

Mt. Olive Township School District



“Students Are Our First Priority”

**Mount Olive Board of Education
Budd Lake, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2010**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT

BUDD LAKE, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

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, 2010**

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INTRODUCTORY SECTION

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October 26, 2010

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, 2010. 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, as amended by GASB Statement No. 39. All funds of the District are included in this report. The Mount Olive Township Board of Education and its six schools constitute the District's reporting entity.

Economic Condition and Outlook

The Mount Olive Township School District, along with many other public school systems in the State of New Jersey, faces a difficult economic future since the primary sources of funding are property tax revenue and state aid. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. The growth rate on local property taxes was restricted to 4% during the current fiscal year; however, recent legislation reduced the cap to 2% beginning with the 2011-2012 school district budget.

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

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

During the 2009 calendar year, only 5 building permits were issued for new single-family homes within the Township. However, there are a number of existing housing projects in various stages of completion throughout the Township that may impact the student population. The most significant housing project, Morris Chase, includes 276 residential units, 107 of which are single-family homes and 169 townhouses. Construction of Morris Chase commenced in March 2010 with the issuance of 8 townhouse building permits and 4 single-family home building permits. The District continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

Given the current economic climate and the lack of any significant increase in Township ratables, it is expected that state aid and property tax revenue will continue to decline or remain stagnant, making it difficult to maintain existing programs and services. Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, and mandated special education costs greatly outpace any additional revenue. Despite these uncontrollable economic factors, the District remains committed in its ongoing efforts to maintain existing programs and services. To this end, the District's administration is closely monitoring the cost of operations and continues to search for new funding sources in order to maintain the quality educational services that the Mount Olive School District is accustomed to providing.

Educational Programs

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

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

The Mount Olive Township School District provides a full range of educational programs appropriate to grade levels K through 12. These include regular, gifted and talented, and special education programs for handicapped students. A wide variety of in-class support services, resource center, and self-contained programs are available to students with special needs. Course offerings include a number of college preparatory, honors and advanced placement courses. The District also offers a wide variety of related arts and business technology programs such as marketing, accounting, architectural drafting and design, robotics engineering, nutrition and culinary science, woodworking, and television production.

In addition to its curricular offerings, the District offers an extensive extracurricular and athletic program. Extracurricular programs provide opportunities for students to participate in student government, various academic, social and vocational clubs, National Honor Societies, drama and musical performance productions. The District's athletic program features more than 20 male and female sports teams, along with cheerleading and marching band.

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/Academic Initiatives

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

	<u>Language Arts</u>	<u>Mathematics</u>
Grade 3	86.1%	93.8%
Grade 4	79.4%	94.4%
Grade 5	83.9%	97.3%
Grade 6	86.7%	91.4%
Grade 7	94.8%	84.8%

On the state mandated Grade Eight Proficiency Assessment (GEPA/NJASK8), the District achieved general education pass rates of 98.1% in language arts, 88% in mathematics, and 97.2% in science. All three subjects exceeded the state and DFG averages.

At the high school level, the District achieved general education pass rates of 98.3% in language arts and 91.2% in mathematics on the state mandated High School Proficiency Assessment (HSPA). The District's combined mean SAT score of 1528 is 19 points over the national mean score and 22 points over the state mean score.

Eighty-seven percent of the District's 2010 graduates will be pursuing post-secondary education, with 52% attending four-year colleges and universities. Mount Olive seniors have received a number of prestigious scholarships and awards with eleven seniors being identified through the Edward J. Bloustein Distinguished Scholars Program. In addition, two seniors were recognized as Commended Students through the National Merit Scholarship Program and one member was recognized as a National Merit Finalist. Mount Olive graduates have been accepted to colleges and universities across the country including the United States Air Force Academy, Columbia University, Boston College, Duke University, Rice University, Washington & Lee University and Fordham University. It should be noted, however, that achievement has not been acquired at the expense of disadvantaged students or those with special needs.

