

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDD LAKE, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

Prepared by: Lynn Jones, CPA
Board Secretary
Business Office

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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October 26, 2009

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Mount Olive Township School District (District) for the fiscal year ended June 30, 2009. This CAFR includes the District's Basic Financial Statements, which are prepared in accordance with generally accepted governmental accounting standards. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Mount Olive Township School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs.

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

- The *Introductory Section* contains the Table of Contents, this Transmittal Letter, the Organizational Chart of the School District, and a List of Principal Officials, Consultants, and Advisors.
- The *Financial Section* begins with the Independent Auditors' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes, and Other Supplementary Information that is required by the State Department of Education.
- The *Statistical Section* includes select information on financial trends, revenue capacity and debt capacity, along with demographic and economic information and other select operating information in accordance with GASB Statement 44.
- The *Single Audit Section* – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and New Jersey OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

School District Organization

The Mount Olive Township School District is the third largest school district in Morris County with an enrollment of nearly 5,000 students. Geographically, the District is comprised of the Budd Lake and Flanders areas, which total 30.4 square miles and has a population of more than 25,000 residents. The District is comprised of six schools: four elementary schools serving grades K through 5, one middle school serving grades 6 through 8, and one high school serving grades 9 through 12.

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

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

Reporting Entity

The Mount Olive Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Mount Olive Township Board of Education and its six schools constitute the District's reporting entity.

Economic Condition and Outlook

The District completed the 2008/2009 fiscal year with an average daily enrollment of 4,906 students, a decrease of 1 student over the previous year. The following table details the changes in student enrollment over the last five years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2004/2005	4,847	+1.60%
2005/2006	4,921	+1.53%
2006/2007	4,965	+0.89%
2007/2008	4,907	-1.17%
2008/2009	4,906	0.00%

After a vigorous period of residential development and expansion, the Township's growth has slowed in the past five years, in part due to the restrictions imposed by the Highlands Water Protection and Planning Act, which was enacted in 2004 to curtail development in certain areas. The subsequent reduction in residential development has allowed the District's enrollment to remain relatively stable over the last five years, as evidenced in the preceding table. The marginal changes in student enrollment over the last five years have lessened the need for facilities expansion.

During the 2008 calendar year, 11 building permits were issued for new single-family homes within the Township. In addition, there are a number of existing housing projects in various stages of completion throughout the Township that will impact the student population. The most significant housing project, Morris Chase, is presently inactive due to the latent housing market. The Morris Chase project includes 276 residential units, 107 of which are single-family homes and 169 townhouses. The District continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

In addition to the residential tax base, there are a number of thriving commercial properties within the Township. The International Trade Center and the ITC Crossings Shopping Complex include many well known international retailers and distributors. Commercial development within the Township provides an increase in the employment level as well as an increased tax base for the Township of Mount Olive.

The Mount Olive Township School District, along with many other public school systems in the State of New Jersey, faces a difficult economic future since the primary funding source is property tax revenue. The State of New Jersey is in a financial crisis with State aid for schools well below the national average. In addition, new restrictions imposed by the state limit the amount of revenue that can be raised by local taxes, making it difficult to maintain existing programs and services. Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, mandated special education costs, and the rising cost of fuel and utilities greatly outpace any additional revenue. Despite these uncontrollable economic factors, the District remains committed in its ongoing efforts to contain property taxes. To this end, the District's administration is closely monitoring the cost of operations and continues to look for new funding sources in order to maintain the quality educational services that the Mount Olive School District is accustomed to providing.

Educational Programs

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

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

The Mount Olive Township School District provides a full range of educational programs appropriate to grade levels K through 12. These include regular, gifted and talented, and special education programs for handicapped students. Course offerings include a number of college preparatory, honors and advanced placement courses. The District also offers a wide variety of vocational programs such as computer assisted drafting, robotics, business education, culinary science, and television production. The District has received several grants and awards in recognition of its fine academic programs.

Every effort is made to keep special education students in district. A variety of in-class support services, resource center, and self-contained programs are available to students with special needs. The District has been recognized for several of its innovative programs in special education.

In addition to its curricular offerings, the District offers an extensive extracurricular and athletic program. Extracurricular programs provide opportunities for students to participate in student government, various academic, social and vocational clubs, National Honor Societies, drama and musical performance productions. The District's athletic program features more than 30 male and female sports teams at both the middle school and high school level.

The District recognizes the importance of technology in the world today and every effort is made to provide distance learning opportunities for the students. Accordingly, most of the classrooms in the Mount Olive Township School District are equipped with computers and have online access.

Student Achievement

Recent standardized test scores demonstrate the high degree of emphasis the Mount Olive Township School District places on student performance. Students at the elementary and middle school levels continue to score well on standardized test scores with each grade level exceeding the state averages in nearly every measurable category. The following table illustrates the percentage pass rates for general education students on the NJASK standardized tests:

	<u>Language Arts</u>	<u>Mathematics</u>
Grade 3	80.9%	90.8%
Grade 4	76.8%	86.6%
Grade 5	86.9%	96.0%
Grade 6	90.2%	88.2%
Grade 7	95.2%	91.4%

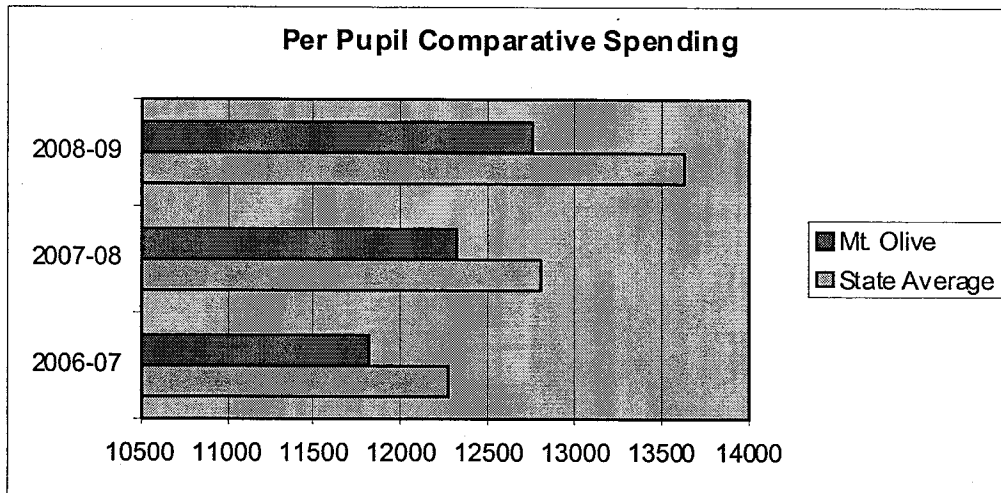
On the state mandated Grade Eight Proficiency Assessment (GEPA/NJASK8), the District achieved general education pass rates of 98.1% in language arts, 92.5% in mathematics, and 97.8% in science. All three subjects exceeded the state and DFG averages.

At the high school level, the District achieved general education pass rates of 99.2% in language arts and 90% in mathematics on the state mandated High School Proficiency Assessment (HSPA). The District's combined mean SAT score of 1574 is 65 points over the national mean score and 69 points over the state mean score.

Ninety-three percent of the District's 2009 graduates will be pursuing post-secondary education, with 59% attending four-year colleges and universities. Mt. Olive seniors have received a number of prestigious scholarships and awards with nineteen seniors being identified through the Edward J. Bloustein Distinguished Scholars Program. In addition, two seniors were recognized as commended students and one student was recognized as a finalist in the National Merit Scholarship Program. Mt. Olive graduates have been accepted to some of the most prominent universities across the country including Cornell, Cal Tech, Swarthmore, University of Chicago, College of William and Mary, Lehigh, SUNY Maritime Academy and Duke University. It should be noted, however, that achievement has not been acquired at the expense of disadvantaged students or those with special needs.

Per Pupil Comparative Spending

On an annual basis, the New Jersey Department of Education releases its *Comparative Spending Guide* for all school districts in the State of New Jersey. The guide compares various per pupil cost factors among similar type districts. The Mount Olive Township School District was compared to 105 other K-12 school districts with an enrollment over 3,500 students. The 2008-09 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$12,752 per pupil while the state average for similar districts was \$13,632. According to the report, per pupil costs ranged from a low of \$9,738 to a high of \$19,305. Of the 105 districts, the Mount Olive Township School District ranked 46th in per pupil spending in 2008-09. The following chart details per pupil comparative spending for the last three years:



Internal Accounting Controls

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

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

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

Budgetary Controls

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

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

Accounting System and Reports

The District's accounting records reflect accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds, as described in "Notes to the Basic Financial Statements," Note 1.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

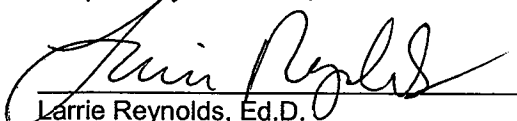
Independent Audit


State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of ParenteBeard, LLC (formerly Beard Miller Company, LLP) was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendments of 1996, and the related Federal and State OMB Circulars A-133 and 04-04. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit were included in the single audit section of this report.

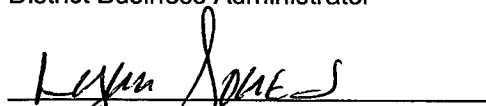
Acknowledgments

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

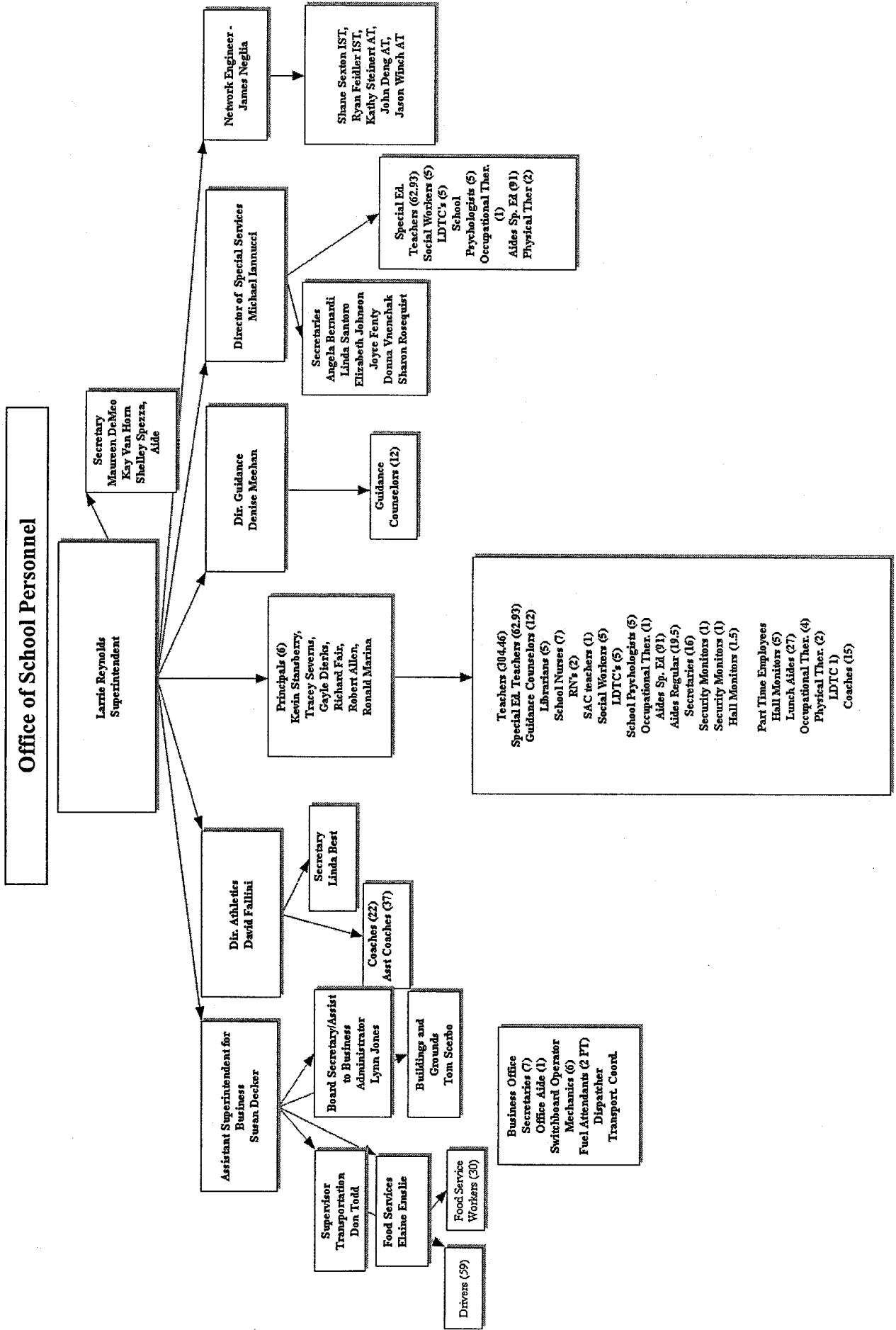
Respectfully submitted,


Larrie Reynolds, Ed.D.
Superintendent of Schools

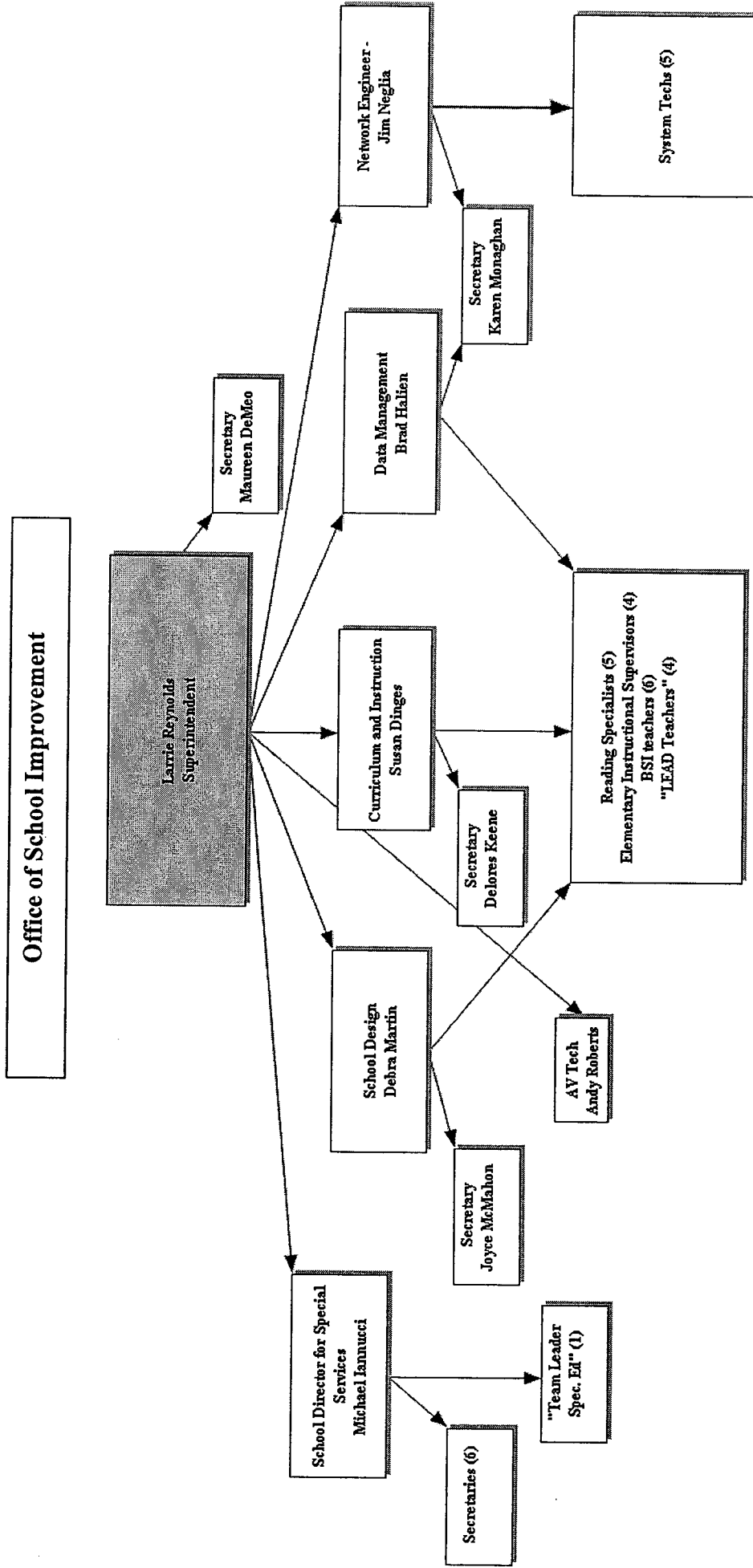

Susan Decker
Assistant Superintendent for Business
District Business Administrator


Lynn Jones, CPA
Board Secretary
Assistant Business Administrator

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2009**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Werner, President	2011
Anthony Giordano, Vice-President	2010
Daniel Amianda	2011
Kathryn Criscuolo	2012
Robert Mania	2011
Elizabeth Ouimet	2012
William Robinson	2010
James Schiess	2012
Anthony Strillacci	2010

Other Officials

Larrie Reynolds, Ed.D., Superintendent
Susan Decker, Assistant Superintendent for Business
Lynn Jones, CPA, Board Secretary
Sherry Maniscalco, Treasurer of School Monies

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

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Architect

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

Construction Manager

Turner Construction Company
265 Davidson Avenue
Somerset, NJ 08873

Financial Consultants

Capital Financial Advisors
8000 Midlantic Drive
Mt. Laurel, NJ 08054

Risk Management Consultants

Willis HRH
350 Mt. Kemble Avenue
Morristown, NJ 07963

Brown & Brown of New Jersey Inc.
222 Cameron Drive
Phillipsburg, NJ 08865

Official Depositories

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

TD Bank
56 Flanders-Bartley Road
Flanders, NJ 07836

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Olive Township School District, County of Morris, New Jersey (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

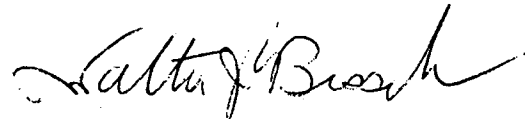
In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2009 on our consideration of the District's internal control over financial

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

Management's discussion and analysis and budgetary comparison information on pages 12 through 22 and 53 through 69 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which includes the introductory section, combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.

The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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



ParenteBeard LLC

October 26, 2009
Clark, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
MOUNT OLIVE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

As management of the Mount Olive Township School District (District), we offer readers of the District's financial statements this narrative discussion and analysis, which will provide a general overview of the District's financial performance and activities for the fiscal year ended June 30, 2009. While the intent of this discussion and analysis is to examine the District's financial performance as a whole, we encourage readers to review the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- ❖ Net assets at year-end totaled \$15,475,607, which represents a decrease of \$314,589, or 2 percent, over the prior year net assets ending balance of \$15,790,196. A significant portion of the District's combined net assets represents the District's investment in capital assets less any related outstanding debt that was used to acquire those assets. At June 30, 2009 the District had \$18,826,340 invested in capital assets, net of related debt. In addition, \$387,181 was restricted for capital projects, debt service, and future operating budgets resulting in a deficit unrestricted net assets balance of \$3,737,914. This represents a decrease of \$1,779,155 over the prior year net deficit balance of \$5,517,069.
- ❖ Total assets decreased by \$3,363,011. The majority of this amount is attributable to a decrease in capital assets totaling \$3,225,901. During the 2008-2009 fiscal year, the District invested \$675,039 in capital assets, while depreciation expense amounted to \$3,900,940.
- ❖ Total liabilities decreased \$3,048,422. The majority of this amount is attributable to the retirement of principal payments for bonds, loans and capital leases which totaled \$3,050,705.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$68,921,379, which represents 83.5% of all governmental fund revenues. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$57,648,227 in general revenues. Program specific revenues in the form of charges for services and grants and contributions comprised the remaining 16.5% of total revenues, or \$13,595,757. Overall, total revenues increased \$653,358, or 0.8%, over the prior year.
- ❖ Expenses totaled \$82,831,725. Of this amount, only \$13,595,757 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 \$68,921,379 were sufficient to provide for the balance of governmental expenses. Overall, expenses decreased \$3,093,495, or 3.6%, over the prior year. The most significant decrease is attributable to a decrease in on-behalf pension contributions where the District experienced a decrease of \$1,955,919 over the prior year.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Mount Olive Township School District as a financial whole, an entire operating entity. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) District-wide financial statements

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

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

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

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

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

- **Governmental activities** – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type activities** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Summer School, and Community School enterprise funds are reported as business-type activities.

2) Fund financial statements

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

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

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

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

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

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services are financed or recovered primarily through user charges. The District maintains three individual enterprise funds, which account for all revenues and expenses pertaining to food service operations, the summer school program, and the community school program.

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

Fiduciary funds. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds include payroll and student activities funds and employee contributions to the unemployment compensation insurance fund. Fiduciary funds are not reflected in the district-wide financial statements because it cannot use these assets to finance its operations.

3) Notes to the Basic Financial Statements

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

District-wide Financial Analysis

The District's financial position is the product of various financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Table 1 provides a summary of the School District's net assets at June 30, 2009 and June 30, 2008.

Table 1
Net Assets

	2009	2008
Assets		
Current and Other Assets	\$2,850,236	\$2,987,346
Capital Assets	76,291,744	79,517,645
Total Assets	79,141,980	82,504,991
Liabilities		
Noncurrent Liabilities	60,461,370	62,944,410
Other Liabilities	3,205,003	3,770,385
Total Liabilities	63,666,373	66,714,795
Net Assets		
Invested in Capital Assets, Net of Related Debt	18,826,340	19,751,851
Restricted	387,181	1,555,414
Unrestricted (Deficit)	(3,737,914)	(5,517,069)
Total Net Assets	\$15,475,607	\$15,790,196

The largest portion of the District's combined net assets reflects the District's investment in capital assets (e.g., land, buildings and improvements, furniture and equipment) less any related outstanding debt that was used to acquire those assets. At June 30, 2009 this figure amounted to \$18,826,340, or 82% of the District's total net assets.

