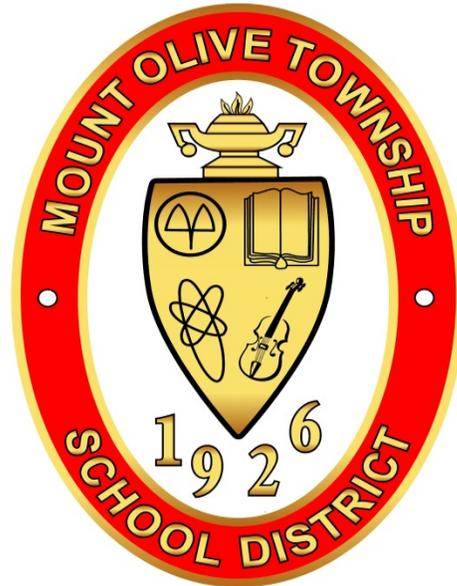


# Mount Olive Township School District

“Students are our first priority”



“Home of the Marauders”

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

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT**

227 US HIGHWAY 206, SUITE 10  
FLANDERS, NEW JERSEY, 07836

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

Prepared by: Lynn Jones, CPA  
Board Secretary  
Business Office

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<b>Page</b>
Letter of Transmittal	1-9
Organizational Chart	10
Roster of Officials	11
Consultants and Advisors	12

**FINANCIAL SECTION**

<b>Independent Auditors' Report</b>	<b>13-17</b>
<b>Required Supplementary Information - Part I (Unaudited)</b>	
Management's Discussion and Analysis	18-28
<b>Basic Financial Statements</b>	
A. District-wide Financial Statements	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	31
B-1a Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	32-33
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35-36
Proprietary Fund:	
B-4 Statement of Net Position	37
B-5 Statement of Revenues, Expenses and Changes in Net Position	38
B-6 Statement of Cash Flows	39
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
<b>Notes to the Basic Financial Statements</b>	<b>40-78</b>
<b>Required Supplementary Information - Part II (Unaudited)</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	79-91
C-2 Budgetary Comparison Schedule - Special Revenue Fund	92
<b>Notes to the Required Supplementary Information – Part II</b>	
C-3 Budget-to-GAAP Reconciliation	93

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

**Required Supplementary Information - Part III (Unaudited)**

	<b>Page</b>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	94
L-2 Schedule of District Contributions - PERS	95
L-3 Schedule of the State's Proportionate Share of the Net Pension Liability Attributable to the District – TPAF	96
L-4 Schedule of State Contributions – TPAF	97
L-5 Notes to the Required Supplementary Information	98
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of Changes in the District's Proportionate Share of the State OPEB Liability	99
M-2 Notes to the Required Supplementary Information	100-101

**Other Supplementary Information**

D. School Based Budget Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	102-104
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	105
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	106
F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Renovations to Chester M. Stephens Elementary School	107
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	108
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	109
G-3 Combining Statement of Cash Flows	110
Internal Service Funds:	
G-4 Combining Statement of Net Position	111
G-5 Combining Statement of Revenues, Expenses and Changes in Net Position	112
G-6 Combining Statement of Cash Flows	113

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS (Continued)**

**FINANCIAL SECTION (Continued)**

**Other Supplementary Information (Cont'd)**

	<b>Page</b>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	114
I-2 Schedule of Obligations under Financed Purchases	115
I-3 Schedule of Obligations under Leases	116
I-4 Debt Service Fund Budgetary Comparison Schedule	117

**STATISTICAL SECTION (Unaudited)**

<b>Introduction to the Statistical Section</b>	118
<b>Financial Trends:</b>	
J-1 Net Position by Component	119
J-2 Changes in Net Position	120-122
J-3 Fund Balances – Governmental Funds	123
J-4 Changes in Fund Balances – Governmental Funds	124-125
J-5 General Fund - Other Local Revenue by Source	126
<b>Revenue Capacity:</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	127
J-7 Direct and Overlapping Property Tax Rates	128
J-8 Principal Property Taxpayers	129
J-9 Property Tax Levies and Collections	130
<b>Debt Capacity:</b>	
J-10 Ratios of Outstanding Debt by Type	131
J-11 Ratios of Net General Bonded Debt Outstanding	132
J-12 Direct and Overlapping Governmental Activities Debt	133
J-13 Legal Debt Margin Information	134
<b>Demographic and Economic Information:</b>	
J-14 Demographic and Economic Statistics	135
J-15 Principal Employers	136
<b>Operating Information:</b>	
J-16 Full-time Equivalent District Employees by Function/Program	137
J-17 Operating Statistics	138
J-18 School Building Information	139
J-19 Schedule of Required Maintenance by School Facility	140
J-20 Insurance Schedule	141

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS (Continued)**

**SINGLE AUDIT SECTION**

	<b>Page</b>
K-1 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	142-143
K-2 Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and New Jersey's OMB Circular 15-08	144-147
K-3 Schedule of Expenditures of Federal Awards, Schedule A	148-149
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	150-151
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	152-154
K-6 Schedule of Findings and Questioned Costs	155-157
K-7 Summary Schedule of Prior Year Audit Findings	158

**INTRODUCTORY SECTION**

# Public Schools of Mount Olive Township

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## Letter of Transmittal For the Fiscal Year Ended June 30, 2022

March 4, 2023

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

We are pleased to present to you the Annual Comprehensive Financial Report (“ACFR”) of the Mount Olive Township School District (“District”) for the fiscal year ended June 30, 2022. State statutes require the issuance of an ACFR by every school district as the basis for the annual audit. This ACFR was prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) as applicable to governmental entities.

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

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

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

## **Profile of the Mount Olive Township School District**

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

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

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

## **Reporting Entity**

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

## **Educational Programs and Services**

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

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

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

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

The District had 9 students enrolled in charter schools for the 2021-22 school year. Charter school students who reside in the District are reported to the Department of Education through the District's Application for State School Aid ("ASSA") and are considered "resident students" for purposes of calculating the District's state aid. Pursuant to state statutes, the school district of residence must pay the charter school "an amount equal to 90% of the sum of the budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation". In addition, the school district of residence shall pay directly to the charter school the security categorical aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school and, if applicable, 100% of preschool education aid.

In addition to its many 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 27 varsity sports for male and female athletes at the high school level and 12 male and female sports at the middle school level. In the 2021-22 school year, Mount Olive won a conference championship in ice hockey, boys' lacrosse, boys' golf, and baseball and won the Group IV state championship title in wrestling.

### **Internal Accounting Controls**

The management of the District is responsible for establishing and maintaining internal controls, policies, and procedures to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

### **Accounting System and Reports**

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

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

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

### **Budget Development and Controls**

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

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

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

### **Economic Condition and Financial Outlook**

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 22.4% of the District's original 2022 operating budget while local property taxes accounted for 72.8% of budgeted revenue. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

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

### **District Facilities and Housing Trends**

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

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

All of the District's buildings are exceptionally well maintained. The Board has an established capital reserve account to provide for the accumulation of funds for capital outlay expenditures. The Board has used capital reserve funds to replace roofs, boilers, and windows at all buildings, to purchase and install a turf field at Mount Olive High School, to upgrade the tennis courts at Mount Olive Middle School, to resurface the exterior walls at Mount Olive High School, to construct a maker space and recording studio at Mount Olive High School, to construct a grandstand at the Mt. Olive High School football field, to renovate the Mt. View Elementary School media center, to construct a maker space classroom at Mount Olive Middle School, to replace the chillers at Mount Olive Middle School, to fund various classroom renovations at Mount Olive High School, and to make widespread building renovations at Tinc Road Elementary School, Sandshore Elementary School, and Chester M. Stephens Elementary School.

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

*Morris Chase Development* - The development is located between Mount Olive Road to the west, Dyrham Castle Road to the east, Gold Mine Road to the north and Flanders Road to the south. Phase I, which consisted of 281 single family dwellings and townhouses, has been built and is now occupied. Phase II would add 66 additional dwellings in a combination of single family dwellings and townhouses. However, there has been no effort by the owner thus far to pursue approvals for the remaining lots, therefore the Township does not anticipate any further residential development in the year ahead.

*Mountain Ridge Estates* - Mountain Ridge Estates, located along the east-bound lanes of Route 46 and bordered by Chamberlain Lane to the southwest, is comprised of lots 80, 83, and 84 in Block 4100. This development will provide 215 market townhouse units and 54 low and moderate family rental units. To date, 187 Certificates of Occupancy have been issued for the townhouse portion of the development and 46 of the 54 low and moderate income apartments are now occupied.

*Continental Crossing* - In December 2017 the Township Council adopted an ordinance to modify the existing commercial zoning for the FTZ-4 district to permit residential use at a density of six units per acre. A General Development Plan (GDP) was approved for three tracts of land within the FTZ-4 district in the Foreign Trade Zone. Over the past year, the developer decided against moving ahead with the GDP and is instead seeking approval for two of the three tracts of land for a total of 494 residential units, including 100 low and moderate income "for sale" stacked townhomes. Planning Board public hearings on this project are underway with approvals anticipated in early 2023. The unit breakdown, as proposed, is as follows:

Canal tract: 80 attached townhouses in 16 buildings

Ridge tract: 414 residential units comprised as follows:  
146 single family detached homes  
168 attached townhouses in 30 buildings  
100 low and moderate income units in "stacked townhouses" consisting of 11 two-story buildings (20 one bedroom; 60 two bedroom; 20 three bedroom)

*Village Green* - The owners of Village Green are considering adding several new apartment buildings which would yield an additional 90 units; however, nothing formal has been submitted to date.

*Jonsahow, LLC* - A new subdivision was approved by the Planning Board to create 8 lots for single family homes located at 50 Main Road in Flanders (Block 5400, Lot 7). Final approval has been granted and the plat has been recorded with the County. At the present time, no further information is available as to when the project may proceed with actual construction.

The District's enrollment reported on the Application for State School Aid ("ASSA") in October 2021 was 4,563.5 students compared to 4,612 students the previous year. Enrollment has been relatively stable with minor fluctuations for the past ten years. At the present time, there is adequate capacity within the District to meet the general classroom enrollment projections, both now and in the near future. However, the Board is mindful of the potential impact these housing developments might have on class sizes within the District. As a result, the Board continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

## **Student Performance**

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

In the 2021-2022 school year, a total of 810 Advanced Placement (AP) examinations were administered to 443 students in 27 subject areas with 63% of students scoring 3 or higher.

Two hundred fifty students from the class of 2022 took the Scholastic Aptitude Test (SAT), which represents 68% of the class. The District's combined average SAT score was 1102, which is 23 points higher than the state average and 52 points higher than the national average.

Eighty-three percent of the school's 2022 graduates will be pursuing post-secondary education, with sixty-one percent attending four-year colleges and universities. Two seniors were recognized as National Merit Commended Scholars, with scores ranking in the top 2% of the nation, and one senior student was awarded the Mary E. Beyerle National Merit Scholarship.

## **Districtwide Initiatives and Accomplishments**

During the 2021-2022 school year, the Board and administration undertook a number of challenging academic initiatives. The following is a summary of these initiatives and accomplishments:

Inclusive Curriculum – In February 2021, the District assembled the Equity Task Force to ensure that all students have equitable access to programs, resources, and supports and that diversity and inclusivity is part of the fabric of everyday learning. A full comprehensive audit of curriculum materials, resources, and standards was completed during the 2021-2022 school year to ensure that all core content areas provide students with materials and resources that support the inclusivity curriculum and depict and celebrate individuals from diverse racial, ethnic, religious, sexual orientation and gender, and individuals with disabilities who have contributed to our state and nation. The work of the Equity Task Force is ongoing and is required under legislation signed by the Governor.

Mount Olive Middle School zSpace Virtual Reality Program – A new computer system that harnesses the instructional power of virtual reality is helping Mount Olive Middle School students better understand science. Thirty specially equipped laptops enable students to enter virtual environments and interact with objects. Traveling through the human heart and circulatory system, manipulating gears, building robots, rocketing through space, and examining DNA are just some of the experiences possible through the new, state-of-the-art zSpace computers.

History of the Holocaust Course – Thirty Mount Olive High School students enrolled in the new one-semester History of the Holocaust course, which explores the political history of Germany from World War I through the end of World War II. A trip is planned for the spring of 2023 to Germany, Poland, and the Czech Republic so that the students can see firsthand some of the infamous locations central to the Holocaust and Nazi Germany.

Marauders Believe Program – The Marauders Believe program, a new special education program at Mount Olive High School, helps students with academic and developmental disabilities prepare for independence and adult life by providing hands-on training and life skills. Innovative vocational opportunities, both at the high school and in the Mount Olive community, were developed to provide practical work experiences that are appropriate for each student's individualized needs, strengths, and interests in order to help students be successful and independent after graduation.

Project Invent Club – In its inaugural year, Mount Olive High School's Project Invent Club, which focuses on entrepreneurship and innovation, received the Explorer Award at Project Invent's Northeast Demo Day event. The event, which was sponsored by IBM, is an annual pitch event, whereby teams of high school students showcase their inventions to top investors and tech executives for a chance at funding. The Mount Olive High School team won for their design of Alertra, a wearable fire notification system for people with hearing impairments. The Mount Olive High School team was just one of seven in the country chosen to attend the Project Invent Future Fest event in San Jose, California to share their invention with industry experts in Silicon Valley and to participate in hands-on engineering activities with members of the six other Project Invent teams.

Podcasting Elective – A new trimester elective at Mount Olive Middle School gave seventh grade students the opportunity to refine their storytelling techniques and develop professional audio production skills by creating their own podcasts. The new elective was designed to expand students' researching, speaking, presenting, interviewing, and collaboration skills. The students completed pieces in a variety of genres including true crime stories, personal narratives, and short dramas. The podcasts gave students a voice on both sides of the microphone and provided students the opportunity to discuss important school and social matters with faculty members.

Student Self-Assessment – In prior school years, all students were given the opportunity to assess their strengths and core values and to set goals for themselves by creating a student driven personalized success plan. All students completed a plan, in consultation with teachers and family members, to develop goals for academic, social, wellness, and/or career purposes. During the 2021-2022 school year, the students performed self-assessments, whereby the students reviewed their personalized success plans and evaluated the goals that they had set. Parents were able to keep informed of their child's progress through the LinkIt! fingertip profiles and their student's personalized success plan.

Seal of Biliteracy – Thirty-two seniors received the New Jersey State Seal and the Global Seal of Biliteracy, an award that recognizes students who have studied and attained proficiency in two or more languages by high school graduation.

Mount Olive Robotics Team - The Mount Olive Robotics Team (“MORT”) won the Imagery Award at the FIRST Mid-Atlantic District events at Mount Olive and Montgomery. The team was a finalist in the Montgomery event and was awarded the Gracious Professionalism Award at the FIRST Mid-Atlantic District Championship in Bethlehem, PA. The team qualified for the world championship, finishing with the 3rd fastest climber. Out of 39 countries and over 6,000 teams, the Mount Olive Robotics Team finished in the top 6% of the world.

Mount Olive High School Jazz Ensemble - The Mount Olive High School jazz band placed 2nd at the NJAJE state finals, recognizing it as the highest performing and highest ranked non-curricular jazz band in the state.

New Jersey School Boards Association/Army Corps of Engineers Competition – The Mount Olive Middle School’s STEAM Tank Teams won regional championships in the New Jersey School Board Association/Army Corps of Engineers Competition.

Girls Flag Football – In the Spring of 2022, girls flag football touched down at Mount Olive High School with approximately two dozen girls in grades 9-12 making the cut for the team’s inaugural season. Although it is officially run as a club, since flag football is not a recognized varsity sport by the New Jersey State Interscholastic Athletic Association, the team plays against other school teams from the area. A grant from the NFL helped pay for much of the team’s startup expenses.

### **State and National Recognitions**

During the 2021-2022 school year, the Mount Olive School District received several prestigious honors and awards recognizing the District’s outstanding achievements. The following is a summary of these recognitions:

2022 Model School Recognition - Mount Olive High School was named a 2022 Model School by the International Center for Leadership in Education. One of only 16 U.S. schools to be selected for the honor, Mount Olive High School was chosen based on the success of initiatives such as data-driven remediation systems, blended learning programs, and innovative new courses in computer science, robotics, business, anatomy, social studies, and special education.

U.S. News and World Report Ranking - Mount Olive High School was ranked in the top 8% of high schools in the nation by U.S. News and World Report. Overall, the Mount Olive School District was ranked #47 out of the top 50 school districts in New Jersey, placing it in the top 6% of all school districts in the United States.

Niche Distinction – Niche.com again ranked the Mount Olive School District in the top 4% of all school districts in the U.S., awarding it an “A” rating. Both Mount Olive Middle School and Mount Olive High School were ranked in the Top 100 public schools in New Jersey in their respective categories.

Music Education Award – The Mount Olive School District received the 2022 Best Communities for Music Education award from the National Association of Music Merchants (NAMM) for the sixth consecutive year. This prestigious award recognizes the efforts of teachers, administrators, parents, students and community leaders who have made the study and performance of music an integral part of the District’s educational experience.

Digital School Star Certification – All six Mount Olive schools have been awarded a Digital School Star and earned bronze certification from Sustainable Jersey. The digital star certification program is offered in partnership with the New Jersey Department of Education and the New Jersey School Boards Association to recognize schools for their effective use of digital learning tools and their commitment to sustainability.

Public Relations Award – The district’s newsletter, *Education Update*, was recognized by the National School Public Relations Association (NSPRA) with two awards of excellence. The district’s newsletter is one of only sixteen in the nation to receive the top honor in the community newsletter category of NSPRA’s annual communications competition. The award recognizes overall quality in writing, photography, and graphic design. This award is the newsletter’s tenth national award.

Staff Recognitions – Nancy Gilbert, a long standing special education teacher at Mount Olive High School, was selected as the Best Buddies Advisor of the Year. Best Buddies is a nonprofit organization dedicated to establishing a global volunteer network, which pairs volunteers up with a “buddy” with an intellectual and developmental disability (IDD) in order to provide them with a friend or mentor. Best Buddies is the world's largest organization dedicated to ending the social, physical and economic isolation of the 200 million people with IDD.

Sandy Andrews, a reading partners paraprofessional at Sandshore School, was selected as the Morris County Educational Support Professional of the Year. In addition, Sandy and Mt. View kindergarten teacher, Laura Markowski, were honored in the “Teachers Who Rock” program, sponsored by the New Jersey Education Association.

### **Other Initiatives/Accomplishments**

Facility Upgrades – The District places a great deal of pride in its facilities, which are exceptionally well maintained. As is customary, the District undertook and/or completed a number of capital improvements and facilities upgrades during the 2021-2022 school year. The District completed the Phase I building renovations at Chester M. Stephens Elementary School, the multi-sports turf field project at Mount Olive High School, and the ventilator system replacement and water filtration system at Sandshore Elementary School. Several capital projects remained in progress at year end: the Phase II building renovations at Chester M. Stephens Elementary School, the athletic complex track and field project at Mount Olive High School, the automatic temperature controls project at Mount Olive Middle School, the generator installation project at Mount Olive High School and the Districtwide UV lighting project. In addition, the District financed two capital projects through lease purchase arrangements: the new scoreboard and the artificial turf field at Mount Olive High School.

Security Upgrades – The Mount Olive School District places the utmost importance on staff and student safety as evidenced by the many security measures it has taken over the years to protect the school population. During the 2021-2022 school year, the District took measures to further protect students outside of the school buildings, equipping all 72 school buses with cameras that have the ability to capture vehicles that improperly pass a stopped school bus. In addition, the District replaced two part-time security positions with full-time positions and hired two additional full-time security guards. The Morris County Focus Magazine ranked the Mount Olive School District as the safest school district in Morris County for the second year in a row. Of the 41 Morris County districts surveyed, Mount Olive was ranked number one due to its thorough security measures both inside and outside its school buildings.

Technology Integration – The District continues to devote significant financial resources to technology integration to provide students with the necessary tools and technical skills to succeed in the future. In the 2021-2022 school year, the District installed 2 new firewalls with advanced threat protection, upgraded the District's internet bandwidth from 3Gb to 5Gb, upgraded the network infrastructure at the high school, middle school, Sandshore Elementary School, and Tinc Road Elementary School, replaced end-of-life Smartboards at the elementary schools with new Promethean Boards, replaced end-of-life interactive boards at the high school and middle school with new large format wireless LCD Chromeboxes, purchased 600 new Chromebooks for the Chester M. Stephens Elementary School, and piloted the GoGuardian Safety and Security Suite at the high school and middle school.

### **Relevant Financial Policies**

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

## Risk Management

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

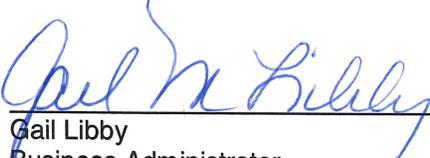
## Independent Audit

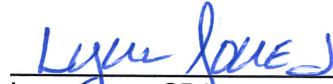
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkotz & Co, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements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

## Acknowledgments

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

Respectfully submitted,

  
\_\_\_\_\_  
Gail Libby  
Business Administrator

  
\_\_\_\_\_  
Lynn Jones, CPA  
Board Secretary/Asst. Business Administrator

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART  
JUNE 30, 2022**

**Board of Education**

**Superintendent of Schools**

**Assistant Superintendent**

**Business Administrator**

**PK-5 Director  
of Special  
Education**

**6-12 Director  
of Special  
Education**

**Director of  
Personnel &  
Innovation**

**Director of Social-  
Emotional Learning  
& College & Career  
Readiness**

**Director of  
Student  
Achievement &  
Reporting**

**Director of  
Elementary  
Education**

**Director of  
Secondary  
Education**

**Director of  
Buildings &  
Grounds**

**Asst.  
Business  
Admin./  
Board  
Secretary**

**Director of  
Transportation**

**Director  
of  
Security**

**Special  
Services  
Staff**

**HR and IT  
Staff**

**Counseling &  
Health  
Services Staff**

**District  
Registrar**

**PK – 12 Principals**

**Assistant Principals &  
Instructional Supervisors**

**PK – 12 Faculty**

**Buildings &  
Grounds  
Staff**

**Business  
Office  
Staff**

**Transportation  
Staff**

**Security  
Staff**

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2022**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires December 31,</u></b>
Anthony Strillacci, President	2024
Christopher Zeier, Vice-President	2023
Jennifer Aquino	2024
Lisa Fenton	2022
Antoine Gayles	2023
Anthony Giordano	2022
Lisa Narcise	2022
Elizabeth Ouimet	2024
William Robinson	2022

**Other Officials**

Dr. Robert Zywicki, Superintendent

Dr. Sumit Bangia, Assistant Superintendent

Gail Libby, Business Administrator

Lynn Jones, Board Secretary/Assistant Business Administrator

Sherry Kolody, Treasurer of School Monies

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

**Auditor**

Wielkocz & Company, LLC  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442

**Attorney**

Marc H. Zitomer, Esq.  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
Florham Park, New Jersey 07932

**Bond Counsel**

McManimon, Scotland & Baumann, L.L.C.  
75 Livingston Avenue  
Roseland, NJ 07068

**Architect/Engineer**

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

**Continuing Disclosure Agent/Financial Services Advisor**

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, NJ 08505

**Risk Management Consultant**

Brown & Brown Metro, LLC  
56 Livingston Avenue, Suite 230  
Roseland, NJ 07068

**Health Benefits Broker**

Derek A. Daily  
Hudson Shore Insurance Consulting Group  
141 West Front Street, Suite 310  
Red Bank, NJ 07701

**Property Management Services**

Fairclough Enterprises  
265 Sparta Avenue  
Sparta, NJ 07871

**Official Depositories**

Valley National Bank  
342 Route 46 West  
Budd Lake, NJ 07828

Sussex Bank  
15 Trinity Street  
Newton, NJ 07860

**FINANCIAL SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkatz, CPA, RMA, PSA  
Matthew B. Wielkatz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Kari Ferguson, CPA, RMA, CMFD, PSA  
Robert C. McNinch, CPA, CFE, PSA  
Kevin Reeves, CPA, PSA

401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
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Fax: (973)-835-7900  
Email: office@w-cpa.com  
www.w-cpa.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of Mount Olive School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Township of Mount Olive Board of Education, in the County of Morris, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Mount Olive Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Mount Olive Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mount Olive Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Mount Olive Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### *Other Matters*

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2023 on our consideration of the Township of Mount Olive Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mount Olive Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkocz*

Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

March 4, 2023

**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, 2022  
UNAUDITED**

As management of the Mount Olive Township School District (District), we offer readers of the District's financial statements this narrative discussion and analysis (MD&A), which will provide a general overview of the District's financial performance and activities for the fiscal year ended June 30, 2022. While the intent of this MD&A is to examine the District's financial performance as a whole, we encourage readers to review it in conjunction with the transmittal letter and the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

**Financial Highlights**

Key financial highlights for fiscal year 2022 are as follows:

- ❖ Net position at year-end totaled \$47,717,190, which represents an increase of \$8,009,661, or 20%, over the prior year (restated) net position balance of \$39,707,529.
- ❖ Assets increased by \$1,082,679. Current assets such as cash and cash equivalents, accounts receivable, inventory, and prepaid expenses increased by \$1,337,168 while capital and lease assets such as land, buildings, machinery and equipment decreased by \$254,489.
- ❖ Liabilities decreased by \$9,038,738. Current liabilities such as accounts payable, unearned revenue, and accrued liabilities increased by \$656,943 while long-term liabilities such as bonds payable, financed purchases and leases payable, net pension liability payable, unamortized bond premium, and accrued compensated absences payable decreased by \$9,695,681. Of this amount, the District's net pension liability for PERS employees, as reported by the State of New Jersey, decreased by \$5,850,110, accrued compensated absences decreased by \$21,611, and the District's debt related to bonds, financed purchases and leases decreased by \$3,823,960.
- ❖ Deferred outflows of resources decreased by \$1,467,803 while deferred inflows of resources increased by \$643,953. These fluctuations are attributable to differences between expected and actual experience, changes of assumptions, changes in proportion, and the net difference between projected and actual investment earnings on pension plan investments.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$92,591,899, which represents 72% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which comprised 81% of general revenues and 58% of total revenues. Program specific revenues in the form of charges for services and grants and contributions totaled \$36,086,371, the remaining 28% of total revenue. Overall, total revenues decreased \$188,168 over the prior year.
- ❖ Expenses totaled \$120,645,473. Of this amount, only \$36,086,371 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 \$92,591,899 were sufficient to provide for the balance of governmental expenses. Overall, expenses decreased \$2,380,262, or 1.9% over the prior year.

**Overview of the Financial Statements**

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

## **1) District-wide financial statements**

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Two statements make up the district-wide financial statements - the Statement of Net Position and the Statement of Activities.

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

The Statement of Net Position presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

## **2) Fund financial statements**

Fund financial statements provide the next level of detail. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District are divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

**3) Notes to the Basic Financial Statements**

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

**District-wide Financial Analysis**

The District’s financial position is the product of various financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. Table 1 provides a summary of the School District’s net position at June 30, 2022 and June 30, 2021.

**Table 1  
Net Position**

	<b>2022</b>	<b>2021 (restated)</b>
<b>Assets</b>		
Current and Other Assets	\$20,586,514	\$19,249,346
Capital Assets, Net	78,699,487	78,520,354
Lease Assets, Net	763,068	1,196,690
Total Assets	100,049,069	98,966,390
<b>Deferred Outflows of Resources</b>	3,144,572	4,612,375
<b>Liabilities</b>		
Current Liabilities	5,999,362	5,342,419
Long-Term Liabilities	39,408,476	49,104,157
Total Liabilities	45,407,838	54,446,576
<b>Deferred Inflows of Resources</b>	10,068,613	9,424,660
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	58,571,062	55,162,370
Restricted	6,351,535	7,032,821
Unrestricted/(Deficit)	(17,205,407)	(22,487,662)
<b>Total Net Position</b>	<b>\$47,717,190</b>	<b>\$39,707,529</b>

The bulk of the District’s combined net position reflects the District’s investment in capital assets (e.g., land, buildings and improvements, furniture and equipment) less any related outstanding debt that was used to acquire or finance those assets. At June 30, 2022 the District’s investment in capital assets, net of depreciation and amortization, amounted to \$79,462,555 while the District’s outstanding debt and debt related charges amounted to \$20,891,493, resulting in a net investment in capital assets of \$58,571,062.