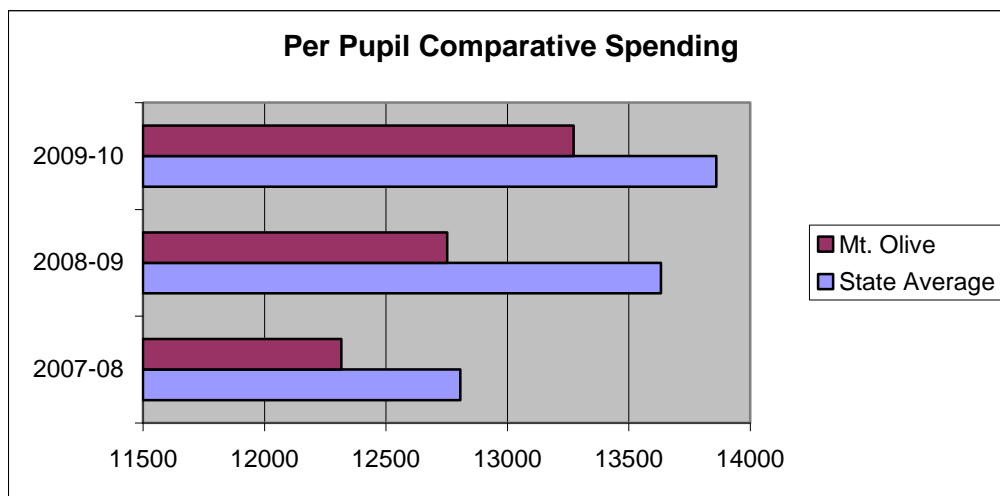
In the fall of 2009, the District implemented a six-year plan to improve the measured academic performances of the Mount Olive schools. The plan includes five major improvement initiatives and offers a template for all schools to become top ten performers in Morris County. Given the history of high performance in the Mount Olive schools, the goal for all schools was set at increasing the percentage of students scoring in the “advanced proficient” range on the State exams. The NJASK test was chosen as the primary measuring instrument due to its availability for comparison, its reliability, and its relative low cost of implementation. The 2010 NJASK “advanced proficient” test scores indicate that all schools in the District have met their annual targets and are on track to become top ten performers in Morris County. Of particular note, the Mount Olive Middle School has already exceeded its 2015 six-year plan target and is presently a top ten performer in Morris County. Moreover, the State developed more difficult assessment tests for use in 2010. The District achieved its target goals despite the more challenging tests.

The District's 2010 average test scores demonstrated measured growth in both language arts and math knowledge in every school. A COHORT analysis, which compares the progress of the same group of students from 2008 to 2010, revealed that the percentage of students scoring in the “advanced proficient” category in language arts increased approximately 98% since 2008, while the percentage of students scoring in the “advanced proficient” category in math increased approximately 20%. In addition, each elementary school experienced significant gains in the Scholastic Reading Inventory (SRI) lexile results from the end of the first quarter of 2009-2010 to the end of the fourth quarter. The Mount Olive elementary and middle school students were also assessed three times in 2009-2010 on Learnia benchmark exams. Learnia, produced by Pearson Publishing, is designed to predict relative success on NJASK assessments. These benchmark exams yielded very positive results that predicted the success that was ultimately seen on the recent State exams.

The 2010 HSPA results are consistent with what is being seen across the district in all schools with the percentage of students scoring in the “advanced proficient” range rising considerably. Mount Olive High School students outperformed the State average in language arts and math for both general education students and special education students. In addition, Mount Olive High School was recently rated among the top 100 New Jersey high schools by *New Jersey Monthly*, which marks the first time that the high school has received this noteworthy distinction.

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 2009-10 per pupil cost factors were taken from certified budgets on file with the State Department of Education. The report showed that the District budgeted \$13,273 per pupil while the state average for similar districts was \$13,860. According to the report, per pupil costs ranged from a low of \$10,132 to a high of \$18,882. Of the 105 districts, the Mount Olive Township School District ranked 55th in per pupil spending in 2009-10. The following chart illustrates per pupil comparative spending for the last three years:



Internal Accounting Controls

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

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

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

Budgetary Controls

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

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

Accounting System and Reports

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

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 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.

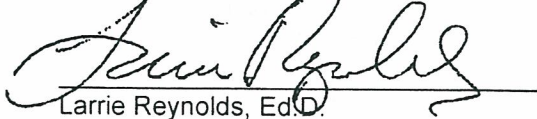
Independent Audit


State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of ParenteBeard LLC 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.