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

- \$18,186 is restricted for capital projects. This amount is comprised of unexpended referendum proceeds and amounts included in the capital reserve account. \$2,200 of this amount has been appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2010.
- \$13,995 is restricted for debt service. This amount has been appropriated and included as anticipated revenue in the Debt Service Fund budget for the fiscal year ending June 30, 2010.
- \$355,000 is restricted to finance subsequent year's expenditures. This amount has been appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2010.

The remaining deficit balance is the product of various transactions, including the net results of activities. Since the District operates on a budgetary basis, the District's annual revenues are generally sufficient to meet the District's ongoing obligations to students, employees, and creditors. Hence, the deficit account balance does not indicate that the District is facing financial difficulties. Table 2 shows changes in net assets for the fiscal years ended June 30, 2009 and June 30, 2008.

Table 2
Changes in Net Assets

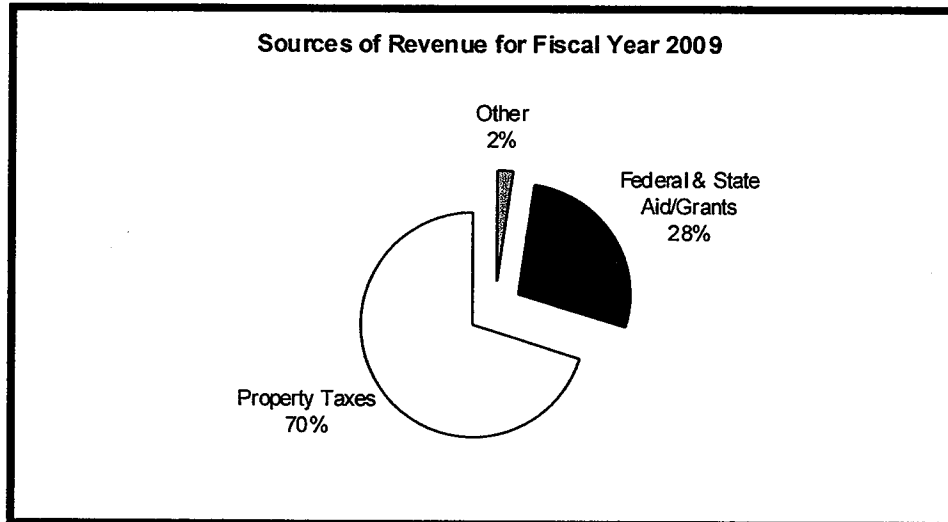
	2009	2008
Revenues		
Program Revenues:		
Charges for services	\$1,478,538	\$1,701,236
Grants and contributions	12,117,219	13,943,724
General revenues:		
Property taxes	57,648,227	55,085,938
Grants and entitlements	10,956,684	10,243,283
Other	316,468	889,597
Total Revenues	82,517,136	81,863,778
Program Expenses		
Instruction	38,495,056	40,733,302
Support Services:		
Pupils and instructional staff	14,007,480	14,116,452
General administration, school administration, business and other support services	7,512,561	7,801,959
Plant operations and maintenance	12,259,725	12,118,196
Pupil transportation	6,048,492	6,451,921
Interest on debt	2,835,064	2,915,556
Food service operations	1,348,421	1,482,292
Other	324,926	305,542
Total Program Expenses	82,831,725	85,925,220
Increase (Decrease) in Net Assets	(\$314,589)	(\$4,061,442)

In addition to the net results of activities shown on the previous table, the following are significant current year transactions that have had an impact on the Statement of Net Assets:

- The principal retirement of bonds, loans, notes, and capital leases totaling \$3,050,705.
- Depreciation on capital assets exceeded investments in capital assets by \$3,225,901.

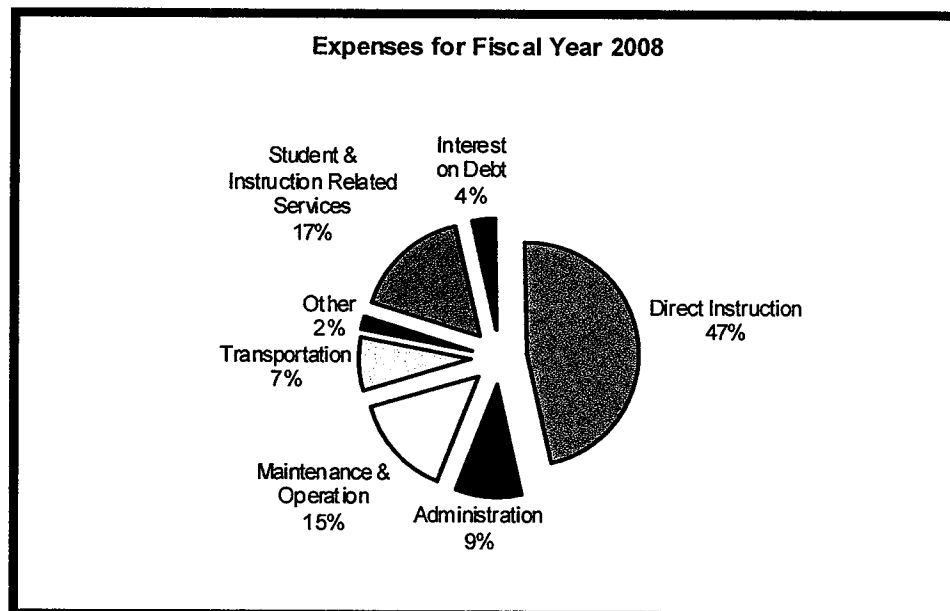
Revenues

The unique nature of property taxes in the State of New Jersey establishes the legal requirement to annually seek voter approval of School District budgets. Property taxes made up 70 percent of revenues for governmental activities for the Mount Olive Township School District for the fiscal year 2009. Federal, state, and local aid and grants accounted for another 28 percent of revenue. The remaining 2 percent of revenue was derived from tuition income, transportation fees, interest earnings, and miscellaneous income. The following chart illustrates the sources of revenue for the fiscal year 2009:



Expenses

The total cost of all programs and services was \$82,831,725. Direct instruction and instruction related services comprised nearly two-thirds of the District's expenses. The following chart illustrates the District's expenses for the fiscal year 2009:



Instruction includes activities directly related to the interaction between teacher and student. Instruction includes all regular and special education programs, basic skills/remedial programs, bilingual education, and school sponsored co-curricular activities and athletic programs.

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

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

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

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

Other expenses includes unallocated depreciation and the activities of the food service program, the summer school program, and the community school program.

Financial Analysis of the District's Funds

Enterprise Funds

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

- ❖ In the food service enterprise fund, revenues totaled \$1,352,404 and expenses totaled \$1,348,421, resulting in a net income of \$3,983. Charges for services amounted to \$1,059,598, or 78% of total revenue. This represents amounts paid by patrons for daily food service sales. Federal and state reimbursements, which provide subsidies for the free and reduced lunch and breakfast program and the donated commodities program, amounted to \$291,976, or 22% of total revenue. Salaries, employee benefits, and cost of sales comprised more than 96% of total expenses. During the previous fiscal year, the District developed a corrective action plan to reduce or eliminate recurring losses in the food service enterprise fund. The plan included raising lunch prices to the maximum allowed under the State food service program and reducing the number of personnel and staff hours. This plan was successful in making the program more profitable, as evidenced by the net income figure detailed above.
- ❖ In the community school enterprise fund, revenues totaled \$183,573 and expenses and transfers totaled \$237,828, resulting in a net loss of \$54,255. Charges for services, which represent amounts paid by patrons for course tuition, amounted to \$183,467, virtually all of the revenue derived from the program. Salaries and contracted services comprised over 73% of total expenses. During the 2008/2009 fiscal year, the community school transferred \$42,000 to the General Fund to contribute to the District's fixed operating costs such as building space and utilities. Excluding this contribution, the community school would have produced a net loss of \$12,255. This contribution has been eliminated for the 2009/2010 fiscal year in the hope of making the community school program more profitable.
- ❖ In the summer school enterprise fund, revenues totaled \$51,970 and expenses totaled \$42,759, resulting in a net income of \$9,211. Charges for services amounted to \$51,258, nearly 99% of total revenue. This represents amounts paid by students for course tuition. The remaining 1% of revenue was derived from interest earnings. Salaries and employee benefits comprised 100% of total expenses.

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 \$75,133,274 and expenditures totaled \$74,683,134, resulting in an increase in fund balance of \$450,140. This amount was anticipated by management and approximates the \$355,000 that was appropriated and included as anticipated revenue in the 2009-2010 annual budget.
- ❖ In the General Fund, the year-end fund balance amounted to \$1,476,998. Of this amount, \$713,269 is reserved for encumbrances, \$15,986 has been reserved in the capital reserve account, and \$355,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2010 resulting in a remaining unreserved balance of \$392,743. In accordance with GASB Statement No. 33, the fund balance calculation does not reflect the final two state aid payments, which total \$1,563,191.
- ❖ In the Special Revenue Fund, revenues totaled \$1,169,189 and expenditures totaled \$1,169,189, resulting in a year-end fund balance of \$-0-. A zero fund balance is customary in the Special Revenue Fund as grant revenues are recognized only to the extent of grant expenditures.
- ❖ In the Capital Projects Fund, expenditures for the year totaled \$121,253, resulting in an equivalent decrease in fund balance. The Capital Projects fund balance at year-end amounted to \$2,200, which has been appropriated and included as anticipated revenue in the 2009-2010 annual budget.
- ❖ In the Debt Service Fund, revenues totaled \$5,148,995 and expenditures totaled \$5,135,000, resulting in an increase in fund balance of \$13,995. This amount has been appropriated and included as anticipated revenue in the 2009-2010 annual budget.

Analysis of Governmental Fund Activity – Comparison to Prior Year

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2009 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2008</u>	<u>Percentage Increase (Decrease)</u>
Local Sources	\$58,148,054	71.85%	\$1,572,147	2.78%
State Sources	21,612,738	26.71%	(621,199)	-2.79%
Federal Sources	1,168,397	1.44%	(467,268)	-28.57%
	<u>\$80,929,189</u>	<u>100.00%</u>	<u>\$483,680</u>	<u>0.60%</u>

The increase in local sources is primarily attributable to an increase in the local tax levy, which funds three-quarters of the General and Debt Service budgets. Property taxes made up more than 70% of total revenue for the fiscal year ended 2009 and 68% of total revenue for the fiscal year ended 2008. Property tax revenue increased by \$2,562,289, which represents a 4.6% increase over the prior year. The increase was needed to fund additional expenditures associated with increased student services and higher operating costs. Other revenues such as tuition, interest earnings, transportation fees and miscellaneous income decreased \$990,142.

The decrease in state sources is primarily attributable to a decrease in on-behalf payments totaling \$1,957,098. On September 14, 2009 the State of New Jersey made an on-behalf payment to TPAF in the amount of \$64.4 million for pension costs for the year ended June 30, 2009. However, the amount allocable to each district has not been determined and is therefore not included in the District's financial statements. The decrease in on-behalf payments was largely offset by an increase in extraordinary aid of \$1,005,767, coupled with increases in categorical formula aids, debt service aid, and restricted state grants totaling \$330,132. The substantial increase in extraordinary aid is the result of a significant increase in state funding which allowed the District's allocation to be fully funded. In past years, the District's allocation was pro-rated to match the funding made available in the 2008-2009 state budget.

Revenue from federal sources made up less than 2% of total revenue for the fiscal year ended 2009. The decrease in federal aid does not necessarily reflect a decrease in the number or amount of federally funded grants. Since grant revenues are recognized based on the amount of grant expenditures, this category may fluctuate dramatically from year to year, based on the needs of the programs that the grants support. The District may apply to carry over any unexpended federal grant balances.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2009 and the amount and percentage of increase in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2008</u>	<u>Percentage Increase</u>
Current:				
Distributed Expenditures-Instruction	\$27,262,325	33.61%	\$(622,256)	-2.23%
Undistributed Expenditures	48,036,212	59.22%	(1,960,680)	-3.92%
Capital Outlay	675,039	0.83%	(400,810)	-37.26%
Debt Service	5,135,000	6.33%	761,400	17.41%
	<u>\$81,108,576</u>	<u>100.00%</u>	<u>(\$2,222,346)</u>	<u>-2.67%</u>

The decrease in distributed expenditures is largely attributable to a decrease in salaries. The District is a service entity and, as such, is labor intensive. During the 2008-2009 fiscal year salaries for special education decreased by \$484,133 while salaries for school sponsored co-curricular activities, athletics, and community service programs decreased \$227,440. The decrease in special education salaries is the result of an administrative effort to redesign delivery of special education instruction at the middle school level, coupled with a district-wide effort to reallocate aides. Likewise, salaries for co-curricular activities, athletics, and community service programs were reduced based on the Board's budgetary decisions to eliminate athletics at the middle school, reduce student clubs at both the high school and middle school, and eliminate the position of Director of Community School Programs. In past years, community school salaries were subsidized by the General Fund operating budget. Community school salaries are now fully funded by the Community School Enterprise Fund.

The decrease in undistributed expenditures is primarily attributable to the decrease in on-behalf payments described on the previous page.

The decrease in capital outlay is largely attributable to a decrease in expenditures in the Capital Projects Fund totaling \$215,156. Expenditures in the Capital Projects Fund have decreased over the past few years based on the diminished costs of the high school referendum project. In addition to the reductions in the Capital Projects Fund, expenditures for equipment and capital leases decreased \$166,274 and expenditures for construction services decreased \$19,380.

The change in debt service is directly attributable to 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 2009 fiscal year, the District retired \$2,335,000 of serial bonds payable and \$67,519 of loans payable.

General Fund Budgeting Highlights

The District's budget is prepared in accordance with New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District uses program based budgeting, which is designed to tightly control total program budgets, while providing flexibility for program management. The most significant budgeted fund is the General Fund.

Statements showing the District's original and final budget compared with actual operating results are provided in this CAFR beginning on page 53 for the General Fund. The District's year-end actual results were slightly better than had been projected, as conservative budgetary practices are customary.

General Fund Budgeting Highlights (cont'd)

The following points highlight key areas of the 2008-2009 General Fund budget:

- On-behalf TPAF pension, post retirement medical benefits, and social security contributions are not required to be included in the original budget; however, these items must be reflected as revenue and expenditures in the financial statements.
- Excluding on-behalf TPAF pension, post retirement medical benefits and social security contributions, revenues exceeded budgeted estimates by \$587,550, less than 1% of anticipated revenues. The largest portion of this amount is attributable to extraordinary aid, which exceeded the budgeted estimate by \$842,972. Extraordinary aid is state aid for special education students whose individual program costs exceed \$40,000 per year for in-district programs and \$55,000 per year for outside placements. The substantial increase in extraordinary aid is the result of a significant increase in state funding which allowed the District's allocation to be fully funded. In past years, the District's allocation was pro-rated to match the funding made available in the 2008-2009 state budget.
- Equalization aid was reduced by \$334,419 based on the enactment of a new state law (Chapter 19 of Public Laws 2009) which allowed the state to reduce state aid by an amount equal to half of the District's 2009 pension liability. To compensate for the loss of state aid, districts were permitted to defer half of their 2009 pension liability. The District opted not to defer payment.
- Tuition income is budgeted based on the number of projected incoming students at the time the budget is submitted. Consequently, tuition income may vary throughout the year based on the status of incoming students. In the 2009 fiscal year tuition income exceeded budgeted estimates by \$15,692.
- Interest income was less than the amount originally anticipated as a result of historically low interest rates.
- Transportation fees are derived from transportation jointures with surrounding school districts and from fees charged to the Township Recreation Department, the Mount Olive Child Care and Learning Center, and other organizations. The transportation department routinely monitors their routes to maximize efficiency.
- Miscellaneous income includes revenue collected for book fines, facilities usage, prior year tuition adjustments, and prior year refunds. The district's estimates with regard to miscellaneous income are customarily conservative, based on the uncertain nature of these receipts.
- Excluding on-behalf TPAF pension, post retirement medical benefits, social security contributions, and capital leases unexpended appropriations totaled \$2,181,558, or 3% of the original budget. Of this amount, \$713,269 is reserved for encumbrances, which will be paid during the subsequent fiscal year. In response to the previous year's depleted fund balance, District administration made a concerted effort to reduce budgetary expenditures in order to replenish the District's fund balance.
- The Board did not authorize any additional appropriations during the 2008/2009 fiscal year.
- The 2009 budget was adopted based on existing and known factors at the time the budget was prepared. Throughout the course of the year, the District amended its General Fund budget as needed, based on the actual results of operations. Significant transfers were made to cover the lease of instructional copiers, the purchase of instructional supplies and textbooks, salaries for special education aides and therapists, library collections, legal services and settlements, maintenance supplies, contracted transportation for special education students, and equipment for the maintenance department. Transfers were made within the same function whenever possible. The remaining transfers were funded primarily from employee benefits and salary breakage from retirements, resignations, and leaves that were unanticipated at the time the budget was prepared.

Capital Assets

At June 30, 2009, the District had \$76,291,744 invested in land, buildings, furniture, machinery and equipment. The following table illustrates the District's investment in capital assets, net of depreciation.

Table 3
Capital Assets (Net of Depreciation)

	2009	2008
Land	\$ 703,670	\$ 703,670
Site and site improvements	2,130,367	2,251,351
Building and building improvements	70,059,449	72,896,765
Furniture, equipment and machinery	3,398,258	3,665,859
Total Capital Assets	\$ 76,291,744	\$ 79,517,645

Overall, the District invested \$675,039 in capital assets for the fiscal year 2009. Of this amount, \$20,720 was invested in site improvements, \$52,264 was invested in building improvements, and \$602,055 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$3,900,940.

Additional information on the District's capital assets can be found in Note 8 of the notes to the basic financial statements.

Debt Administration

At June 30, 2009, the District had \$60,461,370 in long-term outstanding debt, of which \$2,896,866 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2009 and June 30, 2008.

Table 4
Outstanding Debt

	2009	2008
Outstanding Bonds, Loans and Notes		
1998 Trust Loan – Sewer Connection Project	\$ 330,000	\$ 365,000
1998 Fund Loan – Sewer Connection Project	165,405	197,924
2003 Refunding Bond Issue/ERIP Liability	1,855,000	1,955,000
2004 Serial Bonds – High School Additions and Renovations	11,815,000	12,635,000
2004 Refunding Bonds, Net of Deferred Interest	26,546,686	27,817,063
2006 Refunding Bonds, Net of Deferred Interest	8,587,328	8,583,344
2007 Refunding Bonds, Net of Deferred Interest	8,957,697	8,936,258
Other Noncurrent Liabilities		
Capital Leases Payable	1,063,288	1,231,205
Accrued Compensated Absences Payable	1,140,966	1,223,616
Total Long-term Outstanding Debt	\$ 60,461,370	\$ 62,944,410

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 \$152,652,749, thereby resulting in an available borrowing margin of \$92,402,749 at June 30, 2009.

At June 30, 2009, the District had authorized but not issued debt in the amount of \$392.

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

Factors Bearing on the District's Future

The financial well being of the District is tied in large measure to the actions of the state legislature. Over 95% of the District's revenues are generated by local property taxes and state aid. Consequently, any significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. Current state legislation restricts the local tax levy increase to 4%.

The 2009-2010 base budget was defeated by the voters on April 21, 2009. Subsequent negotiations with the Mt. Olive Town Council resulted in a budget cut of \$550,645 and forced the District to eliminate certain programs and services.

After a vigorous period of residential development and expansion, the Township's growth has slowed in recent years, in part due to the latent housing market and the overall economic downturn. The reduction in residential development has allowed the District's enrollment to remain relatively stable over the last five years. Currently, there is adequate capacity to meet general classroom enrollment projections, both now and in the near future.

Existing labor agreements with the Mt. Olive Administrators' and Supervisors' Association, the Education Association of Mt. Olive, and the International Brotherhood of Teamsters, Local 97, are currently settled. Each bargaining unit agreement has an impact on the District's future operating budgets.

