger School Buses, (2) Type D 54-Passenger School Buses, Computer Equipment and Network Upgrade	09/22/06	4 Years	\$ 840,000	\$ 65,329	6.13%	\$ 95,844	\$ -	\$ 95,844	\$ -
(4) 2008 Thomas School Buses Computer and Peripheral Equipment	09/28/07	5 Years	487,513	49,472	4.03%	252,784	-	98,193	154,591
(6) 24-Passenger School Vans, (1) 54-Passenger School Bus, Technology Equipment	03/15/09	5 Years	420,000	38,640	3.29%	300,924	-	82,501	218,423
(2) 2009 Ford F-350 Super Cab Trucks	11/28/08	4 Years	60,269	6,203	6.95%	30,067	-	14,529	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%	215,390	-	44,818	170,572
(1) 2011 Ford F-350 Super Cab Truck Computer and Peripheral Equipment	11/10/10	5 Years	450,002	37,463	2.75%	-	450,002	17	449,985
Musical Instruments	02/28/11	4 Years	56,971	11,622	13.16%	-	56,971	14,916	42,055
						<u>\$ 895,009</u>	<u>\$ 506,973</u>	<u>\$350,818</u>	<u>\$ 1,051,164</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,598,981	\$ -	\$ 4,598,981	\$ 4,598,981	\$ -
Miscellaneous	-	-	-	2,984	2,984
Total local sources	<u>4,598,981</u>	<u>-</u>	<u>4,598,981</u>	<u>4,601,965</u>	<u>2,984</u>
State sources:					
Debt service aid type II	577,717	-	577,717	577,717	-
Total state sources	<u>577,717</u>	<u>-</u>	<u>577,717</u>	<u>577,717</u>	<u>-</u>
TOTAL REVENUES	<u>5,176,698</u>	<u>-</u>	<u>5,176,698</u>	<u>5,179,682</u>	<u>2,984</u>
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	96,135	-	96,135	96,135	-
Interest on loans and serial bonds	2,418,302	-	2,418,302	2,418,301	1
Redemption of principal - early retirement bonds	115,000	-	115,000	115,000	-
Redemption of principal - loans and serial bonds	2,550,300	-	2,550,300	2,550,299	1
Total Regular Debt Service	<u>5,179,737</u>	<u>-</u>	<u>5,179,737</u>	<u>5,179,735</u>	<u>2</u>
TOTAL EXPENDITURES	<u>5,179,737</u>	<u>-</u>	<u>5,179,737</u>	<u>5,179,735</u>	<u>2</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,039)	-	(3,039)	(53)	2,986
FUND BALANCE, July 1	<u>3,039</u>	<u>-</u>	<u>3,039</u>	<u>3,039</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,986</u>	<u>\$ 2,986</u>
RECAPITULATION OF EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES:					
Budgeted Fund Balance	<u>\$ (3,039)</u>	<u>\$ -</u>	<u>\$ (3,039)</u>	<u>\$ (53)</u>	<u>\$ 2,986</u>



**STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	85-92
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	93-96
<b>Debt Capacity</b> 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.	97-100
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	101-102
<b>Operating Information</b> 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.	103-107

**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 NINE FISCAL YEARS  
*(accrual basis of accounting)*  
 UNAUDITED

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:									
Invested in capital assets, net of related debt	\$ 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	1,210,035	20,411	32,181	139,129	984,926	6,806,079	2,232,179	594,296	(74,723)
Unrestricted (Deficit)	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>\$ 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	\$ 64,463	\$ 77,966	\$ 91,469	\$ 105,678	\$ 122,638	\$ 134,041	\$ 145,838	\$ 153,533	\$ 167,376
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	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>\$ 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	\$ 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	1,210,035	20,411	32,181	139,129	984,926	6,806,079	2,232,179	594,296	(74,723)
Unrestricted (Deficit)	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>\$ 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

Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the District has elected to report retroactively back to the year Statement 34 was implemented, in accordance with the recommendation of the State Department of Education.