A portion of the District's combined net position represents resources that are subject to external restrictions. The restricted net position balance of \$6,351,535 has been earmarked for the following purposes:

- \$4,263,926 is restricted for capital projects. This amount represents funds set aside in dedicated capital accounts to fund future capital projects.
- \$1,200,000 is restricted for maintenance projects. This amount represents funds set aside in the maintenance reserve account to fund future maintenance projects pursuant *N.J.A.C. 6A:23A-14.2* and *N.J.A.C. 6A:26*.
- \$372,667 is restricted for unemployment compensation claims. These funds are restricted pursuant to state statute, which requires that employer and employee contributions be held in a trust fund and any surplus remaining in the trust fund be retained in reserve for payment of benefit costs in subsequent years.
- \$514,719 is restricted for student activities. This amount represents funds raised by students for specific extra-curricular club activities.
- \$223 is restricted to pay future debt service obligations.

The remaining unrestricted deficit balance of \$17,205,407 represents the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. This amount is the residual product of various transactions, including the net results of activities. The deficit balance is attributable to the District's allocated share of the net pension liability for PERS employees and the related deferred outflows and inflows of resources and is a permitted practice under generally accepted accounting principles. The deficit balance does not indicate that the District is facing financial difficulties as evidenced by the District's increase in net position the past two years. Table 2 provides a summary of this increase for the fiscal years ended June 30, 2022 and June 30, 2021.

**Table 2  
Changes in Net Position**

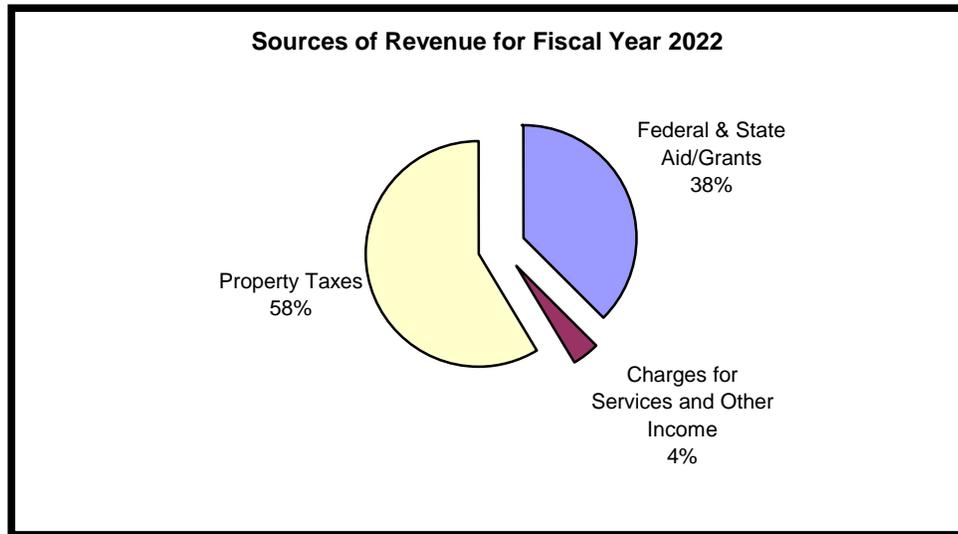
	2022	2021
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$4,615,468	\$4,189,175
Grants and contributions	31,470,903	37,600,813
General revenues:		
Property taxes	75,375,204	73,559,928
Grants and entitlements	16,961,068	13,350,541
Other	255,627	165,981
Total Revenues	128,678,270	128,866,438
<b>Program Expenses</b>		
Instruction	62,083,151	65,642,878
Support Services:		
Pupils and instructional staff	20,808,745	20,521,734
General administration, school administration, business and other support services	11,261,662	12,144,754
Plant operations and maintenance	17,069,587	16,569,719
Pupil transportation	6,422,097	6,083,641
Interest and other debt related charges	613,719	754,867
Food service operations	2,091,687	1,073,019
Other	294,825	235,123
Total Program Expenses	120,645,473	123,025,735
<b>Extraordinary and Special Items</b>		
Net revaluation, sale and/or disposal of capital assets	(23,136)	(37,361)
<b>Increase in Net Position</b>	<b>\$8,009,661</b>	<b>\$5,803,342</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 Position for the fiscal year ended June 30, 2022:

- The net reduction in long-term liabilities such as serial bonds payable, financed purchases payable, leases payable, the PERS pension liability, and compensated absences payable totaled \$9,695,681.
- Investments in capital assets totaled \$5,949,627 and depreciation amounted to \$5,747,358.

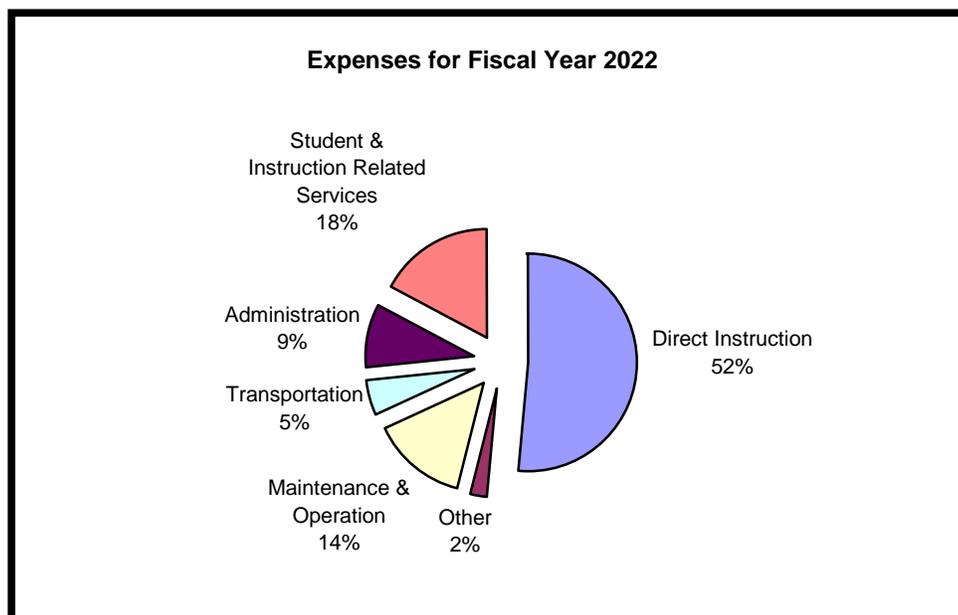
### Revenues

Property taxes made up 58% of total revenue for the Mount Olive Township School District for the fiscal year 2022. Federal, state, and local aid and grants accounted for 38% of revenue. The remaining 4% of revenue was derived from charges for services and other revenue, such as tuition income, transportation fees, interest earnings, use of facilities and miscellaneous income. The following chart illustrates the sources of revenue for the fiscal year 2022:



### Expenses

The total cost of all programs and services was \$120,645,473. Direct instruction and instruction related services comprised 70% of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2022:



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

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

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

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

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

*Other expenses* includes interest on debt and debt related charges and the activities of the District's food service operations, summer programs, and building rental accounts.

## **Financial Analysis of the District's Funds**

### *Governmental Funds*

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

- ❖ In the General Fund, revenues and other financing sources totaled \$117,966,572 and expenditures and other financing uses totaled \$116,842,545, resulting in a net increase in fund balance of \$1,124,027. Excess revenues amounted to \$2,459,728 and unexpended budget appropriations amounted to \$4,127,962. The replenishment of \$6,587,690 was sufficient to cover fund balance withdrawals totaling \$5,069,549.
- ❖ In the General Fund, the year-end fund balance amounted to \$14,551,978 which represents an 8.4% increase over the prior year fund balance of \$13,427,951. Of this amount, \$4,199,787 has been restricted for capital reserve, \$1,200,000 has been restricted for maintenance reserve, \$372,667 is restricted for future unemployment compensation claims, \$1,618,914 has been committed or assigned for year-end encumbrances, and \$3,269,549 is assigned for subsequent year's expenditures. The remaining balance of \$3,891,061 is unassigned and is \$73,990 under the maximum undesignated/unreserved (4%) fund balance allowed by the State.
- ❖ In the Special Revenue Fund, revenues totaled \$3,274,350 and expenditures totaled \$3,219,330, resulting in a net increase in fund balance of \$55,020. The year-end fund balance amounted to \$514,719, which is comprised entirely of funds raised by students that are held in trust for student activities. Since grant revenues are recognized only to the extent of grant expenditures, the year-end fund balance typically does not reflect any grant balances.
- ❖ In the Capital Projects Fund, the year-end fund balance amounted to \$64,139, which represents funds restricted for renovations to the Chester M. Stephens Elementary School.
- ❖ In the Debt Service Fund, revenues totaled \$4,515,156 and expenditures totaled \$4,515,400, resulting in a net decrease in fund balance of \$244. The year-end fund balance amounted to \$223, which will be appropriated and included as anticipated revenue in future Debt Service budgets.

## Enterprise Funds

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

- ❖ In the Food Service Fund, revenues totaled \$3,076,411 and expenses totaled \$2,091,687, resulting in an increase in net position of \$984,724. State and federal subsidies accounted for 99.2% of total revenue. As a result of the COVID-19 pandemic, the federal government expanded access to free school breakfast and lunches to *all* students, as opposed to just those from low income families. Cost of sales accounted for 44.5% of operating expenses, labor costs, including payroll taxes and employee benefits, accounted for 31.4% of operating expenses, and management fees accounted for 11% of operating expenses. The ending net position at June 30, 2022 amounted to \$1,294,199. Of this amount, \$167,872 reflects the Fund's investment in capital assets and \$1,126,327 is unrestricted. The Board employs an outside food service management company to oversee its food service operations.
- ❖ Due to the COVID-19 pandemic, the District did not operate any summer programs in the summer of 2021. Revenues totaling \$198 consisted entirely of interest earnings and there were no related expenses. The summer STEAM Camp program had a year-end net position of \$44,381.
- ❖ The property rental account is used to account for the revenues and expenses related to the rental of commercial office space in Building #2 of the administrative office complex. For the 2022 fiscal year, revenues amounted to \$411,358, with rental income representing 100% of total revenue. Operating expenses, such as building management fees, cleaning, repairs and maintenance services, depreciation, utilities, and interest amounted to \$294,825, thereby resulting in an increase in net position of \$116,533. The ending net position at June 30, 2022 amounted to \$763,864. Of this amount, \$777,049 reflects the Fund's investment in capital assets and the remaining negative balance of \$13,185 is unrestricted. The Board employs Fairclough Realtors of Sparta, NJ to oversee the property rental account.

## Internal Service Fund

The District utilizes the internal service fund to account for its self-insurance activities. The following is a summary of the financial activities of the fund:

- ❖ Operating revenues, which are comprised of health benefit contributions from the Board and the District's employees, amounted to \$16,386,460 for the 2022 fiscal year. Expenses, which are comprised of insurance claims, excess liability insurance premiums, administrative fees, and state and federal surcharges amounted to \$17,324,079, resulting in an operating loss of \$937,619. The ending net position of \$425,483 at June 30, 2022 represents less than one-half month of insurance claims. Consequently, the administration has increased its budgeted contribution for the 2022-23 fiscal year and is considering an increase in budgeted premiums, which would result in an increase in employee contributions.

### 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, 2022 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2021	Percentage Increase (Decrease)
Local Sources	\$ 76,864,468	62.22%	\$ 2,242,455	3.01%
State Sources	43,654,456	35.34%	7,307,449	20.10%
Federal Sources	3,010,326	2.44%	851,861	39.47%
<b>Total</b>	<b>\$ 123,529,250</b>	<b>100.00%</b>	<b>\$ 10,401,765</b>	<b>9.19%</b>

The increase in *local sources* is largely attributable to an increase in the local tax levy. The local tax levy increase of \$1,815,276 accounted for 81% of the increase in local sources and represents a 2.5% rise over the prior year levy. Revenue from other local sources, such as tuition, transportation fees, interest income, and miscellaneous revenue increased \$427,179, the remaining 19% of the increase in local sources.

The increase in *state sources* is primarily attributable to an increase in state school aid totaling \$3,611,881 and an increase in state on-behalf payments totaling \$4,055,178. The state is responsible for pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions for TPAF members. Other state aid, such as extraordinary aid, nonpublic school transportation aid, and homeless tuition aid decreased \$359,610.

The increase in *federal sources* is attributable to an increase in federal grants and federally funded programs. During the 2022 fiscal year, the District was awarded two new federally funded grants under the I.D.E.A. American Rescue Plan Act of 2021.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2022 and the amount and percentage of increase in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percentage Increase (Decrease)
Current:				
Distributed Expenditures-Instruction	\$ 39,393,401	31.51%	\$ 2,845,529	7.79%
Undistributed Expenditures	74,865,795	59.89%	8,333,547	12.53%
Capital Outlay	6,238,540	4.99%	2,737,413	78.19%
Debt Service	4,515,400	3.61%	(208,585)	-4.42%
Total	\$ 125,013,136	100.00%	\$ 13,707,904	12.32%

*Distributed Expenditures-Instruction* includes all activities associated with the instructional programs including regular and special education, basic skills and remedial instruction, bilingual education, before and after school programs, and school sponsored co-curricular and athletic programs. Approximately 64% of the increase in distributed expenditures is attributable to an increase in instructional salaries, which totaled \$1,818,636. Like most service entities, salaries comprise the vast majority of the District's expenses. Salary increases are the result of negotiated pay rates, coupled with the need for additional instructional staff to meet the demands of the educational program and students with special needs.

*Undistributed Expenditures* includes all support activities that facilitate and enhance the instructional programs including out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as speech, physical therapy, occupational therapy, and services provided by child study team members. This category also includes all school and general administrative services, custodial and maintenance services, and pupil transportation services. Approximately 80% of the increase in undistributed expenditures is due to an increase in salaries and employee benefits, including payments made by the State of New Jersey on behalf of the Board, which totaled \$6,641,564.

*Capital Outlay* includes machinery and equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under financed purchases and leases. During the 2022 fiscal year, machinery and equipment purchases increased \$621,849, facilities acquisition and construction services increased \$1,188,090 and financed purchases and leases increased \$927,474. Capital outlay expenditures vary significantly from year to year based on the District's facility needs. The significant amount invested in capital outlay reflects the District's continued commitment to maintain and improve its facilities, to upgrade its fleet of vehicles, to replace obsolete machinery and equipment, and to provide enhanced technology to its students.

*Debt Service* includes all of the District's bonded debt and loan obligations. The District's debt service requirements are driven by the amount of annual maturities and the corresponding interest payments for each debt obligation. In the 2022 fiscal year, the District's principal payments decreased by \$60,000 while associated interest payments decreased by \$148,585.

## 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 ACFR beginning on page 79 for the General Fund. The District's actual year-end results were significantly better than had been projected, as conservative budgetary practices are customary.

The following points highlight key areas of the 2021-2022 General Fund budget:

- On-behalf TPAF pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions ("on-behalf payments") are not required to be included in the original budget; however, these items are reflected as revenue and expenditures in the financial statements in accordance with GASB Statement No. 24 paragraphs 7 through 13.
- Excluding state on-behalf payments, revenues exceeded budgeted estimates by \$2,459,728, or 2.6% of anticipated revenues. The bulk of this amount is attributable to extraordinary aid, which exceeded budgeted estimates by \$2,239,425. Extraordinary aid is not fully budgeted since the amount the state will fund is unknown at the time the budget is prepared. In recognition of this, the state allows extraordinary aid to be excluded from the excess surplus calculation and to be appropriated in the subsequent year's budget without prior approval from the Executive County Superintendent.
- Tuition income is derived from the preschool inclusion program, the international education partnership with Edu-Link, and tuition received from individuals and other school districts located within New Jersey for educating students that reside outside the district. Tuition is budgeted based on the number of projected incoming students at the time the budget is prepared. In the 2022 fiscal year, budgeted estimates exceeded actual tuition revenue by \$23,853.
- Interest income is budgeted based on historical cash balances and existing interest rates. For the 2022 fiscal year, interest earnings exceeded budgeted estimates by \$2,428.
- Transportation fees are derived from transportation jointures with surrounding school districts, fees paid by students for school field trips, and from fees charged to the Township Recreation Department for special transportation needs. In the 2022 fiscal year, budgeted estimates exceeded actual transportation fees by \$20,688.
- Miscellaneous income includes revenue collected for student fines and fees, parking permit fees, before and after care program fees, facilities usage, dome rental fees, the sale and/or lease of assets, prior year refunds, and other unanticipated revenues. Miscellaneous income can fluctuate dramatically from year to year, based on the uncertain nature of these receipts. In the 2022 fiscal year, actual revenues exceeded budgeted estimates by \$61,790.
- Excluding state on-behalf payments, financed purchases, and leases, unexpended budget appropriations totaled \$5,531,900, or 5.5% of the final revised budget. Of this amount, \$1,618,914 has been reserved for encumbrances, which will be expended in the subsequent fiscal year. The final unexpended and unencumbered balance of \$3,912,986 represents 3.9% of the final revised budget.
- The 2022 budget was adopted based on existing and known factors at the time the budget was prepared. Accordingly, the District amended its General Fund budget as needed, based on the actual results of operations. Throughout the course of the year, the Board approved line item transfers whenever a line item was in danger of falling into a deficit balance. Balances remaining in under-expended line items were sufficient to cover those line items requiring additional funds. Transfers to and from the capital projects accounts and line item transfers, which on a cumulative basis exceed 10 percent of the amount included in the original budget, require the approval of the Executive County Superintendent as well as the Board. During the 2021-22 school year, the Board sought County authorization for the following transfers: 1) the installation of network switches and firewall upgrades; 2) an emergency contract for PFAS remediation at Sandshore Elementary School; 3) the installation of glass walls in the high school media center; 4) the purchase and installation of 72 bus camera systems; 5) the multi-sports field project at Mount Olive High School; 6) the generator installation project at Mount Olive High School; 7) additional architectural fees for capital projects; 8) emergency exit doors for the high school air dome; 9) change orders for the districtwide radio communications project; and 10) the Mount Olive High School athletic complex track and field project.

### Capital Assets

The capitalization threshold used by school districts in the State of New Jersey is \$2,000. Acclaim Inventory LLC conducts an annual inventory of the District's capital assets. At June 30, 2022, the District had \$78,699,487 invested in land, site improvements, buildings, furniture, machinery and equipment. The following table illustrates the District's investment in capital assets, net of depreciation.

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

	2022	2021
Land	\$ 2,028,259	\$ 2,028,259
Site and site improvements	8,313,160	6,165,299
Building and building improvements	58,704,030	61,382,051
Furniture, equipment and machinery	9,654,038	8,944,745
<b>Total Capital Assets</b>	<b>\$ 78,699,487</b>	<b>\$ 78,520,354</b>

Overall, the District invested \$5,949,627 in capital assets for the fiscal year 2022. Of this amount, \$2,618,354 was invested in site and site improvements, \$1,195,337 was invested in building and building improvements, and \$2,135,936 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$5,747,358 and disposals, net of accumulated depreciation, totaled \$23,136.

Additional information on the District's capital assets can be found in Note 12 of the notes to the basic financial statements.

### Debt Administration

At June 30, 2022, the District had \$39,408,476 in long-term outstanding debt, of which \$8,471,123 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2022 and June 30, 2021.

**Table 4  
Outstanding Debt**

	2022	2021 <i>(restated)</i>
<b>Outstanding Bonds, Loans and Notes</b>		
2014 Refunding Bonds – Mt. Olive Middle School/District Expansion	2,430,000	4,735,000
2016 Refunding Bonds - High School Additions and Renovations	7,430,000	7,430,000
2016 Refunding Bonds - High School Additions and Renovations	5,330,000	6,685,000
<b>Other Long-Term Liabilities</b>		
Financed Purchases Payable	3,978,818	3,189,291
Leases Payable	793,723	1,222,212
Net Pension Liability	15,986,888	21,836,998
Unamortized Bond Issuance Premium	1,354,800	1,879,798
Accrued Compensated Absences Payable	2,104,247	2,125,858
<b>Total Long-term Outstanding Debt</b>	<b>\$ 39,408,476</b>	<b>\$ 49,104,157</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 \$140,765,880, resulting in an available borrowing margin of \$125,575,880 at June 30, 2022.

At June 30, 2022 the District had no authorized but unissued debt.

Additional information on the District's long-term outstanding debt can be found in Note 14 of the notes to the basic financial statements.

### **Factors Bearing on the District's Future**

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 22.4% of the District's original 2022 operating budget while local property taxes accounted for 72.8% of budgeted revenue. As a result, the financial well-being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

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

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

The District employs three separate bargaining units: the Education Association of Mt. Olive ("EAMO"), the International Brotherhood of Teamsters Local 97 ("Teamsters"), and the Mt. Olive Administrators and Supervisors Association ("MOASA"). 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. All bargaining unit agreements are currently settled.

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, will be covered by the District's insurance policy, or will not have a material adverse effect on the financial position of the District.

### **Contacting the School District's Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,157,692	\$ 620,872	\$ 8,778,564
Accounts receivable, net	4,845,293	379,973	5,225,266
Internal balances	(572,427)	572,427	-
Inventory	-	30,930	30,930
Prepaid expense	-	3,133	3,133
Restricted assets:			
Cash and cash equivalents	6,545,671	2,950	6,548,621
Capital assets, non-depreciable	1,377,059	651,200	2,028,259
Capital assets, depreciable, net	75,614,412	1,056,816	76,671,228
Lease assets, net	763,068	-	763,068
<b>Total Assets</b>	<b>96,730,768</b>	<b>3,318,301</b>	<b>100,049,069</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on defeasance of debt	425,848	-	425,848
Deferred amounts related to PERS pension liability	2,718,724	-	2,718,724
<b>Total Deferred Outflows of Resources</b>	<b>3,144,572</b>	<b>-</b>	<b>3,144,572</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,858,052	169,310	4,027,362
Unearned revenue	57,022	230,629	287,651
Escrow deposits payable	-	2,950	2,950
Accrued interest payable	347,890	49,873	397,763
Accrued liability for insurance claims	1,283,636	-	1,283,636
Noncurrent liabilities:			
Due within one year	8,364,330	106,793	8,471,123
Due beyond one year	30,281,051	656,302	30,937,353
<b>Total Liabilities</b>	<b>44,191,981</b>	<b>1,215,857</b>	<b>45,407,838</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to PERS pension liability	10,068,613	-	10,068,613
<b>Total Deferred Inflows of Resources</b>	<b>10,068,613</b>	<b>-</b>	<b>10,068,613</b>
<b>NET POSITION</b>			
Net investment in capital assets	57,626,141	944,921	58,571,062
Restricted for:			
Capital projects	4,263,926	-	4,263,926
Maintenance reserve	1,200,000	-	1,200,000
Debt service	223	-	223
Unemployment compensation	372,667	-	372,667
Student activities	514,719	-	514,719
Unrestricted/(Deficit)	(18,362,930)	1,157,523	(17,205,407)
<b>Total Net Position</b>	<b>\$ 45,614,746</b>	<b>\$ 2,102,444</b>	<b>\$ 47,717,190</b>

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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instruction:							
Regular programs	\$ 43,786,259	\$ 1,374,878	\$ 9,644,189	\$ -	\$ (32,767,192)	\$ -	\$ (32,767,192)
Special education programs	12,923,185	666,212	7,503,519	-	(4,753,455)	-	(4,753,455)
Other instructional programs	2,015,891	50,282	675,662	-	(1,289,947)	-	(1,289,947)
School sponsored programs	3,357,816	518,723	281,438	-	(2,557,655)	-	(2,557,655)
Support services:							
Tuition	2,577,320	-	1,390,113	-	(1,187,208)	-	(1,187,208)
Student & instruction related services	18,231,425	505,145	4,078,488	-	(13,647,792)	-	(13,647,792)
School administrative services	6,609,381	200,841	1,312,860	-	(5,095,680)	-	(5,095,680)
Other administrative services	4,652,281	91,704	369,105	-	(4,191,472)	-	(4,191,472)
Plant operations and maintenance	17,069,587	621,262	1,121,290	-	(15,327,035)	-	(15,327,035)
Pupil transportation	6,422,097	153,315	1,519,314	-	(4,749,468)	-	(4,749,468)
Interest and other debt related charges	613,719	-	522,011	-	(91,708)	-	(91,708)
Total governmental activities	118,258,961	4,182,362	28,417,988	-	(85,658,611)	-	(85,658,611)
<b>Business-type activities:</b>							
Food service	2,091,687	21,748	3,052,915	-	-	982,976	982,976
Property rentals	294,825	411,358	-	-	-	116,533	116,533
Total business-type activities	2,386,512	433,106	3,052,915	-	-	1,099,509	1,099,509
Total primary government	\$ 120,645,473	\$ 4,615,468	\$ 31,470,903	\$ -	\$ (85,658,611)	\$ 1,099,509	\$ (84,559,102)
<b>General revenues, special items, extraordinary items and transfers:</b>							
Property taxes, levied for general purposes, net					\$ 71,382,059	\$ -	\$ 71,382,059
Taxes levied for debt service					3,993,145	-	3,993,145
Federal and State aid not restricted					16,961,068	-	16,961,068
Interest and investment earnings					92,399	1,946	94,345
Miscellaneous income					161,282	-	161,282
Sale and/or disposal of capital assets, net					(23,136)	-	(23,136)
Total general revenues, special items, extraordinary items and transfers					92,566,817	1,946	92,568,763
Change in Net Position					6,908,206	1,101,455	8,009,661
Net Position, July 1 ( <i>restated</i> )					38,706,540	1,000,989	39,707,529
Net Position, June 30					\$ 45,614,746	\$ 2,102,444	\$ 47,717,190

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, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,463,916	\$ -	\$ -	\$ -	\$ 6,463,916
Restricted cash and cash equivalents	5,960,572	519,772	65,104	223	6,545,671
Interfund accounts receivable	1,203,747	-	-	-	1,203,747
Intergovernmental accounts receivable:					
Federal	19,786	1,433,841	-	-	1,453,627
State	2,864,181	-	-	-	2,864,181
Other, net	111,190	-	-	-	111,190
Other accounts receivable	153,743	890	-	-	154,633
<b>Total assets</b>	<b>\$ 16,777,135</b>	<b>\$ 1,954,503</b>	<b>\$ 65,104</b>	<b>\$ 223</b>	<b>\$ 18,796,965</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,595,708	\$ 237,002	\$ -	\$ -	\$ 1,832,710
Interfund accounts payable	572,427	1,202,782	965	-	1,776,174
Other current liabilities	57,022	-	-	-	57,022
<b>Total liabilities</b>	<b>2,225,157</b>	<b>1,439,784</b>	<b>965</b>	<b>-</b>	<b>3,665,906</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital projects	4,199,787	-	64,139	-	4,263,926
Maintenance reserve	1,200,000	-	-	-	1,200,000
Debt service	-	-	-	223	223
Unemployment compensation	372,667	-	-	-	372,667
Student activities	-	514,719	-	-	514,719
<b>Committed to:</b>					
Other purposes	847,892	-	-	-	847,892
<b>Assigned to:</b>					
Unreserved - subsequent year expenditures	3,269,549	-	-	-	3,269,549
Other purposes	771,022	-	-	-	771,022
Unassigned	3,891,061	-	-	-	3,891,061
<b>Total fund balances</b>	<b>14,551,978</b>	<b>514,719</b>	<b>64,139</b>	<b>223</b>	<b>15,131,059</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,777,135</b>	<b>\$ 1,954,503</b>	<b>\$ 65,104</b>	<b>\$ 223</b>	<b>\$ 18,796,965</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 POSITION  
JUNE 30, 2022

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

Total fund balances - governmental funds		\$ 15,131,059
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In the fund financial statements, the activities of the District's self-insurance fund are reported in the internal service fund. In the statement of net position, the assets and liabilities of the internal service fund are included with governmental activities.		425,483
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Capital outlays related to capital assets are reported in the governmental funds as expenditures in the year purchased. In the statement of net position, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capitalized cost of capital assets	\$ 159,931,167	
Accumulated depreciation	<u>(82,939,696)</u>	
		76,991,471

Capital outlays related to lease assets are reported in the governmental funds as expenditures. In the statement of net position, the cost of those assets is capitalized and allocated over the shorter of their estimated useful lives or lease term as amortization expense.