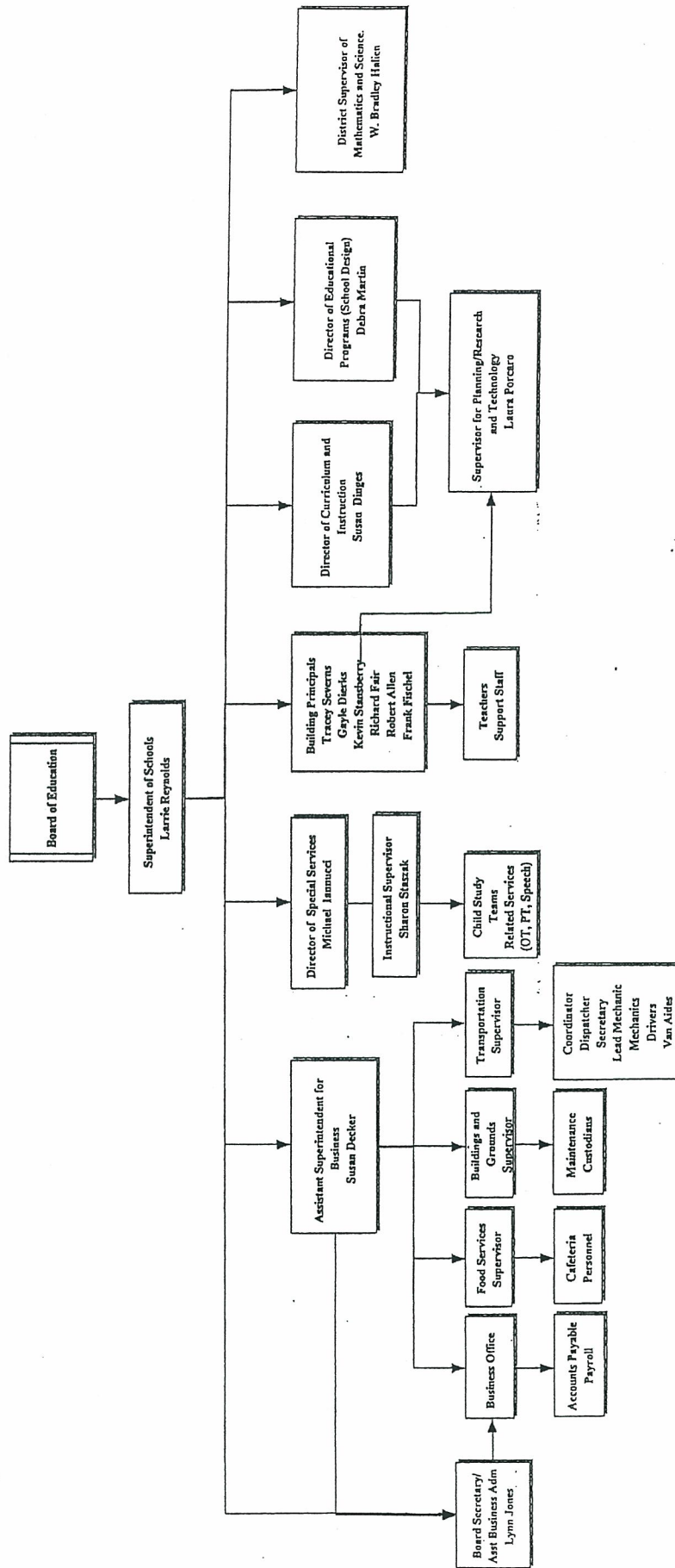
Respectfully submitted,


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
ROSTER OF OFFICIALS
JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Werner, President	2011
Elizabeth Ouimet, Vice-President	2012
Daniel Amianda	2011
Kathryn Criscuolo	2012
Anthony Giordano	2013
Sheryl Licciardi-Colligan	2013
Robert Mania	2011
William Robinson	2013
James Schiess	2012

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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Financial Consultants

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

Risk Management Consultants

The Morville Agency
55 Newton Sparta Road
Newton, New Jersey 07860

Willis HRH
350 Mt. Kemble Avenue
Morristown, NJ 07963

Official Depositories

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

TD Bank
56 Flanders-Bartley Road
Flanders, NJ 07836

FINANCIAL SECTION

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mount Olive Township School District, County of Morris, New Jersey (District), as of and for the year ended June 30, 2010, 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, 2010 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.