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

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>									
Governmental activities:									
Instruction:									
Regular programs	\$ 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	8,473,838	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	1,529,506	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	1,123,417	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	53,148	40,789	-	237,671	192,694	140,792	27,798	24,203	33,517
Support Services:									
Tuition	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	11,222,504	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	4,352,318	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	3,077,718	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	11,953,154	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	5,204,635	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	75,946	72,424		45,123	47,348	37,299	4,031	-	-
Interest on long-term debt and capital leases	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	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>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	1,266,957	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	113,517	160,173	195,828	173,357	181,389	172,239	148,861	135,199	124,606
Summer school	50,824	57,488	42,759	39,865	31,801	24,940	33,473	35,881	62,787
Total business-type activities expenses	<u>1,431,298</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>\$ 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 NINE FISCAL YEARS  
 (accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
Special education programs (tuition)	\$ 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)	85,155	63,787	-	-	-	-	-	-	-
Plant operations and maintenance (building usage fees)	56,007	70,875	50,572	67,918	43,284	115,653	176,837	141,706	139,956
Pupil transportation (transportation fees)	213,067	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930
Operating grants and contributions	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	15,454	68,465	-	-	8,700,382	4,403,899	1,601,097	-	-
Total governmental activities program revenues	<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	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	94,059	152,901	183,467	190,352	167,724	163,208	161,175	154,691	142,916
Summer school	36,295	33,813	51,258	47,551	46,494	10,894	4,235	5,100	69,159
Operating grants and contributions	345,789	343,921	291,976	317,405	300,809	238,713	212,075	222,376	211,790
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>\$ 14,109,723</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>
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$(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	(4,938)	(27,003)	(709)	(51,314)	(63,756)	(34,522)	(59,455)	(114,505)	(114,562)
Total district-wide net (expense)/revenue	<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 NINE FISCAL YEARS  
 (accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 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	4,598,981	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	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	-	-	-	(230,425)	-	96,500	-	-	471,460
Investment earnings	12,354	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901
Miscellaneous income	344,339	111,856	270,079	932,599	97,776	152,139	41,558	37,271	106,337
Transfers	-	20,000	42,000	42,000	1,000	(103,000)	(132,000)	-	30,000
Total governmental activities	<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	369	934	1,648	9,598	16,637	14,616	6,548	2,320	3,148
Transfers	-	(20,000)	(42,000)	(42,000)	(1,000)	103,000	132,000	-	(30,000)
Total business-type activities	<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>\$ 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>
<b>Change in Net Assets</b>									
Governmental activities	\$ 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	(4,569)	(46,069)	(41,061)	(83,716)	(48,119)	83,094	79,093	(112,185)	(141,414)
Total district	<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

Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the District has elected to report retroactively back to the year Statement 34 was implemented, in accordance with the recommendation of the State Department of Education.

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

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Restricted	\$ 803,360	\$ 16,243	\$ 15,986	\$ 15,676	\$ 389,030	\$ 118,048	\$ 483,508	\$ 271,001	\$ 136,179
Committed	183,000	-	-	-	19,380	-	-	-	60,071
Assigned	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	2,406,080	1,737,601	392,743	(478,391)	848,984	755,924	739,642	1,231,607	1,751,214
Total general fund	<u>\$ 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	403,689	1,129	2,200	123,453	433,698	9,480,608	30,950,711	31,318,185	(214,087)
Debt service	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>\$ 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

Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the District has elected to report retroactively back to the year Statement 34 was implemented, in accordance with the recommendation of the State Department of Education.

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,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Tax levy	\$ 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	\$ 35,268,004
Tuition charges	87,350	113,801	103,408	271,335	126,618	94,978	131,562	222,321	131,274	115,660
Interest earnings	12,354	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901	155,609
Transportation fees	213,067	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930	77,000
Rental income	-	-	-	-	-	85,633	146,375	141,706	139,956	138,789
Miscellaneous	485,501	246,518	321,443	1,005,621	141,060	282,699	90,571	37,271	106,337	72,750
State sources	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	16,033,430
Federal sources	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	804,352
<b>Total revenue</b>	<b>84,067,115</b>	<b>86,319,407</b>	<b>80,929,189</b>	<b>80,445,509</b>	<b>87,652,651</b>	<b>76,736,594</b>	<b>70,781,332</b>	<b>63,576,320</b>	<b>57,287,223</b>	<b>52,665,594</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	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	16,085,510
Special education instruction	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	3,120,068
Other instructional programs	1,102,572	1,081,345	933,563	901,818	959,586	873,650	871,428	850,929	808,791	623,198
School sponsored programs	846,534	813,821	770,131	910,714	900,141	866,945	871,800	766,499	712,611	690,923
Community services programs	47,542	35,390	-	164,377	134,694	104,320	23,478	20,361	27,665	46,769
Support Services:										
Tuition	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	2,020,728
Student & inst. related services	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	5,416,043
School administrative services	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	2,283,153
Other administrative services	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	1,398,052
Plant operations and maintenance	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	5,721,022
Pupil transportation	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	2,867,444
Employee benefits	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	8,686,410
Charter Schools	75,946	72,424	65,644	45,123	47,348	-	-	-	-	15,044
Capital outlay	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	2,327,085
Debt service:										
Principal	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	1,272,377
Interest and other charges	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	1,872,736
<b>Total expenditures</b>	<b>82,011,199</b>	<b>82,645,535</b>	<b>81,108,576</b>	<b>83,330,922</b>	<b>98,022,759</b>	<b>98,761,796</b>	<b>70,143,074</b>	<b>64,805,378</b>	<b>57,248,400</b>	<b>54,446,562</b>
Excess (Deficiency) of revenues over (under) expenditures	2,055,916	3,673,872	(179,387)	(2,885,413)	(10,370,108)	(22,025,202)	638,258	(1,229,058)	38,823	(1,780,968)