Cost of lease assets	\$ 1,341,067	
Accumulated amortization	<u>(577,999)</u>	
		763,068

Bond premiums are reported as other financing sources in the governmental funds in the year the bonds are issued. In the statement of net position, bond premiums are amortized over the life of the bonds.

Bond premium	(4,941,914)	
Accumulated amortization	<u>3,587,114</u>	
		(1,354,800)

Refunding bond proceeds are reported as other financing sources in the governmental funds in the year the bonds are issued. In the statement of net position, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.

Deferred loss on defeasance of debt	1,673,009	
Accumulated amortization	<u>(1,247,161)</u>	
		425,848

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Amounts related to the net pension liability for PERS employees are not reported in the governmental funds. In the districtwide financial statements, the net pension liability is reported as a noncurrent liability and the related inflows and outflows are deferred and amortized in the statement of net position.

Net pension liability	(15,986,888)	
Deferred outflows of resources related to PERS pension liability	2,718,724	
Deferred inflows of resources related to PERS pension liability	<u>(10,068,613)</u>	(23,336,777)

The subsequent pension contribution is reported in the governmental funds as an expenditure in the year paid. In the districtwide financial statements, the subsequent pension contribution is recorded as an accounts payable and an increase to the deferred amounts related to PERS pension liability.

(1,779,023)

Interest on long-term liabilities, such as bonds payable and financed purchases, is reported in the governmental funds as an expenditure in the year paid. In the districtwide financial statements, interest is accrued, regardless of when payment is made.

(347,890)

Long-term liabilities such as bonds payable, leases payable, financed purchases payable, and accrued compensated absences payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. In the districtwide financial statements, these items are reported as noncurrent liabilities.

Bonds payable	(15,190,000)	
Leases payable	(793,723)	
Financed purchases payable	(3,215,723)	
Accrued compensated absences payable	<u>(2,104,247)</u>	<u>(21,303,693)</u>

Net position of governmental activities		<u><u>\$ 45,614,746</u></u>
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 71,382,059	\$ -	\$ -	\$ 3,993,145	\$ 75,375,204
Tuition charges	447,147	-	-	-	447,147
Transportation fees	312	-	-	-	312
Interest on investments	69,241	-	-	-	69,241
Interest earned on capital reserve funds	15,687	-	-	-	15,687
Unrestricted miscellaneous revenues	517,827	-	-	-	517,827
Other restricted miscellaneous revenues	3,963	435,087	-	-	439,050
<b>Total - Local Sources</b>	<b>72,436,236</b>	<b>435,087</b>	<b>-</b>	<b>3,993,145</b>	<b>76,864,468</b>
State sources	43,132,445	-	-	522,011	43,654,456
Federal sources	171,063	2,839,263	-	-	3,010,326
<b>Total revenues</b>	<b>115,739,744</b>	<b>3,274,350</b>	<b>-</b>	<b>4,515,156</b>	<b>123,529,250</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	26,489,907	710,270	-	-	27,200,177
Special education instruction	7,376,253	593,039	-	-	7,969,292
Other instructional programs	990,219	210,899	-	-	1,201,118
School sponsored programs	2,641,789	381,025	-	-	3,022,814
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,558,670	18,650	-	-	2,577,320
Student & instruction related services	11,221,780	839,754	-	-	12,061,534
School administrative services	4,084,137	4,068	-	-	4,088,205
Other administrative services	3,584,932	394	-	-	3,585,326
Plant operations and maintenance	10,167,880	47,571	-	-	10,215,451
Pupil transportation	5,150,688	-	-	-	5,150,688
Unallocated employee benefits	36,994,256	193,015	-	-	37,187,271
Capital outlay	5,582,034	220,645	435,861	-	6,238,540
Debt service:					
Principal	-	-	-	3,660,000	3,660,000
Interest and other charges	-	-	-	855,400	855,400
<b>Total expenditures</b>	<b>116,842,545</b>	<b>3,219,330</b>	<b>435,861</b>	<b>4,515,400</b>	<b>125,013,136</b>
Excess (Deficiency) of revenues over (under) expenditures	(1,102,801)	55,020	(435,861)	(244)	(1,483,886)
<b>OTHER FINANCING SOURCES (USES)</b>					
Financed Purchases (non-budgeted)	2,082,451	-	-	-	2,082,451
Leases (non-budgeted)	144,377	-	-	-	144,377
<b>Total other financing sources (uses)</b>	<b>2,226,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,226,828</b>
<b>Net change in fund balances</b>	<b>1,124,027</b>	<b>55,020</b>	<b>(435,861)</b>	<b>(244)</b>	<b>742,942</b>
Fund balance, July 1	13,427,951	459,699	500,000	467	14,388,117
<b>Fund balance, June 30</b>	<b>\$ 14,551,978</b>	<b>\$ 514,719</b>	<b>\$ 64,139</b>	<b>\$ 223</b>	<b>\$ 15,131,059</b>

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, 2022

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)	\$	742,942
<p>In the fund financial statements, the activities of the District's self-insurance fund are reported in the internal service fund. In the statement of activities, the revenues and expenses of the internal service fund are included with governmental activities.</p>		
		(932,300)
<p>In the governmental funds, capital outlays related to capital assets are reported as expenditures in the year purchased. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital asset additions	\$ 5,943,107	
Depreciation expense	(5,706,215)	
Disposals, net	<u>(23,136)</u>	
		213,756
<p>In the governmental funds, financed purchases are reported as other financing sources and payments are reported as expenditures in the year paid. In the districtwide financial statements, financed purchases are reported as noncurrent liabilities and payments are recorded as a reduction to the liability.</p>		
Financed purchases	(2,082,451)	
Retired and/or matured	<u>1,147,249</u>	
		(935,202)
<p>In the governmental funds, capital outlays related to lease assets are reported as expenditures. In the statement of activities, the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense.</p>		
Lease asset additions	144,377	
Amortization expense	<u>(577,999)</u>	
		(433,622)
<p>In the governmental funds, leases are reported as other financing sources and the repayment of leases is an expenditure in the year paid. In the districtwide financial statements, leases are recorded as non-current liabilities in the statement of net position and the repayment reduces non-current liabilities with no impact on the statement of activities.</p>		
Lease obligations	(144,377)	
Retired and/or matured	<u>572,866</u>	
		428,489
<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 position and is not reported in the statement of activities.</p>		
		3,660,000
<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>		
		77,778

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, 2022

Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, in the district-wide statements, bond premiums are amortized and expensed over the life of the bonds.		524,998
Refunding bond proceeds are reported as other financing sources in the governmental funds in the year the bonds are refinanced and thus contribute to the change in fund balances. In the district-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest. which is amortized over the life of the bonds.		(160,779)
Amounts related to the net pension liability for PERS employees do not require the use of current financial resources and are therefore not reported in the governmental funds. In the statement of activities, the change in net pension liability is reported as an adjustment to expenses and the related inflows and outflows are deferred and		
Change in net pension liability	5,850,110	
Change in deferred outflows of resources related to PERS pension liability	(1,505,622)	
Change in deferred inflows of resources related to PERS pension liability	<u>(643,953)</u>	
		3,700,535
Per GASB Statement No. 68 non-employer contributing entities are required to record a revenue and a corresponding expense on the statement of activities for on-behalf TPAF pension payments paid by the State of New Jersey that are in excess of those amounts reported in the fund financial statements.		
Increase/(decrease) in state revenues for on-behalf TPAF pension payments	(9,459,355)	
(Increase)/decrease in on-behalf TPAF pension expense	<u>9,459,355</u>	
		-
Per GASB Statement No. 75 non-employer contributing entities are required to record a revenue and a corresponding expense for on-behalf other post-employment benefits (OPEB) paid by the State of New Jersey on the statement of activities that are in excess of those amounts reported in the fund financial statements.		
Increase/(decrease) in state revenues for on-behalf OPEB payments	8,173,629	
(Increase)/decrease on-behalf OPEB expense	<u>(8,173,629)</u>	
		-
In the governmental funds, compensated absences are reported as expenditures in the year paid. In the statement of activities, compensated absences are measured by the amounts earned during the year. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>21,611</u>
Change in net position of governmental activities		<u><u>\$ 6,908,206</u></u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

	Business-type Activities - Enterprise Funds			Major Fund Governmental Activities
	Non-Major Funds	Major Fund	Total	Internal Service Fund
			Enterprise Funds	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 547,602	\$ 73,270	\$ 620,872	\$ 1,693,776
Restricted cash and cash equivalents	-	2,950	2,950	-
Interfund accounts receivable	572,427	-	572,427	-
Prepaid expense	3,133	-	3,133	-
Intergovernmental accounts receivable	371,055	-	371,055	-
Other accounts receivable	6,923	1,995	8,918	261,662
Inventories	30,930	-	30,930	-
Total current assets	<u>1,532,070</u>	<u>78,215</u>	<u>1,610,285</u>	<u>1,955,438</u>
Noncurrent assets:				
Capital assets	566,748	1,700,000	2,266,748	-
Less accumulated depreciation	<u>398,876</u>	<u>159,856</u>	<u>558,732</u>	<u>-</u>
Total noncurrent assets	<u>167,872</u>	<u>1,540,144</u>	<u>1,708,016</u>	<u>-</u>
Total assets	<u>1,699,942</u>	<u>1,618,359</u>	<u>3,318,301</u>	<u>1,955,438</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	157,821	11,489	169,310	246,319
Unearned revenue	203,541	27,088	230,629	-
Escrow deposits payable	-	2,950	2,950	-
Accrued interest payable	-	49,873	49,873	-
Accrued liability for insurance claims	-	-	-	1,283,636
Noncurrent liabilities:				
Due within one year	-	106,793	106,793	-
Due beyond one year	-	656,302	656,302	-
Total liabilities	<u>361,362</u>	<u>854,495</u>	<u>1,215,857</u>	<u>1,529,955</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	167,872	777,049	944,921	-
Unrestricted	1,170,708	(13,185)	1,157,523	425,483
Total net position	<u>\$ 1,338,580</u>	<u>\$ 763,864</u>	<u>\$ 2,102,444</u>	<u>\$ 425,483</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds			Major Fund
	Non-Major	Major	Total	Governmental
	Funds	Fund	Enterprise Funds	Activities
				Internal Service
				Fund
<b>OPERATING REVENUES:</b>				
Daily sales - reimbursable programs	\$ 4,628	\$ -	\$ 4,628	\$ -
Daily sales - non-reimbursable programs	17,120	-	17,120	-
Rental income	-	411,358	411,358	-
Charges for services	-	-	-	16,386,460
Total operating revenues	<u>21,748</u>	<u>411,358</u>	<u>433,106</u>	<u>16,386,460</u>
<b>OPERATING EXPENSES:</b>				
Salaries	518,939	-	518,939	-
Employee benefits	138,280	-	138,280	-
Management fees	231,037	12,000	243,037	-
Cleaning, repair and maintenance services	17,346	103,171	120,517	-
Other purchased services	55,862	-	55,862	-
Cost of sales	930,634	-	930,634	-
Supplies and materials	174,696	-	174,696	-
Property taxes	-	52,520	52,520	-
Depreciation	20,167	20,976	41,143	-
Utilities	-	56,285	56,285	-
Interest expense	-	49,873	49,873	-
Other expenses	4,726	-	4,726	-
Insurance claims	-	-	-	14,353,240
Excess liability insurance premiums	-	-	-	2,297,037
Administrative fees	-	-	-	470,734
State and federal surcharges	-	-	-	203,068
Total operating expenses	<u>2,091,687</u>	<u>294,825</u>	<u>2,386,512</u>	<u>17,324,079</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,069,939)</u>	<u>116,533</u>	<u>(1,953,406)</u>	<u>(937,619)</u>
<b>NON-OPERATING REVENUES:</b>				
State sources:				
State school lunch program	55,524	-	55,524	-
Federal sources:				
School breakfast program	553,168	-	553,168	-
National school lunch program	2,355,514	-	2,355,514	-
After school snack program	5,036	-	5,036	-
P-EBT administrative cost reimbursement	628	-	628	-
Food donation program	83,045	-	83,045	-
Interest income	1,946	-	1,946	5,319
Total nonoperating revenues	<u>3,054,861</u>	<u>-</u>	<u>3,054,861</u>	<u>5,319</u>
Change in net position	984,922	116,533	1,101,455	(932,300)
Total net position - beginning	<u>353,658</u>	<u>647,331</u>	<u>1,000,989</u>	<u>1,357,783</u>
Total net position - ending	<u>\$ 1,338,580</u>	<u>\$ 763,864</u>	<u>\$ 2,102,444</u>	<u>\$ 425,483</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, 2022

	Business-type Activities - Enterprise Funds			Major Fund Governmental Activities
	Non-Major Funds	Major Fund	Total Enterprise Funds	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 20,456	\$ 431,430	\$ 451,886	\$ 16,386,459
Payments for employees and employee benefits	(656,618)	-	(656,618)	(13,973,508)
Payments to suppliers for goods and services	(1,288,843)	(228,161)	(1,517,004)	(2,964,647)
Net cash used in operating activities	(1,925,005)	203,269	(1,721,736)	(551,696)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
State sources	53,272	-	53,272	-
Federal sources	2,309,963	-	2,309,963	-
Net cash provided by non-capital financing activities	2,363,235	-	2,363,235	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	(200,000)	(200,000)	-
Purchase of capital assets	(6,520)	-	(6,520)	-
Net cash used for capital and related financing activities	(6,520)	(200,000)	(206,520)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	1,946	-	1,946	5,319
Net increase (decrease) in cash and cash equivalents	433,656	3,269	436,925	(546,377)
Cash and cash equivalents - beginning of year	113,946	70,001	183,947	2,240,153
Cash and cash equivalents - end of year	\$ 547,602	\$ 73,270	\$ 620,872	\$ 1,693,776
<b>Reconciliation of operating loss to net cash used in operating activities:</b>				
Operating loss	\$ (2,069,939)	\$ 116,533	\$ (1,953,406)	\$ (937,619)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and interest expense	20,167	70,849	91,016	-
Food donation program	83,045	-	83,045	-
(Increase) decrease in accounts receivable, net	4,087	1,867	5,954	84,043
(Increase) decrease in prepaid expense	8,887	-	8,887	-
(Increase) decrease in inventories	15,344	-	15,344	-
Increase (decrease) in accounts payable, net	18,783	11,489	30,272	6,192
Increase (decrease) in accrued liability	-	-	-	295,688
Increase (decrease) in deferred revenue	(5,379)	2,531	(2,848)	-
Total adjustments	144,934	86,736	231,670	385,923
Net cash used in operating activities	\$ (1,925,005)	\$ 203,269	\$ (1,721,736)	\$ (551,696)

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, 2022

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Basis of Presentation:

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

District-Wide Financial Statements:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

A. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

Governmental Fund Types

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

A. Basis of Presentation: (Cont'd)

Governmental Fund Types (Cont'd)

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

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

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

Proprietary Fund Types

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

Enterprise Fund: The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges. The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's food service operations, its summer programs, and building rentals. The building rental account is considered a major fund of the District.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

B. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary 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. Non-exchange 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 or lease asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases 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 position 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.

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

C. Budgets/Budgetary Control:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

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

D. Cash and Cash Equivalents and Investments:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

E. Interfund Transactions:

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

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

F. Allowance for Uncollectible Accounts:

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

G. Encumbrances:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

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

H. Inventories and Prepaid Items:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise inventories are presented at cost, which approximates market, using the first-in, first-out ("FIFO") method. Enterprise inventories consist of food and goods held for sale through the District's food service operations.

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

I. Capital Assets:

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

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

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

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

J. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

K. Long Term Liabilities:

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

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, outstanding timesheets for hourly employees, and/or outstanding merit pay bonuses. At June 30, 2022 the District had no unsettled employment contracts. Accrued salaries and wages for outstanding payroll timesheets and outstanding merit pay bonuses amounted to \$71,862 at year-end.

M. Compensated Absences:

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

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

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

N. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

O. Unearned Revenue:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

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

P. Fund Balance Restrictions, Commitments, and Assignments:

The District reports its fund balance classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The *restricted* fund balance category includes amounts constrained for specific purposes as stipulated by external parties, constitutional provision, or enabling legislation. At June 30, 2022 the District had restricted fund balances of \$4,263,926 for capital projects, \$1,200,000 for maintenance reserve, \$372,667 for unemployment compensation insurance claims, \$514,719 for student activities, and \$223 for future debt service payments.

The *committed* fund balance classification includes amounts that can be used only for specific purposes as determined by formal action of the District's highest level of decision-making authority. The Board of Education has the authority to formally commit resources for specific purposes through a formal motion or resolution that is passed by a majority of the members of the Board of Education at a public meeting. Such process must also be used to remove or change the commitment of resources. At June 30, 2022 the District had committed resources totaling \$847,892 for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Districtwide Radio Communications Project	\$254,380
Track & Field Athletic Complex at Mt. Olive High School	157,800
Generator Installation Project at Mt. Olive High School	104,289
Multi-sports Turf Field at Mt. Olive High School	70,000
Challenge/Ropes Course at Mt. Olive High School	80,453
Architecural/Engineering Fees for Capital Projects	66,505
Gymnastics Equipment/Mats	60,096
Booster Pump Replacement at Mt. Olive High School	29,114
Doors and LED Lights for Mt. Olive High School Air Dome	25,255
	<u>\$847,892</u>

Amounts in the *assigned* fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. At June 30, 2022 the District had assigned resources for outstanding encumbrances totaling \$771,022 and for amounts designated for subsequent year's expenditures totaling \$3,269,549.

*Unassigned* fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. At June 30, 2022 the District had unassigned resources totaling \$3,891,061.

Q. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Q. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

R. Fund Balance Appropriated:

General Fund: Of the \$14,551,978 General Fund balance at June 30, 2022, \$1,618,914 is assigned or committed for year-end encumbrances; \$3,269,549 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023; \$4,199,787 is restricted in the capital reserve account; \$1,200,000 is restricted in the maintenance reserve account; \$372,667 is restricted for unemployment compensation; and \$3,891,061 is unassigned fund balance.

Special Revenue Fund: The Special Revenue fund balance at June 30, 2022 of \$514,719 is restricted for student activities.

Capital Projects Fund: The Capital Projects fund balance at June 30, 2022 of \$64,139 is restricted for renovations to the Chester M. Stephens Elementary School.

Debt Service Fund: The Debt Service fund balance at June 30, 2022 of \$223 is restricted to pay debt service obligations and will be appropriated and included as anticipated revenue in future budgets.

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 4 percent of adjusted General Fund expenditures. Any amount in excess of the 4 percent limitation must be restricted and appropriated and included as anticipated revenue in a subsequent year's budget. At June 30, 2022 the District's total unassigned fund balance was \$6,009,776, which was \$73,990 less than the maximum unassigned fund balance of \$6,083,776. The full excess surplus calculation is included in the Auditor's Management Report (AMR).

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments 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. 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 last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

S. Operating Revenue and Expenses:

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

T. Extraordinary and Special Items:

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

U. Allocation of Indirect Expenses:

Expenses that can be directly attributable to a specific function are reported by function in the Statement of Activities. Indirect expenses, which are not clearly identifiable with a function, are allocated to functions where practicable. Employee benefits and state on-behalf payments are two examples of indirect expenses. Such expenses are allocated based on the salaries of that function.

V. Accounting and Financial Reporting for Pensions:

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

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

Note 15 provides a full description of the pension plans offered by the District along with the related accounting and financial data.

W. Management Estimates:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

X. Recent Accounting Pronouncements:

During fiscal year 2022, the District adopted *GASB Statement No. 87, Leases*, which requires a lessee to recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. A lessor is required to recognize (1) a lease receivable and (2) a deferred inflow of resources.

Y. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. At June 30, 2022, the District had \$425,848 in deferred outflows of resources for deferred loss on defeasance of debt arising from the issuance of refunding bonds and \$2,718,724 for deferred amounts related to the PERS pension liability. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. At June 30, 2022, the District had \$10,068,613 in deferred inflows of resources for the deferred amounts related to the PERS pension liability.

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, and lease assets, net of accumulated amortization, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position. At June 30, 2022 the District's net investment in capital assets amounted to \$58,571,062.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. At June 30, 2022 the District's restricted net position totaled \$6,351,535.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. At June 30, 2022 the District had an unrestricted deficit balance of \$17,205,407.

Z. Deficit Net Position:

At June 30, 2022, the District has a deficit in unrestricted net position of \$18,362,930 in governmental activities. The deficit is attributable to the District's allocated share of the net pension liability for PERS employees and the related deferred outflows and inflows of resources. The deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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 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 those permitted under state statute as detailed below.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

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 of the school district or bonds or other obligations of the local unit or units within which the school district is located;

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

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

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted entirely of amounts deposited in interest bearing checking, savings, and money market accounts as follows:

	Bank Balance	Carrying Amount
Governmental Funds - Unrestricted	\$7,559,384	\$6,463,916
Governmental Funds - Restricted	6,578,976	6,545,671
Proprietary Funds - Unrestricted	2,530,611	2,314,648
Proprietary Funds - Restricted	2,950	2,950
	\$16,671,921	\$15,327,185

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 4. RECEIVABLES

Receivables at June 30, 2022 consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. No allowance for uncollectible accounts has been recorded as all receivables are considered collectible in full. The following is a summary of the principal receivable items.

State aid receivable	\$ 2,866,980
Federal grants receivable	1,821,883
Intergovernmental accounts receivable	111,190
Other accounts receivable	<u>425,213</u>
Total receivables	<u>\$ 5,225,266</u>

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

NOTE 5. PREPAID EXPENSE:

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

At June 30, 2022 the Enterprise Fund had one prepaid item in the amount of \$3,133 for the PaySchools annual software and hosting agreement for the food service account.

NOTE 6. INVENTORIES

Food service inventory in the Enterprise Fund at June 30, 2022 consisted of the following:

Food	\$ 20,485
Non-Food Items	<u>10,445</u>
	<u>\$ 30,930</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.

NOTE 7. 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 or by transfer by Board resolution at fiscal year-end of any unanticipated revenue or unexpended line item appropriation amounts or both. 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. 6A:23A-14.1 (g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 7. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve account for the 2022 fiscal year is as follows:

Beginning balance, July 1, 2021		\$3,484,100
Increased by:		
Additional increase authorized by Board resolution	\$700,000	
Interest earnings	15,687	
		715,687
Ending balance, June 30, 2022		\$4,199,787

In the opinion of the Board's architect, the LRFP balance of local support costs of uncompleted capital projects at June 30, 2022 is estimated to be \$15,609,500.

NOTE 8. MAINTENANCE RESERVE ACCOUNT

The Board of Education established a maintenance reserve account on June 22, 2020 in the amount of \$500,000. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the 2022 fiscal year is as follows:

Beginning balance, July 1, 2021		\$ 1,000,000
Add: Increase authorized by Board resolution	500,000	
		1,500,000
Less: Budgeted withdrawal	(300,00)	
Ending balance, June 30, 2022		\$ 1,200,000

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 9. INTERFUND BALANCES AND TRANSFERS

On the fund financial statements, interfund accounts receivable/payable are reported on the respective balance sheets of the Governmental and Proprietary Funds. On the Statement of Net Position, interfund balances between the governmental fund types are eliminated, while interfund balances between the governmental fund types and business-type activities are reflected as internal balances.

The District had the following interfund balances at June 30, 2022:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,203,747	\$ 572,427
Special Revenue Fund		1,202,782
Capital Projects Fund		965
Interfund Balances – Fund Financial Statements	1,203,747	1,776,174
Elimination of Interfund Balances between Governmental Fund Types	(1,203,747)	(1,203,747)
Internal Balances - Statement of Net Position	\$ -	\$ 572,427

The interfund balance between the General Fund and the Special Revenue Fund is comprised of funds advanced to cover deficit cash balances while awaiting the collection of federal grant reimbursements. The interfund balance between the General Fund and the Capital Projects Fund is comprised of interest earnings not yet transferred at year-end. The internal balance between the governmental fund types and business-type activities is comprised of state and federal subsidies for the Food Service Fund, which were received by the General Fund. All interfund balances are expected to be cleared within one year.

NOTE 10. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2022:

Amounts due to vendors	\$ 1,472,880
Accrued salaries and wages	71,862
Payroll deductions and withholdings payable	628,352
Unemployment compensation claims payable	75,245
Pension contribution subsequent to the measurement date	1,779,023
Total accounts payable	\$ 4,027,362

NOTE 11. DEFERRED LOSS ON DEFEASANCE OF DEBT

Deferred loss on defeasance of debt arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. The amount is amortized using the straight-line method over the life of the related bond issue as a component of interest expense. As of June 30, 2022, the District has recorded an unamortized balance of \$425,848 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2022 was \$160,779.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

**NOTE 12. CAPITAL ASSETS**

The District appointed Acclaim Inventory LLC to conduct a physical inventory of its capital assets as of June 30, 2022. The following schedule details the district's capital asset activity for the year ended June 30, 2022:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,377,059	\$ -	\$ -	\$ 1,377,059
Total capital assets not being depreciated	<u>1,377,059</u>	<u>-</u>	<u>-</u>	<u>1,377,059</u>
Capital assets being depreciated:				
Site and site improvements	11,359,723	2,618,354	-	13,978,077
Building and building improvements	123,939,255	1,195,337	-	125,134,592
Machinery and equipment	17,898,430	2,129,416	(586,407)	19,441,439
Total capital assets being depreciated	<u>153,197,408</u>	<u>5,943,107</u>	<u>(586,407)</u>	<u>158,554,108</u>
Governmental activities capital assets	<u>154,574,467</u>	<u>5,943,107</u>	<u>(586,407)</u>	<u>159,931,167</u>
Less accumulated depreciation for:				
Site and site improvements	(5,194,424)	(470,493)	-	(5,664,917)
Building and improvements	(63,467,124)	(3,852,382)	-	(67,319,506)
Machinery and equipment	(9,135,204)	(1,383,340)	563,271	(9,955,273)
Total accumulated depreciation	<u>(77,796,752)</u>	<u>(5,706,215)</u>	<u>563,271</u>	<u>(82,939,696)</u>
Government activities capital assets, net	<u>\$ 76,777,715</u>	<u>\$ 236,892</u>	<u>\$ (23,136)</u>	<u>\$ 76,991,471</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 651,200	\$ -	\$ -	\$ 651,200
Total capital assets not being depreciated	<u>651,200</u>	<u>-</u>	<u>-</u>	<u>651,200</u>
Capital assets being depreciated:				
Building and building improvements	1,048,800	-	-	1,048,800
Machinery and equipment	617,793	6,520	-	624,313
Total capital assets being depreciated	<u>1,666,593</u>	<u>6,520</u>	<u>-</u>	<u>1,673,113</u>
Business-type activities capital assets	<u>2,317,793</u>	<u>6,520</u>	<u>-</u>	<u>2,324,313</u>
Less accumulated depreciation for:				
Building and improvements	(138,880)	(20,976)	-	(159,856)
Machinery and equipment	(436,274)	(20,167)	-	(456,441)
Total accumulated depreciation	<u>(575,154)</u>	<u>(41,143)</u>	<u>-</u>	<u>(616,297)</u>
Business-type activities capital assets, net	<u>\$ 1,742,639</u>	<u>\$ (34,623)</u>	<u>\$ -</u>	<u>\$ 1,708,016</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 12. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular programs – instruction	\$ 157,837
Special education programs	11,036
Other instructional programs	31,339
Student and instruction related services	40,820
School administrative services	5,067
Other administrative services	122,114
Plant operations and maintenance	4,691,722
Pupil transportation	598,369
School sponsored co-curricular activities	<u>47,911</u>
Total depreciation expense	<u>\$ 5,706,215</u>

NOTE 13. LEASE ASSETS

The following schedule details the district's lease asset activity for the year ended June 30, 2022:

	Beginning Balance <i>(Restated)</i>	Increases	Decreases	Ending Balance
Governmental activities:				
Lease assets being amortized:				
Machinery and equipment	<u>2,075,779</u>	<u>144,377</u>	-	<u>2,220,156</u>
Total lease assets being amortized	<u>2,075,779</u>	<u>144,377</u>	-	<u>2,220,156</u>
Governmental activities lease assets	<u>2,075,779</u>	<u>144,377</u>	-	<u>2,220,156</u>
Less accumulated amortization for:				
Machinery and equipment	<u>(879,089)</u>	<u>(577,999)</u>	-	<u>(1,457,088)</u>
Total accumulated amortization	<u>(879,089)</u>	<u>(577,999)</u>	-	<u>(1,457,088)</u>
Government activities lease assets, net	<u>\$ 1,196,690</u>	<u>\$ (433,622)</u>	<u>\$ -</u>	<u>\$ 763,068</u>