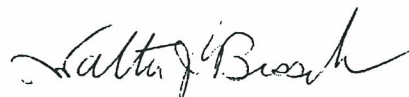
In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our

testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 12 through 22 and 52 through 72 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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



ParenteBeard LLC

December 1, 2010
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, 2010
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, 2010. 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 2010 are as follows:

- ❖ Net assets at year-end totaled \$18,506,516, which represents an increase of \$3,030,909, or 19.6%, over the prior year net assets ending balance of \$15,475,607. 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, 2010 the District had \$17,841,270 invested in capital assets, net of related debt. In addition, \$3,307,254 was restricted for capital projects, debt service, and future operating budgets resulting in a deficit unrestricted net assets balance of \$2,642,008. This represents a decrease of \$1,095,906 over the prior year net deficit balance of \$3,737,914.
- ❖ Total assets increased by \$608,490. This amount is attributable to an increase in cash and receivables totaling \$4,063,045 offset by a decrease in inventory, deferred bond issuance costs, and capital assets totaling \$3,454,555.
- ❖ Total liabilities decreased \$2,422,419. The majority of this amount is attributable to the retirement of principal payments for bonds, loans and capital leases which totaled \$2,939,696.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$69,818,204, which represents 79.5% of all governmental fund revenues. The largest source of revenue for the District continues to be locally assessed property taxes, which accounted for \$60,578,162 in general revenues. Program specific revenues in the form of charges for services and grants and contributions comprised the remaining 20.5% of total revenues, or \$18,034,344. Overall, total revenues increased \$5,335,412, or 6.5%, over the prior year.
- ❖ Expenses totaled \$84,821,639. Of this amount, only \$18,034,344 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 \$69,818,204 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$1,989,914, or 2.4%, 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, 2010 and June 30, 2009.

**Table 1
Net Assets**

	2010	2009
Assets		
Current and Other Assets	\$6,873,446	\$2,850,236
Capital Assets	72,877,024	76,291,744
Total Assets	79,750,470	79,141,980
Liabilities		
Noncurrent Liabilities	58,024,583	60,461,370
Other Liabilities	3,219,371	3,205,003
Total Liabilities	61,243,954	63,666,373
Net Assets		
Invested in Capital Assets, Net of Related Debt	17,841,270	18,826,340
Restricted	3,307,254	387,181
Unrestricted (Deficit)	(2,642,008)	(3,737,914)
Total Net Assets	\$18,506,516	\$15,475,607

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, 2010 this figure amounted to \$17,841,270, or 96.4% 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:

- \$17,372 is restricted for capital projects. This amount is comprised of unexpended referendum proceeds and amounts included in the capital reserve account.
- \$3,039 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, 2011.
- \$3,286,843 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, 2011.

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, 2010 and June 30, 2009.