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,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	32,280,000	-	-
Permanent financing of temp. debt	-	-	-	-	-	-	-	412,000	205,000	-
Proceeds from refunding	-	-	-	-	18,733,310	-	32,221,379	-	2,395,000	-
Payments to escrow agent	-	-	-	-	(18,465,867)	-	(31,863,490)	-	(2,308,744)	-
Costs of issuance	-	-	-	-	(240,752)	-	(327,554)	-	(86,256)	-
Accrued interest	-	-	-	-	-	-	(30,335)	-	-	-
Cancellation of loans payable	-	-	-	-	-	-	-	-	(82,571)	-
Capital leases	506,973	230,000	480,269	516,291	855,822	286,785	-	-	-	-
Transfers in	427,999	126,028	42,000	42,000	193,441	892,386	649,047	215,803	30,000	412,199
Transfers out	(427,999)	(106,028)	-	-	(192,441)	(995,386)	(781,047)	(215,803)	-	(300,199)
Total other financing sources (uses)	<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>	<u>112,000</u>
Net change in fund balances	<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>	<u>\$ (1,668,968)</u>
Debt service as a percentage of noncapital expenditures	6.40%	6.30%	6.39%	5.32%	8.44%	6.99%	6.88%	5.48%	5.95%	6.03%

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
2002	\$ -	\$ 22,202	\$ 4,579	\$ -	\$ 21,762	\$ 13,751	\$ 8,211	\$ -	\$ -	\$ -	\$ -	\$ 2,245	\$ 72,750
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

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 <sup>a</sup>	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2001	\$91,552,700	\$ 988,951,400	\$7,281,000	\$ 901,500	\$ 169,639,400	\$ 369,245,000	\$ 143,800,000	\$ 1,771,371,000	\$ 5,137,980	\$ 1,776,508,980	\$99,177,800	\$ 1,806,318,130	\$ 1.89
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	2.04

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.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

Fiscal Year Ended December 31,	Mount Olive Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Mount Olive Township	Morris County	
2001	\$ 1.77	\$ 0.11	\$ 1.89	\$ 0.67	\$ 0.32	\$ 2.88
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*	1.89	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.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

<sup>b</sup> 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, 2010			December 31, 2000		
	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	3.27%	\$ 50,500,000	2	2.93%
Segal Realty Associates of NJ, LLC	89,700,000	2	2.95%	48,700,000	3	2.83%
Toys R Us Inc.	54,000,000	3	1.78%	32,000,000	5	1.86%
Mt. Olive Ind. Realty Co., LLC	45,605,000	4	1.50%	-	-	-
ATC Realty Sixteen Inc. (formerly BASF Corporation)	33,600,000	5	1.11%	160,000,000	1	9.29%
Eagle Rock Village Inc.	32,041,700	6	1.05%	23,465,000	6	1.36%
SCI ITC North Fund, LLC (Sam's Club, Staples)	23,150,000	7	0.76%	-	-	-
National Shopping Center Associates, LLC	21,739,100	8	0.72%	-	-	-
Armstrong Sutton Plaza, LLC	21,350,000	9	0.70%	-	-	-
Kings Village, LLC	20,400,000	10	0.67%	-	-	-
International Trade Center (Conopco-Calvin Klein)	-	-	-	34,200,000	4	1.99%
International Trade Center (Wyndham Garden Hotel)	-	-	-	14,000,000	7	0.81%
International Trade Center (Lucent)	-	-	-	13,650,000	8	0.79%
International Trade Center (BMW)	-	-	-	12,500,000	9	0.73%
DE-149	-	-	-	12,204,500	10	0.71%
<b>Total</b>	<b>\$ 441,085,800</b>		<b>14.51%</b>	<b>\$ 401,219,500</b>		<b>23.30%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 33,464,951	\$ 33,464,951	100.00%	-
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%	-