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters is either unknown, or will not have a material adverse effect on the financial position of the District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Board Secretary, Lynn Jones, at the Mount Olive Township School District Administration Building, 89 Route 46, Budd Lake, NJ 07828. Please visit our website at www.mtoliveboe.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 73,096	\$ 270,796	\$ 343,892
Receivables, net	1,877,277	59,297	1,936,574
Internal balances	112,322	(112,322)	-
Inventory	-	16,108	16,108
Restricted cash and cash equivalents	18,186	-	18,186
Deferred bond issuance costs, net (Note 7)	535,476	-	535,476
Capital assets, non-depreciable (Note 8)	703,670	-	703,670
Capital assets, depreciable, net (Note 8)	75,496,605	91,469	75,588,074
Total Assets	<u>78,816,632</u>	<u>325,348</u>	<u>79,141,980</u>
LIABILITIES			
Accounts payable	521,530	25,034	546,564
Deferred revenue	66,158	-	66,158
Accrued interest payable	1,223,993	-	1,223,993
Unamortized bond premium	1,368,288	-	1,368,288
Noncurrent liabilities, net (Note 9):			
Due within one year	2,896,866	-	2,896,866
Due beyond one year	57,549,320	15,184	57,564,504
Total Liabilities	<u>63,626,155</u>	<u>40,218</u>	<u>63,666,373</u>
NET ASSETS			
Invested in capital assets, net of related debt	18,734,871	91,469	18,826,340
Restricted for:			
Capital projects	18,186	-	18,186
Debt service	13,995	-	13,995
Other purposes	355,000	-	355,000
Unrestricted (deficit)	(3,931,575)	193,661	(3,737,914)
Total Net Assets	<u>\$ 15,190,477</u>	<u>\$ 285,130</u>	<u>\$ 15,475,607</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular programs	\$ 28,874,002	\$ -	\$ 2,619,954	\$ -
Special education programs	7,299,941	103,408	3,705,044	-
Other instructional programs	1,308,443	-	244,113	-
School sponsored programs	1,012,670	-	-	-
Community services programs	-	-	-	-
Support services:				
Tuition	3,457,909	-	1,637,962	-
Student & instruction related services	10,549,571	-	770,600	-
School administrative services	4,456,645	-	342,545	-
Other administrative services	3,055,916	-	49,180	-
Plant operations and maintenance	12,259,725	50,572	365,580	-
Pupil transportation	6,048,492	30,235	1,411,582	-
Unallocated depreciation	86,339	-	-	-
Interest on long-term debt and capital leases	2,835,064	-	678,683	-
Total governmental activities	81,244,717	184,215	11,825,243	-
Business-type activities:				
Food service	1,348,421	1,059,598	291,976	-
Community school	195,828	183,467	-	-
Summer school	42,759	51,258	-	-
Total business-type activities	1,587,008	1,294,323	291,976	-
Total primary government	\$ 82,831,725	\$ 1,478,538	\$ 12,117,219	\$ -

General revenues:

Taxes:

 Property taxes, levied for general purposes, net

 Taxes levied for debt service

Federal and State aid not restricted

Investment Earnings

Miscellaneous Income

Transfers

 Total general revenues, special items, extraordinary items and transfers

 Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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, 2009

Net (Expense) Revenue and Changes in Net Assets				
Governmental Activities		Business-type Activities	Total	
\$	(26,254,048)	\$	-	\$ (26,254,048)
	(3,491,489)		-	(3,491,489)
	(1,064,330)		-	(1,064,330)
	(1,012,670)		-	(1,012,670)
	-		-	-
	(1,819,947)		-	(1,819,947)
	(9,778,971)		-	(9,778,971)
	(4,114,100)		-	(4,114,100)
	(3,006,736)		-	(3,006,736)
	(11,843,573)		-	(11,843,573)
	(4,606,675)		-	(4,606,675)
	(86,339)		-	(86,339)
	(2,156,381)		-	(2,156,381)
	(69,235,259)		-	(69,235,259)
	-	3,153		3,153
	-	(12,361)		(12,361)
	-	8,499		8,499
	-	(709)		(709)
\$	(69,235,259)	\$	(709)	\$ (69,235,968)
\$	53,189,858	\$	-	\$ 53,189,858
	4,458,369		-	4,458,369
	10,956,684		-	10,956,684
	44,741	1,648		46,389
	270,079	-		270,079
	42,000	(42,000)		-
	68,961,731	(40,352)		68,921,379
	(273,528)	(41,061)		(314,589)
	15,464,005	326,191		15,790,196
\$	15,190,477	\$	285,130	\$ 15,475,607

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

FUND FINANCIAL STATEMENTS

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 59,101	\$ -	\$ 2,200	\$ 13,995	\$ 75,296
Due from other funds	270,231	-	-	-	270,231
Receivables from other governments	1,510,729	263,704	-	-	1,774,433
Other accounts receivable	81,742	6	-	-	81,748
Restricted cash and cash equivalents	15,986	-	-	-	15,986
Total assets	\$ 1,937,789	\$ 263,710	\$ 2,200	\$ 13,995	\$ 2,217,694
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 460,791	\$ 60,739	\$ -	\$ -	\$ 521,530
Interfund payable	-	136,813	-	-	136,813
Deferred revenue	-	66,158	-	-	66,158
Total liabilities	460,791	263,710	-	-	724,501
Fund balances:					
Reserved for:					
Encumbrances	713,269	-	-	-	713,269
Capital reserve account	15,986	-	-	-	15,986
Unreserved -- designated for subsequent year's expenditures	355,000	-	-	13,995	368,995
Unreserved reported in:					
General fund	392,743	-	-	-	392,743
Capital projects fund	-	-	2,200	-	2,200
Total fund balances	1,476,998	-	2,200	13,995	1,493,193
Total liabilities and fund balances	\$ 1,937,789	\$ 263,710	\$ 2,200	\$ 13,995	\$ 2,217,694

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS
JUNE 30, 2009

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

Total fund balances - governmental funds	\$ 1,493,193
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of capital assets	\$112,831,940	
Accumulated depreciation	(36,631,665)	
		76,200,275

Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued, but are capitalized in the Statement of Net Assets.

Bond premium	(1,824,354)	
Accumulated amortization	456,066	
		(1,368,288)

Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.

Deferred interest	3,168,750	
Accumulated amortization	(680,461)	
		2,488,289

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

Bond issuance costs	832,531	
Accumulated amortization	(297,055)	
		535,476

Long-term liabilities and the corresponding interest accruals are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (See Note 3) Liabilities at year end consist of:

Bonds payable	(60,250,000)	
Loans payable	(495,405)	
Capital leases payable	(1,063,288)	
Accrued interest on bonds and notes	(1,208,334)	
Accrued interest on capital leases	(15,659)	
Accrued compensated absences	(1,125,782)	
		(64,158,468)

Net assets of governmental activities	\$ 15,190,477
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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, 2009

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$53,189,858	\$ -	\$ -	\$ 4,458,369	\$57,648,227
Tuition charges	103,408	-	-	-	103,408
Interest on investments	44,631	-	-	-	44,631
Interest earned on capital reserve funds	110	-	-	-	110
Transportation fees	30,235	-	-	-	30,235
Miscellaneous	308,708	792	-	11,943	321,443
Total - Local Sources	53,676,950	792	-	4,470,312	58,148,054
State sources	20,934,055	-	-	678,683	21,612,738
Federal sources	-	1,168,397	-	-	1,168,397
Total revenues	74,611,005	1,169,189	-	5,148,995	80,929,189
EXPENDITURES					
Current:					
Regular instruction	20,293,221	81,823	-	-	20,375,044
Special education instruction	4,726,638	456,949	-	-	5,183,587
Other instructional programs	824,669	108,894	-	-	933,563
School sponsored programs	770,131	-	-	-	770,131
Support services and undistributed costs:					
Tuition and transfers to charter schools	3,154,021	303,888	-	-	3,457,909
Student & instruction related services	7,539,587	168,425	-	-	7,708,012
School administrative services	3,149,541	-	-	-	3,149,541
Other administrative services	2,453,562	-	-	-	2,453,562
Plant operations and maintenance	7,630,014	-	26,164	-	7,656,178
Pupil transportation	4,913,561	-	-	-	4,913,561
Unallocated employee benefits	18,665,724	31,725	-	-	18,697,449
Capital outlay	562,465	17,485	95,089	-	675,039
Debt service:					
Principal	-	-	-	2,402,519	2,402,519
Interest and other charges	-	-	-	2,732,481	2,732,481
Total expenditures	74,683,134	1,169,189	121,253	5,135,000	81,108,576
Excess (Deficiency) of revenues over expenditures	(72,129)	-	(121,253)	13,995	(179,387)
OTHER FINANCING SOURCES (USES)					
Transfers in	42,000	-	-	-	42,000
Capital leases (non-budgeted)	480,269	-	-	-	480,269
Total other financing sources and uses	522,269	-	-	-	522,269
Net change in fund balances	450,140	-	(121,253)	13,995	342,882
Fund balance—July 1	1,026,858	-	123,453	-	1,150,311
Fund balance—June 30	\$ 1,476,998	\$ -	\$ 2,200	\$ 13,995	\$ 1,493,193

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 YEAR ENDED JUNE 30, 2009

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)	\$ 342,882
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Capital outlays are reported in the governmental funds as expenditures in the year purchased. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	\$ (3,886,731)	
Capital outlays	<u>675,039</u>	
		(3,211,692)

Capital leases are reported in the governmental funds as other financing sources and lease payments are reported as expenditures in the year the payments occur. In the statement of net assets, capital leases are capitalized and lease payments are reported as a reduction to long-term liabilities.

Capital leases	(480,269)	
Lease payments	<u>648,186</u>	
		167,917

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	2,402,519
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Bond issuance costs are reported in the governmental funds as other financing uses in the year the bonds are issued. However, on the statement of activities, bond issue costs are amortized over the life of the bonds.	(36,394)
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Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, on the statement of activities, bond premiums are amortized over the life of the bonds.	100,702
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Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.	(170,046)
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In the governmental funds, interest on long term debt is reported when due. In the statement of activities, interest on long-term debt is accrued, regardless of when due.	53,450
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In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>77,134</u>
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Change in net assets of governmental activities	<u><u>\$ (273,528)</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 FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

	Major Enterprise Funds			Enterprise Funds Totals
	Food Services	Community School	Summer School	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 133,987	\$ 57,855	\$ 78,954	\$ 270,796
Intergovernmental accounts receivable	44,920	-	-	44,920
Other accounts receivables	14,377	-	-	14,377
Inventories	16,108	-	-	16,108
Total current assets	<u>209,392</u>	<u>57,855</u>	<u>78,954</u>	<u>346,201</u>
Noncurrent assets:				
Equipment	411,162	-	-	411,162
Less accumulated depreciation	319,693	-	-	319,693
Total noncurrent assets	<u>91,469</u>	<u>-</u>	<u>-</u>	<u>91,469</u>
Total assets	<u>300,861</u>	<u>57,855</u>	<u>78,954</u>	<u>437,670</u>
LIABILITIES				
Accounts payable	25,034	-	-	25,034
Interfund payable	94,760	17,562	-	112,322
Compensated absences payable	15,184	-	-	15,184
Total liabilities	<u>134,978</u>	<u>17,562</u>	<u>-</u>	<u>152,540</u>
NET ASSETS				
Invested in capital assets, net of related debt	91,469	-	-	91,469
Unrestricted	74,414	40,293	78,954	193,661
Total net assets	<u>\$ 165,883</u>	<u>\$ 40,293</u>	<u>\$ 78,954</u>	<u>\$ 285,130</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Major Enterprise Funds			Enterprise Funds Totals
	Food Services	Special Schools Community School	Summer School	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 984,214	\$ -	\$ -	\$ 984,214
Daily sales - non-reimbursable programs	75,384	-	-	75,384
Tuition	-	183,467	51,258	234,725
Total operating revenues	<u>1,059,598</u>	<u>183,467</u>	<u>51,258</u>	<u>1,294,323</u>
Operating expenses:				
Salaries	498,834	70,737	39,720	609,291
Employee benefits	238,385	5,411	3,039	246,835
Supplies and materials	38,772	37,747	-	76,519
Depreciation	14,209	-	-	14,209
Cost of sales	557,682	-	-	557,682
Miscellaneous	539	-	-	539
Purchased professional educational services	-	67,991	-	67,991
Office expense	-	13,942	-	13,942
Total operating expenses	<u>1,348,421</u>	<u>195,828</u>	<u>42,759</u>	<u>1,587,008</u>
Operating income (loss)	<u>(288,823)</u>	<u>(12,361)</u>	<u>8,499</u>	<u>(292,685)</u>
Nonoperating revenues:				
State sources:				
State school breakfast program	670	-	-	670
State school lunch program	14,561	-	-	14,561
Federal sources:				
School breakfast program	6,713	-	-	6,713
National school lunch program	195,321	-	-	195,321
Special milk program	4,762	-	-	4,762
After school snack program	4,024	-	-	4,024
Food donation program	65,925	-	-	65,925
Interest	830	106	712	1,648
Total nonoperating revenues	<u>292,806</u>	<u>106</u>	<u>712</u>	<u>293,624</u>
Income (loss) before transfers	3,983	(12,255)	9,211	939
Transfers out	-	(42,000)	-	(42,000)
Change in net assets	3,983	(54,255)	9,211	(41,061)
Total net assets—beginning	161,900	94,548	69,743	326,191
Total net assets—ending	<u>\$ 165,883</u>	<u>\$ 40,293</u>	<u>\$ 78,954</u>	<u>\$ 285,130</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, 2009

	Major Enterprise Funds		Enterprise Funds
	Food Services	Special Schools	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,058,606	\$ 234,725	\$ 1,293,331
Payments to employees	(494,832)	(101,859)	(596,691)
Payments for employee benefits	(234,405)	-	(234,405)
Payments to suppliers	(527,758)	(119,681)	(647,439)
Net cash (used for) provided by operating activities	(198,389)	13,185	(185,204)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	13,340	-	13,340
Federal Sources	182,092	-	182,092
Operating subsidies and transfers to other funds	-	(42,000)	(42,000)
Net cash provided by non-capital financing activities	195,432	(42,000)	153,432
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	-	-
Net cash (used for) capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	830	818	1,648
Net cash provided by investing activities	830	818	1,648
Net decrease in cash and cash equivalents	(2,127)	(27,997)	(30,124)
Balances—beginning of year	136,114	164,806	300,920
Balances—end of year	\$ 133,987	\$ 136,809	\$ 270,796
Reconciliation of operating (loss) to net cash provided by (used for) operating activities:			
Operating (loss)	\$ (288,823)	\$ (3,862)	\$ (292,685)
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities			
Depreciation	14,209	-	14,209
Food donation program	65,925	-	65,925
(Increase) in accounts receivable, net	(993)	-	(993)
Decrease in inventories	1,047	-	1,047
Increase in accounts payable	2,263	-	2,263
(Decrease) in compensated absences payable	(5,516)	-	(5,516)
Increase in due to/from other funds	13,499	17,047	30,546
Total adjustments	90,434	17,047	107,481
Net cash (used for) provided by operating activities	\$ (198,389)	\$ 13,185	\$ (185,204)

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Total Agency Funds</u>	<u>Trust Fund</u>	<u>Total Trust and Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 596,083	\$ 24,459	\$ 620,542
Accounts receivable	5,356	\$ -	\$ 5,356
Total assets	<u>601,439</u>	<u>24,459</u>	<u>625,898</u>
LIABILITIES			
Accounts payable	27,495	15,315	42,810
Payroll deductions and withholdings	278,748	-	278,748
Interfund payable	21,095	-	21,095
Due to student groups	274,101	-	274,101
Total liabilities	<u>\$ 601,439</u>	<u>15,315</u>	<u>616,754</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes		<u>\$ 9,144</u>	<u>\$ 9,144</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions:	
Plan member	\$ 115,155
Investment earnings:	
Interest	1,253
Total additions	<u>116,408</u>
DEDUCTIONS	
Quarterly contribution reports	46,153
Unemployment claims	206,203
Total deductions	<u>252,356</u>
Change in net assets	(135,948)
Net assets—beginning of the year	145,092
Net assets—end of the year	<u>\$ 9,144</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Reporting Entity:

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

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and components units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) The District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units.

Based on the aforementioned criteria, the District has no component units.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Basis of Presentation, Basis of Accounting: (Continued)

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each government 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 School District:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

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

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the School District:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Basis of Presentation, Basis of Accounting: (Continued)

Proprietary Fund Type (Continued)

Enterprise Fund: The Enterprise Fund accounts for all revenues and expenses pertaining to cafeteria operations and special schools. The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports:

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, the Payroll Agency Fund, and the Unemployment Compensation Insurance Trust Fund.

Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality or county is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Borough Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for 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/transfers must be approved by School Board resolution. Budgetary transfers were made during the current and prior fiscal years; however, such transfers were part of the normal course of operations. The overexpenditure in the general fund is due to the inclusion of the nonbudgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

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 the legally mandated revenue recognition of the final two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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 revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. 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. Assets, Liabilities, and Equity:

Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the types 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 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 Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

Allowance for Uncollectible Accounts:

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

Inventories:

Inventories, other than those recorded in the Enterprise Fund, are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Capital Assets:

The District has established a formal system of accounting for its capital assets as of July 1, 2002. Capital assets acquired or constructed subsequent to July 1, 2002 are recorded at original cost. Capital assets acquired or constructed prior to July 1, 2002 are valued through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The capitalization threshold used by school districts in the State of New Jersey is \$2,000. Capital assets are reflected as expenditures in the applicable governmental funds. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost.

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

Asset Class	Estimated Useful Lives
School Buildings	50
Building Improvements	20
Licensed Vehicles	8
Classroom and Office Furniture	20
Computer Hardware	5
Grounds Equipment	15

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences:

The liability for compensated absences reported in the District-wide statements consists of unpaid accumulated sick leave balances as of June 30, 2009. 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.

District employees are granted personal days and vacation and sick leave in varying amounts under the District's employment contracts. At the time of retirement, an employee is reimbursed for any unused vacation days. Unused sick leave benefits begin vesting after 15 years of continuous service with the District for employees covered under the EAMO contract and 10 years of service for employees covered by the Administrators' contract. Accumulated sick leave is paid out at fixed maximum amounts in accordance with the various employment contracts as follows:

Classification	Allowable Days Per Contract	Fixed Maximum Amount
Teachers	75% of unused personal and sick days	\$70 per day
Administrators (under 10 yrs of service)	90% of unused personal and sick days	\$65 per day
Administrators (over 10 yrs of service)	100% of unused personal and sick days	\$95 per day *
Bus Drivers	50% of unused personal and sick days	\$26 per day
Cafeteria Personnel	75% of unused personal and sick days	\$40 per day
Secretaries	75% of unused personal and sick days	\$46 per day
Mechanics	75% of unused personal and sick days	\$46 per day
Maintenance and Custodial	75% of unused personal and sick days	\$46 per day
Teacher Aides	75% of unused personal and sick days	\$40 per day

*Subject to a \$20,000 maximum.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. In the Special Revenue Fund the deferred revenue amount at June 30, 2009 represents grants and entitlements received before the eligibility requirements have been met and outstanding encumbrances at June 30, 2009.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, capital reserve, and current year excess surplus.

Revenues - Exchange and Nonexchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income 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 income taxes is recognized in the period in which the income is earned. 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 for 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 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 both measurable and available at fiscal year end; property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the School District, these revenues are sales for food service and special schools. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expenses that could not be attributed to a specific function are considered an indirect expense and are reported separately on the Statement of Activities.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Management Estimates:

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

Operating Costs – Enterprise Fund:

Certain operating costs, which are borne by the Board of Education, such as utilities, custodial and maintenance costs, general facility costs, etc. are not charged or otherwise allocated to the Enterprise Fund since these costs are not readily determinable.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

New Jersey school districts are limited as to the types 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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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.

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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk. Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2009, all of the District's deposits, except as noted below, were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

At June 30, 2009, the carrying amount of the District's cash and cash equivalents balances for all funds was \$982,620 and the bank balance was \$2,611,193. All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

Custodial Credit Risk-Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2009, the District has no deposits that are exposed to custodial credit risk.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
- b. Government money market mutual funds;
- c. 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;
- d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- e. Local government investment pools;
- f. Deposits with the State of New Jersey Cash Management Fund; or
- g. Certain agreements for the repurchase of fully collateralized securities, provided they meet specific criteria detailed in the statute.

Throughout the 2008-2009 fiscal year, the District invested funds in a government money market mutual fund. At June 30, 2009, the District did not hold any investments other than certificates of deposits, which totaled \$31,017.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial Credit Risk: The investments are held separately from bank assets, at the Federal Reserve Bank.

Credit Risk: The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed above.

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 minimal interest rate risk. The average maturity of the District's investments is less than one year.

3. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by resolution of the Board of Education during the 1998-99 fiscal year to provide for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the 2008-09 fiscal year is as follows:

Beginning balance, July 1, 2008	\$ 15,676
Increased by:	
Budgeted Increase in Capital Reserve	200
Interest Earnings	110
Ending balance, June 30, 2009	<u>\$ 15,986</u>

The June 30, 2009 LRFP balance of local support costs of uncompleted capital projects at June 30, 2009 is \$9,503,859. During the 2008-09 fiscal year, there were no withdrawals from the capital reserve.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

4. RECEIVABLES:

Receivables at June 30, 2009, consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. All receivables are considered collectible in full. The following is a summary of the principal receivable items:

State and federal aid receivable	\$ 1,730,263
Intergovernmental accounts receivable	89,090
Interfund accounts receivable	21,096
Other accounts receivable	<u>96,125</u>
Total receivables	<u>\$ 1,936,574</u>

5. INTERFUND BALANCES AND TRANSFERS:

\$ 112,322	Due to the General Fund from the Enterprise Fund
136,813	Due to the General Fund from the Special Revenue Fund
<u>21,095</u>	Due to the General Fund from the Fiduciary Fund
270,230	Total Interfund Balance - Fund Financial Statements
<u>(249,134)</u>	Elimination of Governmental Interfund Activities
<u>\$ 21,096</u>	

The \$112,322 is reflected on the Statement of Net Assets as Internal Balances between Governmental and Business type activities.

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

6. INVENTORY:

Inventory in the Food Service Fund at June 30, 2009 consisted of the following:

Food	\$ 13,377
Non-Food Items	<u>2,731</u>
	<u>\$ 16,108</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.