Table 2
Changes in Net Assets

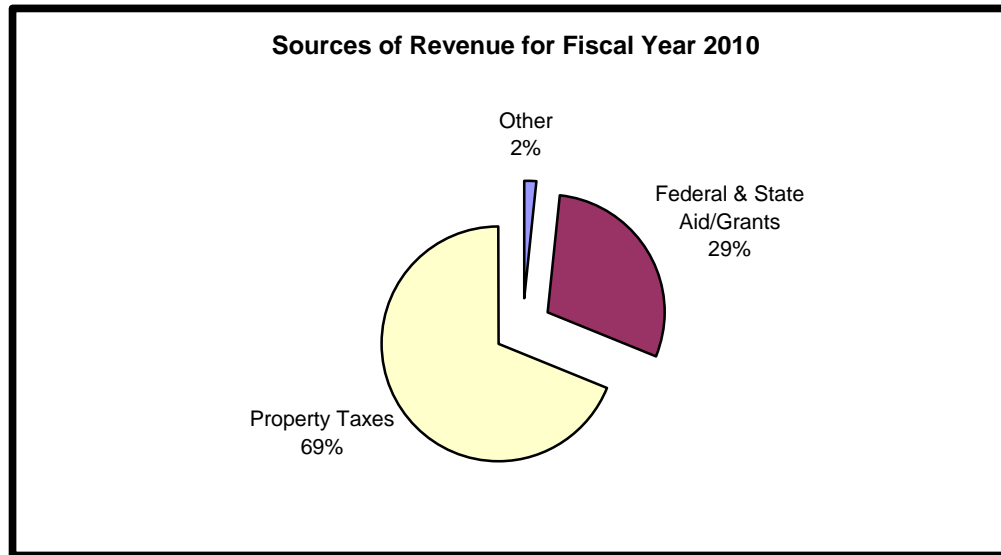
	2010	2009
Revenues		
Program Revenues:		
Charges for services	\$1,461,111	\$1,478,538
Grants and contributions	16,573,233	12,117,219
General revenues:		
Property taxes	60,578,162	57,648,227
Grants and entitlements	9,121,265	10,956,684
Other	118,777	316,468
Total Revenues	87,852,548	82,517,136
Program Expenses		
Instruction	40,416,465	38,495,056
Support Services:		
Pupils and instructional staff	14,629,126	14,007,480
General administration, school administration, business and other support services	7,410,011	7,512,561
Plant operations and maintenance	12,115,937	12,259,725
Pupil transportation	5,890,727	6,048,492
Interest on debt	2,721,148	2,835,064
Food service operations	1,341,549	1,348,421
Other	296,676	324,926
Total Program Expenses	84,821,639	82,831,725
Increase (Decrease) in Net Assets	\$3,030,909	(\$314,589)

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 \$2,939,696.
- Depreciation on capital assets exceeded investments in capital assets by \$3,401,217.

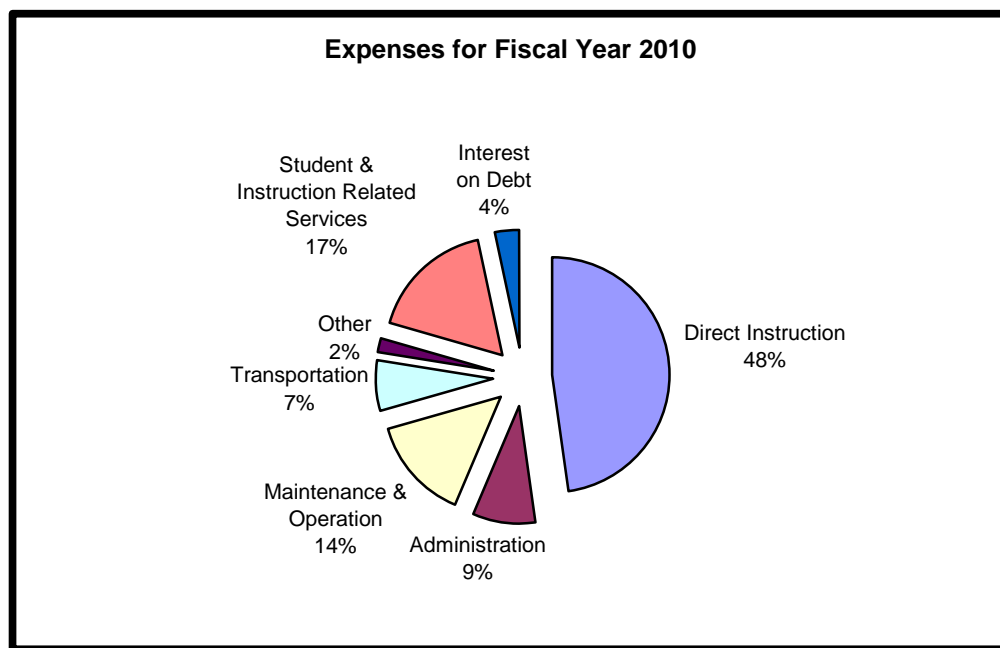
Revenues

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 69 percent of revenues for governmental activities for the Mount Olive Township School District for the fiscal year 2010. Federal, state, and local aid and grants accounted for another 29 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 2010:



Expenses

The total cost of all programs and services was \$84,821,639. 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 2010:



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

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

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

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

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

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

Financial Analysis of the District's Funds

Enterprise Funds

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

- ❖ In the food service enterprise fund, revenues totaled \$1,345,943 and expenses totaled \$1,341,549, resulting in a net income of \$4,394. Charges for services amounted to \$1,001,572, or 74% 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 \$343,921, or 26% of total revenue. Salaries, employee benefits, and cost of sales comprised 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 \$152,922 and expenses totaled \$160,173, resulting in a net loss of \$7,251. Charges for services, which represent amounts paid by patrons for course tuition, amounted to \$152,901, virtually all of the revenue derived from the program. Salaries, employee benefits, and contracted services comprised 91% of total expenses. In past years, the community school program had been utilizing its surplus to fund its operations. However, in an effort to make the community school program more profitable, the administration has implemented higher enrollment standards, targeted advertising and internet mailings for the 2010-2011 fiscal year.
- ❖ In the summer school enterprise fund, revenues totaled \$34,276 and expenses and transfers totaled \$77,488, resulting in a net loss of \$43,212. Charges for services, which represent amounts paid by students for course tuition, amounted to \$33,813, virtually all of the revenue derived from the program. Salaries and employee benefits comprised 97% of total expenses. During the 2010 fiscal year, the summer school program transferred \$20,000 to the General Fund to contribute to the District's fixed operating costs such as building space and utilities. Excluding this contribution, the summer school program would still have produced a net loss of \$23,212. In an effort to make the summer school program more profitable, this contribution has been eliminated for the 2010-2011 fiscal year. In addition, the District is considering implementing a bill that was recently passed by the State legislature, which allows districts to charge tuition for remedial or advanced summer classes.

Governmental Funds

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

- ❖ In the General Fund, revenues and other financing sources totaled \$79,359,043 and expenditures and other financing uses totaled \$75,423,144, resulting in an increase in fund balance of \$3,935,899. This amount is slightly higher than what was anticipated by management as \$3,286,843 was appropriated and included as anticipated revenue in the 2010-2011 annual budget.
- ❖ In the General Fund, the year-end fund balance amounted to \$5,412,897. Of this amount, \$372,210 is reserved for encumbrances, \$16,243 has been reserved in the capital reserve account, and \$3,286,843 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 resulting in a remaining unreserved balance of \$1,737,601. The administration took great pains to replenish its fund balance, which had dropped to dangerously low levels in previous years.
- ❖ In the Special Revenue Fund, revenues and expenditures totaled \$1,982,483, resulting in a year-end fund balance of \$-0-. A zero fund balance is customary in the Special Revenue Fund as grant revenues are recognized only to the extent of grant expenditures.
- ❖ In the Capital Projects Fund, revenues and other financing sources totaled \$172,293 and expenditures and other financing uses totaled \$173,364, resulting in a decrease in fund balance of \$1,071. The Capital Projects fund balance at year-end amounted to \$1,129, which represents the unexpended balance of the Mt. View Elementary School roof project.
- ❖ In the Debt Service Fund, revenues totaled \$5,161,616 and expenditures totaled \$5,172,572, resulting in a decrease in fund balance of \$10,956. The Debt Service fund balance at year-end amounted to \$3,039, which was appropriated and included as anticipated revenue in the 2010-2011 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, 2010 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 2009</u>	<u>Percentage Increase (Decrease)</u>
Local Sources	\$60,968,830	70.63%	\$2,820,776	4.85%
State Sources	21,225,043	24.59%	(387,695)	-1.79%
Federal Sources	4,125,534	4.78%	2,957,137	253.09%
	<u>\$86,319,407</u>	<u>100.00%</u>	<u>\$5,390,218</u>	<u>6.66%</u>

The increase in local sources is primarily attributable to an increase in the local tax levy, which funds approximately three-quarters of the General and Debt Service budgets. Property taxes made up 70% of total revenue for the fiscal year ended 2010 and 71% of total revenue for the fiscal year ended 2009. Property tax revenue increased by \$2,929,935, which represents a 5.1% 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 \$109,159.

The decrease in state sources is primarily attributable to a decrease in state equalization aid. During the 2009-2010 budget year, the State of New Jersey was awarded \$1.056 billion in federal funds under the American Recovery and Reinvestment Act of 2009 (ARRA). The State used these funds to partially fund its 2009-2010 equalization aid allocations, thereby shifting the source of these funds from state revenue to federal revenue. The District's share of these ARRA funds amounted to \$2,076,824. Overall, categorical aid decreased by \$1,227,435. This decrease was offset by an increase in on-behalf pension and social security payments totaling \$131,758, an increase in extraordinary aid of \$638,364, and an increase in capital grants and debt service aid totaling \$69,618.