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Sewer Connection Project Loan	Bond Anticipation Notes (BANs)			
2002	\$ 35,425,000	\$ 997,190	\$ 617,000	\$ 37,039,190	2.63%	\$ 1,489
2003	36,555,000	858,006	412,000	37,825,006	2.63%	1,499
2004	67,770,000	802,158	-	68,572,158	4.42%	2,703
2005	66,810,000	747,074	-	67,557,074	4.18%	2,649
2006	64,905,000	684,774	-	65,589,774	3.76%	2,571
2007	64,100,000	623,390	-	64,723,390	3.54%	2,525
2008	62,585,000	562,924	-	63,147,924	3.42%	2,444
2009	60,250,000	495,405	-	60,745,405	3.43%	2,343
2010	57,775,000	428,988	-	58,203,988	N/A	N/A
2011	55,175,000	363,689	-	55,538,689	N/A	N/A

Source: District records

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

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 35,425,000	\$ -	\$ 35,425,000	1.99%	\$ 1,424
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%	N/A
2011	55,175,000	-	55,175,000	1.82%	N/A

Source: District records

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

<sup>a</sup> See Exhibit J-6 for property tax data.

<sup>b</sup> 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, 2011  
UNAUDITED

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Mt. Olive <sup>b</sup>	\$ 25,883,716	100.000%	\$ 25,883,716
County of Morris <sup>c</sup>	267,274,644	3.678%	<u>9,831,359</u>
Subtotal, overlapping debt			35,715,075
Mt. Olive Township School District Direct Debt <sup>d</sup>			<u>55,538,689</u>
Total direct and overlapping debt			<u><u>\$ 91,253,764</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.

<sup>a</sup> 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.

<sup>b</sup> Township debt includes all bonds, notes and loans issued as of December 31, 2010 as per the Township's Annual Debt Statement. Does not include self-liquidating debt or bonds and notes authorized but not issued.

<sup>c</sup> Net debt at June 30, 2011 as reported by the County of Morris.

<sup>d</sup> School District debt includes all bonds, notes and loans issued as of June 30, 2011 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 2011

Equalized valuation basis	
2010	\$ 3,529,825,576
2009	3,745,471,695
2008	3,870,744,749
[A]	<u>\$ 11,146,042,020</u>
Average equalized valuation of taxable property [A/3]	\$ 3,715,347,340
Debt limit (4% of average equalized valuation) [B]	\$ 148,613,894 <sup>a</sup>
Total net debt applicable to limit [C]	<u>55,175,000</u>
Legal debt margin [B-C]	<u>\$ 93,438,894</u>

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$71,913,493	\$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
Total net debt applicable to limit	<u>35,425,000</u>	<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>
Legal debt margin	<u>\$36,488,493</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	49.26%	46.78%	78.64%	68.26%	56.96%	48.70%	43.08%	39.47%	37.77%	37.13%

**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.

<sup>a</sup> 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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	24,879	\$ 1,406,534,265	\$ 56,535	5.9%
2003	25,239	1,439,077,302	57,018	5.9%
2004	25,365	1,549,826,865	61,101	4.5%
2005	25,505	1,614,389,985	63,297	3.6%
2006	25,515	1,744,307,460	68,364	3.6%
2007	25,633	1,827,632,900	71,300	3.4%
2008	25,843	1,848,472,261	71,527	4.3%
2009	25,925	1,769,407,175	68,251	8.8%
2010	N/A	N/A	N/A	8.9%
2011	N/A	N/A	N/A	N/A

Source:

- <sup>a</sup> Population information provided by the New Jersey Department of Labor and Workforce Development.
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>c</sup> 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.
- <sup>d</sup> 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 <sup>a</sup>
Mt. Olive Township School District	788	1	5.15%
Siemens Medical Solutions	450	2	2.94%
L-3 Communications Corp.	275	3	1.80%
Givaudan Fragrances Corp.	200	4	1.31%
Wal-Mart Stores Inc.	200	5	1.31%
Lowe's Home Centers Inc.	180	6	1.18%
Mount Olive Township	150	7	0.98%
Seiko Corp. of America	100	8	0.65%
Rudolph Technologies Inc.	100	9	0.65%
American Sensor Technologies	95	10	0.62%
	<u>2,538</u>		<u>16.58%</u>

Source: Estimates provided by the Morris County Economic Development Corporation (MCEDC)