7. DEFERRED BOND ISSUANCE COSTS:

In the governmental funds, debt issuance costs are recognized as expenditures in the year the bonds are issued. For the district-wide financial statements, debt issuance costs are amortized using the straight-line method over the life of the specific bonds (18 to 25 years). The costs associated with the issues of the various bonds amounted to \$832,531. The amortization expense for the fiscal year ended June 30, 2009, amounted to \$36,394 and the total accumulated amortization is \$297,055.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

8. CAPITAL ASSETS:

Capital Asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 703,670	\$ -	\$ -	\$ 703,670
Construction in progress	-	-	-	-
Total capital assets not being Depreciated	703,670	-	-	703,670
Site and site improvements	3,913,508	20,720	-	3,934,228
Building and building improvements	94,783,865	52,264	-	94,836,129
Machinery and equipment	12,755,858	602,055	-	13,357,913
Totals at historical cost	111,453,231	675,039	-	112,128,270
Less accumulated depreciation for:				
Site and site improvements	(1,662,157)	(141,704)	-	(1,803,861)
Building and improvements	(21,887,100)	(2,889,580)	-	(24,776,680)
Machinery and equipment	(9,195,677)	(855,447)	-	(10,051,124)
Total accumulated depreciation	(32,744,934)	(3,886,731)	-	(36,631,665)
Government activities capital assets, net	\$ 79,411,967	\$ (3,211,692)	\$ -	\$ 76,200,275
Business-type activities:				
Equipment	\$ 411,162	\$ -	\$ -	\$ 411,162
Less accumulated depreciation for: equipment	(305,484)	(14,209)	-	(319,693)
Business-type activities capital assets, net	\$ 105,678	\$ (14,209)	\$ -	\$ 91,469

Depreciation expense was charged to governmental functions as follows:

Regular programs instruction	\$ 95,051
Special education programs	1,245
School sponsored programs	9,189
Student and instruction related services	7,277
School administrative services	734
Other administrative services	91,788
Plant operations and maintenance	3,100,191
Pupil transportation	494,917
Unallocated depreciation	86,339
Total depreciation expense	\$ 3,886,731

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

9. LONG-TERM LIABILITIES:

Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

9. LONG-TERM LIABILITIES: (Continued)

Long-term obligations activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance
Governmental activities:					
Bonds payable:					
High school addition/renovations	\$ 31,170,000	\$ -	\$ 850,000	\$ -	\$ 30,320,000
Middle school/facilities expansion	29,460,000	-	1,385,000	-	28,075,000
Refunding bonds - E.R.I.P.	1,955,000	-	100,000	-	1,855,000
	<u>62,585,000</u>	<u>-</u>	<u>2,335,000</u>	<u>-</u>	<u>60,250,000</u>
Less: Deferred interest	(2,658,335)	170,046	-	-	(2,488,289)
Total bonds payable	<u>59,926,665</u>	<u>170,046</u>	<u>2,335,000</u>	<u>-</u>	<u>57,761,711</u>
Loans payable:					
Sewer project loan #1	365,000	-	35,000	-	330,000
Sewer project loan #2	197,924	-	32,519	-	165,405
Total loans payable	<u>562,924</u>	<u>-</u>	<u>67,519</u>	<u>-</u>	<u>495,405</u>
Other Liabilities:					
Capital leases payable	1,231,205	480,269	648,186	-	1,063,288
Compensated absences payable	1,202,916	99,171	176,305	-	1,125,782
Total other liabilities	<u>2,434,121</u>	<u>579,440</u>	<u>824,491</u>	<u>-</u>	<u>2,189,070</u>
Total all governmental activities	<u>\$ 62,923,710</u>	<u>\$ 749,486</u>	<u>\$ 3,227,010</u>	<u>\$ -</u>	<u>\$ 60,446,186</u>
Business-Type Activities:					
Compensated absences payable	\$ 20,700	\$ 1,936	\$ 7,452	\$ -	\$ 15,184
Total all business-type activities	<u>\$ 20,700</u>	<u>\$ 1,936</u>	<u>\$ 7,452</u>	<u>\$ -</u>	<u>\$ 15,184</u>

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Bonds payable:			
High school addition/renovations	\$ 854,578	\$ 28,505,447	\$ 29,360,025
Middle school/facilities expansion	1,340,376	25,206,310	26,546,686
Refunding bonds - E.R.I.P.	110,000	1,745,000	1,855,000
Total bonds payable	<u>2,304,954</u>	<u>55,456,757</u>	<u>57,761,711</u>
Loans payable:			
Sewer project loan #1	35,000	295,000	330,000
Sewer project loan #2	31,417	133,988	165,405
Total loans payable	<u>66,417</u>	<u>428,988</u>	<u>495,405</u>
Other Liabilities:			
Capital leases payable	383,669	679,619	1,063,288
Compensated absences payable	141,826	983,956	1,125,782
Total other liabilities	<u>525,495</u>	<u>1,663,575</u>	<u>2,189,070</u>
Total all governmental activities	<u>\$ 2,896,866</u>	<u>\$ 57,549,320</u>	<u>\$ 60,446,186</u>
Business-Type Activities:			
Compensated absences payable	\$ -	\$ 15,184	\$ 15,184
Total all business-type activities	<u>\$ -</u>	<u>\$ 15,184</u>	<u>\$ 15,184</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

9. LONG-TERM LIABILITIES: (Continued)

Debt Obligations:

Debt service requirements on serial bonds payable at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 2,475,000	\$ 2,614,758	\$ 5,089,758
2011	2,600,000	2,499,867	5,099,867
2012	2,705,000	2,405,738	5,110,738
2013	2,845,000	2,279,597	5,124,597
2014	2,970,000	2,163,402	5,133,402
2015-2019	17,140,000	8,762,814	25,902,814
2020-2024	18,110,000	4,479,865	22,589,865
2025-2030	11,405,000	1,502,550	12,907,550
	<u>\$ 60,250,000</u>	<u>\$ 26,708,591</u>	<u>\$ 86,958,591</u>

Bonds Authorized But Not Issued:

As of June 30, 2009, the Board has authorized but not issued bonds in the amount of \$392.

Loan Obligations:

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

Principal and interest due on loans outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 66,417	\$ 16,398	\$ 82,815
2011	65,299	14,569	79,868
2012	72,152	12,600	84,752
2013	70,868	10,500	81,368
2014	80,669	8,400	89,069
2015	45,000	6,169	51,169
2016	45,000	3,806	48,806
2017	50,000	1,312	51,312
	<u>\$ 495,405</u>	<u>\$ 73,754</u>	<u>\$ 569,159</u>

Lease Obligations:

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

Fiscal Year Ending June 30,	Future Minimum Lease Payments
2010	\$ 383,669
2011	291,067
2012	202,837
2013	140,593
2014	45,122
	<u>\$ 1,063,288</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

9. LONG-TERM LIABILITIES: (Continued)

Compensated Absences Payable:

The liability for compensated absences is recorded as a long-term obligation in the District-wide financial statements and amounted to \$1,125,782 at June 30, 2009. Of this amount, \$141,826 is due within one year and \$983,956 is due beyond one year.

10. PENSION PLANS:

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

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes the number of creditable service years divided by 55 multiplied by the average annual compensation of the highest three fiscal years. Vesting occurs after 10 years of service.

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF Pension and Post Retirement Medical Contributions
(Paid on-behalf of the District)

Funding Year June 30,	Annual Contribution		Percentage Of APC Contributed	Net Pension Obligation
	Pension	Post Retirement Medical Benefits		
2009	\$ -	\$ 1,954,252	unknown	-
2008	\$ 2,055,540	\$ 1,854,631	100%	-
2007	\$ 2,074,937	\$ 1,746,727	100%	-

For the year ended June 30, 2009 the State of New Jersey made an on-behalf pension contribution to TPAF on September 14, 2009 in the total amount of \$64.4 million dollars. The amount allocable to each district has not been determined, and accordingly, is not included in the District's statements and schedules for the 2009 fiscal year. For the year ended June 30, 2009 the State of New Jersey contributed \$1,954,252 to the TPAF for post retirement medical benefits on behalf of the District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

10. PENSION PLANS: (Continued)

In addition to the TPAF post retirement medical contribution paid on behalf of the District, the State also reimbursed the District \$2,244,549 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries, in accordance with N.J.S.A. 18A:66-66.

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

Funding Year June 30,	Annual Reimbursement
2009	\$ 2,244,549
2008	2,245,728
2007	2,147,359

On-behalf payments have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

Chapter 108 of Public Laws 2003 provided for a "phase-in" of the required pension contribution to PERS for local employers over a four year period beginning in fiscal year 2005. Chapter 19 of Public Laws 2009 allowed Districts to defer half of their 2009 liability. The District opted not to defer their 2009 liability.

Three-Year Trend Information for PERS Contributions (Paid by the District)

Funding Year June 30,	Normal and Accrued Liability Contribution	"Phase In" Percentage Contributed	Net Pension Obligation
2009	\$ 698,118	100%	\$ 698,118
2008	709,186	80%	567,349
2007	509,390	60%	305,634

11. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or qualify for a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2008 there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2008, the State paid \$116 million toward Chapter 126 benefits for 12,545 eligible retired members.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

12. 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 permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Deferred compensation plans are available from the following providers:

American
Equitable
American Federal Express
Traveler's
Valic

13. RISK MANAGEMENT:

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. There have been no significant reductions in insurance coverage from the prior year and no settlements exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of member contributions, interest earnings, quarterly billings, and reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Plan Member Contributions</u>	<u>Interest Earnings</u>	<u>Quarterly Billings</u>	<u>Reimbursed to State</u>	<u>Ending Balance</u>
2008-2009	\$115,155	\$1,253	\$46,153	\$206,203	\$9,144
2007-2008	\$101,532	\$4,766	\$29,868	\$81,878	\$145,092
2006-2007	94,545	7,086	27,807	99,717	150,540

The 2010 budget includes a \$92,000 appropriation for contributions to the Unemployment Insurance Trust Fund.

14. FUND BALANCE APPROPRIATED:

Of the \$1,476,998 fund balance in the General Fund at June 30, 2009, \$713,269 is reserved for encumbrances, \$15,986 has been reserved in the capital reserve account, and \$355,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2010. In addition, all of the \$13,995 fund balance in the Debt Service Fund at June 30, 2009 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2010.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

15. CONSTRUCTION COMMITMENTS:

As of June 30, 2009 the District had no active construction projects.

16. 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.

17. CONTINGENT LIABILITIES:

Grant Programs:

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

Litigation:

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters is either unknown, or will not have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Original Budget	Budget Transfers	Final Budget
REVENUES:			
Local sources:			
Local tax levy	\$ 53,189,857	\$ -	\$ 53,189,857
Tuition charges	87,716	-	87,716
Interest on investments	198,921	-	198,921
Interest earned on capital reserve funds	200	-	200
Transportation fees	31,400	-	31,400
Miscellaneous	127,284	-	127,284
Total - Local Sources	53,635,378	-	53,635,378
State sources:			
Categorical special education aid	2,766,950	-	2,766,950
Equalization aid	11,906,074	-	11,906,074
Categorical security aid	406,200	-	406,200
Categorical transportation aid	1,448,545	-	1,448,545
Extraordinary aid	491,102	-	491,102
Other state aid	-	-	-
On-behalf TPAF contributions (Non-Budgeted)	-	-	-
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-
Total - State Sources	17,018,871	-	17,018,871
TOTAL REVENUES	70,654,249	-	70,654,249
EXPENDITURES:			
CURRENT:			
Regular programs - distributed instruction:			
Salaries of teachers:			
Kindergarten	545,065	(15,200)	529,865
Grades 1 - 5	7,199,757	(86,860)	7,112,897
Grades 6 - 8	4,626,676	22,310	4,648,986
Grades 9 - 12	6,632,679	(128,450)	6,504,229
Regular programs - home instruction:			
Salaries of teachers	9,400	-	9,400
Purchased professional - educational services	12,000	-	12,000
Regular programs - undistributed instruction:			
Other salaries for instruction	397,792	-	397,792
Purchased professional - educational services	19,600	-	19,600
Other purchased services	216,496	224,590	441,086
General supplies	668,634	129,737	798,371
Textbooks	158,923	135,370	294,293
Other objects	15,510	180	15,690
Total Regular Programs - Instruction	20,502,532	281,677	20,784,209

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, 2009

<u>Actual</u>	<u>Variance Final to Actual</u>
\$ 53,189,858	\$ 1
103,408	15,692
44,631	(154,290)
110	(90)
30,235	(1,165)
<u>308,708</u>	<u>181,424</u>
 53,676,950	 41,572
 2,766,950	 -
11,571,655	(334,419)
406,200	-
1,448,545	-
1,334,074	842,972
37,425	37,425
1,954,252	1,954,252
<u>2,244,549</u>	<u>2,244,549</u>
 21,763,650	 4,744,779
<u>75,440,600</u>	<u>4,786,351</u>
 517,941	 11,924
7,107,547	5,350
4,617,850	31,136
6,476,884	27,345
 7,665	 1,735
11,872	128
 382,962	 14,830
17,240	2,360
405,833	35,253
559,529	238,842
179,610	114,683
<u>8,288</u>	<u>7,402</u>
 20,293,221	 490,988

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, 2009

	Original Budget	Budget Transfers	Final Budget
Special education - instruction:			
Learning and/or language disabilities:			
Salaries of teachers	\$ 869,194	\$ -	\$ 869,194
Other salaries for instruction	85,944	(47,600)	38,344
Total Learning and/or Language Disabilities	955,138	(47,600)	907,538
Behavioral disabilities:			
Salaries of teachers	55,413	(54,350)	1,063
Other salaries for instruction	16,832	(16,800)	32
Total Behavioral Disabilities	72,245	(71,150)	1,095
Multiple disabilities:			
Salaries of teachers	255,407	8,500	263,907
Other salaries for instruction	56,790	(17,500)	39,290
Other objects	500	-	500
Total Multiple Disabilities	312,697	(9,000)	303,697
Resource room/resource center:			
Salaries of teachers	2,792,858	(13,780)	2,779,078
Other salaries for instruction	298,898	36,290	335,188
Total Resource Room/Resource Center	3,091,756	22,510	3,114,266
Autism:			
Salaries of teachers	70,374	43,350	113,724
Other salaries for instruction	21,185	-	21,185
Total Autism	91,559	43,350	134,909
Preschool disabilities - Part-Time:			
Salaries of teachers	141,527	-	141,527
Other salaries for instruction	44,508	500	45,008
Total Preschool Disabilities - Part-Time	186,035	500	186,535
Preschool disabilities - Full-Time:			
Salaries of teachers	79,091	-	79,091
Other salaries for instruction	19,073	2,000	21,073
Total Preschool Disabilities - Full-Time	98,164	2,000	100,164
Home instruction:			
Salaries of teachers	12,500	5,720	18,220
Purchased professional - educational services	19,000	(5,720)	13,280
Total Home Instruction	31,500	-	31,500
Total Special Education - Instruction	4,839,094	(59,390)	4,779,704

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, 2009

Actual	Variance Final to Actual
\$ 848,946	\$ 20,248
38,298	46
<u>887,244</u>	<u>20,294</u>
-	1,063
-	32
<u>-</u>	<u>1,095</u>
250,203	13,704
33,520	5,770
79	421
<u>283,802</u>	<u>19,895</u>
2,779,069	9
334,067	1,121
<u>3,113,136</u>	<u>1,130</u>
113,625	99
17,413	3,772
<u>131,038</u>	<u>3,871</u>
141,467	60
41,751	3,257
<u>183,218</u>	<u>3,317</u>
78,200	891
20,947	126
<u>99,147</u>	<u>1,017</u>
18,212	8
10,841	2,439
<u>29,053</u>	<u>2,447</u>
<u>4,726,638</u>	<u>53,066</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, 2009

	Original Budget	Budget Transfers	Final Budget
Other instructional programs:			
Basic skills/remedial - instruction:			
Salaries of teachers	\$ 472,245	\$ 5,530	\$ 477,775
General supplies	2,500	100	2,600
Total Basic Skills/Remedial - Instruction	474,745	5,630	480,375
Bilingual education - instruction:			
Salaries of teachers	326,441	24,500	350,941
General supplies	4,000	(100)	3,900
Textbooks	750	-	750
Total Bilingual Education - Instruction	331,191	24,400	355,591
Total Other Instructional Programs	805,936	30,030	835,966
School sponsored other instructional programs:			
School sponsored co-curricular activities - instruction:			
Salaries	159,295	-	159,295
Purchased services	33,800	-	33,800
Supplies and materials	4,000	(400)	3,600
Other objects	24,900	400	25,300
Total School Sponsored Co-Curricular Activities	221,995	-	221,995
School sponsored athletics - instruction:			
Salaries	386,018	-	386,018
Purchased services	118,000	-	118,000
Supplies and materials	95,000	17,389	112,389
Other objects	41,055	-	41,055
Total School Sponsored Athletics - instruction	640,073	17,389	657,462
Total School Sponsored Other Instructional Programs	862,068	17,389	879,457
TOTAL DISTRIBUTED EXPENDITURES	27,009,630	269,706	27,279,336
UNDISTRIBUTED EXPENDITURES:			
Instruction:			
Tuition to other LEAs within the state - regular	-	8,670	8,670
Tuition to other LEAs within the state - special	351,692	(108,100)	243,592
Tuition to county vocational school districts - regular	358,082	(84,270)	273,812
Tuition to county vocational school districts - special	9,090	4,600	13,690
Tuition to CSSSD and regional day schools	377,874	(33,000)	344,874
Tuition to private schools for the handicapped - within state	2,028,090	201,000	2,229,090
Tuition - state facilities	9,000	-	9,000
Tuition - other	775	4,550	5,325
Total Undistributed Expenditures - Instruction	3,134,603	(6,550)	3,128,053

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, 2009

C-1

Actual	Variance Final to Actual
\$ 476,561	\$ 1,214
2,562	38
<u>479,123</u>	<u>1,252</u>
342,356	8,585
3,190	710
<u>345,546</u>	<u>10,045</u>
<u>824,669</u>	<u>11,297</u>
152,030	7,265
18,692	15,108
25,122	3,600
<u>195,844</u>	<u>178</u>
<u>195,844</u>	<u>26,151</u>
385,166	852
96,483	21,517
62,462	49,927
<u>30,176</u>	<u>10,879</u>
<u>574,287</u>	<u>83,175</u>
<u>770,131</u>	<u>109,326</u>
<u>26,614,659</u>	<u>664,677</u>
8,667	3
235,653	7,939
269,606	4,206
13,632	58
337,916	6,958
2,211,943	17,147
9,000	-
<u>1,960</u>	<u>3,365</u>
<u>3,088,377</u>	<u>39,676</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, 2009

	Original Budget	Budget Transfers	Final Budget
Health services:			
Salaries	\$ 604,263	\$ (1,290)	\$ 602,973
Purchased professional and technical services	55,700	11,030	66,730
Other purchased services	2,730	160	2,890
Supplies and materials	28,562	100	28,662
Total Health Services	691,255	10,000	701,255
Other support services - students - related services:			
Salaries	1,046,587	-	1,046,587
Purchased professional - educational services	114,274	5,700	119,974
Other objects	225	-	225
Total Other Support Services - Students - Related Services	1,161,086	5,700	1,166,786
Other support services - students - extraordinary services:			
Salaries	1,007,664	154,100	1,161,764
Purchased professional - educational services	862,572	(38,000)	824,572
Total Other Support Services - Students - Extra. Serv.	1,870,236	116,100	1,986,336
Other support services - students - regular:			
Salaries of other professional staff	1,052,235	-	1,052,235
Salaries of secretarial and clerical assistants	91,568	-	91,568
Other purchased professional and technical services	7,500	-	7,500
Other purchased services	25,887	1,000	26,887
Supplies and materials	25,447	(1,070)	24,377
Other objects	2,000	-	2,000
Total Other Support Services - Students - Regular	1,204,637	(70)	1,204,567
Other support services - students - special:			
Salaries of other professional staff	1,217,441	(39,980)	1,177,461
Purchased professional - educational services	48,000	3,880	51,880
Other purchased professional and technical services	4,000	-	4,000
Miscellaneous purchased services	3,200	-	3,200
Supplies and materials	4,000	-	4,000
Total Other Support Services - Students - Special	1,276,641	(36,100)	1,240,541
Improvement of instructional services:			
Salaries of supervisors of instruction	512,498	-	512,498
Salaries of other professional staff	34,200	7,400	41,600
Salaries of secretarial and clerical assistants	399,929	2,660	402,589
Other purchased services	47,704	(2,030)	45,674
Supplies and materials	12,545	920	13,465
Other objects	7,000	-	7,000
Total Improvement of Instruction Services/Other Support Services - Instructional Staff	1,013,876	8,950	1,022,826

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, 2009

C-1

Actual	Variance Final to Actual
\$ 602,386	\$ 587
66,718	12
2,880	10
<u>28,577</u>	<u>85</u>
<u>700,561</u>	<u>694</u>
1,022,084	24,503
105,929	14,045
<u>225</u>	<u>-</u>
<u>1,128,238</u>	<u>38,548</u>
1,134,928	26,836
<u>685,849</u>	<u>138,723</u>
<u>1,820,777</u>	<u>165,559</u>
1,050,043	2,192
90,244	1,324
4,299	3,201
26,867	20
12,130	12,247
<u>1,546</u>	<u>454</u>
<u>1,185,129</u>	<u>19,438</u>
1,157,855	19,606
51,875	5
4,000	-
1,526	1,674
<u>3,869</u>	<u>131</u>
<u>1,219,125</u>	<u>21,416</u>
512,498	-
39,651	1,949
402,575	14
38,746	6,928
9,041	4,424
<u>6,423</u>	<u>577</u>
<u>1,008,934</u>	<u>13,892</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, 2009