Amortization expense was charged to governmental functions as follows:

Regular programs – instruction	\$ 387,889
Other administrative services	7,742
Plant operations and maintenance	180,368
School sponsored co-curricular activities	<u>2,000</u>
Total amortization expense	<u>\$ 577,999</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

**NOTE 14. LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2022 the following changes occurred in long-term obligations reported in the district-wide financial statements:

	Beginning Balance <i>(Restated)</i>	Additions	Reductions	Ending Balance
Governmental activities:				
Serial bonds payable	\$ 18,850,000	\$ -	\$ 3,660,000	\$ 15,190,000
Financed purchases payable	2,280,521	2,082,451	1,147,249	3,215,723
Leases payable	1,222,212	144,377	572,866	793,723
Unamortized bond issuance premium	1,879,798	-	524,998	1,354,800
Net pension liability	21,836,998	-	5,850,110	15,986,888
Compensated absences payable	2,125,858	187,349	208,960	2,104,247
Total governmental activities	48,195,387	2,414,177	11,964,183	38,645,381
Business-type activities:				
Financed purchases payable	908,770	-	145,675	763,095
Total long-term liabilities	<u>\$ 49,104,157</u>	<u>\$ 2,414,177</u>	<u>\$ 12,109,858</u>	<u>\$ 39,408,476</u>

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Serial bonds payable	\$ 3,835,000	\$ 11,355,000	\$ 15,190,000
Financed purchases payable	1,083,521	2,132,202	3,215,723
Leases payable	413,462	380,261	793,723
Unamortized bond issuance premium	393,890	960,910	1,354,800
Net pension liability	1,779,023	14,207,865	15,986,888
Compensated absences payable	859,434	1,244,813	2,104,247
Total governmental activities	8,364,330	30,281,051	38,645,381
Business-type activities:			
Financed purchases payable	106,793	656,302	763,095
Total long-term liabilities	<u>\$ 8,471,123</u>	<u>\$ 30,937,353</u>	<u>\$ 39,408,476</u>

**Serial Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds and will be liquidated through the Debt Service Fund.

Bonds payable at June 30, 2022 are comprised of the following issues:

Purpose	Issue Date	Amount Issued	Interest Rates	Date of Maturity	Balance at June 30, 2022
Middle School Construction	10/29/2014	\$16,740,000	3.00-5.00%	1/15/2023	\$2,430,000
High School Addition	04/20/2016	7,540,000	3.00-5.00%	7/15/2029	7,430,000
High School Addition	04/20/2016	8,095,000	3.00-5.00%	7/15/2025	5,330,000
					<u>\$15,190,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 14. LONG-TERM LIABILITIES (Cont'd)

Bond Obligations:

Debt service requirements on serial bonds payable at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,835,000	\$ 684,950	\$ 4,519,950
2024	1,455,000	506,250	1,961,250
2025	1,515,000	439,275	1,954,275
2026	1,395,000	366,525	1,761,525
2027	1,640,000	290,650	1,930,650
2028	1,710,000	206,900	1,916,900
2029	1,785,000	128,450	1,913,450
2030	1,855,000	46,375	1,901,375
	<u>\$ 15,190,000</u>	<u>\$ 2,669,375</u>	<u>\$ 17,859,375</u>

Financed Purchases Payable:

*Governmental Activities:*

The District has financed purchase agreements for school vehicles, the air dome at Mount Olive High School, the artificial turf field at Mount Olive High School, and the electronic scoreboard at Mount Olive High School. All financed purchase agreements are for a term of five years. The following is a schedule of the future minimum financed purchase payments and the present value of the net minimum financed purchase payments at June 30, 2022:

Fiscal Year Ending June 30,	Amount
2023	\$ 1,120,167
2024	841,577
2025	694,271
2026	427,353
2027	217,332
Total minimum lease payments	3,300,700
Less: Amount representing interest	84,977
Present value of net minimum lease payments	<u>\$ 3,215,723</u>

*Business-type Activities:*

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 14. LONG-TERM LIABILITIES (Cont'd)

Financed Purchases Payable: (Cont'd)

During the 2022 fiscal year, the District made a financed purchase payment of \$200,000 from the rents collected. Of this amount, \$54,325 was considered interest and the remaining balance of \$145,675 was applied as principal, bringing the outstanding principal balance to \$763,095. The following is a schedule of the future minimum financed purchase payments and the present value of the net minimum financed purchase payments at June 30, 2022:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 156,665
2024	156,665
2025	156,665
2026	156,665
2027	156,666
2028	156,666
2029	<u>48,482</u>
Total minimum lease payments	988,474
Less: Amount representing interest	<u>225,379</u>
Present value of net minimum lease payments	<u>\$ 763,095</u>

Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

<u>Purpose</u>	<u>Frequency of Payment</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Chromebooks	Annual	4 Years	2.98%	\$201,583
Chromebooks	Annual	3 Years	2.98%	156,755
Chromebooks	Annual	3 Years	2.98%	68,033
Postage Machines/Meters	Monthly	2 Years	3.25%	1,698
Postage Machines/Meters	Monthly	5 Years	3.25%	34,814
Copiers	Monthly	5 Years	4.41%	322,916
Printer	Monthly	5 Years	5.93%	<u>7,924</u>
				<u>\$793,723</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 413,462	\$ 23,100	\$ 436,562
2024	357,219	10,512	367,731
2025	10,421	676	11,097
2026	10,438	274	10,712
2027	<u>2,183</u>	<u>12</u>	<u>2,195</u>
	<u>\$ 793,723</u>	<u>\$ 34,574</u>	<u>\$ 828,297</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 14. LONG-TERM LIABILITIES (Cont'd)

Unamortized Bond Issuance Premium:

At June 30, 2022, the District had unamortized premiums on three refunding bond issues totaling \$1,354,800 as follows:

<u>Issue Date</u>	<u>Purpose</u>	<u>Unamortized Premium</u>
10/29/2014	Middle School Construction	\$ 131,109
04/20/2016	High School Addition	818,538
04/20/2016	High School Addition	405,153
		<u>\$ 1,354,800</u>

Amortization expense for the fiscal year ended June 30, 2022 amounted to \$524,998. Bond premiums are amortized using the straight-line method over the life of the specific bonds as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amortization Expense</u>
2023	\$ 393,890
2024	262,781
2025	238,949
2026	119,786
2027	119,786
2028	119,786
2029	99,822
	<u>\$ 1,354,800</u>

Net Pension Liability:

At June 30, 2022, the District reported a liability of \$15,986,888 for its proportionate share of the Public Employees' Retirement System's (PERS) net pension liability. Of this amount, \$1,779,023 is due within one year and \$14,207,865 is due beyond one year.

See Note 15 for further information on the PERS pension plan.

Compensated Absences Payable:

The liability for compensated absences reported in the District-wide financial statements consists of unpaid accumulated vacation and sick leave balances as of June 30, 2022. 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 \$2,104,247 at June 30, 2022. Of this amount, \$859,434 is due within one year and \$1,244,813 is due beyond one year. Compensated absences will be liquidated by the General Fund.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 15. PENSION PLANS

Substantially all of the Board’s employees participate in one of the three contributory, defined benefit retirement systems: A.) the Public Employee’s Retirement System of New Jersey; B.) the Teachers’ Pension and Annuity Fund; or C.) the Defined Contribution Retirement Program.

A. Public Employees’ Retirement System

Plan Description

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (Division). Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. For additional information about the PERS, please refer to the Division’s Comprehensive Annual Financial Report, which may be obtained by writing to the New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or can be accessed online at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contribution to PERS amounted to \$1,580,425 for fiscal year 2022. The employee contribution rate for fiscal year 2022 was 7.5% of base salary.

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

At June 30, 2022, the District reported a liability of \$15,986,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.1349503120%, which was an increase of 0.0010416704% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$3,700,535. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 252,134	\$ (114,447)
Changes of assumptions	83,260	(5,691,436)
Net difference between projected and actual investment earnings	335,394	(4,211,366)
Changes in proportion	604,307	(51,364)
District contributions subsequent to the measurement date	1,779,023	
	\$ 2,718,724	\$ (10,068,613)

District contributions subsequent to the measurement date (\$1,779,023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Pension Expense
2022	\$ (3,772,209)
2023	(2,693,348)
2024	(1,836,404)
2025	(1,380,430)
2026	536
	\$ (9,681,855)

Changes in Proportion

The previous amounts do not include deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts are recognized (amortized) over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years for the 2021, 2020, 2019, 2018, 2017, and 2016 fiscal years, respectively.

Actuarial Assumptions

The pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate (price)	2.75%
Inflation Rate (wage)	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% (based on years of service)
Thereafter	3.00 - 7.00% (based on years of service)
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of net pension liability	\$21,770,900	\$15,986,888	\$11,078,334

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

At June 30, 2021, the plan fiduciary net position as a percentage of the total pension liability was 70.33%. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund

Plan Description

The Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J. S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report, which may be obtained by writing to the New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or can be accessed online at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and participating employers. Contributions for local participating employers are legally required to be funded by the State. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

During the fiscal year ended 2022, the State of New Jersey contributed \$13,069,644 to the TPAF for normal pension benefits on behalf of the District, which is \$9,459,355 more than the contractually required contribution of \$3,610,289. The employee contribution rate was 7.5% of base salary for the 2021 fiscal year.

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

Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the notes to the financial statements must disclose the State's proportionate share of the net pension liability that is associated with the District. In addition, the District must recognize pension revenue and expense in an amount equal to the District's proportionate share of the collective pension expense. At June 30, 2021 the State reported a total net pension liability of \$48,165,991,182 and total pension expense of \$1,133,770,138. The District's proportionate share of the net pension liability and pension expense was as follows:

State's proportionate share of the net pension liability associated with the district	\$ 153,430,598
District's proportionate share of the collective pension expense	\$ 3,610,289

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was 0.3191471566%.

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$941,265,828	\$142,774,569
Changes of assumptions	5,289,559,561	24,224,281,713
Net difference between projected and actual investment earnings on pension plan investments		2,854,036,178
	\$6,230,825,389	\$27,221,092,460

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

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

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Pension Expense
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Since the District's proportionate share of the TPAF pension liability is the sole responsibility of the State of New Jersey, there is no pension liability, deferred outflows or deferred inflows reported in the District's Statement of Net Position.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate (price)	2.75%
Inflation Rate (wage)	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% (based on years of service)
Thereafter	2.75 – 5.65% (based on years of service)
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Net pension liability	\$56,988,413,045	\$48,165,991,182	\$40,755,711,186

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

At June 30, 2021, the plan fiduciary net position as a percentage of the total pension liability was 35.52%. Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

For the fiscal year ended June 30, 2022, the District recognized DCRP pension expense in the amount of \$81,925.

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

NOTE 16. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets is calculated as follows:

Governmental activities:	
Capital assets, net of depreciation	\$ 76,991,471
Leases assets, net of amortization	763,068
Outstanding bond obligations used to build or acquire capital assets	(15,190,000)
Outstanding financed purchase obligations used to build or acquire capital assets	(3,215,723)
Outstanding lease obligations	(793,723)
Deferred loss on defeasance of debt used to build or acquire capital assets	425,848
Unamortized deferred premium on capital debt	<u>(1,354,800)</u>
Total governmental activities	<u>\$ 57,626,141</u>
Business-type activities:	
Capital assets, net of depreciation	\$ 1,708,016
Outstanding lease obligations used to build or acquire capital assets	<u>(763,095)</u>
Total business-type activities	<u>\$ 944,921</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan provides post-retirement benefits for District employees meeting the service credit eligibility requirements. The District is in a “special funding situation”, as described in GASB Codification Section P50, in that post-retirement benefit contributions and expenses are legally required to be made by, and are the sole responsibility of, the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

For additional information about the State Health Benefit Local Education Retired Employees Plan, please refer to the Division of Pensions and Benefits annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2020, plan membership consisted of the following:

Retired plan members and spouses of retirees currently receiving benefits payments	150,427
Active plan members	<u>213,901</u>
Total	<u><u>364,328</u></u>

Total OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. At June 30, 2021 the total nonemployer OPEB liability was \$60,007,650,970. The total OPEB liability associated with the District was \$203,622,779 which represents 0.34% of the total nonemployer OPEB liability.

The State is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Therefore, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (Cont’d)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/APB	PERS
Salary increases through 2026	1.55 – 4.45% based on years of service	2.00 – 6.00% based on years of service
Salary increases thereafter	2.75 – 5.65% based on years of service	3.00 – 7.00% based on years of service

**Mortality Rates:**

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**Health Care Trend Assumptions:**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate:**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

District's proportionate share of OPEB liability - beginning		\$ 229,920,203
Changes for the year:		
Service cost	\$	10,181,001
Interest cost		5,282,189
Change in benefit terms		(216,732)
Difference between expected and actual experience		(37,718,925)
Changes in assumptions		200.889
Member contributions		135,040
Gross benefit payments by the State		<u>(4,160,886)</u>
Net changes		<u>(26,297,424)</u>
District's proportionate share of OPEB liability - ending		<u>\$ 203,622,779</u>

In accordance with GASB Codification Section P50, the District's proportionate share of the OPEB liability is the sole responsibility of the State of New Jersey; therefore, there is no liability recognized in the District's Statement of Net Position.

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB Liability Attributable to the District	\$243,908,123	\$203,622,779	\$171,900,488

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability Attributable to the District	\$164,833,301	\$203,622,779	\$255,714,181

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$11,270,308 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

At June 30, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 30,695,230	\$ 61,110,816
Changes of assumptions	34,542,022	21,846,827
Changes in proportion	1,834,607	1,957,347
Total	\$ 67,071,859	\$ 84,914,990

Because the District's proportionate share of the OPEB liability is zero, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources in the District's financial statements.

NOTE 18. OTHER ON-BEHALF TPAF CONTRIBUTIONS

In addition to the TPAF pension and other post-employment benefits paid on behalf of the District, the State makes on-behalf contributions for non-contributory group insurance and long-term disability insurance in accordance with N.J.S.A. 18A:66-66. The District is also reimbursed for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

The following is a summary of these additional on-behalf TPAF contributions made by the State over the last three fiscal years:

Year Ending June 30,	Non-contributory Group Insurance	Long-term Disability Insurance	Social Security Contributions
2022	\$ 184,394	\$ 5,115	\$ 2,818,152
2021	\$ 176,511	\$ 5,601	\$ 2,696,819
2020	\$ 122,895	\$ 5,935	\$ 2,544,821

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

**NOTE 19. DEFERRED COMPENSATION**

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

Deferred compensation plans are available from the following providers:

- Ameriprise Financial
- AXA Equitable Financial
- Brighthouse Financial
- Lincoln Financial
- National Education Association (NEA)
- National Life Group
- New York Life
- Sun America Mutual Funds
- Valic
- Vanguard

ADMIN Partners, LLC of Cherry Hill, NJ acts as the plan administrator for the District's deferred compensation plans.

**NOTE 20. RISK MANAGEMENT**

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

Commercial Insurance – The District maintains commercial insurance coverage for property, general liability, auto, worker's compensation, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found on Schedule J-20 in the Statistical Section of this Annual Comprehensive Financial Report.

Self-Insurance – The District entered into a self-funded insurance plan with Horizon Blue Cross/Blue Shield for medical and prescription coverage and Delta Dental for dental coverage. An internal service fund was established to account for the District's self-insurance activities. To mitigate potential losses, the District purchased stop loss insurance for medical claims in excess of \$100,000. An accrued liability in the amount of \$1,283,636 has been recorded in the internal service fund financial statements for incurred but not reported claims (IBNR). The IBNR liability for medical, prescription, and dental claims has been calculated by the District based on actual claims reported through November 2, 2022. At June 30, 2022, the District had an unrestricted net position of \$425,483 available for future claims.

**NOTE 21. 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 activity of the District's unemployment trust fund for the current and previous two years:

Year Ended June 30,	Plan Member Contributions	Interest and Other Revenue	Quarterly Billings	Reimbursed to State	Ending Balance
2022	\$266,187	\$3,963	\$162,043	\$75,232	\$447,912
2021	\$257,799	\$1,445	\$166,023	\$45,443	\$415,037
2020	\$177,982	\$6,569	\$91,831	\$74,205	\$367,259

The balance at June 30, 2022 is comprised of employee contributions held in trust totaling \$75,245 and restricted fund balance in the amount of \$372,667.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 22. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For the year ended December 31, 2021, the Township of Mount Olive recognized revenue in the amount of \$447,265 from three payment in lieu of taxes ("PILOT") agreements. The 2021 taxes that would have been paid on these properties without the abatement would have been \$941,133.

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

NOTE 23. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an adverse effect on the District's programs and activities.

NOTE 24. CONTINGENT LIABILITIES

Grant Programs

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

Pending Litigation

The 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, will be covered by the District's insurance policy, or will not have a material adverse effect on the financial position of the District.

NOTE 25. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 4, 2023, the date which the financial statements were available to be issued, and no other items were noted for disclosure.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 26. PRIOR YEAR ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record leased assets and the corresponding lease liability as of June 30, 2021 as a result of implementing GASB 87, "Leases":

	June 30, 2021 Balances (Original)	Retroactive Adjustments	June 30, 2021 Balances (Restated)
<u>Statement of Net Position – Governmental Activities:</u>			
Assets:			
Lease Asset, Net	\$ -0-	\$ 1,196,690	\$ 1,196,690
Total Asset	95,607,925	1,196,690	96,804,615
Noncurrent Liabilities:			
Due Within One Year	7,585,737	572,866	8,158,603
Due Beyond One Year	39,387,438	649,346	40,036,784
Total Liabilities	52,063,578	1,222,212	53,285,790
Net Position:			
Net Investment in Capital Assets	54,354,023	(25,522)	54,328,501
Total Net Position	\$ 38,732,062	\$ (25,522)	\$ 38,706,540

**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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 71,382,059	\$ -	\$ 71,382,059	\$ 71,382,059	\$ -
Tuition charges	471,000	-	471,000	447,147	(23,853)
Transportation fees	21,000	-	21,000	312	(20,688)
Interest on investments	75,000	-	75,000	69,241	(5,759)
Interest earned on capital reserve funds	7,500	-	7,500	15,687	8,187
Unrestricted miscellaneous revenues	460,000	-	460,000	517,827	57,827
Other restricted miscellaneous revenues	-	-	-	3,963	3,963
<b>Total - Local Sources</b>	<b>72,416,559</b>	<b>-</b>	<b>72,416,559</b>	<b>72,436,236</b>	<b>19,677</b>
State sources:					
Categorical special education aid	2,959,145	-	2,959,145	2,959,145	-
Equalization aid	17,362,682	-	17,362,682	17,362,682	-
Categorical security aid	106,585	-	106,585	106,585	-
Transportation aid	1,067,482	-	1,067,482	1,067,482	-
Extraordinary aid	503,500	-	503,500	2,742,925	2,239,425
Nonpublic school transportation aid	-	-	-	26,672	26,672
Homeless tuition aid	-	-	-	94,584	94,584
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	13,069,644	13,069,644
TPAF on-behalf non-contributory group insurance (Non-Budgeted)	-	-	-	184,394	184,394
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	3,096,679	3,096,679
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	5,115	5,115
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,818,152	2,818,152
<b>Total - State Sources</b>	<b>21,999,394</b>	<b>-</b>	<b>21,999,394</b>	<b>43,534,059</b>	<b>21,534,665</b>
Federal sources:					
Medicaid Reimbursement	91,693	-	91,693	128,367	36,674
FEMA reimbursements	-	-	-	42,696	42,696
<b>Total - Federal Sources</b>	<b>91,693</b>	<b>-</b>	<b>91,693</b>	<b>171,063</b>	<b>79,370</b>
<b>TOTAL REVENUES</b>	<b>94,507,646</b>	<b>-</b>	<b>94,507,646</b>	<b>116,141,358</b>	<b>21,633,712</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, 2022  
 UNAUDITED