<sup>a</sup> Based on 2010 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>2002</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>
Instruction:										
Regular	299.5	308.0	336.5	338.0	334.0	321.0	323.0	307.5	286.0	282.0
Special education	66.0	76.5	94.0	103.0	109.0	123.0	123.0	114.5	121.5	125.0
Other instruction	10.0	11.0	11.0	11.0	11.0	11.0	11.5	11.5	11.5	16.0
Community services programs	2.0	-	1.0	1.0	2.0	2.0	3.0	1.0	1.0	0.3
Support Services:										
Student & instruction related services	97.5	102.0	112.5	115.0	126.0	121.5	122.5	118.0	124.5	129.8
General administration	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	32.5	32.5	33.5	36.5	39.0	39.0	37.0	36.0	39.0	40.0
Business and other support services	9.5	10.5	10.5	10.5	10.5	10.5	10.5	10.0	9.5	9.5
Administrative information technology <sup>a</sup>	-	-	-	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Plant operations and maintenance	73.5	72.0	75.5	71.0	69.0	69.0	70.0	86.5	88.5	84.0
Pupil transportation	54.0	67.0	68.0	69.0	71.0	68.0	68.0	75.0	73.5	66.0
<b>Total</b>	<b><u>648.5</u></b>	<b><u>683.5</u></b>	<b><u>746.5</u></b>	<b><u>765.0</u></b>	<b><u>782.5</u></b>	<b><u>776.0</u></b>	<b><u>779.5</u></b>	<b><u>771.0</u></b>	<b><u>766.0</u></b>	<b><u>762.6</u></b>

Source: Annual School District Budget Statement Supporting Documentation

<sup>a</sup> 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 <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>c</sup>	Average Class Size <sup>d</sup>			Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2002	4,399	\$ 49,006,182	\$ 11,140	2.79%	386	21	25	23	4,355	4,144	5.17%	95.15%
2003	4,623	52,660,670	11,391	2.25%	409	21	25	23	4,636	4,417	6.45%	95.28%
2004	4,779	58,601,793	12,262	7.65%	432	19	22	23	4,769	4,546	2.87%	95.32%
2005	4,880	63,228,877	12,957	5.66%	471	22	24	25	4,847	4,613	1.64%	95.17%
2006	4,976	66,996,842	13,464	3.92%	455	19	21	20	4,921	4,673	1.53%	94.96%
2007	5,027	72,305,607	14,383	6.83%	480	19	21	23	4,965	4,729	0.89%	95.25%
2008	4,963	77,881,473	15,692	9.10%	477	18	22	19	4,907	4,685	-1.17%	95.48%
2009	4,964	75,272,373	15,164	-3.37%	451	19	21	18	4,906	4,668	-0.02%	95.15%
2010	4,936	76,961,038	15,592	2.82%	429	22	25	18	4,903	4,685	-0.06%	95.55%
2011	4,930	75,780,189	15,371	-1.41%	435	21	25	24	4,864	4,626	-0.80%	95.11%

Source: District records

<sup>a</sup> Enrollment is based on the annual October district count. The 2011 count represents student enrollment as of October 15, 2010.

<sup>b</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

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

<sup>e</sup> 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>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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) <sup>a</sup>	880	880	880	880	880	880	880	880	880	880
Enrollment <sup>b</sup>	515	564	600	593	609	676	714	719	700	697
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) <sup>a</sup>	886	886	886	886	886	886	886	886	886	886
Enrollment <sup>b</sup>	673	661	701	713	675	628	623	608	607	599
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) <sup>a</sup>	653	653	653	653	653	653	653	653	653	653
Enrollment <sup>b</sup>	458	477	505	496	514	497	440	451	426	422
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) <sup>a</sup>	676	676	676	676	676	676	676	676	676	676
Enrollment <sup>b</sup>	546	553	561	570	582	591	561	538	527	526
<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) <sup>a</sup>	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment <sup>b</sup>	1,066	1,136	1,092	1,132	1,173	1,223	1,197	1,167	1,164	1,137
<u>High School</u>										
Mt. Olive High School (1978)										
Square Feet	205,000	205,000	205,000	205,000	205,000	335,000	335,000	335,000	335,000	335,000
Capacity (students) <sup>a</sup>	1,214	1,214	1,214	1,214	1,214	1,740	1,740	1,740	1,740	1,740
Enrollment <sup>b</sup>	1,084	1,182	1,271	1,317	1,358	1,378	1,376	1,425	1,468	1,508
<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	15,000	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Flanders School (1929)										
Square Feet <sup>c</sup>	14,576	14,576	14,576	14,576	-	-	-	-	-	-
Number of Schools at June 30, 2011										
Elementary = 4										
Middle School = 1										
High School = 1										
Other Buildings = 2										

Source: District Facilities Office

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

<sup>a</sup> Capacity based on architect's estimate as of August 15, 1997. Actual capacity changes annually based on the number of special needs students and classrooms dedicated to specialized instruction.

<sup>b</sup> Enrollment is based on the annual October district count. The 2011 count represents the number of on roll full-time and shared-time students as of October 15, 2010.