	Original Budget	Budget Transfers	Final Budget
Educational media services/school library:			
Salaries	\$ 331,994	\$ (26,890)	\$ 305,104
Other purchased services	36,806	-	36,806
Supplies and materials	106,777	54,204	160,981
Other objects	350	44,000	44,350
Total Educational Media Services/School Library	475,927	71,314	547,241
Instructional staff training services:			
Salaries of other professional staff	7,500	4,350	11,850
Purchased professional - educational services	8,000	44,710	52,710
Other purchased services	13,500	6,590	20,090
Supplies and materials	4,000	3,850	7,850
Other objects	5,000	(4,400)	600
Total Instructional Staff Training Services	38,000	55,100	93,100
Support services - general administration:			
Salaries	454,752	6,300	461,052
Legal services	187,100	77,850	264,950
Audit fees	28,000	-	28,000
Other purchased professional services	34,200	14,140	48,340
Communications/telephone	184,671	(25,290)	159,381
BOE other purchased services	6,750	-	6,750
Other purchased services	283,465	(1,590)	281,875
General supplies	10,200	916	11,116
Judgements against the school district	-	47,850	47,850
Miscellaneous expenditures	23,395	(820)	22,575
BOE membership dues and fees	28,841	-	28,841
Total Support Services - General Administration	1,241,374	119,356	1,360,730
Support services - school administration:			
Salaries of principals/assistant principals	1,424,263	-	1,424,263
Salaries of other professional staff	974,090	69,900	1,043,990
Salaries of secretarial and clerical assistants	558,255	(6,350)	551,905
Other purchased services	249,460	(187,300)	62,160
Supplies and materials	95,958	(13,948)	82,010
Other objects	42,800	-	42,800
Total Support Services - School Administration	3,344,826	(137,698)	3,207,128
Central services:			
Salaries	538,317	-	538,317
Miscellaneous purchased services	40,000	-	40,000
Supplies and materials	16,490	-	16,490
Miscellaneous expenditures	1,500	-	1,500
Total Central Services	596,307	-	596,307

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, 2009

Actual	Variance Final to Actual
\$ 305,088	\$ 16
35,960	846
69,359	91,622
44,319	31
<u>454,726</u>	<u>92,515</u>
11,842	8
1,650	51,060
6,069	14,021
2,536	5,314
-	600
<u>22,097</u>	<u>71,003</u>
460,073	979
264,948	2
28,000	-
29,259	19,081
140,989	18,392
3,609	3,141
275,231	6,644
11,102	14
47,842	8
14,084	8,491
28,212	629
<u>1,303,349</u>	<u>57,381</u>
1,424,262	1
1,043,903	87
532,038	19,867
56,215	5,945
60,292	21,718
32,831	9,969
<u>3,149,541</u>	<u>57,587</u>
537,607	710
33,247	6,753
12,022	4,468
1,500	-
<u>584,376</u>	<u>11,931</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, 2009

	Original Budget	Budget Transfers	Final Budget
Administrative information technology:			
Salaries	\$ 324,385	\$ -	\$ 324,385
Other purchased services	267,094	-	267,094
Supplies and materials	34,000	-	34,000
Other objects	2,415	-	2,415
Total Administrative Information Technology	627,894	-	627,894
Operation and maintenance of school facilities:			
Salaries	165,405	-	165,405
Cleaning, repair and maintenance services	496,470	(89,771)	406,699
General supplies	128,700	54,885	183,585
Other objects	3,000	3,170	6,170
Total Operation and Maintenance of School Facilities	793,575	(31,716)	761,859
Operation and maintenance of plant services:			
Salaries	3,457,776	(119,020)	3,338,756
Purchased professional and technical services	120,000	1,725	121,725
Cleaning, repair and maintenance services	141,399	(14,560)	126,839
Rental of land and buildings other than lease purchase	476,487	-	476,487
Other purchased property services	122,740	37,600	160,340
Insurance	84,889	4,950	89,839
Miscellaneous purchased services	5,100	-	5,100
General supplies	369,152	133,020	502,172
Energy (heat and electricity)	2,255,000	-	2,255,000
Other objects	4,900	-	4,900
Total Operation and Maintenance of Plant Services	7,037,443	43,715	7,081,158
Student transportation services:			
Salaries for pupil trans. (between home & school) - regular	1,996,026	(76,590)	1,919,436
Salaries for pupil trans. (between home & school) - special ed.	468,622	(66,000)	402,622
Salaries for pupil trans. (other than between home & school)	160,000	36,590	196,590
Salaries for pupil trans. (between home & school) - nonpublic	100,503	(34,940)	65,563
Management fees - ESC & CTSA transportation programs	39,604	1,500	41,104
Cleaning, repair and maintenance services	40,000	33,920	73,920
Lease purchase payments - school buses	482,224	(800)	481,424
Contracted services - aid in lieu of payments	98,000	-	98,000
Contracted services (other than bet. home & school) - vendors	1,000	-	1,000
Contracted services (between home & school) - joint agreements	6,700	800	7,500
Contracted services (special ed. students) - vendors	41,421	-	41,421
Contracted services (regular students) - ESCs & CTSA	89,610	(1,500)	88,110
Contracted services (special ed. students) - ESCs & CTSA	832,763	114,940	947,703
Miscellaneous purchased services	89,343	-	89,343
Supplies and materials	706,915	(7,920)	698,995
Miscellaneous expenditures	3,840	-	3,840
Total Student Transportation Services	5,156,571	-	5,156,571

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, 2009

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Actual	Variance Final to Actual
\$ 319,179	\$ 5,206
240,036	27,058
5,675	28,325
947	1,468
<u>565,837</u>	<u>62,057</u>
159,425	5,980
337,820	68,879
183,549	36
6,163	7
<u>686,957</u>	<u>74,902</u>
3,274,650	64,106
93,066	28,659
121,182	5,657
476,487	-
158,082	2,258
89,803	36
1,023	4,077
500,692	1,480
2,225,288	29,712
2,784	2,116
<u>6,943,057</u>	<u>138,101</u>
1,879,374	40,062
377,363	25,259
196,587	3
53,876	11,687
40,976	128
73,912	8
477,997	3,427
78,520	19,480
-	1,000
7,482	18
38,916	2,505
77,343	10,767
947,698	5
81,216	8,127
581,038	117,957
1,263	2,577
<u>4,913,561</u>	<u>243,010</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, 2009

	Original Budget	Budget Transfers	Final Budget
Unallocated benefits - employee benefits:			
Social security contributions	\$ 1,141,108	\$ (50,070)	\$ 1,091,038
Other retirement contributions - regular	1,059,284	(176,460)	882,824
Workers compensation	629,376	(42,550)	586,826
Health benefits	12,002,993	(342,730)	11,660,263
Tuition reimbursement	275,000	35,000	310,000
Other employee benefits	260,230	32,070	292,300
Total Unallocated Benefits - Employee Benefits	15,367,991	(544,740)	14,823,251
On-behalf TPAF contributions (Non-Budgeted)	-	-	-
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-
Total On-behalf Payments	-	-	-
TOTAL UNDISTRIBUTED EXPENDITURES	45,032,242	(326,639)	44,705,603
TOTAL EXPENDITURES - CURRENT	72,041,872	(56,933)	71,984,939
CAPITAL OUTLAY:			
Equipment:			
Regular programs - instruction::			
Grades 1 - 5	-	32,770	32,770
Grades 9 - 12	-	2,220	2,220
Undistributed expenditures:			
Other support services - students - regular	3,775	70	3,845
Operation and maintenance of plant services	8,000	63,611	71,611
Student transportation services - non-instructional equipment	10,000	-	10,000
Total Equipment	21,775	98,671	120,446
Assets acquired under capital leases (non-budgeted):			
Instruction - regular programs	-	-	-
Pupil transportation	-	-	-
Operation and maintenance of plant services	-	-	-
Total Assets Acquired Under Capital Leases (Non-budgeted)	-	-	-
TOTAL CAPITAL OUTLAY	21,775	98,671	120,446
CHARTER SCHOOL:			
Allocation of funds to charter school	48,687	31,550	80,237
Total Charter School	48,687	31,550	80,237
TOTAL EXPENDITURES	72,112,334	73,288	72,185,622
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,458,085)	(73,288)	(1,531,373)

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, 2009

Actual	Variance Final to Actual
\$ 1,007,282	\$ 83,756
784,895	97,929
570,748	16,078
11,514,132	146,131
297,577	12,423
292,289	11
<u>14,466,923</u>	<u>356,328</u>
1,954,252	(1,954,252)
<u>2,244,549</u>	<u>(2,244,549)</u>
<u>4,198,801</u>	<u>(4,198,801)</u>
<u>47,440,366</u>	<u>(2,734,763)</u>
<u>74,055,025</u>	<u>(2,070,086)</u>
-	32,770
-	2,220
3,838	7
69,992	1,619
<u>8,366</u>	<u>1,634</u>
<u>82,196</u>	<u>38,250</u>
148,660	(148,660)
271,340	(271,340)
<u>60,269</u>	<u>(60,269)</u>
<u>480,269</u>	<u>(480,269)</u>
<u>562,465</u>	<u>(442,019)</u>
<u>65,644</u>	<u>14,593</u>
<u>65,644</u>	<u>14,593</u>
<u>74,683,134</u>	<u>(2,497,512)</u>
<u>757,466</u>	<u>(2,288,839)</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, 2009

	Original Budget	Budget Transfers	Final Budget
OTHER FINANCING SOURCES (USES):			
Capital Leases (Non-budgeted)	\$ -	\$ -	\$ -
Operating Transfer In:			
Transfer from Enterprise Fund - Contribution from Community School	42,000	-	42,000
Operating Transfers Out:			
Interest Deposit to Capital Reserve	(200)	-	(200)
TOTAL OTHER FINANCING SOURCES (USES)	41,800	-	41,800
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,416,285)	(73,288)	(1,489,573)
FUND BALANCE, July 1	1,760,454	-	1,760,454
FUND BALANCE, June 30	<u>\$ 344,169</u>	<u>\$ (73,288)</u>	<u>\$ 270,881</u>
Recapitulation:			
Reserve for encumbrances			
Capital reserve			
Designated for subsequent year's expenditures			
Unrestricted unreserved fund balance			
Reconciliation to Governmental Funds Statements (GAAP):			
Late state aid payment not recognized on GAAP basis			
Fund Balance per Governmental Funds (GAAP)			

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, 2009

<u>Actual</u>	<u>Variance Final to Actual</u>
\$ 480,269	\$ (480,269)
42,000	-
<u>-</u>	<u>(200)</u>
<u>522,269</u>	<u>(480,469)</u>
1,279,735	(2,769,308)
<u>1,760,454</u>	<u>-</u>
<u><u>\$ 3,040,189</u></u>	<u><u>\$ (2,769,308)</u></u>
\$ 713,269	
15,986	
355,000	
<u>1,955,934</u>	
3,040,189	
<u>(1,563,191)</u>	
<u><u>\$ 1,476,998</u></u>	

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ 10,143	\$ 10,143	\$ 792	\$ 9,351
Federal sources	1,126,094	199,538	1,325,632	1,190,636	134,996
Total Revenues	1,126,094	209,681	1,335,775	1,191,428	144,347
EXPENDITURES:					
Instruction:					
Personal services - salaries	554,617	59,991	614,608	593,257	21,351
Purchased professional educational and technical services	1,128	129	1,257	1,257	-
Other purchased services	228,380	83,823	312,203	303,888	8,315
General supplies	53,476	83,955	137,431	96,967	40,464
Other objects	3,780	(2,280)	1,500	-	1,500
Total Instruction	841,381	225,618	1,066,999	995,369	71,630
Support Services:					
Personal services - employee benefits	87,571	(32,943)	54,628	31,725	22,903
Purchased professional educational and technical services	164,439	7,275	171,714	124,605	47,109
Other purchased services	15,051	(9,390)	5,661	3,458	2,203
Supplies and materials	17,652	1,553	19,205	18,786	419
Total Support Services	284,713	(33,505)	251,208	178,574	72,634
Facilities Acquisition and Construction Services:					
Instructional equipment	-	17,568	17,568	17,485	83
Total Facilities Acquisition and Construction Services	-	17,568	17,568	17,485	83
Total Expenditures	1,126,094	209,681	1,335,775	1,191,428	144,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$75,440,600	\$ 1,191,428
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, 2008	-	32,158
Outstanding encumbrances at June 30, 2009	-	(54,397)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2008	733,596	-
State aid receivable at June 30, 2009	(1,563,191)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$74,611,005</u>	<u>\$ 1,169,189</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$74,683,134	\$ 1,191,428
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, 2008	-	32,158
Outstanding encumbrances at June 30, 2009	-	(54,397)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$74,683,134</u>	<u>\$ 1,169,189</u>

OTHER SUPPLEMENTARY INFORMATION

<p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p>
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The Special Revenue 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, 2009

	TITLE I			TITLE II			
	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part D Carryover	Part D Current	
REVENUES:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal sources	34,109	99,350	19,439	69,194	852	1,105	
Total Revenues	\$ 34,109	\$ 99,350	\$ 19,439	\$ 69,194	\$ 852	\$ 1,105	
EXPENDITURES:							
Instruction:							
Personal services - salaries	\$ 5,576	\$ 80,000	\$ -	\$ 60,000	\$ -	\$ -	
Purchased professional educational and technical services	-	-	-	-	-	-	
Other purchased services	-	-	-	-	-	-	
General supplies	28,533	7,094	19,439	2	-	-	
Total Instruction	34,109	87,094	19,439	60,002	-	-	
Support Services:							
Personal services - employee benefits	-	12,256	-	9,192	-	-	
Purchased professional educational and technical services	-	-	-	-	-	-	
Other purchased services	-	-	-	-	-	-	
Supplies and materials	-	-	-	-	852	1,105	
Total Support Services	-	12,256	-	9,192	852	1,105	
Facilities Acquisition and Construction Services:							
Instructional equipment	-	-	-	-	-	-	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	
Total Expenditures	\$ 34,109	\$ 99,350	\$ 19,439	\$ 69,194	\$ 852	\$ 1,105	

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	TITLE III			Title IV		Title V		I.D.E.A.		
	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part A Carryover	Part B - Basic Reg. Prog. Current	Part B Preschool Carryover	Part B Preschool Current		
REVENUES:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	620	20,183	2,009	8,861	4,264	896,527	8,413	10,109		
Total Revenues	\$ 620	\$ 20,183	\$ 2,009	\$ 8,861	\$ 4,264	\$ 896,527	\$ 8,413	\$ 10,109		
EXPENDITURES:										
Instruction:										
Personal services - salaries	\$ -	\$ 13,888	\$ -	\$ -	\$ -	\$ 433,793	\$ -	\$ -	\$ -	\$ -
Purchased professional educational and technical services	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	303,888	-	-	-	-
General supplies	620	4,732	2,009	5,528	4,264	17,007	-	1,377		
Total Instruction	620	18,620	2,009	5,528	4,264	754,688	-	1,377		
Support Services:										
Personal services - employee benefits	-	1,563	-	-	-	8,714	-	-	-	-
Purchased professional educational and technical services	-	-	-	-	-	107,460	8,413	8,732		
Other purchased services	-	-	-	-	-	2,767	-	-	-	-
Supplies and materials	-	-	-	3,333	-	13,496	-	-	-	-
Total Support Services	-	1,563	-	3,333	-	132,437	8,413	8,732		
Facilities Acquisition and Construction Services:										
Instructional equipment	-	-	-	-	-	9,402	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	9,402	-	-	-	-
Total Expenditures	\$ 620	\$ 20,183	\$ 2,009	\$ 8,861	\$ 4,264	\$ 896,527	\$ 8,413	\$ 10,109		

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
AND PROJECT BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>2009</u>
EXPENDITURES:	
Construction services	70,619
Furniture and equipment	<u>50,634</u>
TOTAL EXPENDITURES	<u>121,253</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(121,253)
FUND BALANCE, July 1	<u>123,453</u>
FUND BALANCE, June 30	<u><u>\$ 2,200</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SCC Grant	\$ 14,622,490	\$ -	\$ 14,622,490	\$ 14,622,490
Bond proceeds	32,280,000	-	32,280,000	32,280,392
Interest income	1,611,522	-	1,611,522	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	48,514,012	-	48,514,012	46,902,882
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	293,107	-	293,107	293,107
Other professional and technical services	3,899,718	-	3,899,718	3,900,110
Construction services	41,398,662	70,619	41,469,281	41,471,281
Other purchased services	16,001	-	16,001	16,001
Furniture and equipment	378,208	50,634	428,842	429,042
Land and improvements	700,000	-	700,000	700,000
Miscellaneous	93,341	-	93,341	93,341
Transfer to General Fund	1,460,081	-	1,460,081	-
Transfer to Debt Service Fund	151,441	-	151,441	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	48,390,559	121,253	48,511,812	46,902,882
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 123,453	\$ (121,253)	\$ 2,200	\$ -

ADDITIONAL PROJECT INFORMATION:

Project number	3450-010-04-00KU
Grant date	12/10/2004
Bond authorization date	3/9/2004
Bonds authorized	\$32,280,392
Bonds issued	\$32,280,000
Original authorized cost	\$46,902,882
Additional authorized cost	-
Revised authorized cost	\$46,902,882
Percentage increase over original authorized cost	0.00%
Percentage completion	99.99%
Original target completion date	Jun-07
Revised target completion date	Jun-07

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Year	Project Title	Appropriation	Expenditures		Unexpended Balance
			Prior Years	Current Year	
2004	Additions and Renovations to Mt. Olive High School	\$46,202,882	\$46,079,037	\$ 121,253	\$ 2,592
2004	Acquisition and Installation of Artificial Turf at the High School Multipurpose Field	700,000	700,000	-	-
		<u>\$46,902,882</u>	<u>\$46,779,037</u>	<u>\$ 121,253</u>	<u>\$ 2,592</u>

Analysis:

Designated for subsequent year's expenditures	\$ 2,200
Bonds and notes authorized but not issued	<u>392</u>
	<u>\$ 2,592</u>

<p>ENTERPRISE FUNDS DETAIL STATEMENTS</p>
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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's board is that the costs of providing goods or services be financed through user charges.

Food Service Fund – This fund provides for the operation of food services in all schools within the District.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009

	Food Services	Special Schools Community School	Summer School	Totals
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 133,987	\$ 57,855	\$ 78,954	\$ 270,796
Accounts receivable:				
State	2,984	-	-	2,984
Federal	41,936	-	-	41,936
Other	14,377	-	-	14,377
Inventories	16,108	-	-	16,108
Total Current Assets	<u>209,392</u>	<u>57,855</u>	<u>78,954</u>	<u>346,201</u>
NONCURRENT ASSETS:				
Equipment	411,162	-	-	411,162
Less: accumulated depreciation	<u>319,693</u>	<u>-</u>	<u>-</u>	<u>319,693</u>
Total Noncurrent Assets	<u>91,469</u>	<u>-</u>	<u>-</u>	<u>91,469</u>
TOTAL ASSETS	<u>300,861</u>	<u>57,855</u>	<u>78,954</u>	<u>437,670</u>
LIABILITIES:				
Accounts payable	25,034	-	-	25,034
Interfund payable	94,760	17,562	-	112,322
Compensated absences payable	<u>15,184</u>	<u>-</u>	<u>-</u>	<u>15,184</u>
TOTAL LIABILITIES	<u>134,978</u>	<u>17,562</u>	<u>-</u>	<u>152,540</u>
NET ASSETS:				
Invested in capital assets, net of related debt	91,469	-	-	91,469
Unrestricted	<u>74,414</u>	<u>40,293</u>	<u>78,954</u>	<u>193,661</u>
TOTAL NET ASSETS	<u>\$ 165,883</u>	<u>\$ 40,293</u>	<u>\$ 78,954</u>	<u>\$ 285,130</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Food Services	Special Schools Community School	Summer School	Totals
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$ 984,214	\$ -	\$ -	\$ 984,214
Daily sales - non-reimbursable programs	75,384	-	-	75,384
Tuition	-	183,467	51,258	234,725
Total Operating Revenues	1,059,598	183,467	51,258	1,294,323
OPERATING EXPENSES:				
Salaries	498,834	70,737	39,720	609,291
Employee benefits	238,385	5,411	3,039	246,835
Supplies and materials	38,772	37,747	-	76,519
Depreciation	14,209	-	-	14,209
Cost of sales	557,682	-	-	557,682
Miscellaneous	539	-	-	539
Purchased professional educational services	-	67,991	-	67,991
Office expense	-	13,942	-	13,942
Total Operating Expenses	1,348,421	195,828	42,759	1,587,008
OPERATING INCOME (LOSS)	(288,823)	(12,361)	8,499	(292,685)
NON-OPERATING REVENUES:				
State sources:				
State school breakfast program	670	-	-	670
State school lunch program	14,561	-	-	14,561
Federal sources:				
School breakfast program	6,713	-	-	6,713
National school lunch program	195,321	-	-	195,321
Special milk program	4,762	-	-	4,762
After school snack program	4,024	-	-	4,024
Food donation program	65,925	-	-	65,925
Interest revenue	830	106	712	1,648
Total Non-Operating Revenues	292,806	106	712	293,624
NET (LOSS)/INCOME BEFORE TRANSFER	3,983	(12,255)	9,211	939
Transfer Out	-	(42,000)	-	(42,000)
CHANGE IN NET ASSETS	3,983	(54,255)	9,211	(41,061)
TOTAL NET ASSETS - BEGINNING	161,900	94,548	69,743	326,191
TOTAL NET ASSETS - ENDING	\$ 165,883	\$ 40,293	\$ 78,954	\$ 285,130

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Food Services	Special Schools Community School	Summer School	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,058,606	\$ 183,467	\$ 51,258	\$ 1,293,331
Payments to employees	(494,832)	(59,100)	(42,759)	(596,691)
Payments for employee benefits	(234,405)	-	-	(234,405)
Payments to suppliers	(527,758)	(119,681)	-	(647,439)
Net cash (used for) provided by operating activities	<u>(198,389)</u>	<u>4,686</u>	<u>8,499</u>	<u>(185,204)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	13,340	-	-	13,340
Federal Sources	182,092	-	-	182,092
Operating subsidies and transfers to other funds	-	(42,000)	-	(42,000)
Net cash provided by non-capital financing activities	<u>195,432</u>	<u>(42,000)</u>	<u>-</u>	<u>153,432</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	-	-
Net cash (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	830	106	712	1,648
Net cash provided by investing activities	<u>830</u>	<u>106</u>	<u>712</u>	<u>1,648</u>
Net increase (decrease) in cash and cash equivalents	(2,127)	(37,208)	9,211	(30,124)
Balances—beginning of year	136,114	95,063	69,743	300,920
Balances—end of year	<u>\$ 133,987</u>	<u>\$ 57,855</u>	<u>\$ 78,954</u>	<u>\$ 270,796</u>
Reconciliation of operating (loss) income to net cash provided by (used for) operating activities:				
Operating (loss) income	\$ (288,823)	\$ (12,361)	\$ 8,499	\$ (292,685)
Adjustments to reconcile operating (loss) income to net cash (used for) provided by operating activities				
Depreciation	14,209	-	-	14,209
Food donation program	65,925	-	-	65,925
Increase in accounts receivable, net	(993)	-	-	(993)
Decrease in inventories	1,047	-	-	1,047
Increase in accounts payable	2,263	-	-	2,263
Decrease in compensated absences payable	(5,516)	-	-	(5,516)
Increase in due to/from other funds	13,499	17,047	-	30,546
Total adjustments	<u>90,434</u>	<u>17,047</u>	<u>-</u>	<u>107,481</u>
Net cash (used for) provided by operating activities	<u>\$ (198,389)</u>	<u>\$ 4,686</u>	<u>\$ 8,499</u>	<u>\$ (185,204)</u>

<p style="text-align: center;">FIDUCIARY FUNDS DETAIL STATEMENTS</p>

Fiduciary Funds are used to account for funds received by the school district for a specific purpose – Agency or Trust Funds.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

Trust Funds have a trust agreement, a higher degree of management involvement, and a longer holding period of the fund resources.