The increase in federal sources is primarily attributable to the ARRA funds detailed in the previous paragraph. In addition to the ARRA equalization funds, the District received ARRA grant funds under the Individuals with Disabilities Education Act (IDEA) in the amount of \$1,093,429. These funds are specifically dedicated to the District's special education programs. Since grant revenues are recognized based on the amount of grant expenditures, the amount reported as Federal Sources may fluctuate dramatically from year to year, based on the needs of the programs that the grants support. The District may apply to carry over any unexpended federal grant balances.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2010 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 2009</u>	<u>Percentage Increase</u>
Current:				
Distributed Expenditures-Instruction	\$28,208,933	34.13%	\$946,608	3.47%
Undistributed Expenditures	48,752,105	58.99%	715,893	1.49%
Capital Outlay	511,925	0.62%	(163,114)	-24.16%
Debt Service	5,172,572	6.26%	37,572	0.73%
	<u>\$82,645,535</u>	<u>100.00%</u>	<u>\$1,536,959</u>	<u>1.89%</u>

Distributed Expenditures-Instruction includes all activities associated with the instructional programs including regular and special education, basic skills and remedial instruction, bilingual education, school sponsored co-curricular and athletic programs, and the community school program. The increase in distributed expenditures is directly attributable to increases in the following areas:

Salaries	\$367,241
General supplies	390,261
Purchased services	101,304
Textbooks	70,602
Other objects	17,200
	<u>\$946,608</u>

Undistributed Expenditures includes all support activities that facilitate and enhance the instructional programs including out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as speech, physical therapy, occupational therapy, and services provided by child study team members. This category also includes all school and general administrative services, custodial and maintenance services, and pupil transportation services. The net increase in undistributed expenditures is primarily attributable to increases/(decreases) in the following areas:

Employee benefits	\$1,341,832
Salaries	220,110
Utilities	(421,516)
Out-of-district tuition	(240,580)

Capital Outlay includes equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. The net decrease in capital outlay is directly attributable to increases/(decreases) in the following areas:

Capital leases	(\$250,269)
Construction services	76,075
Equipment	11,080
	<u>(\$163,114)</u>

Debt Service includes all of the District's bonded debt and loan obligations. The district's debt service requirements are driven by the amount of annual maturities and the corresponding interest payments for each debt obligation. In the 2010 fiscal year, the District's principal payments increased by \$138,898 while associated interest payments decreased by \$101,326.

General Fund Budgeting Highlights

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

Statements showing the District's original and final budget compared with actual operating results are provided in this CAFR beginning on page 52 for the General Fund. The District's year-end actual results were slightly better than had been projected, as conservative budgetary practices are customary.

The following points highlight key areas of the 2009-2010 General Fund budget:

- On-behalf TPAF pension, post retirement medical benefits, and social security contributions are not required to be included in the original budget; however, these items must be reflected as revenue and expenditures in the financial statements.
- Excluding on-behalf TPAF pension, post retirement medical benefits and social security contributions, revenues exceeded budgeted estimates by \$1,508,999, approximately 2% of anticipated revenues. The largest portion of this amount is attributable to extraordinary aid, which exceeded the budgeted estimate by \$1,697,438. 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 amount budgeted for extraordinary aid is customarily conservative since the amount the State will fund is unknown at the time the budget is prepared. In recognition of this, the State has allowed extraordinary aid to be excluded from any excess surplus calculation.
- During the 2009-2010 fiscal year, the State reduced the District's equalization aid by \$224,179 based on a comparison of the District's estimated fund balance projection at June 30, 2009 per the budget and its actual fund balance at June 30, 2009 per the audit.
- 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 2010 fiscal year tuition income exceeded budgeted estimates by \$30,992.
- Interest income was less than the amount originally anticipated as a result of historically low interest rates. In the 2010 fiscal year budgeted estimates exceeded actual interest earnings by \$44,213.
- Transportation fees are derived from transportation jointures with surrounding school districts and from fees charged to the Township Recreation Department, the Mount Olive Child Care and Learning Center, and other organizations. The transportation department routinely monitors their routes to maximize efficiency. In the 2010 fiscal year budgeted estimates exceeded actual transportation fees by \$9,238.
- Miscellaneous income includes revenue collected for book fines, facilities usage, prior year tuition adjustments, and prior year refunds. The District's estimates with regard to miscellaneous income are customarily conservative, based on the uncertain nature of these receipts. In the 2010 fiscal year miscellaneous income exceeded budgeted estimates by \$2,481.
- Excluding on-behalf TPAF pension, post retirement medical benefits, social security contributions, and capital leases unexpended appropriations totaled \$3,564,667, or 4.8% of the original budget. Of this amount, \$372,210 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 2009/2010 fiscal year.
- The 2010 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 for the purchase of instructional supplies and textbooks, salaries for basic skills/remedial instruction, salaries and materials for the school libraries, staff training, salaries of secretarial and clerical assistants, facilities maintenance, custodial supplies, and unemployment compensation. 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, 2010, the District had \$72,877,024 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)