<sup>c</sup> 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 *							Total
	Mt. Olive	Mt. Olive	Chester Stephens	Tinc Road	Sandshore	Mt. View	Other	
	High School	Middle School	Elementary School	Elementary School	Elementary School	Elementary School	Facilities/ Unallocated <sup>a</sup>	
2002	\$ 212,183	\$ 207,008	\$ 91,854	\$ 63,129	\$ 53,822	\$ 78,663	\$ 37,779	\$ 744,438
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
<b>Total School Facilities</b>	<b>\$ 1,941,234</b>	<b>\$ 1,158,642</b>	<b>\$ 644,379</b>	<b>\$ 513,515</b>	<b>\$ 467,693</b>	<b>\$ 661,153</b>	<b>\$ 2,271,738</b>	<b>\$ 7,658,354</b>

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)

<sup>a</sup> 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, 2011  
UNAUDITED

	Coverage	Deductible
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, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2011. 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 opinions 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 18, 2011  
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, 2011. 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, 2011.

#### Internal Control Over Compliance

The 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 18, 2011  
Clark, New Jersey

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2010
			From	To	
<b>U.S. Department of Education</b>					
<b>Passed-through State Department of Education</b>					
General Fund:					
Equalization Aid ARRA ESF	84.394	\$ 1,999,423	09/01/09	08/31/10	\$ (111,079.00)
Equalization Aid ARRA GSF	84.397	77,401	09/01/09	08/31/10	(4,300)
Education Jobs Fund Grants	84.410	547,745	08/10/10	09/30/12	-
Special Education Medicaid Initiative	93.778	49,214	09/01/10	08/31/11	-
Special Education Medicaid Initiative	93.778	57,553	09/01/09	08/31/10	(8,674)
Total General Fund					(124,053)
Special Revenue Fund:					
Title I Part A, Improving Basic Programs	84.010	129,305	09/01/10	08/31/11	-
Title I Part A, Improving Basic Programs	84.010	94,493	09/01/09	08/31/10	(25,891)
Title I Part A, Improving Basic Programs, Carryover	84.010	133,089	09/01/08	08/31/09	(23,837)
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	62,846	09/01/10	08/31/11	-
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	92,035	09/01/09	08/31/10	(30,556)
Title IIA, Teacher and Principal Training and Recruiting Fund, Carryover	84.367	90,465	09/01/08	08/31/09	(21,273)
Title III, English Language Acquisition and Language Enhancement	84.365	30,483	09/01/10	08/31/11	-
Title III, English Language Acquisition and Language Enhancement	84.365	24,442	09/01/09	08/31/10	(6,670)
Title III, English Language Acquisition and Language Enhancement, Carryover	84.365	25,591	09/01/08	08/31/09	(5,427)
Title IV, Safe and Drug Free Schools and Communities	84.186	4,800	09/01/10	08/31/11	-
Title IV, Safe and Drug Free Schools and Communities	84.186	8,114	09/01/09	08/31/10	(934)
I.D.E.A. Part B (Basic)	84.027	1,276,155	09/01/10	08/31/11	-
I.D.E.A. Part B (Basic)	84.027	942,117	09/01/09	08/31/10	(157,084)
I.D.E.A. Part B (Basic), Carryover	84.027	939,654	09/01/08	08/31/09	(43,109)
I.D.E.A. Part B (Preschool Grants)	84.173	67,409	09/01/10	08/31/11	-
I.D.E.A. Part B (Preschool Grants)	84.173	41,603	09/01/09	08/31/10	(5,463)
I.D.E.A. Part B (Preschool Grants), Carryover	84.173	41,559	09/01/08	08/31/09	(25,074)
American Recovery and Reinvestment Act, Special Education Grants	84.391	1,055,285	09/01/09	08/31/11	(122,457)
American Recovery and Reinvestment Act, Preschool Grants	84.392	38,144	09/01/09	08/31/11	(3,336)
Title IID, Enhancing Education Through Technology	84.318	143	09/01/10	08/31/11	-
Title IID, Enhancing Education Through Technology	84.318	1,062	09/01/09	08/31/10	-
Vocational Education - Basic Grants to States	84.048	17,916	07/01/10	06/30/11	-
Vocational Education - Basic Grants to States	84.048	16,855	07/01/09	06/30/10	(16,780)
Total Special Revenue Fund					(487,891)
<b>U.S. Department of Agriculture</b>					
<b>Passed-through State Department of Education</b>					
Enterprise Fund:					
Food Donation	10.550	71,845	09/01/10	08/31/11	-
School Breakfast Program - Carryover	10.553	8,559	09/01/09	08/31/10	(776)
School Breakfast Program	10.553	10,483	09/01/10	08/31/11	-
National School Lunch Program - Carryover	10.553	228,773	09/01/09	08/31/10	(17,745)
National School Lunch Program	10.555	249,997	09/01/10	08/31/11	-
Special Milk for Children	10.556	2,796	09/01/10	08/31/11	-
After School Snack - Carryover	10.000	3,668	09/01/09	08/31/10	(354)
Total Enterprise Fund					(18,875)
Sub-Total Federal Financial Awards					\$ (630,819)