Unemployment Compensation Insurance Trust Fund – This trust fund is used to account for the unemployment transactions of the school district.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2009

	Agency Funds			Trust Fund
	Student Activity	Payroll	Total Agency	Unemployment Compensation Insurance Trust
ASSETS:				
Cash and cash equivalents	\$ 317,335	\$ 278,748	\$ 596,083	\$ 24,459
Accounts receivable	5,356	-	5,356	-
TOTAL ASSETS	322,691	278,748	601,439	24,459
LIABILITIES:				
Accounts payable	\$ 27,495	\$ -	\$ 27,495	\$ 15,315
Payroll deductions and withholdings	-	278,748	278,748	-
Interfund payable	21,095	-	21,095	-
Due to student groups	274,101	-	274,101	-
TOTAL LIABILITIES	322,691	278,748	601,439	15,315
NET ASSETS:				
Reserved for unemployment claims	-	-	-	9,144
TOTAL NET ASSETS	\$ -	\$ -	\$ -	\$ 9,144

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Unemployment Compensation Insurance Trust
ADDITIONS:	
Contributions:	
Plan member	\$ 115,155
Investment earnings:	
Interest	1,253
Total additions	<u>116,408</u>
DEDUCTIONS:	
Quarterly contribution reports	46,153
Unemployment claims	206,203
Total deductions	<u>252,356</u>
Change in net assets	(135,948)
Net assets-beginning of the year	<u>145,092</u>
Net assets-end of the year	<u><u>\$ 9,144</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable/ (Receivable)</u>	<u>Balance June 30, 2009</u>
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 30,286	\$ 37,597	\$ 35,825	\$ 1,711	\$ 30,347
Mountain View School	8,233	9,853	10,372	529	7,185
Tinc Road School	6,619	32,758	24,453	2,612	12,312
CMS Elementary School	6,117	40,278	34,872	5,190	6,333
Shared Elementary Resources	4,454	-	4,454	-	-
TOTAL ELEMENTARY SCHOOLS	<u>55,709</u>	<u>120,486</u>	<u>109,976</u>	<u>10,042</u>	<u>56,177</u>
MIDDLE SCHOOL:					
Mount Olive Middle School	<u>35,448</u>	<u>218,362</u>	<u>202,053</u>	<u>1,508</u>	<u>50,249</u>
TOTAL MIDDLE SCHOOL	<u>35,448</u>	<u>218,362</u>	<u>202,053</u>	<u>1,508</u>	<u>50,249</u>
HIGH SCHOOL:					
Mount Olive High School	122,580	496,669	492,266	(8,646)	135,629
Athletic Account	<u>53,061</u>	<u>99,712</u>	<u>121,037</u>	<u>(310)</u>	<u>32,046</u>
TOTAL HIGH SCHOOL	<u>175,641</u>	<u>596,381</u>	<u>613,303</u>	<u>(8,956)</u>	<u>167,675</u>
TOTAL ALL SCHOOLS	<u>\$ 266,798</u>	<u>\$ 935,229</u>	<u>\$ 925,332</u>	<u>\$ 2,594</u>	<u>\$ 274,101</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 276,947</u>	<u>\$ 58,694,165</u>	<u>\$ 58,692,364</u>	<u>\$ 278,748</u>
TOTAL ASSETS	<u><u>\$ 276,947</u></u>	<u><u>\$ 58,694,165</u></u>	<u><u>\$ 58,692,364</u></u>	<u><u>\$ 278,748</u></u>
 LIABILITIES:				
Payroll deductions and withholdings	<u>\$ 276,947</u>	<u>\$ 58,694,165</u>	<u>\$ 58,692,364</u>	<u>\$ 278,748</u>
TOTAL LIABILITIES	<u><u>\$ 276,947</u></u>	<u><u>\$ 58,694,165</u></u>	<u><u>\$ 58,692,364</u></u>	<u><u>\$ 278,748</u></u>

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2008	RETIRED	BALANCE JUNE 30, 2009
			DATE	AMOUNT				
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	11/01/04	30,500,000	1/15/2010	1,455,000	5.00%	29,460,000	1,385,000	28,075,000
			1/15/2011	1,530,000	3.25%			
			1/15/2012	1,590,000	5.00%			
			1/15/2013	1,675,000	4.00%			
			1/15/2014	1,750,000	4.00%			
			1/15/2015	1,830,000	4.00%			
			1/15/2016	1,910,000	5.00%			
			1/15/2017	2,010,000	4.25%			
			1/15/2018	2,110,000	4.50%			
			1/15/2019	2,210,000	4.50%			
			1/15/2020	2,315,000	4.75%			
			1/15/2021	2,435,000	4.75%			
			1/15/2022	2,560,000	5.00%			
			1/15/2023	2,695,000	5.00%			
Early Retirement Incentive Program - Refunding Bonds	02/01/03	2,395,000	2/1/2010	110,000	4.40%	1,955,000	100,000	1,855,000
			2/1/2011	115,000	4.70%			
			2/1/2012	120,000	4.95%			
			2/1/2013	130,000	5.15%			
			2/1/2014	135,000	5.25%			
			2/1/2015	145,000	5.35%			
			2/1/2016	155,000	5.75%			
			2/1/2017	165,000	5.75%			
			2/1/2018	175,000	5.75%			
			2/1/2019	190,000	5.75%			
			2/1/2020	200,000	5.75%			
			2/1/2021	215,000	5.75%			
Addition/Renovations to Mt. Olive High School	05/15/04	\$ 32,280,000	7/15/2009	855,000	4.00%	12,635,000	820,000	11,815,000
			7/15/2010	895,000	4.00%			
			7/15/2011	935,000	4.00%			
			7/15/2012	980,000	4.00%			
			7/15/2013	1,020,000	4.00%			
			7/15/2014	1,075,000	4.00%			
			7/15/2015	1,120,000	4.25%			
			7/15/2016	1,170,000	4.25%			
			7/15/2017	1,225,000	4.35%			
			7/15/2018	1,285,000	4.50%			
			7/15/2019	1,255,000	4.50%			

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2008	RETIRED	BALANCE JUNE 30, 2009
			DATE	AMOUNT				
Addition/Renovations to Mt. Olive High School - Refunding Bonds	09/14/06	9,100,000	7/15/2009	20,000	4.00%	9,080,000	20,000	9,060,000
			7/15/2010	25,000	4.00%			
			7/15/2011	25,000	4.00%			
			7/15/2012	25,000	4.00%			
			7/15/2013	25,000	4.00%			
			7/15/2014	25,000	4.00%			
			7/15/2015	30,000	4.00%			
			7/15/2016	30,000	4.00%			
			7/15/2017	30,000	4.00%			
			7/15/2018	30,000	4.00%			
			7/15/2019	30,000	4.00%			
			7/15/2020	35,000	4.00%			
			7/15/2021	35,000	4.10%			
			7/15/2022	35,000	4.10%			
			7/15/2023	40,000	4.10%			
			7/15/2024	40,000	4.10%			
			7/15/2025	670,000	4.10%			
			7/15/2026	1,870,000	4.25%			
			7/15/2027	1,935,000	4.25%			
7/15/2028	2,015,000	4.25%						
7/15/2029	2,090,000	4.25%						
Addition/Renovations to Mt. Olive High School - Refunding Bonds	01/04/07	9,500,000	7/15/2009	35,000	4.00%	9,455,000	10,000	9,445,000
			7/15/2010	35,000	4.00%			
			7/15/2011	35,000	4.00%			
			7/15/2012	35,000	4.00%			
			7/15/2013	40,000	4.00%			
			7/15/2014	40,000	4.00%			
			7/15/2015	40,000	4.00%			
			7/15/2016	45,000	4.00%			
			7/15/2017	45,000	4.00%			
			7/15/2018	50,000	4.00%			
			7/15/2019	135,000	4.00%			
			7/15/2020	1,445,000	4.00%			
			7/15/2021	1,505,000	4.00%			
			7/15/2022	1,560,000	4.00%			
			7/15/2023	1,615,000	4.00%			
			7/15/2024	1,675,000	4.00%			
			7/15/2025	1,110,000	4.00%			
						\$ 62,585,000	\$ 2,335,000	\$ 60,250,000

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance		Issued	Retired	Balance June 30, 2009
			Principal	Interest		July 1, 2008	June 30, 2008			
(4) 2004 24-Passenger School Vans, (6) 2004 54-Passenger School Buses	10/03/03	5 Years	\$ 631,302	\$ 48,940	2.65%	\$ 132,423	\$ -	\$ 132,423	\$ -	-
(7) 2005 54-Passenger School Buses	07/29/04	5 Years	558,362	35,930	3.23%	115,139	-	115,139	-	-
(3) 2006 54-Passenger School Buses	12/15/05	4 Years	238,484	12,179	3.43%	60,590	-	60,590	-	-
(2) Type C 29-Passenger School Buses, (2) Type D 54-Passenger School Buses, Computer Equipment and Network Upgrade	09/22/06	4 Years	840,000	65,329	6.13%	461,103	-	179,076	282,027	-
(1) 2007 Ford E-250 Cargo Van	01/10/07	3 Years	15,822	1,052	6.80%	5,266	-	5,266	-	-
(4) 2008 Thomas School Buses, Computers and Peripheral Equipment	09/28/07	5 Years	487,513	49,472	4.03%	438,145	-	90,890	347,255	-
(1) 2008 Ford F-250 Utility Truck and Plow	12/20/07	3 Years	28,778	1,940	6.90%	18,539	-	8,960	9,579	-
(6) 24-Passenger School Vans, (1) 54-Passenger School Bus, Computer Equipment and Network Upgrade	03/15/09	5 Years	420,000	38,640	3.29%	-	420,000	39,224	380,776	-
(2) 2009 Ford F-350 Super Cab Trucks	11/28/08	4 Years	60,269	6,203	6.95%	-	60,269	16,618	43,651	-
						<u>\$ 1,231,205</u>	<u>\$ 480,269</u>	<u>\$ 648,186</u>	<u>\$ 1,063,288</u>	

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 5,296,337	\$ -	\$ 5,296,337	\$ 4,458,369	\$ (837,968)
Miscellaneous	-	-	-	11,943	11,943
Total local sources	5,296,337	-	5,296,337	4,470,312	(826,025)
State sources:					
Debt service aid type II	678,683	-	678,683	678,683	-
Total state sources	678,683	-	678,683	678,683	-
TOTAL REVENUES	5,975,020	-	5,975,020	5,148,995	(826,025)
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	105,075	-	105,075	103,024	2,051
Interest on loans and serial bonds	3,467,426	-	3,467,426	2,629,457	837,969
Redemption of principal - early retirement bonds	100,000	-	100,000	100,000	-
Redemption of principal - loans and serial bonds	2,302,519	-	2,302,519	2,302,519	-
Total Regular Debt Service	5,975,020	-	5,975,020	5,135,000	840,020
TOTAL EXPENDITURES	5,975,020	-	5,975,020	5,135,000	840,020
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	13,995	13,995
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ 13,995	\$ 13,995
RECAPITULATION OF EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 13,995	\$ 13,995

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	88-95
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	96-99
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	100-103
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	104-105
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	106-110

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

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

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities:							
Invested in capital assets, net of related debt	\$ 18,734,871	\$ 19,646,173	\$ 18,618,960	\$ 3,763,209	\$ 3,799,721	\$ 1,885,787	\$ 707,724
Restricted	387,181	1,555,414	2,473,687	9,188,022	4,481,943	1,881,151	890,277
Unrestricted (Deficit)	(3,931,575)	(5,737,582)	(1,650,916)	(3,548,914)	(3,667,191)	(900,776)	(126,612)
Total governmental activities net assets	<u>\$ 15,190,477</u>	<u>\$ 15,464,005</u>	<u>\$ 19,441,731</u>	<u>\$ 9,402,317</u>	<u>\$ 4,614,473</u>	<u>\$ 2,866,162</u>	<u>\$ 1,471,389</u>
Business-type activities:							
Invested in capital assets, net of related debt	\$ 91,469	\$ 105,678	\$ 122,638	\$ 134,041	\$ 145,838	\$ 153,533	\$ 167,376
Restricted	-	-	-	-	-	-	-
Unrestricted	193,661	220,513	287,269	323,985	229,094	142,306	240,648
Total business-type activities net assets	<u>\$ 285,130</u>	<u>\$ 326,191</u>	<u>\$ 409,907</u>	<u>\$ 458,026</u>	<u>\$ 374,932</u>	<u>\$ 295,839</u>	<u>\$ 408,024</u>
District-wide:							
Invested in capital assets, net of related debt	\$ 18,826,340	\$ 19,751,851	\$ 18,741,598	\$ 3,897,250	\$ 3,945,559	\$ 2,039,320	\$ 875,100
Restricted	387,181	1,555,414	2,473,687	9,188,022	4,481,943	1,881,151	890,277
Unrestricted (Deficit)	(3,737,914)	(5,517,069)	(1,363,647)	(3,224,929)	(3,438,097)	(758,470)	114,036
Total district net assets	<u>\$ 15,475,607</u>	<u>\$ 15,790,196</u>	<u>\$ 19,851,638</u>	<u>\$ 9,860,343</u>	<u>\$ 4,989,405</u>	<u>\$ 3,162,001</u>	<u>\$ 1,879,413</u>

Source: District records

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

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

		Fiscal Year Ended June 30,						
		2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
Instruction:								
Regular programs								
Special education programs		\$ 28,874,002	\$ 29,538,264	\$ 28,392,776	\$ 26,257,695	\$ 25,424,351	\$ 24,035,461	\$ 21,709,607
Other instructional programs		7,299,941	8,451,020	7,525,425	6,794,223	6,090,403	5,311,941	4,523,744
School sponsored programs		1,308,443	1,344,860	1,408,582	1,200,190	1,168,034	1,127,160	1,065,252
Community services programs		1,012,670	1,161,487	1,130,231	1,072,970	1,045,137	917,828	847,286
Support Services:		-	237,671	192,694	140,792	27,798	24,203	33,517
Tuition		3,457,909	3,349,320	2,553,357	2,610,450	2,401,166	2,249,056	1,987,021
Student & instruction related services		10,549,571	10,722,009	10,224,653	9,070,030	8,651,261	8,079,637	7,272,373
School administrative services		4,456,645	4,763,487	4,488,613	4,410,915	3,811,144	3,325,934	2,990,070
Other administrative services		3,055,916	3,038,472	2,744,156	2,525,602	2,345,576	1,768,973	1,753,771
Plant operations and maintenance		12,259,725	12,118,196	9,626,775	7,855,225	7,497,193	7,768,646	7,035,165
Pupil transportation		6,048,492	6,451,921	5,482,210	5,555,129	4,918,198	4,108,259	3,769,890
Charter schools			45,123	47,348	37,299	4,031	-	-
Interest on long-term debt and capital leases		2,835,064	2,915,556	3,927,627	3,073,022	4,142,208	2,015,732	1,837,297
Unallocated depreciation		86,339	92,320	101,418	1,238,708	1,374,521	1,448,717	1,525,506
Total governmental activities expenses		81,244,717	84,229,706	77,845,865	71,842,250	68,901,021	62,181,547	56,350,499
Business-type activities:								
Food service		1,348,421	1,482,292	1,441,598	1,355,509	1,284,271	1,309,808	1,276,834
Community school		195,828	173,357	181,389	172,239	148,861	135,199	124,606
Summer school		42,759	39,865	31,801	24,940	33,473	35,881	62,787
Total business-type activities expenses		1,587,008	1,695,514	1,654,788	1,552,688	1,466,605	1,480,888	1,464,227
Total district expenses		\$ 82,831,725	\$ 85,925,220	\$ 79,500,653	\$ 73,394,938	\$ 70,367,626	\$ 63,662,435	\$ 57,814,726

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

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction - special education programs (tuition)	\$ 103,408	\$ 271,335	\$ 126,618	\$ 94,978	\$ 131,562	\$ 222,321	\$ 131,274
Plant operations and maintenance (building usage fees)	50,572	67,918	43,284	115,653	176,837	141,706	139,956
Pupil transportation (transportation fees)	30,235	35,188	93,601	168,377	237,364	198,464	214,930
Operating grants and contributions	11,825,243	13,626,319	13,027,363	10,790,379	10,424,271	11,010,412	9,182,058
Capital grants and contributions	-	-	8,700,382	4,403,899	1,601,097	-	-
Total governmental activities program revenues	12,009,458	14,000,760	21,991,248	15,573,286	12,571,131	11,572,903	9,668,218
Business-type activities:							
Charges for services:							
Food service	1,059,598	1,088,892	1,076,005	1,105,351	1,029,665	984,216	925,800
Community school	183,467	190,352	167,724	163,208	161,175	154,691	142,916
Summer school	51,258	47,551	46,494	10,894	4,235	5,100	69,159
Operating grants and contributions	291,976	317,405	300,809	238,713	212,075	222,376	211,790
Capital grants and contributions	-	-	-	-	-	-	-
Total business-type activities program revenues	1,586,299	1,644,200	1,591,032	1,518,166	1,407,150	1,366,383	1,349,665
Total district program revenues	\$ 13,595,757	\$ 15,644,960	\$ 23,582,280	\$ 17,091,452	\$ 13,978,281	\$ 12,939,286	\$ 11,017,883
Net (Expense)/Revenue							
Governmental activities	\$ (69,235,259)	\$ (70,228,946)	\$ (55,854,617)	\$ (56,268,964)	\$ (56,329,890)	\$ (50,608,644)	\$ (46,682,281)
Business-type activities	(709)	(51,314)	(63,756)	(34,522)	(59,455)	(114,505)	(114,562)
Total district-wide net (expense)/revenue	\$ (69,235,968)	\$ (70,280,260)	\$ (55,918,373)	\$ (56,303,486)	\$ (56,389,345)	\$ (50,723,149)	\$ (46,796,843)

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

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
Property taxes levied for general purposes, net	\$ 53,189,858	\$ 52,201,822	\$ 49,278,445	\$ 45,886,614	\$ 43,809,539	\$ 40,140,349	\$ 36,578,161
Taxes levied for debt service	4,458,369	2,884,116	4,239,536	4,170,259	3,242,544	2,623,948	2,581,095
Unrestricted grants and contributions	10,956,684	10,243,283	9,817,027	9,697,625	9,679,376	9,096,480	8,233,511
Extraordinary items	-	(230,425)	-	96,500	-	-	471,460
Investment earnings	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901
Miscellaneous income	270,079	932,599	97,776	152,139	41,558	37,271	106,337
Transfers	42,000	42,000	1,000	(103,000)	(132,000)	-	30,000
Total governmental activities	68,961,731	66,251,220	65,662,403	61,056,808	58,078,201	52,003,417	48,120,465
Business-type activities:							
Investment earnings	1,648	9,598	16,637	14,616	6,548	2,320	3,148
Transfers	(42,000)	(42,000)	(1,000)	103,000	132,000	-	(30,000)
Total business-type activities	(40,352)	(32,402)	15,637	117,616	138,548	2,320	(26,852)
Total district-wide	\$ 68,921,379	\$ 66,218,818	\$ 65,678,040	\$ 61,174,424	\$ 58,216,749	\$ 52,005,737	\$ 48,093,613
Change in Net Assets							
Governmental activities	\$ (273,528)	\$ (3,977,726)	\$ 9,807,786	\$ 4,787,844	\$ 1,748,311	\$ 1,394,773	\$ 1,438,184
Business-type activities	(41,061)	(83,716)	(48,119)	83,094	79,093	(112,185)	(141,414)
Total district	\$ (314,589)	\$ (4,061,442)	\$ 9,759,667	\$ 4,870,938	\$ 1,827,404	\$ 1,282,588	\$ 1,296,770