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Preschool	\$ 42,195	\$ 95,248	\$ 137,443	\$ 137,442	\$ 1
Kindergarten	1,195,165	(95,248)	1,099,917	1,040,746	59,171
Grades 1 - 5	8,292,725	(3,256)	8,289,469	8,283,809	5,660
Grades 6 - 8	5,842,472	83,945	5,926,417	5,925,247	1,170
Grades 9 - 12	8,802,124	(406,355)	8,395,769	8,285,079	110,690
Regular programs - home instruction:					
Salaries of teachers	28,000	119,525	147,525	147,503	22
Purchased professional - educational services	52,000	-	52,000	37,335	14,665
Regular programs - undistributed instruction:					
Other salaries for instruction	177,631	-	177,631	105,374	72,257
Purchased professional - educational services	23,535	-	23,535	-	23,535
Other purchased services	1,016,170	1,120	1,017,290	998,368	18,922
General supplies	1,809,866	(158,532)	1,651,334	1,407,698	243,636
Textbooks	232,531	(6,000)	226,531	117,906	108,625
Other objects	11,570	-	11,570	3,400	8,170
<b>Total Regular Programs - Instruction</b>	<b>27,525,984</b>	<b>(369,553)</b>	<b>27,156,431</b>	<b>26,489,907</b>	<b>666,524</b>
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	441,669	140,864	582,533	579,746	2,787
Other salaries for instruction	46,079	81,440	127,519	97,934	29,585
<b>Total Learning and/or Language Disabilities</b>	<b>487,748</b>	<b>222,304</b>	<b>710,052</b>	<b>677,680</b>	<b>32,372</b>
Behavioral disabilities:					
Salaries of teachers	328,733	109,625	438,358	438,269	89
Other salaries for instruction	76,075	29,538	105,613	98,659	6,954
<b>Total Behavioral Disabilities</b>	<b>404,808</b>	<b>139,163</b>	<b>543,971</b>	<b>536,928</b>	<b>7,043</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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 647,065	\$ (117,139)	\$ 529,926	\$ 501,033	\$ 28,893
Other salaries for instruction	44,654	(25,951)	18,703	15,278	3,425
Other objects	4,500	-	4,500	-	4,500
Total Multiple Disabilities	<u>696,219</u>	<u>(143,090)</u>	<u>553,129</u>	<u>516,311</u>	<u>36,818</u>
Resource room/resource center:					
Salaries of teachers	4,651,521	(59,183)	4,592,338	4,359,318	233,020
Other salaries for instruction	607,222	(15,050)	592,172	496,607	95,565
Total Resource Room/Resource Center	<u>5,258,743</u>	<u>(74,233)</u>	<u>5,184,510</u>	<u>4,855,925</u>	<u>328,585</u>
Autism:					
Salaries of teachers	371,750	(224,810)	146,940	146,844	96
Other salaries for instruction	10,185	78,107	88,292	86,786	1,506
Total Autism	<u>381,935</u>	<u>(146,703)</u>	<u>235,232</u>	<u>233,630</u>	<u>1,602</u>
Preschool disabilities - Part-Time:					
Salaries of teachers	344,645	(11,237)	333,408	333,394	14
Other salaries for instruction	95,100	10,571	105,671	105,666	5
Total Preschool Disabilities - Part-Time	<u>439,745</u>	<u>(666)</u>	<u>439,079</u>	<u>439,060</u>	<u>19</u>
Home instruction:					
Salaries of teachers	23,000	45,000	68,000	64,895	3,105
Purchased professional - educational services	19,500	36,800	56,300	51,482	4,818
Other purchased services	1,500	-	1,500	342	1,158
Total Home Instruction	<u>44,000</u>	<u>81,800</u>	<u>125,800</u>	<u>116,719</u>	<u>9,081</u>
Total Special Education - Instruction	<u>7,713,198</u>	<u>78,575</u>	<u>7,791,773</u>	<u>7,376,253</u>	<u>415,520</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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 836,674	\$ (263,002)	\$ 573,672	\$ 565,269	\$ 8,403
General supplies	8,128	-	8,128	-	8,128
Total Basic Skills/Remedial - Instruction	<u>844,802</u>	<u>(263,002)</u>	<u>581,800</u>	<u>565,269</u>	<u>16,531</u>
Bilingual education - instruction:					
Salaries of teachers	451,081	-	451,081	422,563	28,518
General supplies	5,170	-	5,170	2,387	2,783
Total Bilingual Education - Instruction	<u>456,251</u>	<u>-</u>	<u>456,251</u>	<u>424,950</u>	<u>31,301</u>
Total Other Instructional Programs	<u>1,301,053</u>	<u>(263,002)</u>	<u>1,038,051</u>	<u>990,219</u>	<u>47,832</u>
School sponsored other instructional programs:					
School sponsored co/extra curricular activities - instruction:					
Salaries	347,000	43,050	390,050	389,562	488
Purchased services	126,922	-	126,922	105,317	21,605
Supplies and materials	66,000	(33,195)	32,805	14,993	17,812
Other objects	22,451	27,075	49,526	22,930	26,596
Total School Sponsored Co/Extra Curricular Activities - Instruction	<u>562,373</u>	<u>36,930</u>	<u>599,303</u>	<u>532,802</u>	<u>66,501</u>
School sponsored athletics - instruction:					
Salaries	898,595	(2,625)	895,970	868,160	27,810
Purchased services	219,798	56,360	276,158	275,058	1,100
Supplies and materials	123,560	162,507	286,067	220,096	65,971
Other objects	45,799	(29,860)	15,939	15,440	499
Total School Sponsored Athletics - instruction	<u>1,287,752</u>	<u>186,382</u>	<u>1,474,134</u>	<u>1,378,754</u>	<u>95,380</u>
School sponsored before/after school programs - instruction:					
Salaries of teachers	12,500	3,256	15,756	15,756	-
Other salaries for instruction	90,000	-	90,000	9,901	80,099
Salaries of teacher tutors	210,000	-	210,000	153,260	56,740
Supplies and materials	13,400	-	13,400	1,393	12,007
Other objects	2,000	-	2,000	-	2,000
Total School Sponsored Before/After School Programs - Instruction	<u>327,900</u>	<u>3,256</u>	<u>331,156</u>	<u>180,310</u>	<u>150,846</u>
School sponsored before/after school programs - support services:					
Salaries	-	45,100	45,100	45,100	-
Total School Sponsored Before/After School Programs - Support Services	<u>-</u>	<u>45,100</u>	<u>45,100</u>	<u>45,100</u>	<u>-</u>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Summer school - instruction:					
Salaries of teachers	\$ 37,000	\$ 37,133	\$ 74,133	\$ 74,103	\$ 30
Purchased professional and technical services	6,000	(3,536)	2,464	-	2,464
Supplies and materials	1,200	-	1,200	64	1,136
Total Summer School - Instruction	<u>44,200</u>	<u>33,597</u>	<u>77,797</u>	<u>74,167</u>	<u>3,630</u>
Summer school - support services:					
Salaries	5,500	7,664	13,164	13,164	-
Total Summer School - Support Services	<u>5,500</u>	<u>7,664</u>	<u>13,164</u>	<u>13,164</u>	<u>-</u>
Alternative education programs - instruction:					
Salaries of teachers	-	64,675	64,675	64,675	-
Total Alternative Education Programs - Instruction:	<u>-</u>	<u>64,675</u>	<u>64,675</u>	<u>64,675</u>	<u>-</u>
Other supplemental/at-risk programs - instruction:					
Salaries of teachers	40,000	34,084	74,084	74,083	1
Salaries of reading specialists	3,000	-	3,000	-	3,000
Total Supplemental/At-Risk Programs - Instruction	<u>43,000</u>	<u>34,084</u>	<u>77,084</u>	<u>74,083</u>	<u>3,001</u>
Community services programs:					
Purchased services	278,735	-	278,735	278,734	1
Total Community Services Programs	<u>278,735</u>	<u>-</u>	<u>278,735</u>	<u>278,734</u>	<u>1</u>
Total School Sponsored Other Instructional Programs	<u>2,549,460</u>	<u>411,688</u>	<u>2,961,148</u>	<u>2,641,789</u>	<u>319,359</u>
TOTAL DISTRIBUTED EXPENDITURES	<u>39,089,695</u>	<u>(142,292)</u>	<u>38,947,403</u>	<u>37,498,168</u>	<u>1,449,235</u>
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	-	35,386	35,386	35,384	2
Tuition to other LEAs within the state - special	-	69,695	69,695	69,586	109
Tuition to county vocational school districts - regular	675,000	(129,700)	545,300	545,293	7
Tuition to county vocational school districts - special	35,000	(19,000)	16,000	9,363	6,637
Tuition to CSSSD and regional day schools	324,341	(20,271)	304,070	280,443	23,627
Tuition to private schools for the disabled - within state	1,538,032	(39,045)	1,498,987	1,490,831	8,156
Tuition - other	58,200	(27,951)	30,249	2,999	27,250
Total Undistributed Expenditures - Instruction	<u>2,630,573</u>	<u>(130,886)</u>	<u>2,499,687</u>	<u>2,433,899</u>	<u>65,788</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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance and social work services:					
Salaries	\$ 79,934	\$ 4,500	\$ 84,434	\$ 83,205	\$ 1,229
Supplies and materials	500	-	500	26	474
Total Attendance and Social Work Services	<u>80,434</u>	<u>4,500</u>	<u>84,934</u>	<u>83,231</u>	<u>1,703</u>
Health services:					
Salaries	882,061	(12,500)	869,561	840,459	29,102
Purchased professional and technical services	42,425	10,000	52,425	48,419	4,006
Other purchased services	7,407	48,500	55,907	48,753	7,154
Supplies and materials	41,115	4,560	45,675	41,216	4,459
Total Health Services	<u>973,008</u>	<u>50,560</u>	<u>1,023,568</u>	<u>978,847</u>	<u>44,721</u>
Other support services - students - speech, OT, PT and related services:					
Salaries	1,172,938	44,866	1,217,804	1,184,021	33,783
Purchased professional - educational services	653,222	(121,478)	531,744	401,079	130,665
Supplies and materials	18,000	1,125	19,125	13,115	6,010
Other objects	600	1,330	1,930	1,870	60
Total Other Support Services - Students - Speech, OT, PT and Related Services	<u>1,844,760</u>	<u>(74,157)</u>	<u>1,770,603</u>	<u>1,600,085</u>	<u>170,518</u>
Other support services - students - extraordinary services:					
Salaries	2,660,875	(385,084)	2,275,791	2,200,916	74,875
Purchased professional - educational services	242,952	62,648	305,600	242,060	63,540
Total Other Support Services - Students - Extra. Serv.	<u>2,903,827</u>	<u>(322,436)</u>	<u>2,581,391</u>	<u>2,442,976</u>	<u>138,415</u>
Other support services - students - regular:					
Salaries of other professional staff	1,977,254	-	1,977,254	1,886,415	90,839
Salaries of secretarial and clerical assistants	143,293	-	143,293	114,903	28,390
Purchased professional - educational services	8,000	-	8,000	-	8,000
Other purchased professional and technical services	5,750	-	5,750	-	5,750
Other purchased services	92,744	44,900	137,644	132,915	4,729
Supplies and materials	9,824	26,942	36,766	30,081	6,685
Other objects	3,150	-	3,150	1,374	1,776
Total Other Support Services - Students - Regular	<u>2,240,015</u>	<u>71,842</u>	<u>2,311,857</u>	<u>2,165,688</u>	<u>146,169</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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - special:					
Salaries of other professional staff	\$ 1,761,685	\$ 122,160	\$ 1,883,845	\$ 1,752,731	\$ 131,114
Salaries of secretarial and clerical assistants	226,400	-	226,400	223,816	2,584
Purchased professional - educational services	59,000	8,750	67,750	67,100	650
Other purchased professional and technical services	30,000	-	30,000	-	30,000
Other purchased services	19,500	-	19,500	16,917	2,583
Supplies and materials	20,000	7,660	27,660	19,423	8,237
<b>Total Other Support Services - Students - Special</b>	<b>2,116,585</b>	<b>138,570</b>	<b>2,255,155</b>	<b>2,079,987</b>	<b>175,168</b>
Improvement of instructional services:					
Salaries of supervisors of instruction	696,880	43,110	739,990	727,749	12,241
Salaries of other professional staff	140,405	40,625	181,030	180,958	72
Salaries of secretarial and clerical assistants	189,253	(2,250)	187,003	152,967	34,036
Unused vacation payments to terminated/retired staff	-	11,044	11,044	11,044	-
Other purchased services	21,283	12,900	34,183	33,454	729
Supplies and materials	16,000	(8,117)	7,883	7,797	86
Other objects	12,000	1,000	13,000	11,696	1,304
<b>Total Improvement of Instruction Services</b>	<b>1,075,821</b>	<b>98,312</b>	<b>1,174,133</b>	<b>1,125,665</b>	<b>48,468</b>
Educational media services/school library:					
Salaries	496,409	-	496,409	492,288	4,121
Other purchased services	62,300	-	62,300	53,675	8,625
Supplies and materials	85,468	6,277	91,745	49,855	41,890
<b>Total Educational Media Services/School Library</b>	<b>644,177</b>	<b>6,277</b>	<b>650,454</b>	<b>595,818</b>	<b>54,636</b>
Instructional staff training services:					
Salaries of other professional staff	199,800	(40,000)	159,800	83,554	76,246
Purchased professional - educational services	26,172	-	26,172	25,310	862
Other purchased services	140,260	-	140,260	40,508	99,752
Supplies and materials	5,000	-	5,000	66	4,934
Other objects	3,350	-	3,350	45	3,305
<b>Total Instructional Staff Training Services</b>	<b>374,582</b>	<b>(40,000)</b>	<b>334,582</b>	<b>149,483</b>	<b>185,099</b>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - general administration:					
Salaries	\$ 427,277	\$ -	\$ 427,277	\$ 424,608	\$ 2,669
Legal services	200,000	7,650	207,650	207,628	22
Audit fees	35,445	55	35,500	35,500	-
Other purchased professional services	15,000	24,056	39,056	39,038	18
Communications/telephone	301,500	(9,450)	292,050	250,654	41,396
BOE other purchased services	10,700	-	10,700	6,670	4,030
Miscellaneous purchased services	519,725	68,175	587,900	577,134	10,766
General supplies	6,700	-	6,700	6,035	665
Miscellaneous expenditures	16,625	-	16,625	14,952	1,673
BOE membership dues and fees	27,500	-	27,500	26,663	837
<b>Total Support Services - General Administration</b>	<b>1,560,472</b>	<b>90,486</b>	<b>1,650,958</b>	<b>1,588,882</b>	<b>62,076</b>
Support services - school administration:					
Salaries of principals/assistant principals	1,780,744	38,955	1,819,699	1,819,698	1
Salaries of other professional staff	1,293,462	(5,911)	1,287,551	1,283,479	4,072
Salaries of secretarial and clerical assistants	841,657	2,250	843,907	842,503	1,404
Unused vacation payments to terminated/retired staff	-	30,944	30,944	30,943	1
Other purchased services	19,781	-	19,781	16,024	3,757
Supplies and materials	75,401	6,367	81,768	62,124	19,644
Other objects	33,273	-	33,273	29,366	3,907
<b>Total Support Services - School Administration</b>	<b>4,044,318</b>	<b>72,605</b>	<b>4,116,923</b>	<b>4,084,137</b>	<b>32,786</b>
Central services:					
Salaries	758,763	(91,598)	667,165	639,446	27,719
Unused vacation payments to terminated/retired staff	-	13,990	13,990	13,989	1
Miscellaneous purchased services	125,633	36,900	162,533	162,413	120
Supplies and materials	10,500	(2,500)	8,000	6,981	1,019
Miscellaneous expenditures	4,000	-	4,000	2,500	1,500
<b>Total Central Services</b>	<b>898,896</b>	<b>(43,208)</b>	<b>855,688</b>	<b>825,329</b>	<b>30,359</b>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative information technology:					
Salaries	\$ 772,276	\$ -	\$ 772,276	\$ 737,540	\$ 34,736
Unused vacation payments to terminated/retired staff	-	8,704	8,704	8,703	1
Purchased professional and technical services	-	3,600	3,600	3,600	-
Other purchased services	290,000	265,122	555,122	390,116	165,006
Supplies and materials	97,229	(45,727)	51,502	28,092	23,410
Other objects	5,550	-	5,550	2,670	2,880
<b>Total Administrative Information Technology</b>	<b>1,165,055</b>	<b>231,699</b>	<b>1,396,754</b>	<b>1,170,721</b>	<b>226,033</b>
Required maintenance for school facilities:					
Salaries	767,690	(125,307)	642,383	638,561	3,822
Unused vacation payments to terminated/retired staff	-	5,434	5,434	5,434	-
Cleaning, repair and maintenance services	501,560	493,746	995,306	509,743	485,563
Lead testing of drinking water	32,000	8,020	40,020	40,020	-
General supplies	177,140	(28,130)	149,010	125,267	23,743
Other objects	7,000	(540)	6,460	5,827	633
<b>Total Required Maintenance for School Facilities</b>	<b>1,485,390</b>	<b>353,223</b>	<b>1,838,613</b>	<b>1,324,852</b>	<b>513,761</b>
Custodial services:					
Salaries	3,187,885	(11,000)	3,176,885	3,130,341	46,544
Salaries of non-instructional aides	513,722	(111,393)	402,329	361,927	40,402
Unused vacation payments to terminated/retired staff	14,700	-	14,700	7,667	7,033
Purchased professional and technical services	236,000	(55,700)	180,300	136,195	44,105
Cleaning, repair and maintenance services	248,297	18,195	266,492	256,052	10,440
Other purchased property services	451,000	9,956	460,956	460,891	65
Insurance	338,000	47,654	385,654	385,654	-
Miscellaneous purchased services	47,034	39,526	86,560	72,968	13,592
General supplies	787,100	(37,396)	749,704	701,828	47,876
Energy (natural gas)	460,000	216,200	676,200	637,778	38,422
Energy (electricity)	826,000	101,000	927,000	904,414	22,586
Energy (oil)	6,000	-	6,000	5,010	990
Energy (gasoline)	40,000	35,000	75,000	73,796	1,204
Other objects	3,950	800	4,750	4,155	595
<b>Total Custodial Services</b>	<b>7,159,688</b>	<b>252,842</b>	<b>7,412,530</b>	<b>7,138,676</b>	<b>273,854</b>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 321,207	\$ 81,307	\$ 402,514	\$ 400,581	\$ 1,933
Purchased professional and technical services	-	5,700	5,700	-	5,700
Cleaning, repair and maintenance services	507,400	(90,050)	417,350	352,023	65,327
General supplies	196,960	(29,400)	167,560	107,383	60,177
<b>Total Care and Upkeep of Grounds</b>	<b>1,025,567</b>	<b>(32,443)</b>	<b>993,124</b>	<b>859,987</b>	<b>133,137</b>
Security:					
Salaries	491,549	166,393	657,942	633,598	24,344
Purchased professional and technical services	65,756	(11,730)	54,026	29,010	25,016
Cleaning, repair and maintenance services	34,000	34,000	68,000	34,695	33,305
General supplies	36,000	126,778	162,778	147,062	15,716
Other objects	200	5,500	5,700	-	5,700
<b>Total Security</b>	<b>627,505</b>	<b>320,941</b>	<b>948,446</b>	<b>844,365</b>	<b>104,081</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>10,298,150</b>	<b>894,563</b>	<b>11,192,713</b>	<b>10,167,880</b>	<b>1,024,833</b>
Student transportation services:					
Salaries of non-instructional aides	230,111	-	230,111	208,637	21,474
Salaries for pupil trans. (between home & school) - regular	2,016,569	130,912	2,147,481	2,147,461	20
Salaries for pupil trans. (between home & school) - special ed.	358,651	201,000	559,651	558,825	826
Salaries for pupil trans. (other than between home & school)	160,000	(32,500)	127,500	90,949	36,551
Salaries for pupil trans. (between home & school) - nonpublic	299,412	(299,412)	-	-	-
Unused vacation payments to terminated/retired staff	-	9,831	9,831	9,830	1
Management fees - ESC & CTSA transportation programs	40,000	-	40,000	22,763	17,237
Purchased professional and technical services	57,000	-	57,000	-	57,000
Cleaning, repair and maintenance services	60,000	-	60,000	37,156	22,844
Lease purchase payments - school buses	662,435	-	662,435	624,100	38,335
Contracted services - aid in lieu payments - nonpublic schools	100,000	-	100,000	73,611	26,389
Contracted services - aid in lieu payments - charter schools	9,000	(300)	8,700	5,000	3,700
Contracted services - aid in lieu payments - choice schools	15,000	300	15,300	15,300	-
Contracted services (between home & school) - vendors	-	625	625	614	11
Contracted services (other than bet. home & school) - vendors	40,000	(625)	39,375	3,561	35,814
Contracted services (between home & school) - joint agreements	9,000	-	9,000	5,980	3,020
Contracted services (special ed. students) - vendors	70,000	38,990	108,990	92,755	16,235
Contracted services (regular students) - ESCs & CTSA	450,000	(259,790)	190,210	91,509	98,701
Contracted services (special ed. students) - ESCs & CTSA	560,000	(40,000)	520,000	509,567	10,433
Miscellaneous purchased services	137,414	10,900	148,314	107,537	40,777
Fuel and general supplies	225,000	80,055	305,055	300,065	4,990
Transportation supplies	291,100	(4,974)	286,126	244,193	41,933
Miscellaneous expenditures	2,500	-	2,500	1,275	1,225
<b>Total Student Transportation Services</b>	<b>5,793,192</b>	<b>(164,988)</b>	<b>5,628,204</b>	<b>5,150,688</b>	<b>477,516</b>

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MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated employee benefits:					
Social security contributions	\$ 1,754,000	\$ (175,000)	\$ 1,579,000	\$ 1,486,601	\$ 92,399
Other retirement contributions - PERS	1,564,962	13,036	1,577,998	1,560,743	17,255
Other retirement contributions - regular	132,000	-	132,000	81,925	50,075
Workers compensation	605,246	(225,635)	379,611	379,610	1
Health benefits	14,293,038	(806,070)	13,486,968	13,461,053	25,915
Tuition reimbursement	300,000	-	300,000	293,450	6,550
Other employee benefits	531,500	(14,864)	516,636	435,541	81,095
Unused sick payments to terminated/retired staff	181,000	(54,039)	126,961	121,349	5,612
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>19,361,746</b>	<b>(1,262,572)</b>	<b>18,099,174</b>	<b>17,820,272</b>	<b>278,902</b>
On-behalf payments:					
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	13,069,644	(13,069,644)
TPAF on-behalf non-contributory group insurance (Non-Budgeted)	-	-	-	184,394	(184,394)
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	3,096,679	(3,096,679)
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	5,115	(5,115)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,818,152	(2,818,152)
<b>Total On-behalf Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,173,984</b>	<b>(19,173,984)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>58,005,611</b>	<b>(378,833)</b>	<b>57,626,778</b>	<b>73,637,572</b>	<b>(16,010,794)</b>
<b>TOTAL EXPENDITURES - CURRENT</b>	<b>97,095,306</b>	<b>(521,125)</b>	<b>96,574,181</b>	<b>111,135,740</b>	<b>(14,561,559)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 1 - 5	165,100	(30,870)	134,230	134,230	-
Grades 6 - 8	29,400	15,464	44,864	20,142	24,722
Grades 9 - 12	167,105	112,056	279,161	198,618	80,543
School sponsored co-curricular/extra-curricular activities	-	2,320	2,320	2,320	-
School sponsored athletics	-	83,450	83,450	48,300	35,150
Undistributed expenditures:					
Improvement of instruction services	-	2,217	2,217	2,217	-
Instructional staff training services	-	3,294	3,294	3,294	-
Administrative information technology services	143,857	61,048	204,905	192,565	12,340

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, 2022  
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures (cont'd):					
Required maintenance for school facilities	\$ 22,000	\$ 124,152	\$ 146,152	\$ 116,394	\$ 29,758
Custodial services	5,000	341,113	346,113	211,189	134,924
Care and upkeep of grounds	90,797	(51,460)	39,337	6,670	32,667
Security services	71,103	130,551	201,654	43,411	158,243
Student transportation services - non-instructional equipment	18,900	223,200	242,100	236,444	5,656
Undistributed expenditures - non-instructional services	-	2,800	2,800	2,799	1
<b>Total Equipment</b>	<b>713,262</b>	<b>1,019,335</b>	<b>1,732,597</b>	<b>1,218,593</b>	<b>514,004</b>
Facilities acquisition and construction services:					
Architectural and engineering services	-	237,615	237,615	171,080	66,535
Construction services	-	2,176,227	2,176,227	1,837,292	338,935
Assessment for debt service on SDA funding	128,241	-	128,241	128,241	-
<b>Total Facilities Acquisition and Construction Services:</b>	<b>128,241</b>	<b>2,413,842</b>	<b>2,542,083</b>	<b>2,136,613</b>	<b>405,470</b>
Assets acquired under financed purchases and leases (non-budgeted):					
Regular programs - instruction	-	-	-	100,560	(100,560)
General administration	-	-	-	43,817	(43,817)
Pupil transportation	-	-	-	1,029,293	(1,029,293)
School sponsored athletics	-	-	-	1,053,158	(1,053,158)
<b>Total Assets Acquired Under Financed Purchases and Leases (non-budgeted)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,226,828</b>	<b>(2,226,828)</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>841,503</b>	<b>3,433,177</b>	<b>4,274,680</b>	<b>5,582,034</b>	<b>(1,307,354)</b>
CHARTER SCHOOL:					
Allocation of funds to charter school	132,886	(8,114)	124,772	124,771	1
<b>Total Charter School</b>	<b>132,886</b>	<b>(8,114)</b>	<b>124,772</b>	<b>124,771</b>	<b>1</b>
<b>TOTAL EXPENDITURES</b>	<b>98,069,695</b>	<b>2,903,938</b>	<b>100,973,633</b>	<b>116,842,545</b>	<b>(15,868,912)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,562,049)</b>	<b>(2,903,938)</b>	<b>(6,465,987)</b>	<b>(701,187)</b>	<b>(5,764,800)</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, 2022  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
OTHER FINANCING SOURCES (USES):					
Financed Purchases (Non-Budgeted)	\$ -	\$ -	\$ -	\$ 2,082,451	\$ (2,082,451)
Leases (Non-Budgeted)	-	-	-	144,377	(144,377)
TOTAL OTHER FINANCING SOURCES (USES):	-	-	-	2,226,828	(2,226,828)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,562,049)	(2,903,938)	(6,465,987)	1,525,641	(7,991,628)
FUND BALANCE, July 1 (restated)	15,145,052	-	15,145,052	15,145,052	-
FUND BALANCE, June 30	<u>\$ 11,583,003</u>	<u>\$ (2,903,938)</u>	<u>\$ 8,679,065</u>	<u>\$ 16,670,693</u>	<u>\$ (7,991,628)</u>
<b>Recapitulation of excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:</b>					
Adjustment for prior year encumbrances	\$ -	\$ (1,403,938)	\$ (1,403,938)	\$ (1,403,938)	\$ -
Budgeted fund balance	(3,269,549)	-	(3,269,549)	3,513,892	(6,783,441)
Additional fund balance appropriated	-	(1,500,000)	(1,500,000)	(1,500,000)	-
Budgeted withdrawal from maintenance reserve	(300,000)	-	(300,000)	(300,000)	-
Increase in maintenance reserve	-	-	-	500,000	(500,000)
Increase in capital reserve:					
Principal	-	-	-	700,000	(700,000)
Interest	7,500	-	7,500	15,687	(8,187)
	<u>\$ (3,562,049)</u>	<u>\$ (2,903,938)</u>	<u>\$ (6,465,987)</u>	<u>\$ 1,525,641</u>	<u>\$ (7,991,628)</u>
<b>Recapitulation of Balances:</b>					
Restricted Fund Balance:					
Capital reserve				\$ 4,199,787	
Maintenance reserve				1,200,000	
Unemployment compensation				372,667	
Committed Fund Balance:					
Year-end encumbrances				847,892	
Assigned Fund Balance:					
Year-end encumbrances				771,022	
Unreserved - designated for subsequent year's expenditures - fund balance appropriated				3,269,549	
Unassigned Fund Balance				6,009,776	
				<u>16,670,693</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(2,118,715)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 14,551,978</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, 2022  
 UNAUDITED

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,216,403	\$ 4,437,199	\$ 5,653,602	\$ 3,134,651	\$ 2,518,951
Local sources	850,000	-	850,000	435,087	414,913
<b>TOTAL REVENUES</b>	<u>2,066,403</u>	<u>4,437,199</u>	<u>6,503,602</u>	<u>3,569,738</u>	<u>2,933,864</u>
EXPENDITURES:					
Instruction:					
Personal services - salaries	634,807	539,270	1,174,077	909,151	264,926
Purchased professional - educational services	-	30,302	30,302	20,310	9,992
Other purchased services	504,119	(110,518)	393,601	339,614	53,987
General supplies	525,311	475,536	1,000,847	587,672	413,175
Other objects	150,000	8,000	158,000	73,360	84,640
<b>Total Instruction</b>	<u>1,814,237</u>	<u>942,590</u>	<u>2,756,827</u>	<u>1,930,107</u>	<u>826,720</u>
Support Services:					
Personal services - salaries	129,286	810,988	940,274	228,419	711,855
Personal services - employee benefits	1,473	539,140	540,613	193,015	347,598
Purchased professional - educational services	121,407	612,079	733,486	473,149	260,337
Other purchased services	-	124,558	124,558	79,936	44,622
Supplies and materials	-	177,150	177,150	79,938	97,212
Other objects	-	17,200	17,200	17,200	-
<b>Total Support Services</b>	<u>252,166</u>	<u>2,281,115</u>	<u>2,533,281</u>	<u>1,071,657</u>	<u>1,461,624</u>
Facilities Acquisition and Construction Services:					
Building	-	1,155,053	1,155,053	483,197	671,856
Instructional equipment	-	13,681	13,681	13,679	2
Non-instructional equipment	-	44,760	44,760	16,078	28,682
<b>Total Equipment</b>	<u>-</u>	<u>1,213,494</u>	<u>1,213,494</u>	<u>512,954</u>	<u>700,540</u>
<b>TOTAL EXPENDITURES</b>	<u>2,066,403</u>	<u>4,437,199</u>	<u>6,503,602</u>	<u>3,514,718</u>	<u>2,988,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	55,020	(55,020)
FUND BALANCE, July 1	459,699	-	459,699	459,699	-
FUND BALANCE, June 30	<u>\$ 459,699</u>	<u>\$ -</u>	<u>\$ 459,699</u>	<u>\$ 514,719</u>	<u>\$ (55,020)</u>

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 UNAUDITED

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 116,141,358	\$ 3,569,738
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, 2021	-	26,904
Outstanding encumbrances at June 30, 2022	-	(322,292)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2021	1,717,101	-
State aid receivable at June 30, 2022	(2,118,715)	-
	<u>\$ 115,739,744</u>	<u>\$ 3,274,350</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
	<u>\$ 115,739,744</u>	<u>\$ 3,274,350</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 116,698,168	\$ 3,514,718
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, 2021	-	26,904
Outstanding encumbrances at June 30, 2022	-	(322,292)
	<u>\$ 116,698,168</u>	<u>\$ 3,219,330</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		
	<u>\$ 116,698,168</u>	<u>\$ 3,219,330</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.1362101705%	0.1355951931%	0.1315875501%	0.1300458594%	0.1320112063%	0.1317830612%	0.1339086416%	0.1349503120%
District's proportionate share of the net pension liability	\$ 25,502,269	\$ 30,438,404	\$ 38,972,458	\$ 30,272,597	\$ 25,992,349	\$ 23,745,308	\$ 21,836,998	\$ 15,986,888
District's covered employee payroll	\$ 8,887,622	\$ 9,003,821	\$ 9,124,395	\$ 9,247,275	\$ 9,465,296	\$ 9,730,122	\$ 9,700,751	\$ 11,065,769
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	286.94%	338.06%	427.12%	327.37%	274.61%	244.04%	225.11%	144.47%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's contractually required contribution	\$ 1,122,897	\$ 1,165,755	\$ 1,175,092	\$ 1,217,903	\$ 1,318,163	\$ 1,286,942	\$ 1,464,894	\$ 1,580,425
District's contributions in relation to the contractually required contribution	(1,122,897)	(1,165,755)	(1,175,092)	(1,217,903)	(1,318,163)	(1,286,942)	(1,464,894)	(1,580,425)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 8,887,622	\$ 9,003,821	\$ 9,124,395	\$ 9,247,275	\$ 9,465,296	\$ 9,730,122	\$ 9,700,751	\$ 11,065,769
Contributions as a percentage of covered employee payroll	12.63%	12.95%	12.88%	13.17%	13.93%	13.23%	15.10%	14.28%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.3049831893%	0.3090236578%	0.3120044643%	0.3102842692%	0.3175712594%	0.3122513440%	0.3126003323%	0.3191471566%
State's proportionate share of the net pension liability attributable to the District	\$ 163,003,589	\$ 195,316,148	\$ 245,442,577	\$ 209,204,843	\$ 202,032,014	\$ 191,631,597	\$ 205,843,557	\$ 153,430,598
District's covered employee payroll	\$ 31,174,125	\$ 32,178,744	\$ 32,708,076	\$ 33,333,476	\$ 34,508,207	\$ 35,252,916	\$ 37,749,000	\$ 39,015,572
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	522.88%	606.97%	750.40%	627.61%	585.46%	543.59%	545.30%	393.25%
District's proportionate share of the net pension liability **	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
District's proportionate share of the net pension liability as a percentage of the District's covered employee payroll **	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

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

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's contractually required contribution	\$ 8,771,123	\$ 11,925,809	\$ 18,441,594	\$ 14,492,652	\$ 11,777,760	\$ 11,302,944	\$ 12,800,229	\$ 3,610,289
State's contributions in relation to the contractually required contribution	<u>(1,670,695)</u>	<u>(2,498,029)</u>	<u>(3,490,087)</u>	<u>(4,790,196)</u>	<u>(6,269,781)</u>	<u>(6,856,523)</u>	<u>(9,277,222)</u>	<u>(13,069,644)</u>
Contribution deficiency/(excess)	<u>\$ 7,100,428</u>	<u>\$ 9,427,780</u>	<u>\$ 14,951,507</u>	<u>\$ 9,702,456</u>	<u>\$ 5,507,979</u>	<u>\$ 4,446,421</u>	<u>\$ 3,523,007</u>	<u>\$ (9,459,355)</u>
District's covered employee payroll	\$ 31,174,125	\$ 32,178,744	\$ 32,708,076	\$ 33,333,476	\$ 34,508,207	\$ 35,252,916	\$ 37,749,000	\$ 39,015,572
Contributions as a percentage of covered employee payroll	28.14%	37.06%	56.38%	43.48%	34.13%	32.06%	33.91%	9.25%

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation, mortality improvement was based on Scale MP-2020.  
In the July 1, 2020 actuarial valuation, mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation, mortality improvement was based on Scale MP-2020.  
In the July 1, 2020 actuarial valuation, mortality improvement was based on Scale MP-2021.

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

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

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

	Fiscal Year Ending June 30,				
	2018	2019	2020	2021	2022
Service cost	\$ 7,347,823	\$ 6,106,145	\$ 5,438,156	\$ 5,592,190	\$ 10,181,001
Interest cost	5,735,411	6,637,891	6,248,138	5,127,026	5,282,189
Changes of benefit terms	-	-	-	-	(216,732)
Difference between expected and actual experience	-	(13,730,615)	(24,862,642)	38,265,600	(37,718,925)
Changes in assumptions	(23,608,197)	(18,144,983)	2,129,432	41,998,520	200,889
Member contributions	154,656	146,128	129,957	121,322	135,040
Gross benefit payments	(4,200,053)	(4,228,054)	(4,384,095)	(4,002,721)	(4,160,886)
Net Change in Total Share of OPEB Liability	(14,570,360)	(23,213,488)	(15,301,054)	87,101,937	(26,297,424)
Total OPEB Liability - Beginning	195,903,168	181,332,808	158,119,320	142,818,266	229,920,203
Total OPEB Liability - Ending	<u>\$ 181,332,808</u>	<u>\$ 158,119,320</u>	<u>\$ 142,818,266</u>	<u>\$ 229,920,203</u>	<u>\$ 203,622,779</u>
District's Proportionate Share of OPEB Liability **	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability **	181,332,808	158,119,320	142,818,266	229,920,203	203,622,779
Total OPEB Liability - Ending	<u>\$ 181,332,808</u>	<u>\$ 158,119,320</u>	<u>\$ 142,818,266</u>	<u>\$ 229,920,203</u>	<u>\$ 203,622,779</u>
District's Covered Employee Payroll	\$ 42,580,751	\$ 43,973,503	\$ 44,983,038	\$ 47,449,751	\$ 50,081,341
District's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	0%	0%	0%	0%	0%

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

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

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

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2021 was 2.16%.