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, 2011

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		
					Accounts Receivable	Deferred Revenue	Due to Grantor
\$ -	\$ 111,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,300	-	-	-	-	-	-
-	336,036	(414,816)	-	-	(78,780)	-	-
-	42,024	(49,214)	-	-	(7,190)	-	-
-	8,674	-	-	-	-	-	-
-	502,113	(464,030)	-	-	(85,970)	-	-
-	79,541	(123,912)	-	-	(44,371)	-	-
-	26,446	(729)	1	-	(173)	-	-
-	23,837	-	-	-	-	-	-
-	-	(37,770)	-	-	(37,770)	-	-
-	30,021	(5,090)	640	-	(4,985)	-	-
-	21,273	-	-	-	-	-	-
-	18,720	(28,037)	-	-	(9,317)	-	-
-	8,166	(1,496)	-	-	-	-	-
-	5,427	-	-	-	-	-	-
-	934	-	-	-	-	-	-
-	664,475	(860,237)	-	-	(195,762)	-	-
-	348,038	(318,563)	193	-	(127,416)	-	-
-	43,109	-	-	-	-	-	-
-	15,269	(18,997)	-	-	(3,728)	-	-
-	15,642	(24,183)	25	-	(13,979)	-	-
-	25,074	-	-	-	-	-	-
-	232,106	(109,649)	-	-	-	-	-
-	7,034	(3,698)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,465	(16,219)	-	-	(10,754)	-	-
-	16,255	-	525	-	-	-	-
-	1,586,832	(1,548,580)	1,384	-	(448,255)	-	-
-	71,845	(71,845)	-	-	-	-	-
-	776	-	-	-	-	-	-
-	9,498	(10,483)	-	-	(985)	-	-
-	17,745	-	-	-	-	-	-
-	230,885	(249,997)	-	-	(19,112)	-	-
-	2,595	(2,796)	-	-	(201)	-	-
-	354	-	-	-	-	-	-
-	333,698	(335,121)	-	-	(20,298)	-	-
\$ -	\$ 2,422,643	\$ (2,347,731)	\$ 1,384	\$ -	\$ (554,523)	\$ -	\$ -

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, 2011

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover/ (Walkover) Amount
			From	To		
<b>State Department of Education</b>						
General Fund:						
Special Education Aid	10-495-034-5120-089	\$ 2,810,106	07/01/10	06/30/11	\$ -	\$ -
Special Education Aid, Carryover	09-495-034-5120-089	2,838,048	07/01/09	06/30/10	(283,805)	-
Transportation Aid, Carryover	09-495-034-5120-014	1,820,434	07/01/09	06/30/10	(182,044)	-
Extraordinary Special Education Costs Aid	10-495-034-5120-044	2,203,389	07/01/10	06/30/11	-	-
Extraordinary Special Education Costs Aid, Carryover	09-495-034-5120-044	1,972,438	07/01/09	06/30/10	(1,972,438)	-
Nonpublic school transportation aid	10-100-034-5120-067	29,323	07/01/10	06/30/11	-	-
Nonpublic school transportation aid, Carryover	09-100-034-5120-067	16,677	07/01/09	06/30/10	(16,677)	-
Equalization Aid	10-495-034-5120-078	10,036,377	07/01/10	06/30/11	-	-
Equalization Aid, Carryover	09-495-034-5120-078	9,144,951	07/01/09	06/30/10	(1,124,707)	-
Security Aid, Carryover	09-495-034-5120-084	423,333	07/01/09	06/30/10	(42,333)	-
Intergovernmental Employee Loan Program, Carryover		87,502	07/01/09	06/30/10	(3,733)	-
Homeless Tuition Reimbursement		3,938	07/01/10	06/30/11	-	-
*On-behalf T.P.A.F. Pension	10-100-034-5095-116	2,053,336	07/01/10	06/30/11	-	-
Reimbursed T.P.A.F. Social Security Tax	10-100-034-5095-051	2,300,128	07/01/10	06/30/11	-	-
Reimbursed T.P.A.F. Social Security Tax, Carryover	09-100-034-5095-051	2,269,064	07/01/09	06/30/10	(111,698)	-
Total General Fund					<u>(3,737,435)</u>	<u>-</u>
Capital Projects Fund:						
Schools Construction Corporation Grant	1650-050-05-1000	284,580	07/01/10	06/30/11	-	-
Schools Construction Corporation Grant, Carryover	1650-050-05-1000	68,465	07/01/09	06/30/10	(68,465)	-
Total Capital Projects Fund					<u>(68,465)</u>	<u>-</u>
Debt Service Fund:						
Debt Service Aid - State Support	10-495-034-5120-125	577,717	07/01/10	06/30/11	-	-
Total Debt Service Fund					<u>-</u>	<u>-</u>
<b>State Department of Agriculture</b>						
Enterprise Fund:						
State School Breakfast Program - Carryover	09-100-010-3360-096	784	07/01/09	06/30/10	(73)	-
National School Lunch Program (State Share)	10-100-034-5120-122	10,668	07/01/10	06/30/11	-	-
National School Lunch Program (State Share)-Carryover	09-100-034-5120-122	14,706	07/01/09	06/30/10	(1,136)	-
Total Enterprise Fund					<u>(1,209)</u>	<u>-</u>
Total State Financial Assistance					<u>\$ (3,807,109)</u>	<u>\$ -</u>