Source: District records

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

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

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
General Fund							
Reserved	\$ 729,145	\$ 88,964	\$ 543,792	\$ 294,630	\$ 677,788	\$ 368,044	\$ 340,370
Unreserved	747,853	937,894	2,337,745	3,137,867	2,989,406	2,518,462	2,716,214
Total general fund	<u>\$ 1,476,998</u>	<u>\$ 1,026,858</u>	<u>\$ 2,881,537</u>	<u>\$ 3,432,497</u>	<u>\$ 3,667,194</u>	<u>\$ 2,886,506</u>	<u>\$ 3,056,584</u>
All Other Governmental Funds							
Reserved	\$ -	\$ 123,453	\$ 91,109	\$ 16,560,710	\$ 1,328,286	\$ 2,388,071	\$ -
Unreserved (deficit) reported in:							
Special revenue fund	-	-	-	-	-	-	(9,437)
Capital projects fund	2,200	-	342,589	(7,080,102)	29,622,425	28,930,114	(214,087)
Debt service fund	13,995	-	162,198	50,923	187,540	94,496	3,185
Total all other governmental funds	<u>\$ 16,195</u>	<u>\$ 123,453</u>	<u>\$ 595,896</u>	<u>\$ 9,531,531</u>	<u>\$ 31,138,251</u>	<u>\$ 31,412,681</u>	<u>\$ (220,339)</u>

Source: District records

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

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

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Tax levy	\$ 57,648,227	\$ 55,085,938	\$ 53,517,981	\$ 50,056,873	\$ 47,052,083	\$ 42,764,297	\$ 39,159,256	\$ 35,268,004	\$ 31,661,898	\$ 28,904,790
Tuition charges	103,408	271,335	126,618	94,978	131,562	222,321	131,274	115,660	9,233	-
Interest earnings	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901	155,609	688,810	1,249,336
Transportation fees	30,235	35,188	93,601	168,377	237,364	198,464	214,930	78,753	77,000	77,000
Rental income	-	-	-	85,633	146,375	141,706	139,956	138,789	126,543	126,027
Miscellaneous	321,443	1,005,621	141,060	282,699	90,571	37,271	106,337	72,750	127,165	39,192
State sources	21,612,738	22,233,937	30,342,000	23,902,311	20,572,898	18,808,063	16,509,865	16,033,430	16,816,940	15,375,590
Federal sources	1,168,397	1,635,665	1,202,772	989,052	1,113,295	1,298,829	905,704	804,352	658,771	626,835
Total revenue	80,929,189	80,445,509	87,652,651	76,736,594	70,781,332	63,576,320	57,287,223	52,665,594	50,168,113	46,398,770
Expenditures										
Instruction:										
Regular instruction	20,375,044	20,178,505	19,549,789	19,156,321	19,097,322	18,267,729	16,774,120	16,085,510	15,183,522	14,790,027
Special education instruction	5,183,587	5,729,167	5,169,688	4,943,019	4,536,162	3,992,694	3,469,009	3,120,068	2,733,155	2,348,631
Other instructional programs	933,563	901,818	959,586	873,650	871,428	850,929	808,791	623,198	440,954	349,195
School sponsored programs	770,131	910,714	900,141	866,945	871,800	766,499	712,611	690,923	666,089	658,633
Community services programs	-	164,377	134,694	104,320	23,478	20,361	27,665	46,769	46,334	84,446
Support Services:										
Tuition	3,392,265	3,349,320	2,553,357	2,647,749	2,405,197	2,249,056	1,967,021	2,020,728	2,293,201	1,941,035
Student & inst. related services	7,708,012	7,725,924	7,485,456	6,905,657	6,731,461	6,447,128	5,819,991	5,416,043	4,929,050	4,589,444
School administrative services	3,149,541	3,342,593	3,191,495	3,282,926	2,909,544	2,513,686	2,317,905	2,283,153	2,087,417	1,931,660
Other administrative services	2,453,562	2,414,639	2,279,895	2,081,919	1,972,621	1,579,706	1,527,104	1,398,052	1,270,044	1,390,636
Plant operations and maintenance	7,630,014	7,652,112	7,194,867	6,594,110	6,413,924	6,749,835	6,179,592	5,721,022	4,911,417	4,023,922
Pupil transportation	4,913,561	5,255,049	4,356,902	4,346,124	3,852,922	3,177,722	2,917,859	2,867,444	2,754,555	2,510,731
Employee benefits	18,697,449	20,212,132	18,482,389	15,193,902	13,496,227	12,024,251	10,208,438	8,686,410	8,084,927	6,453,160
Charter schools	65,644	45,123	47,348	-	-	-	-	15,044	17,909	-
Capital outlay	701,203	1,075,849	19,051,279	26,732,356	2,294,605	2,766,146	1,162,104	2,327,085	11,276,784	19,995,412
Debt service:										
Principal	2,402,519	1,575,466	2,061,383	1,967,300	1,650,084	1,532,848	1,526,613	1,272,377	1,220,008	1,194,850
Interest and other charges	2,732,481	2,798,134	4,804,490	3,065,298	3,016,299	1,866,788	1,809,577	1,872,736	1,946,953	2,018,985
Total expenditures	81,108,576	83,330,922	98,022,759	98,761,796	70,143,074	64,805,378	57,248,400	54,446,562	59,862,319	64,280,767
Excess (Deficiency) of revenues over (under) expenditures	(179,387)	(2,885,413)	(10,370,108)	(22,025,202)	638,258	(1,229,058)	38,823	(1,780,968)	(9,694,206)	(17,881,997)

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,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	32,280,000	-	-	-	1,231,851
Permanent financing of temp. debt	-	-	-	-	-	412,000	205,000	-	-	-
Proceeds from refunding	-	-	18,733,310	-	32,221,379	-	2,395,000	-	-	-
Payments to escrow agent	-	-	(18,485,867)	-	(31,863,490)	-	(2,308,744)	-	-	-
Costs of issuance	-	-	(240,752)	-	(327,554)	-	(86,256)	-	-	-
Accrued interest	-	-	-	-	(30,335)	-	-	-	-	-
Cancellation of loans payable	-	-	-	-	-	-	(82,571)	-	-	-
Capital leases	480,269	516,291	855,822	286,785	-	-	-	-	-	-
Transfers in	42,000	42,000	193,441	892,386	649,047	215,803	30,000	412,199	416,852	1,017,506
Transfers out	-	-	(192,441)	(995,386)	(781,047)	(215,803)	-	(300,199)	(480,511)	(1,075,729)
Total other financing sources (uses)	522,269	558,291	883,513	183,785	(132,000)	32,692,000	152,429	112,000	(63,659)	1,173,628
Net change in fund balances	\$ 342,882	\$ (2,327,122)	\$ (9,486,595)	\$ (21,841,417)	\$ 506,258	\$ 31,462,942	\$ 191,252	\$ (1,668,968)	\$ (9,757,865)	\$ (16,708,369)
Debt service as a percentage of noncapital expenditures	6.39%	5.32%	8.44%	6.99%	6.88%	5.48%	5.95%	6.03%	6.52%	7.26%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Other administrative services includes general administration, central services, administrative information technology and business and other support services.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

Fiscal Year Ended June 30,	Insurance Proceeds	Prior Year Tuition Adjustments	Lost Book Fees	Parking Permit Fees	Use of Facilities	Refund Prior Year Expenditures	Cancellation of Prior Year Accounts Payable	Cancellation of Prior Year Outstanding Checks	Local Grants and Contributions	Sale of Property	Other	Annual Totals
2000	\$ 568	\$ 18,825	\$ 3,833	\$ -	\$ 7,795	\$ 942	\$ 2,862	\$ 320	\$ -	\$ -	4,047	\$ 39,192
2001	1,249	13,921	1,398	-	14,102	5,773	17,578	3,627	67,400	-	2,117	127,165
2002	-	22,202	4,579	-	21,762	13,751	4,858	3,353	-	-	2,245	72,750
2003	1,990	13,681	2,224	-	30,473	45,108	11,923	-	-	-	938	106,337
2004	3,000	3,439	3,618	-	20,490	2,653	635	895	-	-	2,288	37,018
2005	15,067	3,964	3,556	-	30,462	2,606	2,841	266	-	-	2,697	61,459
2006	6,120	46,247	3,555	-	30,020	44,678	3,200	3	-	100,000	1,405	235,228
2007	400	1,461	6,710	-	43,284	34,216	1,112	9,526	-	-	1,881	98,590
2008	19,038	4,751	7,224	-	67,918	40,108	9,462	6,466	-	5,104	3,055	163,126
2009	126,500	4,607	6,746	19,225	50,572	90,647	884	295	-	-	9,232	308,708

Source: District records

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
1999	\$80,548,400	\$ 911,336,600	\$6,015,900	\$1,137,900	\$136,864,600	\$355,175,400	\$144,000,000	\$1,635,078,800	\$ 5,959,884	\$1,641,038,684	\$95,398,800	\$ 1,586,553,549	\$ 1.660
2000	81,935,800	959,950,400	6,569,000	966,800	159,431,500	364,244,000	144,000,000	1,717,097,500	5,162,566	1,722,260,066	97,860,900	1,737,197,392	1.759
2001	91,552,700	988,951,400	7,281,000	901,500	169,639,400	369,245,000	143,800,000	1,771,371,000	5,137,980	1,776,508,980	99,177,800	1,806,318,130	1.885
2002	93,974,600	1,031,092,200	7,558,200	1,212,900	182,951,300	391,380,800	143,800,000	1,851,970,000	5,029,543	1,856,999,543	120,742,400	2,049,824,593	2.005
2003	87,421,800	1,082,869,600	7,137,300	1,243,900	237,541,400	369,069,500	143,800,000	1,929,083,500	5,216,113	1,934,299,613	124,059,700	2,209,720,299	2.119
2004	68,056,700	1,149,478,100	6,922,200	1,191,500	255,933,700	371,175,600	145,725,000	1,998,482,800	4,652,732	2,003,135,532	134,395,200	2,491,506,000	2.242
2005	64,936,100	1,178,432,500	6,929,100	1,177,700	266,405,500	317,578,200	145,725,000	1,981,184,100	4,652,732	1,985,836,832	136,591,300	2,814,287,205	2.440
2006	74,730,400	1,220,639,600	6,929,100	1,099,900	263,476,200	290,086,500	145,725,000	2,002,686,700	3,133,535	2,005,820,235	146,217,300	3,361,290,298	2.583
2007	74,085,600	1,237,440,800	7,207,700	1,102,900	265,992,400	250,998,400	138,825,000	1,975,652,800	2,910,002	1,978,562,802	148,023,600	3,676,942,579	2.745
2008*	134,976,400	2,374,738,900	14,894,800	1,371,600	523,154,950	368,387,300	250,006,700	3,667,530,650	5,632,793	3,673,163,443	210,106,100	3,667,530,650	1.546

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

* Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment. The Township underwent a revaluation of real property that became effective for the year 2008.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

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

Fiscal Year Ended December 31,	Mount Olive Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Mount Olive Township	Morris County	
1999	\$ 1.613	\$ 0.047	\$ 1.660	\$ 0.600	\$ 0.300	\$ 2.560
2000	1.671	0.088	1.759	0.656	0.311	2.726
2001	1.773	0.112	1.885	0.674	0.317	2.876
2002	1.878	0.127	2.005	0.699	0.331	3.035
2003	1.985	0.134	2.119	0.701	0.335	3.155
2004	2.096	0.146	2.242	0.750	0.349	3.341
2005	2.253	0.187	2.440	0.817	0.378	3.635
2006	2.373	0.210	2.583	0.793	0.414	3.790
2007	2.565	0.180	2.745	0.819	0.436	4.000
2008*	1.435	0.111	1.546	0.476	0.243	2.265

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

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy, when added to other components of the district's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

* Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment. The Township underwent a revaluation of real property that became effective for the year 2008.

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

^b Rates for debt service are based on each year's requirements.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Taxpayer	December 31, 2008*				December 31, 1998			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
East Coast Oakwood Village, LLC	\$ 86,550,000	1	2.36%		\$ 23,900,000	2	2.98%	
Segal Realty Associates of NJ, LLC	82,400,000	2	2.24%		-	-	-	
Giraffe Properties, LLC (Toys R Us)	70,000,000	3	1.91%		16,147,200	3	2.01%	
MTO Realty	46,200,000	4	1.26%		-	-	-	
Eagle Rock Village, Inc.	35,500,000	5	0.97%		11,312,800	4	1.41%	
SCI ITC South Fund (Old Navy, Michael's)	29,000,000	6	0.79%		-	-	-	
350 Clark Drive LLC (Calvin Klein)	27,000,000	7	0.74%		-	-	-	
SCI ITC South Fund (Babies R Us)	25,949,500	8	0.71%		-	-	-	
National Shopping Center Associates, LLC	25,000,000	9	0.68%		-	-	-	
Mt. Olive Industrial Realty Co. LLC	23,500,000	10	0.64%		-	-	-	
International Trade Center (BASF Corporation)	-	-	-		75,952,200	1	9.48%	
International Trade Center (450 Clark Drive Limited)	-	-	-		7,595,100	5	0.95%	
Kings Village	-	-	-		6,500,000	6	0.81%	
International Trade Center (Seiko)	-	-	-		6,000,000	7	0.75%	
International Trade Center (Tivolie Properties)	-	-	-		5,890,000	8	0.73%	
International Trade Center (BMW)	-	-	-		5,728,400	9	0.71%	
Hensyn Inc.	-	-	-		4,623,200	10	0.58%	
Total	\$ 451,099,500		12.28%		\$ 163,648,900		20.41%	

Source: Municipal Tax Assessor

* Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment. The Township underwent a revaluation of real property that became effective for the year 2008.

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 27,289,612	\$ 27,289,612	100.00%	-
2000	30,283,344	30,283,344	100.00%	-
2001	33,464,951	33,464,951	100.00%	-
2002	37,213,630	37,213,630	100.00%	-
2003	40,961,777	40,961,777	100.00%	-
2004	44,908,191	44,908,191	100.00%	-
2005	48,554,478	48,554,478	100.00%	-
2006	51,787,426	51,787,426	100.00%	-
2007	54,301,960	54,301,960	100.00%	-
2008	56,786,067	56,786,067	100.00%	-

Source: Certificate and Report of School Taxes (Form A4F)

- ^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Sewer Connection Project Loan	Bond Anticipation Notes (BANs)			
2000	\$ 37,810,000	\$1,104,575	\$ -	\$ 38,914,575	2.86%	\$ 1,604
2001	36,640,000	1,054,567	-	37,694,567	2.73%	1,545
2002	35,425,000	997,190	617,000	37,039,190	2.65%	1,487
2003	36,555,000	858,006	412,000	37,825,006	2.65%	1,496
2004	67,770,000	802,158	-	68,572,158	4.42%	2,697
2005	66,810,000	747,074	-	67,557,074	4.17%	2,641
2006	64,905,000	684,774	-	65,589,774	3.77%	2,556
2007	64,100,000	623,390	-	64,723,390	3.50%	2,508
2008	62,585,000	562,924	-	63,147,924	N/A	2,447
2009	60,250,000	495,405	-	60,745,405	N/A	N/A

Source: District records

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

^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using per capita income and population for the prior calendar year.

^b Includes Early Retirement Incentive Plan (ERIP) refunding

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2000	\$ 37,810,000	\$ -	\$ 37,810,000	2.30%	\$ 1,559
2001	36,640,000	-	36,640,000	2.13%	1,502
2002	35,425,000	-	35,425,000	1.99%	1,422
2003	36,555,000	-	36,555,000	1.97%	1,446
2004	67,770,000	-	67,770,000	3.50%	2,666
2005	66,810,000	-	66,810,000	3.34%	2,612
2006	64,905,000	-	64,905,000	3.27%	2,530
2007	64,100,000	-	64,100,000	3.20%	2,484
2008	62,585,000	-	62,585,000	3.16%	2,425
2009	60,250,000	-	60,250,000	1.64%	N/A

Source: District records

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

^a See Exhibit J-6 for property tax data.

^b Population data can be found in Exhibit J-14.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009
UNAUDITED

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Township of Mt. Olive ^b	\$ 31,411,967	100.000%	\$ 31,411,967
County of Morris ^c	261,209,595	3.794%	9,911,035
Subtotal, overlapping debt			41,323,002
Mt. Olive Township School District Direct Debt ^d			60,250,000
Total direct and overlapping debt			<u>\$ 101,573,002</u>

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

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

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

^b Township debt includes all bonds, notes and loans issued as of December 31, 2008 as per the Township's Annual Debt Statement. Does not include self-liquidating debt or bonds and notes authorized but not issued.

^c Net debt at June 30, 2009 as reported by the County of Morris.

^d Includes bonded debt outstanding as of June 30, 2009. Does not include loans or bonds and notes authorized but not issued.

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

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis		
2008	\$ 3,870,744,749	
2007	3,856,437,244	
2006	3,721,774,206	
[A]	<u>\$11,448,956,199</u>	
Average equalized valuation of taxable property [A/3]		\$ 3,816,318,733
Debt limit (4% of average equalized valuation) [B]		\$ 152,652,749 ^a
Total net debt applicable to limit [C]		60,250,000
Legal debt margin [B-C]		<u>\$ 92,402,749</u>

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$62,011,181	\$66,296,031	\$71,913,493	\$78,143,014	\$86,173,279	\$97,881,849	\$113,953,986	\$131,614,036	\$145,290,370	\$152,652,749
Total net debt applicable to limit	37,810,000	36,640,000	35,425,000	36,555,000	67,770,000	66,810,000	64,905,000	64,100,000	62,585,000	60,250,000
Legal debt margin	<u>\$24,201,181</u>	<u>\$29,656,031</u>	<u>\$36,488,493</u>	<u>\$41,588,014</u>	<u>\$18,403,279</u>	<u>\$31,071,849</u>	<u>\$49,048,986</u>	<u>\$67,514,036</u>	<u>\$82,705,370</u>	<u>\$92,402,749</u>
Total net debt applicable to the limit as a percentage of debt limit	60.97%	55.27%	49.26%	46.78%	78.64%	68.26%	56.96%	48.70%	43.08%	39.47%

Source: Mount Olive Township Annual Debt Statement. Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2000	24,257	\$ 1,362,685,489	\$ 56,177	3.4%
2001	24,392	1,380,245,712	56,586	4.2%
2002	24,906	1,396,429,608	56,068	5.9%
2003	25,285	1,429,411,620	56,532	5.9%
2004	25,423	1,550,523,347	60,989	4.5%
2005	25,578	1,621,952,136	63,412	3.6%
2006	25,658	1,739,304,504	67,788	3.6%
2007	25,806	1,850,625,678	71,713	3.4%
2008	25,810	N/A	N/A	4.3%
2009	N/A	N/A	N/A	N/A

Source:

- ^a Population information provided by the New Jersey Department of Labor and Workforce Development.
- ^b Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^c Per capita personal income based on average for Morris County. Information provided by the US Bureau of Economic Analysis.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR
 UNAUDITED

Employer	Employees	Rank	Percentage of Total Municipal Employment ^a
Mt. Olive Township School District	828	1	5.43%
Quest International Flavors	450	2	2.95%
Siemens Medical Solutions	435	3	2.85%
Wal-Mart Stores Inc./Sam's Club	350	4	2.30%
L-3 Communications Corporation	275	5	1.80%
Jewish Community Center	250	6	1.64%
Mount Olive Township	223	7	1.46%
Givaudan Fragrances Corporation	200	8	1.31%
Great Atlantic & Pacific Tea	160	9	1.05%
Lowe's Home Centers Inc.	150	10	0.98%
	<u>3,321</u>		<u>21.78%</u>

Source: Estimates provided by the Morris County Economic Development Corporation

Note: Comparative information from 1999 was not available.

^a 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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction:										
Regular	275.0	291.0	299.5	308.0	336.5	338.0	334.0	321.0	323.0	307.5
Special education	46.0	63.0	66.0	76.5	94.0	103.0	109.0	123.0	123.0	114.5
Other instruction	9.0	9.0	10.0	11.0	11.0	11.0	11.0	11.0	11.5	11.5
Community services programs	2.0	2.0	2.0	-	1.0	1.0	2.0	2.0	3.0	1.0
Support Services:										
Student & instruction related services	79.5	90.0	97.5	102.0	112.5	115.0	126.0	121.5	122.5	118.0
General administration	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
School administrative services	29.0	30.5	32.5	32.5	33.5	36.5	39.0	39.0	37.0	36.0
Business and other support services	9.5	9.5	9.5	10.5	10.5	10.5	10.5	10.5	10.5	10.0
Administrative information technology ^a	-	-	-	-	-	6.0	6.0	6.0	6.0	6.0
Plant operations and maintenance	55.0	60.5	73.5	72.0	75.5	71.0	69.0	69.0	70.0	86.5
Pupil transportation	54.0	57.0	54.0	67.0	68.0	69.0	71.0	68.0	68.0	75.0
Food Service	22.0	22.0	29.0	31.0	30.0	32.0	31.0	32.0	34.0	34.0
Total	585.0	638.5	677.5	714.5	776.5	797.0	813.5	808.0	813.5	805.0

Source: 2008-2009 Annual School District Budget Statement Supporting Documentation

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Average Class Size ^d			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2000	4,121	\$ 41,186,177	\$ 9,994	0.08%	364	21	23	22	4,055	3,862	3.29%	95.24%
2001	4,202	45,542,931	10,838	8.45%	373	23	25	22	4,141	3,941	2.12%	95.17%
2002	4,399	49,006,182	11,140	2.79%	386	21	25	23	4,355	4,144	5.17%	95.15%
2003	4,623	52,660,670	11,391	2.25%	409	21	25	23	4,636	4,417	6.45%	95.28%
2004	4,779	58,601,793	12,262	7.65%	432	19	22	23	4,769	4,546	2.87%	95.32%
2005	4,880	63,228,877	12,957	5.66%	471	22	24	25	4,847	4,613	1.64%	95.17%
2006	4,976	66,996,842	13,464	3.92%	455	19	21	20	4,921	4,673	1.53%	94.96%
2007	5,027	72,305,607	14,383	6.83%	480	19	21	23	4,965	4,729	0.89%	95.25%
2008	4,963	77,881,473	15,692	9.10%	477	18	22	19	4,907	4,685	-1.17%	95.48%
2009	4,964	75,272,373	15,164	-3.37%	451	19	21	18	4,906	4,668	-0.02%	95.15%

Source: District records

Note: Enrollment based on annual October district count.