Projected salary increases after 2026 for TPAF/ABP members was 1.55 – 4.45% in the valuation as of June 30, 2020. Projected salary increases after 2026 for TPAF/ABP members is 2.75 – 5.65% in the valuation as of June 30, 2021.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The mortality rates in the valuation as of June 30, 2021 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**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, 2022

	Elementary and Secondary Education Act (ESEA)				
	Title I Part A	Title II Part A	Title III	Title III Immigrant	Title IV Part A
REVENUES:					
Federal sources	\$ 246,271	\$ 54,331	\$ 35,454	\$ 19,883	\$ 19,200
Local sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>246,271</b>	<b>54,331</b>	<b>35,454</b>	<b>19,883</b>	<b>19,200</b>
EXPENDITURES:					
Instruction:					
Personal services - salaries	144,630	-	-	1,800	-
Purchased professional - educational services	-	-	-	-	-
Other purchased services	24,814	-	-	-	19,200
General supplies	-	-	32,108	8,840	-
Other objects	-	-	-	-	-
<b>Total Instruction</b>	<b>169,444</b>	<b>-</b>	<b>32,108</b>	<b>10,640</b>	<b>19,200</b>
Support Services:					
Personal services - salaries	-	-	-	-	-
Personal services - employee benefits	76,827	-	-	-	-
Purchased professional - educational services	-	7,800	-	-	-
Other purchased services	-	45,741	3,346	-	-
Supplies and materials	-	790	-	-	-
Other objects	-	-	-	-	-
<b>Total Support Services</b>	<b>76,827</b>	<b>54,331</b>	<b>3,346</b>	<b>-</b>	<b>-</b>
Facilities Acquisition and Construction Services:					
Building	-	-	-	-	-
Instructional equipment	-	-	-	9,243	-
Non-instructional equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,243</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>246,271</b>	<b>54,331</b>	<b>35,454</b>	<b>19,883</b>	<b>19,200</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Individuals with Disabilities Education Act (IDEA)		American Rescue Plan Act of 2021 Individuals with Disabilities Education Act		American Rescue Plan Act of 2021 Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)
	Part B Basic	Part B Preschool	Part B Basic	Part B Preschool	
REVENUES:					
Federal sources	\$ 889,583	\$ 41,439	\$ 168,054	\$ 15,813	\$ 875,824
Local sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>889,583</b>	<b>41,439</b>	<b>168,054</b>	<b>15,813</b>	<b>875,824</b>
EXPENDITURES:					
Instruction:					
Personal services - salaries	313,744	25,823	-	-	377,936
Purchased professional - educational services	20,310	-	-	-	-
Other purchased services	7,386	-	68,806	-	-
General supplies	105,728	3,521	22,387	-	196,951
Other objects	-	-	-	-	-
<b>Total Instruction</b>	<b>447,168</b>	<b>29,344</b>	<b>91,193</b>	<b>-</b>	<b>574,887</b>
Support Services:					
Personal services - salaries	-	-	-	-	217,665
Personal services - employee benefits	24,002	1,975	-	-	83,272
Purchased professional - educational services	344,923	-	76,861	15,813	-
Other purchased services	28,449	2,400	-	-	-
Supplies and materials	28,963	7,720	-	-	-
Other objects	-	-	-	-	-
<b>Total Support Services</b>	<b>426,337</b>	<b>12,095</b>	<b>76,861</b>	<b>15,813</b>	<b>300,937</b>
Facilities Acquisition and Construction Services:					
Building	-	-	-	-	-
Instructional equipment	-	-	-	-	-
Non-instructional equipment	16,078	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>16,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>889,583</b>	<b>41,439</b>	<b>168,054</b>	<b>15,813</b>	<b>875,824</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Coronavirus Response and Supplemental Appropriations Act of 2021 (CRRSA) Elementary and Secondary School Emergency Relief Fund (ESSER II)		Additional or Compensatory Special Education and Related Services (ACSERS)	Carl D. Perkins Career and Technical Education Grant	Student Activities Funds	Total
	Coronavirus Response and Relief Supplemental	Mental Health				
REVENUES:						
Federal sources	\$ 628,697	\$ 21,825	\$ 100,693	\$ 17,584	\$ -	\$3,134,651
Local sources	-	-	-	-	435,087	435,087
<b>TOTAL REVENUES</b>	<b>628,697</b>	<b>21,825</b>	<b>100,693</b>	<b>17,584</b>	<b>435,087</b>	<b>3,569,738</b>
EXPENDITURES:						
Instruction:						
Personal services - salaries	-	-	32,370	-	12,848	909,151
Purchased professional - educational services	-	-	-	-	-	20,310
Other purchased services	-	-	18,650	-	200,758	339,614
General supplies	103,035	-	8,853	13,148	93,101	587,672
Other objects	-	-	-	-	73,360	73,360
<b>Total Instruction</b>	<b>103,035</b>	<b>-</b>	<b>59,873</b>	<b>13,148</b>	<b>380,067</b>	<b>1,930,107</b>
Support Services:						
Personal services - salaries	-	-	10,754	-	-	228,419
Personal services - employee benefits	-	-	6,939	-	-	193,015
Purchased professional - educational services	-	21,825	5,927	-	-	473,149
Other purchased services	-	-	-	-	-	79,936
Supplies and materials	42,465	-	-	-	-	79,938
Other objects	-	-	17,200	-	-	17,200
<b>Total Support Services</b>	<b>42,465</b>	<b>21,825</b>	<b>40,820</b>	<b>-</b>	<b>-</b>	<b>1,071,657</b>
Facilities Acquisition and Construction Services:						
Building	483,197	-	-	-	-	483,197
Instructional equipment	-	-	-	4,436	-	13,679
Non-instructional equipment	-	-	-	-	-	16,078
<b>Total Facilities Acquisition and Construction Services</b>	<b>483,197</b>	<b>-</b>	<b>-</b>	<b>4,436</b>	<b>-</b>	<b>512,954</b>
<b>TOTAL EXPENDITURES</b>	<b>628,697</b>	<b>21,825</b>	<b>100,693</b>	<b>17,584</b>	<b>380,067</b>	<b>3,514,718</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	55,020	55,020
FUND BALANCE, July 1	-	-	-	-	459,699	459,699
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$514,719	\$ 514,719

**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, 2022

<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>	
2021	Renovations to Chester M. Stephens Elementary School	\$ 500,000	\$ -	\$ 435,861	\$ 64,139
		<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 435,861</u>	<u>\$ 64,139</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXPENDITURES:	
Construction services	<u>\$ 435,861</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(435,861)
FUND BALANCE, July 1	<u>500,000</u>
FUND BALANCE, June 30	<u><u>\$ 64,139</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 RENOVATIONS TO CHESTER M. STEPHENS ELEMENTARY SCHOOL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Period	Total	Revised Authorized Cost
REVENUES:				
Transfer from capital reserve	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
EXPENDITURES:				
Construction services	-	435,861	435,861	500,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 500,000	\$ (435,861)	\$ 64,139	\$ -

## ADDITIONAL PROJECT INFORMATION:

Project number	not applicable
Grant date	not applicable
Bond authorization date	not applicable
Bonds authorized	not applicable
Bonds issued	not applicable
Original authorized cost	\$ 500,000
Additional authorized cost	-
Revised authorized cost	\$ 500,000
Percentage increase over original authorized	0.00%
Percentage completion	87.17%
Original target completion date	Sep-21
Revised target completion date	Nov-22

**ENTERPRISE FUNDS  
DETAIL STATEMENTS**

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

**Food Service Fund** – This fund accounts for all revenues and expenses pertaining to the food service operations of all schools within the District.

**Summer Programs** – This fund accounts for the operation of the District’s summer remedial and enhancement programs.

**Property Rentals** – This fund accounts for all revenues and expenses pertaining to the rental properties located in Building Two of the administrative complex.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Non-Major Funds			Major Fund	
	Food Services	STEAM Camp	Total	Building Rental	
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 503,221	\$ 44,381	\$ 547,602	\$ 73,270	\$ 620,872
Restricted cash and cash equivalents	-	-	-	2,950	2,950
Interfund accounts receivable	572,427	-	572,427	-	572,427
Prepaid expense	3,133	-	3,133	-	3,133
Intergovernmental accounts receivable:	-	-	-	-	-
State	2,799	-	2,799	-	2,799
Federal	368,256	-	368,256	-	368,256
Other accounts receivable	6,923	-	6,923	1,995	8,918
Inventories	30,930	-	30,930	-	30,930
<b>Total Current Assets</b>	<b>1,487,689</b>	<b>44,381</b>	<b>1,532,070</b>	<b>78,215</b>	<b>1,610,285</b>
<b>NONCURRENT ASSETS:</b>					
Capital assets	566,748	-	566,748	1,700,000	2,266,748
Less: accumulated depreciation	398,876	-	398,876	159,856	558,732
<b>Total Noncurrent Assets</b>	<b>167,872</b>	<b>-</b>	<b>167,872</b>	<b>1,540,144</b>	<b>1,708,016</b>
<b>TOTAL ASSETS</b>	<b>1,655,561</b>	<b>44,381</b>	<b>1,699,942</b>	<b>1,618,359</b>	<b>3,318,301</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable	157,821	-	157,821	11,489	169,310
Unearned revenue	203,541	-	203,541	27,088	230,629
Escrow deposits payable	-	-	-	2,950	2,950
Accrued interest payable	-	-	-	49,873	49,873
<b>Noncurrent liabilities:</b>					
Due within one year	-	-	-	106,793	106,793
Due beyond one year	-	-	-	656,302	656,302
<b>TOTAL LIABILITIES</b>	<b>361,362</b>	<b>-</b>	<b>361,362</b>	<b>854,495</b>	<b>1,215,857</b>
<b>NET POSITION:</b>					
Invested in capital assets, net of related debt	167,872	-	167,872	777,049	944,921
Unrestricted	1,126,327	44,381	1,170,708	(13,185)	1,157,523
<b>TOTAL NET POSITION</b>	<b>\$ 1,294,199</b>	<b>\$ 44,381</b>	<b>\$ 1,338,580</b>	<b>\$ 763,864</b>	<b>\$ 2,102,444</b>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Non-Major Funds			Major Fund	
	Food Services	STEAM Camp	Total	Building Rental	
<b>OPERATING REVENUES:</b>					
Charges for services:					
Daily sales - reimbursable programs	\$ 4,628	\$ -	\$ 4,628	\$ -	\$ 4,628
Daily sales - non-reimbursable programs	17,120	-	17,120	-	17,120
Rental income	-	-	-	411,358	411,358
<b>Total Operating Revenues</b>	<b>21,748</b>	<b>-</b>	<b>21,748</b>	<b>411,358</b>	<b>433,106</b>
<b>OPERATING EXPENSES:</b>					
Salaries	518,939	-	518,939	-	518,939
Employee benefits	138,280	-	138,280	-	138,280
Management fees	231,037	-	231,037	12,000	243,037
Cleaning, repair and maintenance services	17,346	-	17,346	103,171	120,517
Other purchased services	55,862	-	55,862	-	55,862
Cost of sales	930,634	-	930,634	-	930,634
Supplies and materials	174,696	-	174,696	-	174,696
Property taxes	-	-	-	52,520	52,520
Depreciation	20,167	-	20,167	20,976	41,143
Utilities	-	-	-	56,285	56,285
Interest expense	-	-	-	49,873	49,873
Other expenses	4,726	-	4,726	-	4,726
<b>Total Operating Expenses</b>	<b>2,091,687</b>	<b>-</b>	<b>2,091,687</b>	<b>294,825</b>	<b>2,386,512</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,069,939)</b>	<b>-</b>	<b>(2,069,939)</b>	<b>116,533</b>	<b>(1,953,406)</b>
<b>NON-OPERATING REVENUES:</b>					
State sources:					
State school lunch program	55,524	-	55,524	-	55,524
Federal sources:					
School breakfast program	553,168	-	553,168	-	553,168
National school lunch program	2,355,514	-	2,355,514	-	2,355,514
After school snack program	5,036	-	5,036	-	5,036
P-EBT administrative cost reimbursement	628	-	628	-	628
Food donation program	83,045	-	83,045	-	83,045
Interest income	1,748	198	1,946	-	1,946
<b>Total Non-Operating Revenues</b>	<b>3,054,663</b>	<b>198</b>	<b>3,054,861</b>	<b>-</b>	<b>3,054,861</b>
Change in net position	984,724	198	984,922	116,533	1,101,455
Total net position - beginning	309,475	44,183	353,658	647,331	1,000,989
<b>Total net position - ending</b>	<b>\$ 1,294,199</b>	<b>\$ 44,381</b>	<b>\$ 1,338,580</b>	<b>\$ 763,864</b>	<b>\$ 2,102,444</b>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Fund				
	Non-Major Funds			Major Fund	
	Food Services	STEAM Camp	Total	Building Rental	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 20,456	\$ -	\$ 20,456	\$ 431,430	\$ 451,886
Payments for employees and employee benefits	(656,618)	-	(656,618)	-	(656,618)
Payments to suppliers for goods and services	(1,288,843)	-	(1,288,843)	(228,161)	(1,517,004)
Net cash provided by (used for) operating activities	(1,925,005)	-	(1,925,005)	203,269	(1,721,736)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
State sources	53,272	-	53,272	-	53,272
Federal sources	2,309,963	-	2,309,963	-	2,309,963
Net cash provided by non-capital financing activities	2,363,235	-	2,363,235	-	2,363,235
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	-	-	-	(200,000)	(200,000)
Purchase of capital assets	(6,520)	-	(6,520)	-	(6,520)
Net cash used for capital and related financing activities	(6,520)	-	(6,520)	(200,000)	(206,520)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	1,748	198	1,946	-	1,946
Net increase (decrease) in cash and cash equivalents	433,458	198	433,656	3,269	436,925
Cash and cash equivalents - beginning of year	69,763	44,183	113,946	70,001	183,947
Cash and cash equivalents - end of year	<u>\$ 503,221</u>	<u>\$ 44,381</u>	<u>\$ 547,602</u>	<u>\$ 73,270</u>	<u>\$ 620,872</u>
Reconciliation of operating loss to net cash used in operating activities:					
Operating income (loss)	\$ (2,069,939)	\$ -	\$ (2,069,939)	\$ 116,533	\$ (1,953,406)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Depreciation and interest expense	20,167	-	20,167	70,849	91,016
Food donation program	83,045	-	83,045	-	83,045
(Increase) decrease in accounts receivable, net	4,087	-	4,087	1,867	5,954
(Increase) decrease in prepaid expense	8,887	-	8,887	-	8,887
(Increase) decrease in inventories	15,344	-	15,344	-	15,344
Increase (decrease) in accounts payable, net	18,783	-	18,783	11,489	30,272
Increase (decrease) in deferred revenue	(5,379)	-	(5,379)	2,531	(2,848)
Total adjustments	144,934	-	144,934	86,736	231,670
Net cash used in operating activities	<u>\$ (1,925,005)</u>	<u>\$ -</u>	<u>\$ (1,925,005)</u>	<u>\$ 203,269</u>	<u>\$ (1,721,736)</u>

**INTERNAL SERVICE FUNDS  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022

	Major Fund
	Self Insurance Fund
ASSETS:	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,693,776
Accounts receivable - other	261,662
TOTAL ASSETS	1,955,438
LIABILITIES:	
Current liabilities:	
Accounts payable	246,319
Accrued liability for insurance claims	1,283,636
TOTAL LIABILITIES	1,529,955
NET POSITION:	
Unrestricted	425,483
TOTAL NET POSITION	\$ 425,483

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Fund
	Self
	Insurance
	Fund
OPERATING REVENUES:	
Member contributions	\$ 16,386,460
Total Operating Revenues	16,386,460
OPERATING EXPENSES:	
Insurance claims	14,353,240
Excess liability insurance premiums	2,297,037
Administrative fees	470,734
State and federal surcharges	203,068
Total Operating Expenses	17,324,079
OPERATING INCOME (LOSS)	(937,619)
NON-OPERATING REVENUES:	
Interest income	5,319
Total Non-Operating Revenues	5,319
Change in net position	(932,300)
Total net position - beginning	1,357,783
Total net position - ending	\$ 425,483

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Fund
	Self
	Insurance
	Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from member contributions, net	\$ 16,386,459
Payments for insurance claims, net	(13,973,508)
Payments for other goods and services	(2,964,647)
Net cash used in operating activities	(551,696)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	5,319
Net increase (decrease) in cash and cash equivalents	(546,377)
Cash and cash equivalents - beginning of year	2,240,153
Cash and cash equivalents - end of year	\$ 1,693,776
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating income (loss)	\$ (937,619)
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in accounts receivable, net	84,043
Increase (decrease) in accounts payable, net	6,192
Increase (decrease) in accrued liability	295,688
Total adjustments	385,923
Net cash used in operating activities	\$ (551,696)

**LONG-TERM DEBT SCHEDULES**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
Construction of Mt. Olive Middle School/Facilities Expansion (Refunding Bonds)	10/29/14	\$ 16,740,000	1/15/2023	\$ 2,430,000	5.00%	\$ 4,735,000	\$ 2,305,000	\$ 2,430,000
Addition/Renovations to Mt. Olive High School (Refunding Bonds)	04/20/16	7,540,000	7/15/2025	440,000	5.00%	7,430,000	-	7,430,000
			7/15/2026	1,640,000	5.00%			
			7/15/2027	1,710,000	5.00%			
			7/15/2028	1,785,000	4.00%			
			7/15/2029	1,855,000	5.00%			
Addition/Renovations to Mt. Olive High School (Refunding Bonds)	04/20/16	8,095,000	7/15/2022	1,405,000	4.00%	6,685,000	1,355,000	5,330,000
			7/15/2023	1,455,000	4.00%			
			7/15/2024	1,515,000	5.00%			
			7/15/2025	955,000	5.00%			
						<u>\$ 18,850,000</u>	<u>\$ 3,660,000</u>	<u>\$ 15,190,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
			Principal	Interest					
Air Dome at Mt. Olive High School	08/31/17	5 Years	\$ 2,400,000	\$ 130,075	1.780%	\$ 821,454	\$ -	\$ 545,192	\$ 276,262
(6) 54-Passenger School Buses and (1) 19-Passenger Wheelchair Bus	05/15/19	5 Years	698,127	37,933	2.479%	420,612	-	136,738	283,874
(11) 54-Passenger School Buses and (2) 24-Passenger School Buses	07/16/20	5 Years	1,299,354	35,230	1.119%	1,038,455		255,297	783,158
(5) 54-Passenger School Buses, (4) 39-Passenger School Buses and (1) 24-Passenger School Buses	07/15/21	5 Years	1,029,293	20,815	1.007%	-	1,029,293	210,022	819,271
Artificial Turf Field and Electronic Scoreboard	10/18/21	5 Years	1,053,158	33,502	1.098%	-	1,053,158	-	1,053,158
						<u>\$ 2,280,521</u>	<u>\$ 2,082,451</u>	<u>\$ 1,147,249</u>	<u>\$ 3,215,723</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Purpose	Date	Term	Principal	Interest	Interest Rate	(Restated)	Issued	Retired	Balance
						Balance July 1, 2021			
Chromebooks	06/21/19	3 Years	\$ 535,595	\$ 24,962	2.98%	\$ 183,871	\$ -	\$ 183,871	\$ -
Chromebooks	06/22/20	4 Years	403,339	17,908	2.98%	298,027	-	96,444	201,583
Chromebooks	05/19/21	3 Years	225,007	10,487	2.98%	225,007	-	68,252	156,755
Chromebooks	10/11/21	3 Years	100,560	4,687	2.98%	-	100,560	32,527	68,033
Postage Machines/Meters	08/25/21	2 Years	3,342	114	3.25%	-	3,342	1,644	1,698
Postage Machines/Meters	08/30/21	5 Years	40,475	3,432	3.25%	-	40,475	5,661	34,814
Copiers	12/18/18	5 Years	901,839	104,721	4.41%	505,595	-	182,679	322,916
Printer	04/13/21	5 Years	10,000	1,580	5.93%	9,712	-	1,788	7,924
						<u>\$ 1,222,212</u>	<u>\$ 144,377</u>	<u>\$ 572,866</u>	<u>\$ 793,723</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 3,993,145	\$ -	\$ 3,993,145	\$ 3,993,145	\$ -
Total local sources	3,993,145	-	3,993,145	3,993,145	-
State sources:					
Debt service aid type II	522,011	-	522,011	522,011	-
Total state sources	522,011	-	522,011	522,011	-
<b>TOTAL REVENUES</b>	<b>4,515,156</b>	<b>-</b>	<b>4,515,156</b>	<b>4,515,156</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest on loans and serial bonds	855,400	-	855,400	855,400	-
Redemption of principal - loans and serial bonds	3,660,000	-	3,660,000	3,660,000	-
Total Regular Debt Service	4,515,400	-	4,515,400	4,515,400	-
<b>TOTAL EXPENDITURES</b>	<b>4,515,400</b>	<b>-</b>	<b>4,515,400</b>	<b>4,515,400</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(244)</b>	<b>-</b>	<b>(244)</b>	<b>(244)</b>	<b>-</b>
FUND BALANCE, July 1	467	-	467	467	-
FUND BALANCE, June 30	<u>\$ 223</u>	<u>\$ -</u>	<u>\$ 223</u>	<u>\$ 223</u>	<u>\$ -</u>
<b>Recapitulation of excess (deficiency) of revenues over (under) expenditures:</b>					
Budgeted Fund Balance	<u>\$ (244)</u>	<u>\$ -</u>	<u>\$ (244)</u>	<u>\$ (244)</u>	<u>\$ -</u>
<b>Recapitulation of Balances:</b>					
Restricted for:					
Debt service				<u>\$ 223</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.	119-126
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	127-130
<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.	131-134
<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.	135-136
<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.	137-141

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

	Fiscal Year Ended June 30,									
	2022	<i>(Restated)</i> 2021	2020	<i>(Restated)</i> 2019	<i>(Restated)</i> 2018	2017	2016	2015	2014	2013
Governmental activities:										
Invested in capital assets, net of related debt	\$ 57,626,141	\$ 54,328,501	\$ 52,919,138	\$ 49,850,892	\$ 43,574,301	\$ 37,499,410	\$ 32,147,230	\$ 27,314,078	\$ 20,304,261	\$ 20,889,514
Restricted	6,351,535	7,032,821	4,196,083	2,159,376	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776
Unrestricted (Deficit)	<u>(18,362,930)</u>	<u>(22,654,782)</u>	<u>(24,972,079)</u>	<u>(25,503,870)</u>	<u>(26,399,461)</u>	<u>(27,795,826)</u>	<u>(26,704,489)</u>	<u>(24,606,865)</u>	<u>(21,296,812)</u>	<u>2,414,935</u>
Total governmental activities net position	<u>\$ 45,614,746</u>	<u>\$ 38,706,540</u>	<u>\$ 32,143,142</u>	<u>\$ 26,506,398</u>	<u>\$ 22,687,101</u>	<u>\$ 18,900,048</u>	<u>\$ 15,744,245</u>	<u>\$ 12,572,484</u>	<u>\$ 5,762,538</u>	<u>\$ 26,546,225</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 944,921	\$ 833,869	\$ 701,861	\$ 582,151	\$ 289,566	\$ 143,288	\$ (6,107)	\$ 23,029	\$ 34,263	\$ 40,823
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,157,523</u>	<u>167,120</u>	<u>239,262</u>	<u>497,256</u>	<u>493,623</u>	<u>429,144</u>	<u>390,244</u>	<u>164,949</u>	<u>109,048</u>	<u>100,029</u>
Total business-type activities net position	<u>\$ 2,102,444</u>	<u>\$ 1,000,989</u>	<u>\$ 941,123</u>	<u>\$ 1,079,407</u>	<u>\$ 783,189</u>	<u>\$ 572,432</u>	<u>\$ 384,137</u>	<u>\$ 187,978</u>	<u>\$ 143,311</u>	<u>\$ 140,852</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 58,571,062	\$ 55,162,370	\$ 53,620,999	\$ 50,433,043	\$ 43,863,867	\$ 37,642,698	\$ 32,141,123	\$ 27,337,107	\$ 20,338,524	\$ 20,930,337
Restricted	6,351,535	7,032,821	4,196,083	2,159,376	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776
Unrestricted (Deficit)	<u>(17,205,407)</u>	<u>(22,487,662)</u>	<u>(24,732,817)</u>	<u>(25,006,614)</u>	<u>(25,905,838)</u>	<u>(27,366,682)</u>	<u>(26,314,245)</u>	<u>(24,441,916)</u>	<u>(21,187,764)</u>	<u>2,514,964</u>
Total district net position	<u>\$ 47,717,190</u>	<u>\$ 39,707,529</u>	<u>\$ 33,084,265</u>	<u>\$ 27,585,805</u>	<u>\$ 23,470,290</u>	<u>\$ 19,472,480</u>	<u>\$ 16,128,382</u>	<u>\$ 12,760,462</u>	<u>\$ 5,905,849</u>	<u>\$ 26,687,077</u>

Source: District records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular programs	\$ 43,786,259	\$ 47,360,469	\$ 40,363,686	\$ 41,862,042	\$ 44,217,503	\$ 44,124,968	\$ 39,955,470	\$ 34,496,285	\$ 30,374,097	\$ 31,494,232
Special education programs	12,923,185	13,335,784	12,316,453	12,331,915	12,801,445	12,790,046	11,266,201	9,951,711	9,095,697	9,002,194
Other instructional programs	2,015,891	2,173,600	1,942,689	2,158,086	2,319,502	2,479,822	2,214,619	2,250,135	2,033,353	1,796,657
School sponsored programs	3,357,816	2,773,025	2,731,722	2,643,222	2,584,821	1,842,419	1,625,029	1,537,598	1,413,971	1,128,260
Community services programs	-	-	-	-	-	-	34,540	37,655	40,784	29,698
Support Services:										
Tuition	2,452,549	2,516,924	2,864,114	2,538,835	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876
Student & instruction related services	18,231,425	17,928,300	15,534,687	15,812,693	16,156,474	15,462,791	13,779,605	13,018,212	11,795,770	11,742,227
School administrative services	6,609,381	7,281,227	5,746,044	6,309,349	6,565,270	6,604,221	5,866,902	4,982,172	4,534,163	4,532,706
Other administrative services	4,652,281	4,863,527	4,566,864	4,130,845	4,316,030	4,294,786	3,742,696	3,629,252	3,475,143	3,272,978
Plant operations and maintenance	17,069,587	16,569,719	15,577,275	16,646,590	17,006,640	14,845,383	13,818,421	12,084,724	12,148,221	11,366,854
Pupil transportation	6,422,097	6,083,641	6,139,641	6,609,150	6,813,857	6,386,281	5,616,420	5,188,897	5,079,433	5,033,828
Charter schools	124,771	76,510	100,788	136,468	91,473	95,706	77,188	98,784	155,488	134,935
Interest and other debt related charges	613,719	754,867	910,091	1,004,189	1,101,186	1,200,544	1,395,096	1,714,681	2,176,498	2,344,683
Unallocated depreciation	-	-	-	51,644	54,932	52,672	55,632	56,360	50,568	52,755
Total governmental activities expenses	<u>118,258,961</u>	<u>121,717,593</u>	<u>108,794,054</u>	<u>112,235,028</u>	<u>116,395,865</u>	<u>112,705,623</u>	<u>101,883,415</u>	<u>91,802,726</u>	<u>85,104,126</u>	<u>84,643,883</u>
Business-type activities:										
Food service	2,091,687	1,073,019	1,082,555	1,056,425	1,058,506	988,099	987,989	1,027,741	1,198,103	1,221,314
Summer programs	-	394	142,165	169,715	169,991	145,409	147,656	129,906	34,965	42,822
Property rentals	294,825	234,729	373,854	222,219	238,458	244,638	223,046	-	-	-
Total business-type activities expenses	<u>2,386,512</u>	<u>1,308,142</u>	<u>1,598,574</u>	<u>1,448,359</u>	<u>1,466,955</u>	<u>1,378,146</u>	<u>1,358,691</u>	<u>1,157,647</u>	<u>1,233,068</u>	<u>1,264,136</u>
Total district expenses	<u>\$ 120,645,473</u>	<u>\$ 123,025,735</u>	<u>\$ 110,392,628</u>	<u>\$ 113,683,387</u>	<u>\$ 117,862,820</u>	<u>\$ 114,083,769</u>	<u>\$ 103,242,106</u>	<u>\$ 92,960,373</u>	<u>\$ 86,337,194</u>	<u>\$ 85,908,019</u>