\* 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, 2011

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 2,529,095	\$ (2,810,106)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (281,011)	\$ 2,810,106
283,805	-	-	-	-	-	-	-	-
182,044	-	-	-	-	-	-	-	-
-	(2,203,389)	-	-	(2,203,389)	-	-	-	2,203,389
1,972,438	-	-	-	-	-	-	-	-
-	(29,323)	-	-	(29,323)	-	-	-	29,323
16,677	-	-	-	-	-	-	-	-
9,074,793	(10,036,377)	-	-	-	-	-	(961,584)	10,036,377
1,124,707	-	-	-	-	-	-	-	-
42,333	-	-	-	-	-	-	-	-
3,733	-	-	-	-	-	-	-	-
-	(3,938)	-	-	(3,938)	-	-	-	3,938
2,053,336	(2,053,336)	-	-	-	-	-	-	-
2,186,356	(2,300,128)	-	-	(113,772)	-	-	-	2,300,128
111,698	-	-	-	-	-	-	-	-
<u>19,581,015</u>	<u>(19,436,597)</u>	<u>-</u>	<u>-</u>	<u>(2,350,422)</u>	<u>-</u>	<u>-</u>	<u>(1,242,595)</u>	<u>17,383,261</u>
-	(15,454)	-	-	(15,454)	-	-	-	15,454
34,575	-	-	-	(33,890)	-	-	-	68,465
<u>34,575</u>	<u>(15,454)</u>	<u>-</u>	<u>-</u>	<u>(49,344)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,919</u>
<u>577,717</u>	<u>(577,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,717</u>
<u>577,717</u>	<u>(577,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,717</u>
73	-	-	-	-	-	-	-	-
9,756	(10,668)	-	-	(912)	-	-	-	10,668
1,136	-	-	-	-	-	-	-	-
<u>10,965</u>	<u>(10,668)</u>	<u>-</u>	<u>-</u>	<u>(912)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,668</u>
<u>\$ 20,204,272</u>	<u>\$ (20,040,436)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,400,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,242,595)</u>	<u>\$ 18,055,565</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, 2011

#### **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, 2011

#### 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 \$(121,143) for the General Fund and \$(68,924) 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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 464,030	\$17,383,261	\$17,847,291
Special Revenue Fund	1,548,580		1,548,580
Capital Projects Fund		15,454	15,454
Debt Service Fund		577,717	577,717
Proprietary Fund	335,121	10,668	345,789
	<u>\$2,347,731</u>	<u>17,987,100</u>	<u>\$20,334,831</u>
Total Awards & Financial Assistance			

#### 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, 2011

**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, 2011.

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, 2011

**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   ✓   No
- Significant deficiency(ies) identified?            Yes   ✓   None Reported
- (iii) Noncompliance material to financial statements noted?            Yes   ✓   No

**Federal and State Awards Section**

- (viii) Dollar threshold used to determine between type A and type B programs: Federal - \$300,000 State - \$539,613
- (ix) Auditee qualified as low-risk auditee?            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   ✓   No
- Were significant deficiency(ies) identified?            Yes   ✓   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   ✓   No

Mount Olive Township School District  
Schedule of Findings and Questioned Costs

June 30, 2011

**Part I–Summary of Auditors Results (continued)**

**Federal and State Awards Section (continued)**

(vii) Identification of major programs:

<u>CFDA Number(s) or State Program Number</u>	<u>Name of Federal or State Program or Cluster</u>
Federal:	
84.027	IDEA Preschool
84.173	IDEA Part B
84.391	ARRA – IDEA Part B
84.392	ARRA – IDEA Preschool Cluster
84.410	Education Jobs Funds Grant
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.550	Food Donation Program
State:	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid

Mount Olive Township School District  
Schedule of Findings and Questioned Costs

June 30, 2011

**Part II--Schedule of 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, 2011

**Part III–Schedule of 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, 2010

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.