^a Enrollment is based on the annual October district count. The 2009 count represents student enrollment as of October 15, 2008.^b Operating expenditures equal total expenditures less debt service and capital outlay.^c Teaching staff includes only full-time equivalents of certificated staff.^d Average class size based on school report card data from the previous school year.^e Average daily enrollment and average daily attendance are obtained from the Annual School Register Summary (SRS).

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary										
Chester M. Stephens Elementary School (1966) ^a										
Square Feet	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745	88,745
Capacity (students) ^b	880	880	880	880	880	880	880	880	880	880
Enrollment ^c	937	1,000	515	564	600	593	609	676	714	719
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) ^b	748	886	886	886	886	886	886	886	886	886
Enrollment ^c	738	731	673	661	701	713	675	628	623	608
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) ^b	653	653	653	653	653	653	653	653	653	653
Enrollment ^c	630	627	458	477	505	496	514	497	440	451
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) ^b	676	676	676	676	676	676	676	676	676	676
Enrollment ^c	774	749	546	553	561	570	582	591	561	538
Middle School										
Mt. Olive Middle School (2001)										
Square Feet	-	-	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934
Capacity (students) ^b	-	-	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment ^c	-	-	1,066	1,136	1,092	1,132	1,173	1,223	1,197	1,167
High School										
Mt. Olive High School (1978)										
Square Feet	205,000	205,000	205,000	205,000	205,000	205,000	205,000	335,000	335,000	335,000
Capacity (students)	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,740	1,740	1,740
Enrollment ^c	969	1,018	1,084	1,182	1,271	1,317	1,358	1,378	1,376	1,425
Other										
Administration Building (1925)										
Square Feet	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Bus Garage										
Square Feet	15,000	15,000	15,000	15,000	15,000	15,500	15,500	15,500	15,500	15,500
Flanders School (1925)										
Square Feet ^d	14,576	14,576	14,576	14,576	14,576	14,576	-	-	-	-
Number of Schools at June 30, 2009										
Elementary = 4										
Middle School = 1										
High School = 1										
Other Buildings = 2										

Source: District Facilities Office

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

^a The Chester M. Stephens Elementary School served as the District's middle school prior to the construction of the new Mt. Olive Middle School in 2001.^b Capacity based on architect's estimate as of August 15, 1997. Actual capacity changes annually based on the number of special needs students and classrooms dedicated to specialized instruction.^c Enrollment is based on the annual October district count. The 2009 count represents the number of on roll full-time and shared-time students as of October 15, 2008.^d The Flanders School was sold during the 2005/2006 fiscal year.

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

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

	School Facilities *							
	Mt. Olive		Chester Stephens		Tinc Road		Sandshore	
	High School	Mt. Olive Middle School	Elementary School	Elementary School	Elementary School	Elementary School	Elementary School	Mt. View Elementary School
2001	\$ 171,043	\$ 166,872	\$ 74,045	\$ 50,889	\$ 43,387	\$ 63,411	\$ 30,454	\$ 600,101
2002	212,183	207,008	91,854	63,129	53,822	78,663	37,779	744,438
2003	207,123	45,180	55,640	73,814	47,152	70,989	254,610	754,508
2004	362,492	110,508	76,606	43,705	48,542	61,528	297,835	1,001,216
2005	117,151	99,678	59,766	70,068	73,030	63,882	246,142	729,717
2006	170,999	79,224	39,253	46,667	33,286	97,316	230,418	697,163
2007	151,195	91,755	88,574	48,205	55,085	63,846	224,068	722,728
2008	125,830	103,458	64,939	46,374	41,929	79,533	260,371	722,434
2009	176,816	118,081	53,564	25,570	40,835	47,454	224,637	686,957
Total School Facilities	\$ 1,694,832	\$ 1,021,764	\$ 604,241	\$ 468,421	\$ 437,068	\$ 626,622	\$ 1,806,314	\$ 6,659,262

Source: District records

* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

^a Other facilities/unallocated includes the administration building, the bus garage, the Flanders School and unallocated maintenance salaries.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund - Commercial Package Policy		
Property:		
Blanket building and contents (fund limit)	\$ 250,000,000	\$ 1,000
Accounts receivable	\$ 300,000	\$ 1,000
Automobile physical damage	in blanket limit	\$ 1,000
Builders risk	\$ 5,000,000	\$ 1,000
Electronic data processing equipment	in blanket limit	\$ 1,000
Fine arts	\$ 300,000	\$ 1,000
Liability:		
Comprehensive general liability	\$ 5,000,000	None
Automobile liability	\$ 5,000,000	None
Employee benefit liability	\$ 5,000,000	\$ 1,000
Excess Liability (excludes school board legal liability)	\$ 10,000,000	None
Workers' Compensation:		
Statutory benefits	included	None
Employers liability	\$ 5,000,000	None
Supplemental coverage	included	None
School Board Legal Liability	\$ 5,000,000	\$ 10,000
Excess School Board Legal Liability	\$ 15,000,000	None
Crime:		
Blanket employee dishonesty	\$ 100,000	\$ 1,000
Per loss member aggregate limit	\$ 400,000	N/A
Forgery	\$ 50,000	\$ 1,000
Theft/disappearance/destruction		
Inside	\$ 50,000	\$ 1,000
Outside	\$ 50,000	\$ 1,000
Environmental Impairment Liability:		
Per incident	\$ 1,000,000	\$ 10,000
Fund annual aggregate	\$ 25,000,000	N/A
Security Guard Liability	\$ 1,000,000	\$ 5,000
Surety Bonds:		
Board Secretary	\$ 30,000	None
Treasurer of School Monies	\$ 360,000	None
Student Accident Insurance	\$ 1,000,000	None

Source: Insurance Agent

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mount Olive Township School District, in the County of Morris, State of New Jersey (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

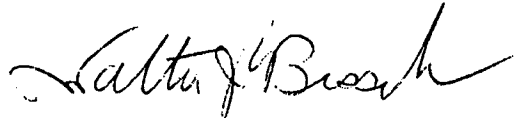
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this report and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed certain immaterial instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and are noted in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 26, 2009.

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



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



ParenteBeard LLC

October 26, 2009
Clark, New Jersey

Report on Compliance with Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in Accordance with
OMB Circular A-133 and New Jersey OMB's Circular 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Mount Olive Township School District, County of Morris, State of New Jersey (District) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement*, that are applicable to each of its major federal and state programs for the year ended June 30, 2009. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal or state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and NJ OMB 04-04 which is disclosed in the accompanying Schedule of Findings and Questioned Costs as item 2009-1.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

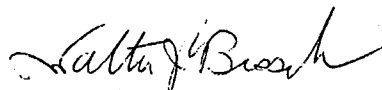
A control deficiency in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a major federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a major federal and state program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's response to the finding identified in our audit is disclosed in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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



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



ParenteBeard LLC

October 26, 2009
Clark, New Jersey

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2008
			From	To	
U.S. Department of Education					
Passed-through State Department of Education					
Special Revenue Fund:					
Title I, Grants to Local Educational Agencies	84.010	133,089	09/01/08	08/31/09	-
Title I, Grants to Local Educational Agencies, Carryover	84.010	\$ 134,274	09/01/07	08/31/08	\$ 34,115
Innovative Education Programs, Title V, Carryover	84.298	5,664	09/01/07	08/31/08	4,264
I.D.E.A. States Grant	84.027	939,654	09/01/08	08/31/09	-
I.D.E.A. States Grant, Carryover	84.027	922,894	09/01/07	08/31/08	176
Special Education - Preschool Grants	84.173	41,559	09/01/08	08/31/09	-
Special Education - Preschool Grants, Carryover	84.173	43,608	09/01/07	08/31/08	7,994
Safe & Drug Free Schools and Communities Act	84.184	8,861	09/01/08	08/31/09	-
Safe & Drug Free Schools and Communities Act, Carryover	84.184	12,018	09/01/07	08/31/08	2,009
School Leadership	84.363	90,465	09/01/08	08/31/09	-
School Leadership, Carryover	84.363	93,604	09/01/07	08/31/08	19,425
Enhancing Education Through Technology	84.318	1,105	09/01/08	08/31/09	-
Enhancing Education Through Technology, Carryover	84.318	911	09/01/07	08/31/08	852
Title III, Part A Grants & Subgrants for English Language Acquisition and Language Enhancement	84.365	25,591	09/01/08	08/31/09	-
Title III, Part A Grants & Subgrants for English Language Acquisition and Language Enhancement, Carryover	84.365	23,746	09/01/07	08/31/08	619
Vocational Education - Basic Grants to States	84.048	15,601	09/01/08	08/31/09	-
Vocational Education - Basic Grants to States					
High Schools That Work	84.048A	8,968	09/01/07	08/31/08	(8,968)
Total Special Revenue Fund					60,486
U.S. Department of Agriculture					
Passed-through State Department of Education					
Enterprise Fund:					
Food Donation	10.550	65,925	09/01/08	08/31/09	-
School Breakfast Program	10.553	6,713	09/01/08	08/31/09	-
School Breakfast Program - Carryover	10.553	8,036	09/01/07	08/31/08	(579)
National School Lunch Program	10.553	195,321	09/01/08	08/31/09	-
National School Lunch Program - Carryover	10.555	195,031	09/01/07	08/31/08	(11,980)
Special Milk for Children	10.556	4,763	09/01/08	08/31/09	-
Special Milk for Children - Carryover	10.556	5,459	09/01/07	08/31/08	(300)
After School Snack	10.000	4,024	09/01/08	08/31/09	-
After School Snack - Carryover	10.000	4,237	09/01/07	08/31/08	(349)
Total Enterprise Fund					(13,208)
Sub-Total Federal Financial Awards					\$ 47,278

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2009		
					Accounts Receivable	Deferred Revenue	Due to Grantor
-	80,040	(99,350)	-	-	(19,310)	-	-
-	\$ -	\$ (34,110)	\$ (5)	\$ -	\$ -	\$ -	-
-	-	(4,264)	-	-	\$ -	-	-
-	695,217	(896,527)	-	-	(201,310)	-	-
-	-	-	\$ (176)	-	\$ -	-	-
-	12,519	(10,109)	-	-	-	2,410	-
-	-	(8,413)	\$ 419	-	-	-	-
-	4,801	(8,861)	-	-	(4,060)	-	-
-	-	(2,009)	\$ -	-	\$ -	-	-
-	48,000	(69,194)	-	-	(21,194)	-	-
-	-	(19,439)	\$ 14	-	\$ -	-	-
-	948	(1,105)	-	-	(157)	-	-
-	-	(852)	\$ -	-	\$ -	-	-
-	13,667	(20,183)	-	-	(6,516)	-	-
-	-	(619)	\$ -	-	\$ -	-	-
-	4,444	(15,601)	-	-	(11,157)	-	-
-	8,968	-	-	-	-	-	-
-	868,604	(1,190,636)	252	-	(263,704)	2,410	-
-	65,925	(65,925)	-	-	-	-	-
-	4,893	(6,713)	-	-	(1,820)	-	-
-	579	-	-	-	-	-	-
-	156,957	(195,321)	-	-	(38,364)	-	-
-	11,980	-	-	-	-	-	-
-	3,891	(4,763)	-	-	(872)	-	-
-	300	-	-	-	-	-	-
-	3,144	(4,024)	-	-	(880)	-	-
-	349	-	-	-	-	-	-
-	248,018	(276,746)	-	-	(41,936)	-	-
\$ -	\$ 1,116,622	\$ (1,467,382)	\$ 252	\$ -	\$ (305,640)	\$ 2,410	\$ -

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (K-4)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2008	Carryover/ (Walkover) Amount
			From	To		
State Department of Education						
General Fund:						
Core Curriculum Standards Aid, Carryover	08-495-034-5120-022	8,054,305	07/01/07	06/30/08	(387,041)	-
Special Education Aid	09-495-034-5120-011	2,766,950	07/01/08	06/30/09	-	-
Special Education Aid, Carryover	08-495-034-5120-011	3,391,241	07/01/07	06/30/08	(169,562)	-
Bilingual Education Aid, Carryover	08-495-034-5120-008	150,348	07/01/07	06/30/08	(7,517)	-
Stabilization Aid, Carryover	08-495-034-5120-030	545,746	07/01/07	06/30/08	(27,287)	-
Transportation Aid,	09-495-034-5120-014	1,448,545	07/01/08	06/30/09	-	-
Transportation Aid, Carryover	08-495-034-5120-014	1,451,521	07/01/07	06/30/08	(72,576)	-
Consolidated Aid, Carryover	08-495-034-5120-057	524,462	07/01/07	06/30/08	(26,223)	-
Extraordinary Special Education Costs Aid	09-495-034-5120-044	1,334,074	07/01/08	06/30/09	-	-
Extraordinary Special Education Costs Aid, Carryover	08-495-034-5120-044	328,307	07/01/07	06/30/08	(328,307)	-
Additional Formula Aid, Carryover		867,778	07/01/07	06/30/08	(43,389)	-
Nonpublic school transportation aid		34,515	07/01/08	06/30/09	-	-
Nonpublic school transportation aid, Carryover		27,547	07/01/07	06/30/08	(27,547)	-
Equalization Aid	09-495-034-5120-078	11,906,074	07/01/08	06/30/09	-	-
Security Aid	09-495-034-5120-084	406,200	07/01/08	06/30/09	-	-
Intergovernmental Employee Loan Program		103,991	07/01/08	06/30/09	-	-
Homeless Tuition Reimbursement		9,427	07/01/08	06/30/09	-	-
* On-behalf T.P.A.F. Pension	09-100-034-5095-116	1,954,252	07/01/08	06/30/09	-	-
Reimbursed T.P.A.F. Social Security Tax	09-100-034-5095-051	2,244,549	07/01/08	06/30/09	-	-
Reimbursed T.P.A.F. Social Security Tax, Carryover	08-100-034-5095-051	2,147,359	07/01/07	06/30/08	(112,402)	-
Total General Fund					(1,201,851)	-
Debt Service Fund:						
Debt Service Aid - State Support	09-495-034-5120-125	678,683	07/01/08	06/30/09	-	-
Total Debt Service Fund					-	-
State Department of Agriculture						
Enterprise Fund:						
State School Breakfast Program	09-100-010-3360-096	670	07/01/08	06/30/09	-	-
State School Breakfast Program - Carryover	08-100-010-3360-096	956	07/01/07	06/30/08	(70)	-
National School Lunch Program (State Share)	09-100-034-5120-122	14,561	07/01/08	06/30/09	-	-
National School Lunch Program (State Share)-Carryover	08-100-034-5120-122	16,528	07/01/07	06/30/08	(1,024)	-
Total Enterprise Fund					(1,094)	-
Total State Financial Assistance					\$ (1,202,945)	\$ -

* Not included for major program determination

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (K-4) (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) June 30, 2009	Deferred Revenue	Due to Grantor At June 30, 2009	MEMO	
							Budgetary Receivable	Cumulative Total Expenditures
387,041	-	-	-	-	-	-	-	-
2,490,255	(2,766,950)	-	-	-	-	-	(276,695)	2,766,950
169,562	-	-	-	-	-	-	-	-
7,517	-	-	-	-	-	-	-	-
27,287	-	-	-	-	-	-	-	-
1,303,690	(1,448,545)	-	-	-	-	-	(144,855)	1,448,545
72,576	-	-	-	-	-	-	-	-
26,223	-	-	-	-	-	-	-	-
-	(1,334,074)	-	-	(1,334,074)	-	-	-	1,334,074
328,307	-	-	-	-	-	-	-	-
43,389	-	-	-	-	-	-	-	-
-	(34,515)	-	-	(34,515)	-	-	-	34,515
27,547	-	-	-	-	-	-	-	-
10,470,634	(11,571,655)	-	-	-	-	-	(1,101,021)	11,571,655
365,580	(406,200)	-	-	-	-	-	(40,620)	406,200
94,966	(103,991)	-	-	(9,025)	-	-	-	103,991
-	(9,427)	-	-	(9,427)	-	-	-	9,427
1,954,252	(1,954,252)	-	-	-	-	-	-	1,954,252
2,132,726	(2,244,549)	-	-	(111,823)	-	-	-	2,244,549
112,402	-	-	-	-	-	-	-	-
<u>20,013,954</u>	<u>(21,874,158)</u>	<u>-</u>	<u>-</u>	<u>(1,498,864)</u>	<u>-</u>	<u>-</u>	<u>(1,563,191)</u>	<u>21,874,158</u>
<u>678,683</u>	<u>(678,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,683</u>
<u>678,683</u>	<u>(678,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,683</u>
491	(670)	-	-	(179)	-	-	-	670
70	-	-	-	-	-	-	-	-
11,756	(14,561)	-	-	(2,805)	-	-	-	14,561
1,024	-	-	-	-	-	-	-	-
<u>13,341</u>	<u>(15,231)</u>	<u>-</u>	<u>-</u>	<u>(2,984)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,231</u>
<u>\$ 20,705,978</u>	<u>\$ (22,568,072)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,501,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,563,191)</u>	<u>\$ 22,568,072</u>

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

Year ended June 30, 2009

1. General

The accompanying schedules of expenditures of federal and state awards present the activity of all federal and state award programs of the Mount Olive Township School District (District). The District is defined in Note 1 to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last state aid payment in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent 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

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

Year ended June 30, 2009

3. Relationship to Basic Financial Statements (continued)

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. For GAAP purposes, that payment is not recognized until the subsequent 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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$829,595) for the general fund and (\$22,239) for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$20,934,055	\$20,934,055
Special Revenue Fund	1,168,397	-	1,168,397
Debt Service Fund	-	678,683	678,683
Enterprise Fund	276,745	15,231	291,976
Total Awards & Financial Assistance	<u>\$1,445,142</u>	<u>\$21,627,969</u>	<u>\$23,073,111</u>

4. Relationship to Federal and State Financial Reports

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

Mount Olive Township School District

Notes to Schedules of Expenditures of
Federal and State Awards

Year ended June 30, 2009

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively, which amounted to \$65,925. TPAF Social Security and Pension/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Pension/Medical Benefits for TPAF members for the year ended June 30, 2009.

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

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2009

Part I-Summary of Auditors Results

Financial Statement

- (i) Type of auditor's report issued: Unqualified
- (ii) Internal control over financial reporting:
- Material weakness(es) identified? Yes ✓ No
- Significant deficiencies identified not considered to be material weaknesses? Yes ✓ None Reported
- (iii) Noncompliance material to financial statements noted? Yes ✓ No

Federal and State Awards Section

- (viii) Dollar threshold used to determine Type A programs: Federal - \$300,000 State - \$618,415
- (ix) Auditee qualified as low-risk auditee? ✓ Yes No
- (v) Type of auditor's report on compliance for major programs: Unqualified
- (iv) Internal control over compliance for major programs:
- Material weakness(es) identified? Yes ✓ No
- Were significant deficiencies identified not considered to be material weakness(es)? Yes ✓ None Reported
- (v) Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a)) and New Jersey OMB Circular 04-04? ✓ Yes No

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2009

Part I-Summary of Auditors Results (continued)

Federal and State Awards Section (continued)

(vii) Identification of major programs:

<u>CFDA Number(s) or State Program Number</u>		<u>Name of Federal or State Program or Cluster</u>
Federal:		
84.027		IDEA Part B and Preschool Cluster
State:		
495-034-5095-002		Reimbursed TPAF Social Security Contributions
495-034-5120-014		Transportation Aid
100-034-5120-473		Extraordinary Special Education Aid
495-034-5120-125		Debt Service Aid

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2009

Part II--Schedule of Financial Statement Findings

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

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2009

Part III--Schedule of Federal and State Award Findings and Questioned Costs

2009-1 U.S. Department of Education 84.027A IDEA Part B and Preschool Cluster

Condition

Employees charged to the grant were not certifying their time in accordance with OMB Circular A-87, Attachment B, paragraph 8.h(3).

Criteria

In accordance with OMB Circular A-87, Attachment B, paragraph 8.h(3), an employee who works solely or in part on a single cost objective must furnish a certification that he/she has been engaged solely or in part in activities. The certifications must be signed by the employee and/or a supervisory official having first-hand knowledge of the work performed.

Effect

Employees charged to the grant may not be performing work/duties applicable to the grant.

Questioned Costs

None

Cause

The District did not obtain formal, signed time certifications from the employees charged to the grant.

Recommendations

It is recommended that the Board of Education approve all employees being charged to a federal grant prior to being charged to the grant and that the District have the employees certify their time in accordance with OMB Circular A-87, Attachment B, paragraph 8.h(3).

Management Responses

District management believes that appropriate procedures were in place to ensure that employees charged to I.D.E.A. Part B and Preschool Cluster Program were engaged in activities related to the grant. These procedures included a review of employee schedules with the program administrator. In the future, District management will obtain formal, signed time certifications from the employees charged to the grant.

Mount Olive Township School District
Summary Schedule of Prior Audit Findings

June 30, 2009

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

STATUS OF FINDINGS

There were no prior-year audit findings for the fiscal year ended June 30, 2008 that we are required to report on.