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Regular programs	\$ 1,374,878	\$ 1,330,044	\$ 1,408,360	\$ 1,237,545	\$ 1,424,544	\$ 107,649	\$ 4,100	\$ -	\$ 4,164	\$ -
Special education programs	666,212	797,988	818,041	801,226	557,530	478,299	375,088	234,015	166,822	47,494
Other instructional programs	50,282	51,048	54,817	50,989	52,352	9,000	7,600	11,700	11,400	5,400
School sponsored programs	518,723	274,026	356,437	347,111	405,793	-	-	-	-	-
Student & instruction related services	505,145	470,067	463,572	391,082	387,884					
School administrative services	200,841	205,454	188,753	171,823	169,964					
Other administrative services	91,704	101,983	102,027	81,543	82,991					
Plant operations and maintenance	621,262	446,021	527,313	603,763	567,500	118,204	124,822	124,822	109,545	101,755
Pupil transportation	153,315	146,422	167,158	168,485	168,288	27,238	6,227	7,180	5,597	57,357
Operating grants and contributions	28,417,988	36,569,948	25,010,952	29,046,409	34,536,558	34,035,893	26,314,500	20,954,270	13,170,198	14,069,996
Capital grants and contributions	-	-	-	-	-	-	90,547	1,356,982	-	247,696
Total governmental activities program revenues	<u>32,600,350</u>	<u>40,393,001</u>	<u>29,097,430</u>	<u>32,899,976</u>	<u>38,353,404</u>	<u>34,776,283</u>	<u>26,922,884</u>	<u>22,688,969</u>	<u>13,467,726</u>	<u>14,529,698</u>
Business-type activities:										
Charges for services:										
Food service	21,748	10,813	595,976	771,618	786,157	729,382	703,531	693,762	724,307	774,919
Summer programs	-	-	110,711	230,897	173,910	129,236	144,040	133,103	30,466	42,904
Property rentals	411,358	355,309	362,216	373,685	367,966	374,478	346,462	-	-	-
Operating grants and contributions	3,052,915	1,030,865	372,980	335,237	342,541	331,009	359,641	380,496	365,754	340,497
Total business-type activities program revenues	<u>3,486,021</u>	<u>1,396,987</u>	<u>1,441,883</u>	<u>1,711,437</u>	<u>1,670,574</u>	<u>1,564,105</u>	<u>1,553,674</u>	<u>1,207,361</u>	<u>1,120,527</u>	<u>1,158,320</u>
Total district program revenues	<u>\$ 36,086,371</u>	<u>\$ 41,789,988</u>	<u>\$ 30,539,313</u>	<u>\$ 34,611,413</u>	<u>\$ 40,023,978</u>	<u>\$ 36,340,388</u>	<u>\$ 28,476,558</u>	<u>\$ 23,896,330</u>	<u>\$ 14,588,253</u>	<u>\$ 15,688,018</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (85,658,611)	\$ (81,324,592)	\$ (79,696,624)	\$ (79,335,052)	\$ (78,042,461)	\$ (77,929,340)	\$ (74,960,531)	\$ (69,113,757)	\$ (71,636,400)	\$ (70,114,185)
Business-type activities	1,099,509	88,845	(156,691)	263,078	203,619	185,959	194,983	49,714	(112,541)	(105,816)
Total district-wide net (expense)/revenue	<u>\$ (84,559,102)</u>	<u>\$ (81,235,747)</u>	<u>\$ (79,853,315)</u>	<u>\$ (79,071,974)</u>	<u>\$ (77,838,842)</u>	<u>\$ (77,743,381)</u>	<u>\$ (74,765,548)</u>	<u>\$ (69,064,043)</u>	<u>\$ (71,748,941)</u>	<u>\$ (70,220,001)</u>

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 71,382,059	\$ 69,356,619	\$ 67,912,108	\$ 66,580,498	\$ 65,274,998	\$ 63,322,510	\$ 62,080,892	\$ 60,863,620	\$ 59,670,216	\$ 58,500,212
Taxes levied for debt service	3,993,145	4,203,309	4,167,548	4,244,903	4,234,063	4,234,072	4,285,754	4,587,826	4,592,970	4,576,028
Unrestricted grants and contributions	16,961,068	13,350,541	12,764,831	11,852,906	11,893,389	11,648,609	11,680,396	11,672,926	11,616,865	11,638,067
Extraordinary items	(23,136)	(37,361)	(5,454)	(168)	37,239	1,514,154	(66,165)	(1,278,015)	624,852	21,398
Investment earnings	92,399	70,394	276,600	363,145	257,534	92,985	70,942	43,546	10,892	7,604
Miscellaneous income	161,282	92,849	226,735	126,065	133,391	275,229	80,774	33,800	69,929	68,690
Transfers	-	31,717	(9,000)	(13,000)	(1,100)	(2,416)	(301)	-	(115,000)	-
Total governmental activities	<u>92,566,817</u>	<u>87,068,068</u>	<u>85,333,368</u>	<u>83,154,349</u>	<u>81,829,514</u>	<u>81,085,143</u>	<u>78,132,292</u>	<u>75,923,703</u>	<u>76,470,724</u>	<u>74,811,999</u>
Business-type activities:										
Investment earnings	1,946	581	9,407	10,991	6,038	1,903	875	486	-	1,345
Miscellaneous income	-	2,157	-	9,149	-	433	-	384	-	-
Extraordinary items	-	-	-	-	-	-	-	(5,917)	-	700
Transfers	-	(31,717)	9,000	13,000	1,100	-	301	-	115,000	-
Total business-type activities	<u>1,946</u>	<u>(28,979)</u>	<u>18,407</u>	<u>33,140</u>	<u>7,138</u>	<u>2,336</u>	<u>1,176</u>	<u>(5,047)</u>	<u>115,000</u>	<u>2,045</u>
Total district-wide	<u>\$ 92,568,763</u>	<u>\$ 87,039,089</u>	<u>\$ 85,351,775</u>	<u>\$ 83,187,489</u>	<u>\$ 81,836,652</u>	<u>\$ 81,087,479</u>	<u>\$ 78,133,468</u>	<u>\$ 75,918,656</u>	<u>\$ 76,585,724</u>	<u>\$ 74,814,044</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,908,206	\$ 5,743,476	\$ 5,636,744	\$ 3,819,297	\$ 3,787,053	\$ 3,155,803	\$ 3,171,761	\$ 6,809,946	\$ 4,834,324	\$ 4,697,814
Business-type activities	1,101,455	59,866	(138,284)	296,218	210,757	188,295	196,159	44,667	2,459	(103,771)
Total district	<u>\$ 8,009,661</u>	<u>\$ 5,803,342</u>	<u>\$ 5,498,460</u>	<u>\$ 4,115,515</u>	<u>\$ 3,997,810</u>	<u>\$ 3,344,098</u>	<u>\$ 3,367,920</u>	<u>\$ 6,854,613</u>	<u>\$ 4,836,783</u>	<u>\$ 4,594,043</u>

Source: District records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ 5,772,454	\$ 6,072,655	\$ 4,195,595	\$ 2,159,132	\$ 5,505,766	\$ 9,189,969	\$ 9,696,004	\$ 9,429,497	\$ 6,937,450	\$ 3,235,107
Committed	847,892	789,157	1,045,354	2,119,074	1,858,255	849,781	95,229	555,996	1,276,855	1,105,729
Assigned	4,040,571	2,664,480	3,692,789	3,305,697	2,805,828	2,260,692	1,559,697	3,354,681	4,180,921	4,726,347
Unassigned	3,891,061	3,901,659	1,455,123	1,449,719	1,687,670	1,363,844	1,306,648	1,732,824	1,907,453	1,889,251
Total general fund	<u>\$ 14,551,978</u>	<u>\$ 13,427,951</u>	<u>\$ 10,388,861</u>	<u>\$ 9,033,622</u>	<u>\$ 11,857,519</u>	<u>\$ 13,664,286</u>	<u>\$ 12,657,578</u>	<u>\$ 15,072,998</u>	<u>\$ 14,302,679</u>	<u>\$ 10,956,434</u>
All Other Governmental Funds										
Restricted for:										
Capital projects	\$ 64,139	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 600,912	\$ 142,439	\$ -	\$ -
Debt service	223	467	488	244	6,495	6,495	4,588	149,121	1,113	3,683
Student activities	514,719	459,699	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	4,588	149,121	144,214	3,683	2,986
Unassigned	-	-	-	-	-	-	-	-	(187,157)	-
Total all other governmental funds	<u>\$ 579,081</u>	<u>\$ 960,166</u>	<u>\$ 488</u>	<u>\$ 244</u>	<u>\$ 6,495</u>	<u>\$ 11,083</u>	<u>\$ 754,621</u>	<u>\$ 435,774</u>	<u>\$ (182,361)</u>	<u>\$ 6,669</u>

Source: District records

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues</b>										
Tax levy	\$ 75,375,204	\$ 73,559,928	\$ 72,079,656	\$ 70,825,401	\$ 69,509,061	\$ 67,556,582	\$ 66,366,646	\$ 65,451,446	\$ 64,263,186	\$ 63,076,240
Tuition charges	447,147	520,338	886,601	903,878	837,046	585,948	375,088	234,015	170,986	47,494
Interest earnings	84,928	65,001	263,449	345,946	244,681	92,985	70,942	43,546	10,892	7,604
Transportation fees	312	-	7,966	21,466	21,146	27,238	6,227	7,180	5,597	57,357
Miscellaneous	956,877	476,746	489,107	493,342	478,291	1,062,433	212,311	235,322	815,726	197,243
State sources	43,654,456	36,347,007	31,424,463	29,943,014	27,920,961	25,782,199	24,689,601	25,392,851	23,286,891	24,651,784
Federal sources	3,010,326	2,158,465	1,289,874	1,417,197	1,416,714	1,460,709	1,465,683	1,425,899	1,500,172	1,303,975
Total revenue	123,529,250	113,127,485	106,441,116	103,950,244	100,427,900	96,568,094	93,186,498	92,790,259	90,053,450	89,341,697
<b>Expenditures</b>										
Instruction:										
Regular Instruction	27,200,177	25,763,393	23,952,073	23,430,638	22,856,800	22,611,055	23,014,678	21,663,620	21,605,660	22,034,273
Special education instruction	7,969,292	7,288,719	7,453,692	7,045,785	6,787,654	6,696,905	6,594,041	6,287,558	6,453,080	6,123,026
Other instructional programs	1,201,118	1,187,796	1,140,136	1,223,402	1,216,888	1,263,566	1,278,794	1,404,332	1,476,002	1,232,256
School sponsored programs	3,022,814	2,307,964	2,387,193	2,273,848	1,694,433	1,258,420	1,179,989	1,168,238	1,069,470	850,449
Community services programs	-	-	-	-	-	-	34,540	37,655	40,784	29,698
Support Services:										
Tuition	2,452,549	2,516,924	2,864,114	2,538,835	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876
Student & inst. related services	12,061,534	10,469,624	9,796,819	9,504,294	8,945,270	8,561,308	8,319,561	8,484,087	8,528,782	8,351,729
School administrative services	4,088,205	3,945,711	3,479,480	3,562,762	3,456,160	3,420,218	3,394,550	3,156,541	3,166,897	3,126,636
Other administrative services	3,585,326	3,474,674	3,375,685	2,973,865	3,080,416	3,098,526	2,831,023	2,872,144	2,745,813	2,582,402
Plant operations and maintenance	10,215,451	9,248,216	8,982,085	9,975,741	10,146,895	8,561,682	7,607,741	7,042,310	7,095,980	6,571,630
Pupil transportation	5,150,688	4,540,368	4,722,803	4,993,707	4,953,581	4,789,921	4,501,053	4,104,999	3,950,618	3,944,166
Employee benefits	37,187,271	32,260,221	28,119,339	27,588,784	25,038,784	23,487,854	21,638,981	19,726,960	20,031,310	21,147,769
Charter Schools	124,771	76,510	100,788	136,468	91,473	95,706	77,188	98,784	155,488	134,935
Capital outlay	6,094,163	3,501,127	4,016,602	7,449,565	9,248,199	5,495,453	8,395,312	8,271,043	2,549,967	3,686,049
Debt service:										
Principal	3,660,000	3,720,000	3,540,000	3,485,000	3,345,000	3,575,000	3,260,000	3,220,000	3,105,668	3,040,869
Interest and other charges	855,400	1,003,985	1,145,824	1,282,825	1,409,870	1,326,910	1,632,677	1,663,068	2,074,776	2,116,345
Total expenditures	124,868,759	111,305,232	105,076,633	107,465,519	104,638,155	96,768,508	96,195,724	91,957,599	86,781,235	87,684,108
Excess (Deficiency) of revenues over (under) expenditures	(1,339,509)	1,822,253	1,364,483	(3,515,275)	(4,210,255)	(200,414)	(3,009,226)	832,660	3,272,215	1,657,589

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,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Other Financing sources (uses)</b>										
Refunding bonds	-	-	-	-	-	-	15,635,000	16,740,000	-	-
Original issue premium	-	-	-	-	-	-	2,844,176	2,097,739	-	-
Payments to escrow agent	-	-	-	-	-	-	(18,356,547)	(18,676,850)	-	-
Costs of issuance	-	-	-	-	-	-	(119,675)	(157,095)	-	-
Capital leases	2,082,451	1,299,354	-	698,127	2,400,000	466,000	910,000	552,000	-	-
Transfers in	-	531,717	1,072,984	2,911,637	2,909,500	3,533,275	3,050,288	2,190,388	3,021	47,176
Transfers out	-	(500,000)	(1,081,984)	(2,924,637)	(2,910,600)	(3,533,275)	(3,050,589)	(2,190,388)	(118,021)	(47,176)
Cancellation of prior year receivable	-	-	-	-	-	(2,416)	-	-	-	-
Total other financing sources (uses)	2,082,451	1,331,071	(9,000)	685,127	2,398,900	463,584	912,653	555,794	(115,000)	-
Net change in fund balances	<u>\$ 742,942</u>	<u>\$ 3,153,324</u>	<u>\$ 1,355,483</u>	<u>\$ (2,830,148)</u>	<u>\$ (1,811,355)</u>	<u>\$ 263,170</u>	<u>\$ (2,096,573)</u>	<u>\$ 1,388,454</u>	<u>\$ 3,157,215</u>	<u>\$ 1,657,589</u>
Debt service as a percentage of noncapital expenditures	3.80%	4.38%	4.64%	4.77%	4.98%	5.37%	5.57%	5.83%	6.15%	6.14%

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,	Tuition	Interest	Transportation Fees	Parking Permit Fees	Use of Facilities	Prior Year Refunds	Sale or Lease of Assets	Sunset Academy Fees	Legal Settlement/ Restitution	Before and After Care Program	Other	Annual Totals
2013	\$ 47,494	\$ 7,604	\$ 57,357	\$ 24,880	\$ 76,875	\$ 12,043	\$ 61,007	\$ 5,400	\$ -	\$ -	\$ 15,104	\$ 307,764
2014	170,986	10,892	5,597	24,455	85,090	38,669	635,725	11,400	-	-	19,275	1,002,089
2015	234,015	43,546	7,180	25,925	98,897	10,154	11,827	11,700	1,237	-	9,354	453,835
2016	375,088	70,942	6,227	28,510	108,350	24,785	28,073	7,600	169	-	8,841	658,585
2017	585,948	92,985	27,238	28,180	90,024	89,814	677,679	9,200	141,654	-	15,251	1,757,973
2018	837,046	244,681	21,146	29,245	301,655	16,524	33,561	14,000	-	74,903	8,403	1,581,164
2019	903,878	345,946	21,466	32,337	332,579	18,502	1,080	-	43	85,431	21,009	1,762,271
2020	886,601	263,449	7,966	19,934	242,438	163,052	4,995	-	-	53,395	5,293	1,647,123
2021	520,338	66,446	-	750	183,673	24,337	25,956	-	-	8,153	34,403	864,056
2022	447,147	87,080	312	31,937	326,419	47,386	59,829	-	-	46,570	7,497	1,054,177

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>
2012	\$ 84,999,000	\$ 1,974,057,300	\$ 12,901,400	\$ 1,357,100	\$ 409,917,100	\$ 263,060,500	\$ 248,650,000	\$ 2,994,942,400	\$ 4,728,279	\$ 2,999,670,679	\$ 221,322,700	\$ 3,296,216,597	\$ 2.09
2013	80,606,800	1,993,152,600	12,304,800	1,228,700	389,881,600	262,472,000	248,250,000	2,987,896,500	5,583,077	2,993,479,577	227,248,700	3,192,892,823	2.13
2014	70,029,700	2,020,455,200	12,935,000	1,214,500	384,049,900	257,273,800	247,250,000	2,993,208,100	4,900,281	2,998,108,381	231,862,100	3,098,250,465	2.16
2015	75,181,800	2,052,952,100	12,935,000	1,084,100	371,303,400	260,266,400	247,250,000	3,020,972,800	-	3,020,972,800	232,890,400	2,963,850,508	2.18
2016	68,774,000	2,087,008,500	11,825,400	1,078,300	380,768,400	259,891,200	247,250,000	3,056,595,800	-	3,056,595,800	235,276,100	3,132,027,975	2.19
2017	63,309,600	2,122,926,200	11,705,000	1,077,200	380,352,200	250,753,600	296,350,000	3,126,473,800	-	3,126,473,800	235,183,000	3,180,572,002	2.19
2018	58,773,300	2,152,365,600	11,306,600	1,104,700	377,348,000	257,201,900	296,350,000	3,154,450,100	-	3,154,450,100	238,162,100	3,276,182,208	2.24
2019	57,525,900	2,176,916,400	11,813,400	1,076,900	372,301,700	261,680,100	296,350,000	3,177,664,400	-	3,177,664,400	243,293,000	3,367,664,222	2.27
2020	50,469,200	2,212,856,900	11,611,900	944,200	370,965,300	286,538,100	296,350,000	3,229,735,600	-	3,229,735,600	245,262,400	3,453,153,580	2.28
2021	45,876,200	2,250,732,100	11,199,100	922,500	364,896,900	284,380,900	297,186,300	3,255,194,000	-	3,255,194,000	247,522,100	3,552,022,691	2.32

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.

<sup>a</sup> Taxable Value of Machinery Implements Equipment of Telephone Messenger System

<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	
2012	\$ 1.94	\$ 0.15	\$ 2.09	\$ 0.64	\$ 0.27	\$ 3.00
2013	1.98	0.15	2.13	0.66	0.27	3.06
2014	2.01	0.15	2.16	0.66	0.27	3.09
2015	2.03	0.15	2.18	0.66	0.25	3.09
2016	2.05	0.14	2.19	0.66	0.26	3.11
2017	2.06	0.14	2.19	0.66	0.27	3.12
2018	2.11	0.13	2.24	0.66	0.27	3.17
2019	2.14	0.13	2.27	0.66	0.28	3.21
2020	2.15	0.13	2.28	0.66	0.28	3.22
2021	2.20	0.12	2.32	0.66	0.28	3.26

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

Note: Tax rates are per \$100

<sup>a</sup> The district's basic tax rate is calculated from Form A4F, 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	Top Ten Taxpayers December 31, 2021			Top Ten Taxpayers December 31, 2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Oakwood Village Real Estate LLC	\$ 120,020,500	1	3.69%	\$ 99,500,000	1	3.31%
SDK Village Green LLC	109,012,200	2	3.35%	78,700,000	2	2.62%
SM Logistics Mount Olive LLC	54,450,000	3	1.67%			
Giraffe Properties, LLC (Toys R Us Inc.)				51,800,000	3	1.72%
Big Box Property Owner East LLC	47,735,000	4	1.47%			
ATC Realty Sixteen Inc.				33,600,000	4	1.12%
Eagle Rock Village Inc.	35,991,700	5	1.11%	32,000,000	5	1.06%
Siemens Healthcare Diagnostics Inc.	29,910,900	6	0.92%			
SCI ITC South Fund, LLC	29,800,000	7	0.92%	20,000,000	8	0.66%
Kings Village LLC	23,000,000	8	0.71%	20,400,000	6	0.68%
SCI ITC South Fund, LLC	20,458,600	9	0.63%			
CRG 1725 LLC	20,000,000	10	0.61%			
NJ Development Group, LLC (Calvin Klein)				20,000,000	7	0.66%
Armstrong Sutton				18,500,000	9	0.61%
National Shopping Center Associates, LLC				18,500,000	10	0.61%
<b>Total</b>	<b>\$ 490,378,900</b>		<b>15.06%</b>	<b>\$ 393,000,000</b>		<b>13.05%</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	
2012	\$ 62,520,531	\$ 62,520,531	100.00%	-
2013	63,669,713	63,669,713	100.00%	-
2014	64,857,316	64,857,316	100.00%	-
2015	65,909,046	65,909,046	100.00%	-
2016	66,961,614	66,961,614	100.00%	-
2017	68,532,822	68,532,822	100.00%	-
2018	70,825,401	70,825,401	100.00%	-
2019	72,079,656	72,079,656	100.00%	-
2020	73,559,928	73,559,928	100.00%	-
2021	75,375,204	75,375,204	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)			
2013	\$ 49,745,000	\$ 220,668	\$ -	\$ 49,965,668	2.16%	\$ 1,747
2014	46,720,000	140,000	-	46,860,000	1.94%	1,633
2015	42,040,000	95,000	-	42,135,000	1.66%	1,462
2016	36,465,000	50,000	-	36,515,000	1.39%	1,264
2017	32,940,000	-	-	32,940,000	1.22%	1,138
2018	29,595,000	-	-	29,595,000	1.05%	1,021
2019	26,110,000	-	-	26,110,000	0.91%	903
2020	22,570,000	-	-	22,570,000	0.77%	783
2021	18,850,000	-	-	18,850,000	N/A	652
2022	15,190,000	-	-	15,190,000	N/A	N/A

Source: District records

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

<sup>a</sup> See Exhibit J-14 for personal income and population data.

N/A At the time of CAFR completion, personal income data was not available beyond 2020 and population data was not available beyond 2021.

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		
2013	\$ 49,745,000	\$ -	\$ 49,745,000	1.66%	\$ 1,740
2014	46,720,000	-	46,720,000	1.56%	1,629
2015	42,040,000	-	42,040,000	1.40%	1,458
2016	36,465,000	-	36,465,000	1.21%	1,262
2017	32,940,000	-	32,940,000	1.08%	1,138
2018	29,595,000	-	29,595,000	0.95%	1,021
2019	26,110,000	-	26,110,000	0.83%	903
2020	22,570,000	-	22,570,000	0.71%	783
2021	18,850,000	-	18,850,000	0.58%	652
2022	15,190,000	-	15,190,000	0.47%	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, population data was not available beyond 2021.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF JUNE 30, 2022  
 UNAUDITED

	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Township of Mt. Olive <sup>b</sup>	\$ 25,402,644	100.00%	\$ 25,402,644
County of Morris <sup>c</sup>	235,030,042	3.64%	8,553,097
Subtotal, overlapping debt			33,955,741
Mt. Olive Township School District Direct Debt <sup>d</sup>			15,190,000
Total direct and overlapping debt			\$ 49,145,741

Source: 2021 Annual Debt Statements provided by the County of Morris and Mt. Olive Township  
 2021 Abstract of Ratables for Morris County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mt. Olive Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt is estimated using taxable assessed property values. The applicable percentage was calculated by dividing the portion of Mt. Olive Township's taxable value by the total taxable value in Morris County as reported on the 2021 Abstract of Ratables for Morris County.

<sup>b</sup> Net debt at December 31, 2021 as per the Township's Annual Debt Statement.

<sup>c</sup> Net debt at December 31, 2021 as per the County's Annual Debt Statement.

<sup>d</sup> School District debt includes all bonds, notes and loans issued as of June 30, 2022 as per Schedule J-10.

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

Legal Debt Margin Calculation as of December 31, 2021

	Equalized valuation basis	
	2021	\$ 3,641,563,933
	2020	3,521,299,171
	2019	3,394,577,930
	[A]	<u>\$ 10,557,441,034</u>
Average equalized valuation of taxable property	[A/3]	\$ 3,519,147,011
Debt limit (4% of average equalized valuation)	[B]	\$ 140,765,880 <sup>a</sup>
Total net debt applicable to limit	[C]	15,190,000
Legal debt margin	[B-C]	<u>\$ 125,575,880</u>

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 133,689,899	\$ 127,755,664	\$ 122,799,389	\$ 121,481,824	\$ 121,773,215	\$ 125,914,346	\$ 108,422,909	\$ 133,053,077	\$ 136,747,204	\$ 140,765,880
Total net debt applicable to limit <sup>b</sup>	49,745,000	46,720,000	42,040,000	36,465,000	32,940,000	29,595,000	26,110,000	22,570,000	18,850,000	15,190,000
Legal debt margin	<u>\$ 83,944,899</u>	<u>\$ 81,035,664</u>	<u>\$ 80,759,389</u>	<u>\$ 85,016,824</u>	<u>\$ 88,833,215</u>	<u>\$ 96,319,346</u>	<u>\$ 82,312,909</u>	<u>\$ 110,483,077</u>	<u>\$ 117,897,204</u>	<u>\$ 125,575,880</u>
Total net debt applicable to the limit as a percentage of debt limit	37.21%	36.57%	34.23%	30.02%	27.05%	23.50%	24.08%	16.96%	13.78%	10.79%

Source: Mount Olive Township Annual Debt Statement.

<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.

<sup>b</sup> Net general bonded debt outstanding as of June 30 per Schedule J-11.

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

Year Ended December 31,	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	28,469	\$ 2,273,420,464	\$ 79,856	8.3%
2013	28,596	2,317,019,496	81,026	7.0%
2014	28,688	2,418,025,456	84,287	5.2%
2015	28,826	2,545,278,148	88,298	4.4%
2016	28,888	2,636,087,776	91,252	4.1%
2017	28,945	2,707,631,080	93,544	3.8%
2018	28,990	2,819,103,560	97,244	3.5%
2019	28,913	2,866,434,820	99,140	3.0%
2020	28,815	2,945,671,005	102,227	8.4%
2021	28,895	N/A	N/A	5.3%

Source:

<sup>a</sup> Population estimates 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>
Mount Olive Township School District	914	1	5.81%
Siemens Medical Solutions	839	2	5.34%
Amazon	250	3	1.59%
Benjamin Moore Paints	230	4	1.46%
Wal-Mart Stores Inc.	220	5	1.40%
Mount Olive Township	217	6	1.38%
Shop Rite of Flanders	200	7	1.27%
Lowe's Home Centers Inc.	198	8	1.26%
Givaudan Fragrances Corp.	175	9	1.11%
Weis Markets	125	10	0.80%
	<u>3,368</u>		<u>21.42%</u>

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

<sup>a</sup> Based on 2021 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	279.8	285.0	290.3	301.0	297.2	287.1	290.6	303.6	303.1	299.1
Special education	106.4	131.4	141.7	149.0	142.7	142.3	150.2	138.2	140.5	166.0
Other instruction	15.2	19.0	16.6	18.6	18.2	16.0	18.0	16.0	14.6	20.1
School sponsored programs	-	1.0	1.0	1.0	1.0	8.6	7.8	4.4	2.0	2.0
Support Services:										
Student & instruction related services	134.8	143.6	116.6	111.3	128.8	133.8	142.9	156.3	185.2	197.6
General administration	5.0	5.0	4.5	4.6	4.6	5.1	3.6	3.6	2.6	2.6
School administrative services	39.0	40.0	37.0	37.0	37.0	38.0	36.0	44.6	43.8	41.3
Business and other support services	9.5	9.5	9.0	9.0	9.0	9.0	10.0	10.5	10.0	10.5
Administrative information technology	6.0	8.0	8.0	8.0	8.0	8.0	8.5	9.5	9.5	9.5
Plant operations and maintenance	85.0	112.0	85.7	92.3	92.7	96.0	94.9	94.5	94.3	94.8
Pupil transportation	69.0	70.5	65.7	70.9	73.1	71.7	72.1	72.8	71.2	71.0
Total	<u>749.7</u>	<u>824.9</u>	<u>776.1</u>	<u>802.7</u>	<u>812.4</u>	<u>815.6</u>	<u>834.6</u>	<u>854.0</u>	<u>876.8</u>	<u>914.5</u>

Source: District Records

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			Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2013	4,631.0	\$ 78,840,845	\$ 17,025	5.62%	444	20	19	19	4,625	4,391	-2.32%	94.9%
2014	4,675.5	79,050,824	16,907	-0.69%	440	21	21	18	4,646	4,421	0.45%	95.2%
2015	4,700.5	78,803,488	16,765	-0.84%	450	23	18	23	4,664	4,423	0.39%	94.8%
2016	4,577.5	82,907,735	18,112	8.04%	454	22	20	21	4,565	4,330	-2.12%	94.8%
2017	4,574.5	86,371,145	18,881	4.25%	453	21	22	20	4,584	4,331	0.42%	94.5%
2018	4,598.0	90,635,086	19,712	4.40%	445	22	20	21	4,597	4,366	0.28%	95.0%
2019	4,626.5	95,248,129	20,588	4.44%	461	22	23	24	4,608	4,382	0.24%	95.1%
2020	4,646.0	96,374,207	20,743	0.76%	470	20	17	21	4,668	4,442	1.30%	95.2%
2021	4,612.0	103,080,120	22,350	7.75%	488	21	19	26	4,625	4,345	-0.92%	93.9%
2022	4,563.5	114,259,196	25,038	12.02%	488	19	18	24	4,587	4,285	-0.82%	93.4%

Source: District records

- <sup>a</sup> Enrollment is based on the annual October district count. The 2022 count represents student enrollment as of October 15, 2021.
- <sup>b</sup> Operating expenditures equal total expenditures per Schedule J-4 less debt service and capital outlay.
- <sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff members.
- <sup>d</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>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary (4)</u>										
Chester M. Stephens Elementary School (1966)										
Square Feet	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745
Capacity (students) <sup>a</sup>	887	887	887	887	887	887	887	624	624	624
Enrollment <sup>b</sup>	648	648	681	678	684	704	674	660	657	660
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>	866	866	866	866	866	866	866	462	462	462
Enrollment <sup>b</sup>	526	508	489	475	444	432	488	489	477	538
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>	589	589	589	589	589	589	589	429	429	429
Enrollment <sup>b</sup>	374	376	373	387	403	427	443	454	462	463
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>	688	688	688	688	688	688	688	439	439	439
Enrollment <sup>b</sup>	456	460	460	453	458	471	457	464	425	406
<u>Middle School (1)</u>										
Mt. Olive Middle School (2001)										
Square Feet	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934
Capacity (students) <sup>a</sup>	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,153	1,153	1,153
Enrollment <sup>b</sup>	1,157	1,205	1,213	1,125	1,101	1,061	1,062	1,089	1,116	1,099
<u>High School (1)</u>										
Mt. Olive High School (1978)										
Square Feet	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000
Capacity (students) <sup>a</sup>	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,533	1,533	1,493
Enrollment <sup>b</sup>	1,444	1,452	1,473	1,455	1,486	1,523	1,501	1,511	1,495	1,472
<u>Other (2)</u>										
Administrative Office Complex (2015)										
Building One - Square Feet	-	-	-	19,198	19,198	19,198	19,198	19,198	19,198	19,198
Building Two - Square Feet	-	-	-	19,198	19,198	19,198	19,198	19,198	19,198	19,198
Bus Garage										
Square Feet	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500

Source: District Facilities Office, Demographic Reports, ASSA Report

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

<sup>a</sup> Functional capacity for years 2013 through 2019 is based on the Demographic Report dated July 30, 2012. Functional capacities do not include rooms set aside for self-contained special education students and do not include pre-school space requirements. Actual capacity changes annually based on the number of special needs students and classrooms dedicated to specialized instruction. Functional capacity for the years 2020 and 2021 is based on the Demographic Report dated December 2019. Functional capacity for the year 2022 is based on the Demographic Report dated December 2022.

<sup>b</sup> Enrollment is based on the annual October district count. The 2022 count represents the number of on roll full-time and shared-time students as of October 15, 2021.

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

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

	School Facilities *						Other Facilities/ Unallocated <sup>a</sup>	Total
	Mt. Olive High School	Mt. Olive Middle School	Chester Stephens Elementary School	Tinc Road Elementary School	Sandshore Elementary School	Mt. View Elementary School		
2013	\$ 192,793	\$ 188,610	\$ 40,831	\$ 49,613	\$ 73,541	\$ 48,900	\$ 232,400	\$ 826,688
2014	205,502	136,529	40,812	81,134	49,783	91,195	262,770	867,725
2015	212,341	175,359	80,433	38,425	94,834	65,264	249,386	916,042
2016	195,614	154,969	68,374	53,068	71,272	110,151	415,804	1,069,252
2017	345,282	143,537	75,460	61,383	83,323	123,915	280,224	1,113,124
2018	652,930	208,900	75,919	110,646	52,248	112,548	347,796	1,560,987
2019	222,504	701,172	82,187	60,818	78,226	49,666	986,586	2,181,159
2020	160,015	100,884	30,089	49,545	43,825	70,247	917,700	1,372,305
2021	216,640	87,460	45,931	45,669	58,645	45,412	767,699	1,267,456
2022	151,303	147,681	148,112	48,836	28,541	68,164	732,215	1,324,852
<b>Total School Facilities</b>	<b>\$ 2,554,924</b>	<b>\$ 2,045,101</b>	<b>\$ 688,148</b>	<b>\$ 599,137</b>	<b>\$ 634,238</b>	<b>\$ 785,462</b>	<b>\$ 5,192,580</b>	<b>\$ 12,499,590</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, and unallocated maintenance salaries.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED

	Coverage	Deductible
<b>Commercial Package Policy - School Alliance Insurance Fund</b>		
<b>Property:</b>		
Blanket building and contents (fund limit)	\$ 500,000,000	\$ 2,500
Accounts receivable	\$ 2,500,000	\$ 2,500
Automobile physical damage	in blanket limit	\$ 1,000
Builders risk	\$ 25,000,000	\$ 2,500
Data processing equipment	in blanket limit	\$ 2,500
<b>General Liability:</b>		
Comprehensive general liability	\$ 5,000,000	
Automobile liability	\$ 5,000,000	
Employee benefit liability	\$ 5,000,000	\$ 1,000
<b>Equipment Breakdown:</b>		
Combined Single Limit	\$ 100,000,000	
<b>Flood/Earthquake:</b>		
Flood Zone A & V	\$ 25,000,000	
All Other Flood Zones	\$ 10,000,000	
Earthquake	\$ 25,000,000	
Terrorism	\$ 100,000	
<b>Excess Liability:</b>		
General, auto and school board legal liability	\$ 10,000,000	
<b>Crime Coverage:</b>		
Blanket employee dishonesty bond	\$ 400,000	\$ 1,000
Forgery & Alteration	\$ 50,000	\$ 1,000
Money & Securities	\$ 400,000	\$ 1,000
Computer fraud	\$ 50,000	\$ 1,000
Computer Fraud	\$ 50,000	\$ 1,000
<b>School Board Legal Liability</b>	\$ 5,000,000	\$ 10,000
<b>Pollution Liability:</b>		
Per incident	\$ 1,000,000	\$ 10,000
Fund annual aggregate	\$ 25,000,000	
<b>Cyber Liability:</b>		
Aggregate Limit	\$ 2,000,000	\$ 10,000
<b>New Jersey Schools Insurance Group</b>		
Workers' Compensation:		
Statutory benefits Part 1		included
Employer's liability Part 2	\$ 3,000,000	
Supplemental coverage		included
<b>Selective Insurance Company of America</b>		
Surety Bonds:		
Business Administrator	\$ 400,000	
Treasurer of School Monies	\$ 400,000	
Board Secretary	\$ 30,000	
<b>RLI Insurance Company</b>		
Surety Bonds:		
District Cashier	\$ 100,000	
Secretary to the Business Administrator	\$ 100,000	
<b>Bollinger Specialty Group</b>		
<b>US Fire Insurance Company</b>		
Student and athletes accident insurance	\$ 1,000,000	\$25,000
Volunteers	\$ 25,000	

Source: Insurance Agent

**SINGLE AUDIT SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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K-1  
Page 1 of 2

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 4, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Township of Mount Olive Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mount Olive Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mount Olive Board of Education's internal control.



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

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

### ***Compliance and Other Matters***

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

We noted certain matters that were required to be reported to the Board of Education of the Township of Mount Olive School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated March 4, 2023.

### ***Purpose of this Report***

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

*Steven D. Wielkatz*

Steven D. Wielkatz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkatz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

March 4, 2023





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K-2  
Page 1 of 4

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Board of Education of the Township of Mount Olive School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Mount Olive Board of Education’s major federal and state programs for the year ended June 30, 2022. The Township of Mount Olive Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Mount Olive Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Township of Mount Olive Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Township of Mount Olive Board of Education's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Township of Mount Olive Board of Education's federal and state programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Township of Mount Olive Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Mount Olive Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Township of Mount Olive Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Township of Mount Olive Board of Education’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Township of Mount Olive Board of Education’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Honorable President and  
Members of the Board of Education

K-2  
Page 4 of 4

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Steven D. Wielkatz*

Steven D. Wielkatz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkatz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

March 4, 2023

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance July 1, 2021		Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2022		MEMO GAAP Receivable
				From	To	Accounts Receivable	Due to Grantor				Deferred Revenue	Accounts Receivable	
<b>General Fund:</b>													
<b>U.S. Department of Health and Human Services</b>													
<b>Passed-through State Department of Human Services</b>													
Medical Assistance Program (MAC)	93.778	2005NJ5MAP	\$ 11,690	07/01/21	06/30/22	\$ -	\$ -	\$ 7,748	\$ (11,690)	\$ -	\$ -	\$ (3,942)	\$ (3,942)
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	116,677	07/01/21	06/30/22	-	-	100,833	(116,677)	-	-	(15,844)	(15,844)
<b>U.S. Department of Homeland Security</b>													
<b>Passed-through State Department of Law and Public Safety</b>													
Public Assistance Grants (FEMA-4597-DR)	97.036	not applicable	42,696	04/28/21	N/A	-	-	42,696	(42,696)	-	-	-	-
<b>Total General Fund</b>						-	-	151,277	(171,063)	-	-	(19,786)	(19,786)
<b>Special Revenue Fund:</b>													
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education</b>													
Title I Part A, Grants to Local Educational Agencies	84.010A	S010A200030	358,917	07/01/20	09/30/21	(104,830)	-	104,830	-	-	-	-	-
Title I Part A, Grants to Local Educational Agencies	84.010A	S010A210030	409,580	07/01/21	09/30/22	-	-	103,640	(246,271)	-	-	(142,631)	(142,631)
						(104,830)	-	208,470	(246,271)	-	-	(142,631)	(142,631)
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A200029	129,077	07/01/20	09/30/21	(45,308)	-	45,308	-	-	-	-	-
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A210029	87,679	07/01/21	09/30/22	-	-	27,573	(54,331)	-	-	(26,758)	(26,758)
						(45,308)	-	72,881	(54,331)	-	-	(26,758)	(26,758)
Title III, English Language Acquisition	84.365A	S365A200030	61,786	07/01/20	09/30/21	(28,895)	-	28,895	-	-	-	-	-
Title III, English Language Acquisition	84.365A	S365A210030	46,372	07/01/21	09/30/22	-	-	32,267	(35,454)	-	-	(3,187)	(1,894)
Title III, English Language Acquisition (Immigrant)	84.365A	S365A200030	25,551	07/01/20	09/30/21	-	2	-	-	(2)	-	-	-
Title III, English Language Acquisition (Immigrant)	84.365A	S365A210030	23,989	07/01/21	09/30/22	-	-	8,838	(19,883)	2	-	(11,043)	(11,043)
						(28,895)	2	70,000	(55,337)	-	-	(14,230)	(12,937)
Title IV Part A, Student Support and Academic Enrichment (SSAE) Program	84.358B	S358B200030	35,310	07/01/20	09/30/21	(3,150)	-	3,150	-	-	-	-	-
Title IV Part A, Student Support and Academic Enrichment (SSAE) Program	84.358B	S358B210030	33,833	07/01/21	09/30/22	-	-	19,200	(19,200)	-	-	-	-
						(3,150)	-	22,350	(19,200)	-	-	-	-
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027A	H027A200100	1,111,282	07/01/20	09/30/21	(286,773)	-	286,773	-	-	-	-	-
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027A	H027A210100	1,062,755	07/01/21	09/30/22	-	-	659,691	(889,583)	42	-	(229,850)	(211,142)
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173A	H173A200114	55,359	07/01/20	09/30/21	(26,593)	-	26,594	-	(1)	-	-	-
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173A	H173A210114	44,412	07/01/21	09/30/22	-	-	33,315	(41,439)	-	-	(8,124)	(8,124)
						(313,366)	-	1,006,373	(931,022)	41	-	(237,974)	(219,266)
Career and Technical Education - Basic Grants (Perkins)	84.048A	V048A200030	24,264	07/01/20	06/30/21	(2,622)	-	2,622	-	-	-	-	-
Career and Technical Education - Basic Grants (Perkins)	84.048A	V048A210030	22,749	07/01/21	06/30/22	-	-	17,584	(17,584)	-	-	-	-
						(2,622)	-	20,206	(17,584)	-	-	-	-
Coronavirus Aid Relief and Economic Security Act (CARES)	84.425D	S425D200027	234,983	03/13/20	09/30/22	(6,468)	-	6,468	-	-	-	-	-
						(6,468)	-	6,468	-	-	-	-	-

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance July 1, 2021					Balance June 30, 2022		MEMO GAAP Receivable
				From	To	Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue	Accounts Receivable	
<b>Special Revenue Fund (cont'd):</b>													
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education</b>													
I.D.E.A. American Rescue Plan Act of 2021 (ARP Basic)	84.027X	H027X210100	206,649	07/01/21	09/30/22	-	-	117,726	(168,055)	-	-	(50,329)	(37,352)
Preschool I.D.E.A. American Rescue Plan Act of 2021 (ARP Preschool)	84.173X	H173X210114	17,624	07/01/21	09/30/22	-	-	13,250	(15,813)	-	-	(2,563)	(2,563)
						-	-	130,976	(183,868)	-	-	(52,892)	(39,915)
American Rescue Plan Act of 2021 - Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER):													
ARP ESSER	84.425U	S425U210027	2,056,037	03/13/20	09/30/24	-	-	-	(875,823)	-	-	(875,823)	(875,823)
Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	397,684	03/13/20	09/30/24	-	-	-	-	-	-	-	-
Evidence-Based Summer Learning and Enrichment Activities Grant	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	-	-	-	-	-	-
Evidence-Based Comprehensive Beyond the School Day Activities Grant	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	-	-	-	-	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	-	-	-	-	-	-	-	-
						-	-	-	(875,823)	-	-	(875,823)	(875,823)
Coronavirus Response and Supplemental Appropriations Act of 2021 (CRRSA) Elementary and Secondary School Emergency Relief Fund (ESSER II):													
Coronavirus Response and Relief Supplemental	84.425D	S425D210027	914,837	03/13/20	09/30/23	-	-	329,789	(628,697)	-	-	(298,908)	(9,593)
Learning Acceleration	84.425D	S425D210027	58,709	03/13/20	09/30/23	-	-	-	-	-	-	-	-
Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	-	-	15,600	(21,825)	-	-	(6,225)	(6,225)
						-	-	345,389	(650,522)	-	-	(305,133)	(15,818)
Coronavirus State and Local Fiscal Recovery Funds: Additional or Compensatory Special Education and Related Services to Students with Disabilities Beyond Age 21 (ACSERS)	21.027	SLFRFDOE1SES	100,693	03/13/20	09/30/23	-	-	-	(100,693)	-	-	(100,693)	(100,693)
						-	-	-	(100,693)	-	-	(100,693)	(100,693)
<b>Total Special Revenue Fund</b>						(504,639)	2	1,883,113	(3,134,651)	41	-	(1,756,134)	(1,433,841)
<b>Enterprise Fund:</b>													
<b>U.S. Department of Agriculture</b>													
<b>Passed-through State Department of Agriculture</b>													
Food Donation	10.550	221NJ304N1099	83,045	09/01/21	08/31/22	-	-	83,045	(83,045)	-	-	-	-
School Breakfast Program	10.553	211NJ304N1099	195,629	09/01/20	08/31/21	(21,829)	-	21,829	-	-	-	-	-
School Breakfast Program	10.553	221NJ304N1099	553,168	09/01/21	08/31/22	-	-	486,029	(553,168)	-	-	(67,139)	(67,139)
National School Lunch Program	10.555	211NJ304N1099	698,834	09/01/20	08/31/21	(108,839)	-	108,839	-	-	-	-	-
National School Lunch Program	10.555	221NJ304N1099	2,355,513	09/01/21	08/31/22	-	-	2,233,881	(2,355,514)	-	-	(121,633)	(121,633)
After School Snack Program	10.555	211NJ304N1099	2,152	09/01/20	08/31/21	(243)	-	243	-	-	-	-	-
After School Snack Program	10.555	221NJ304N1099	5,036	09/01/21	08/31/22	-	-	3,321	(5,036)	-	-	(1,715)	(1,715)
P-EBT Administrative Cost Reimbursement Program	10.649	202121S900941	614	09/01/20	08/31/21	(614)	-	614	-	-	-	-	-
P-EBT Administrative Cost Reimbursement Program	10.649	202222S900941	628	09/01/21	08/31/22	-	-	628	(628)	-	-	-	-
Emergency Operational Cost Program - Schools	10.555	202121H170341	16,765	09/01/20	08/31/21	(16,765)	-	16,765	-	-	-	-	-
Supply Chain Assistance Funding	10.555	221NJ344N8903	177,769	09/01/22	08/31/23	-	-	-	-	-	177,769	(177,769)	(177,769)
<b>Total Enterprise Fund</b>						(148,290)	-	2,955,194	(2,997,391)	-	177,769	(368,256)	(368,256)
<b>Total Federal Financial Awards</b>						<u>\$(652,929)</u>	<u>\$ 2</u>	<u>\$ 4,989,584</u>	<u>\$(6,303,105)</u>	<u>\$ 41</u>	<u>\$ 177,769</u>	<u>\$(2,144,176)</u>	<u>\$(1,821,883)</u>

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2021	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2022	MEMO			
									From	To	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund:</b>												
Special Education Aid, Carryover	21-495-034-5120-089	2,959,145	07/01/20	06/30/21	\$ (295,914)	\$ 295,914	\$ -	\$ -	\$ -	\$ 2,959,145		
Special Education Aid	22-495-034-5120-089	2,959,145	07/01/21	06/30/22	-	2,663,231	(2,959,145)	-	(295,914)	2,959,145		
					<u>(295,914)</u>	<u>2,959,145</u>	<u>(2,959,145)</u>	<u>-</u>	<u>(295,914)</u>	<u>5,918,290</u>		
Transportation Aid, Carryover	21-495-034-5120-014	1,067,482	07/01/20	06/30/21	(106,748)	106,748	-	-	-	1,067,482		
Transportation Aid	22-495-034-5120-014	1,067,482	07/01/21	06/30/22	-	960,734	(1,067,482)	-	(106,748)	1,067,482		
					<u>(106,748)</u>	<u>1,067,482</u>	<u>(1,067,482)</u>	<u>-</u>	<u>(106,748)</u>	<u>2,134,964</u>		
Extraordinary Special Education Costs Aid, Carryover	21-495-034-5120-044	2,743,565	07/01/20	06/30/21	(2,743,565)	2,743,565	-	-	-	2,743,565		
Extraordinary Special Education Costs Aid	22-495-034-5120-044	2,742,925	07/01/21	06/30/22	-	-	(2,742,925)	(2,742,925)	-	2,742,925		
					<u>(2,743,565)</u>	<u>2,743,565</u>	<u>(2,742,925)</u>	<u>(2,742,925)</u>	<u>-</u>	<u>5,486,490</u>		
Nonpublic School Transportation Aid, Carryover	21-495-034-5120-014	28,331	07/01/20	06/30/21	(28,331)	28,331	-	-	-	28,331		
Nonpublic School Transportation Aid	22-495-034-5120-014	26,672	07/01/21	06/30/22	-	-	(26,672)	(26,672)	-	26,672		
					<u>(28,331)</u>	<u>28,331</u>	<u>(26,672)</u>	<u>(26,672)</u>	<u>-</u>	<u>55,003</u>		
Homeless Tuition Reimbursement	22-495-034-5120-005	94,584	07/01/21	06/30/22	-	-	(94,584)	(94,584)	-	94,584		
					<u>-</u>	<u>-</u>	<u>(94,584)</u>	<u>(94,584)</u>	<u>-</u>	<u>94,584</u>		
Equalization Aid, Carryover	21-495-034-5120-078	13,395,987	07/01/20	06/30/21	(1,303,780)	1,303,780	-	-	-	13,395,987		
Equalization Aid	22-495-034-5120-078	17,362,682	07/01/21	06/30/22	-	15,657,288	(17,362,682)	-	(1,705,394)	17,362,682		
					<u>(1,303,780)</u>	<u>16,961,068</u>	<u>(17,362,682)</u>	<u>-</u>	<u>(1,705,394)</u>	<u>30,758,669</u>		
Security Aid, Carryover	21-495-034-5120-084	106,585	07/01/20	06/30/21	(10,659)	10,659	-	-	-	106,585		
Security Aid	22-495-034-5120-084	106,585	07/01/21	06/30/22	-	95,926	(106,585)	-	(10,659)	106,585		
					<u>(10,659)</u>	<u>106,585</u>	<u>(106,585)</u>	<u>-</u>	<u>(10,659)</u>	<u>213,170</u>		
Securing Our Children's Future Bond Act		263,065	07/01/20	06/30/22	(263,065)	263,065	-	-	-	263,065		
					<u>(263,065)</u>	<u>263,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,065</u>		
Reimbursed T.P.A.F. Social Security Tax	22-495-034-5094-003	2,818,152	07/01/21	06/30/22	-	2,818,152	(2,818,152)	-	-	2,818,152		
On-behalf T.P.A.F. Pension Contribution	22-495-034-5094-002	13,069,644	07/01/21	06/30/22	-	13,069,644	(13,069,644)	-	-	13,069,644		
On-behalf T.P.A.F. Non-Contributory Insurance	22-495-034-5094-004	184,394	07/01/21	06/30/22	-	184,394	(184,394)	-	-	184,394		
On-behalf T.P.A.F. Post Retirement Medical	22-495-034-5094-001	3,096,679	07/01/21	06/30/22	-	3,096,679	(3,096,679)	-	-	3,096,679		
On-behalf T.P.A.F. Long Term Disability	22-495-034-5094-004	5,115	07/01/21	06/30/22	-	5,115	(5,115)	-	-	5,115		
					<u>-</u>	<u>19,173,984</u>	<u>(19,173,984)</u>	<u>-</u>	<u>-</u>	<u>19,173,984</u>		
<b>Total General Fund</b>					<u>(4,752,062)</u>	<u>43,303,225</u>	<u>(43,534,059)</u>	<u>(2,864,181)</u>	<u>(2,118,715)</u>	<u>64,098,219</u>		
<b>State Department of Education</b>												
<b>Debt Service Fund:</b>												
Debt Service Aid - State Support	22-495-034-5120-075	520,655	07/01/21	06/30/22	-	522,011	(522,011)	-	-	522,011		
<b>Total Debt Service Fund</b>					<u>-</u>	<u>522,011</u>	<u>(522,011)</u>	<u>-</u>	<u>-</u>	<u>522,011</u>		

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

K-4  
2 of 2

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2021	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2022	MEMO	
			From	To					Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Agriculture</b>										
<b>Enterprise Fund:</b>										
National School Lunch Program - State Share, Carryover	21-100-010-3350-023	39,226	07/01/20	06/30/21	(10,787)	10,787	-	-	-	39,226
National School Lunch Program - State Share	22-100-010-3350-023	55,524	07/01/21	06/30/22	-	52,725	(55,524)	(2,799)	-	55,524
<b>Total Enterprise Fund</b>					<u>(10,787)</u>	<u>63,512</u>	<u>(55,524)</u>	<u>(2,799)</u>	<u>-</u>	<u>94,750</u>
<b>Total State Financial Assistance</b>					<u>(4,762,849)</u>	<u>43,888,748</u>	<u>(44,111,594)</u>	<u>(2,866,980)</u>	<u>(2,118,715)</u>	<u>64,714,980</u>
<b>Less: On-Behalf Pension and Annuity Aid</b>										
On-behalf T.P.A.F. Pension Contribution	22-495-034-5094-002	13,069,644	07/01/21	06/30/22	-	13,069,644	(13,069,644)	-	-	13,069,644
On-behalf T.P.A.F. Non-Contributory Insurance	22-495-034-5094-004	184,394	07/01/21	06/30/22	-	184,394	(184,394)	-	-	184,394
On-behalf T.P.A.F. Post Retirement Medical	22-495-034-5094-001	3,096,679	07/01/21	06/30/22	-	3,096,679	(3,096,679)	-	-	3,096,679
On-behalf T.P.A.F. Long Term Disability	22-495-034-5094-004	5,115	07/01/21	06/30/22	-	5,115	(5,115)	-	-	5,115
					<u>-</u>	<u>16,355,832</u>	<u>(16,355,832)</u>	<u>-</u>	<u>-</u>	<u>16,355,832</u>
<b>Total For State Financial Assistance Major Program Determination</b>					<u>\$ (4,762,849)</u>	<u>\$ 27,532,916</u>	<u>\$ (27,755,762)</u>	<u>\$ (2,866,980)</u>	<u>\$ (2,118,715)</u>	<u>\$ 48,359,148</u>

See Notes to Schedule of Expenditures of Federal and State Awards

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(401,614) for the general fund and \$(295,388) for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during the 2022 fiscal year was \$16,355,832.

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	\$171,063.00	\$43,132,445.00	\$43,303,508.00
Special Revenue Fund	2,839,263.00		2,839,263.00
Debt Service		522,011.00	522,011.00
Food Service Fund	<u>2,997,391.00</u>	<u>55,524.00</u>	<u>3,052,915.00</u>
Total Awards and Financial Assistance	<u>\$6,007,717.00</u>	<u>\$43,709,980.00</u>	<u>\$49,717,697.00</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2022. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

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

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

**NOTE 7. INDIRECT COST RATE**

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

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards**

Internal Control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section 516(a) of the Uniform Guidance?        yes   X   no

Identification of major federal programs:

<u>CFDA#</u>	<u>FEIN#</u>	<u>Name of Federal Program or Cluster</u>
		Special Education Cluster:
84.027A	H027A210100	I.D.E.A Basic
84.027X	H027X210100	ARP - I.D.E.A. Basic
84.173A	H173A210114	I.D.E.A Preschool
84.173X	H173X210114	ARP - I.D.E.A. Preschool
		Education Stabilization Fund Cluster:
84.425U	S425U210027	ARP ESSER
84.425D	S425D210027	Coronavirus Response and Relief Supplemental
84.425D	S425D210027	CRRSA - Mental Health

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

Auditee qualified as low-risk auditee?   X   yes        no

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$832,673.00    

Auditee qualified as low-risk auditee?          yes     X     no

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

Internal Control over major state programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?          yes     X     no

Identification of major state programs:

<u>State Grant/Project #</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-044	Extraordinary Aid
495-034-5120-014	Transportation Aid

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)**

*Section II - Financial Statement Findings*

NONE

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

NONE

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Status of Prior Year Findings**

**STATE AWARDS**

**Finding 2021-001**

**Information on the state program:**

Extraordinary Special Education Aid (EXAID), NJCFS # 495-034-5120-473

**Condition:**

EXAID applications had services provided to students which were not required by their IEP.

**Current Status:**

Corrective action has been taken.