	2010	2009
Land	\$ 703,670	\$ 703,670
Site and site improvements	1,988,406	2,130,367
Building and building improvements	67,333,031	70,059,449
Furniture, equipment and machinery	2,851,917	3,398,258
Total Capital Assets	\$ 72,877,024	\$ 76,291,744

Overall, the District invested \$511,925 in capital assets for the fiscal year 2010. Of this amount, \$171,164 was invested in building improvements and \$340,761 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$3,926,645.

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

Debt Administration

At June 30, 2010, the District had \$58,024,583 in long-term outstanding debt, of which \$3,159,969 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2010 and June 30, 2009.

Table 4
Outstanding Debt

	2010	2009
Outstanding Bonds, Loans and Notes		
1998 Trust Loan – Sewer Connection Project	\$ 295,000	\$ 330,000
1998 Fund Loan – Sewer Connection Project	133,988	165,405
2003 Refunding Bond Issue/ERIP Liability	1,745,000	1,855,000
2004 Serial Bonds – High School Additions and Renovations	10,960,000	11,815,000
2004 Refunding Bonds, Net of Deferred Interest	25,206,310	26,546,686
2006 Refunding Bonds, Net of Deferred Interest	8,591,311	8,587,328
2007 Refunding Bonds, Net of Deferred Interest	8,954,136	8,957,697
Other Noncurrent Liabilities		
Capital Leases Payable	895,009	1,063,288
Accrued Compensated Absences Payable	1,243,829	1,140,966
Total Long-term Outstanding Debt	\$ 58,024,583	\$ 60,461,370

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 \$152,968,716, thereby resulting in an available borrowing margin of \$95,193,716 at June 30, 2010.

At June 30, 2010, 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 10 of the notes to the basic financial statements.

Factors Bearing on the District's Future

The Mount Olive Township School District, along with many other public school systems in the State of New Jersey, faces a difficult economic future since the primary sources of funding are property tax revenue and state aid. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Significant cuts in state funding and/or restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services. The growth rate on local property taxes was restricted to 4% during the current fiscal year; however, recent legislation reduced the cap to 2% beginning with the 2011-2012 school district budget.

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

After a vigorous period of residential development and expansion, the Township's growth has slowed in recent years, in part due to the latent housing market and the overall economic downturn. This has allowed the District's enrollment to remain relatively stable over the last five to seven years. However, there are a number of existing housing projects in various stages of completion throughout the Township that could impact the student population. The most significant housing project, Morris Chase, includes 276 residential units, 107 of which are single-family homes and 169 townhouses. Construction of Morris Chase commenced in March 2010 with the issuance of 8 townhouse building permits and 4 single-family home building permits. Currently, there is adequate capacity to meet general classroom enrollment projections, both now and in the near future. The District continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

Given the current economic climate and the lack of any significant increase in Township ratables, it is expected that state aid and property tax revenue will continue to decline or remain stagnant, making it difficult to maintain existing programs and services. Increased expenditures from inflationary pressures, the growing cost of employee health care, increases in contributions to the retirement system, and mandated special education costs greatly outpace any additional revenue. Despite these uncontrollable economic factors, the District remains committed in its ongoing efforts to maintain existing programs and services. To this end, the District's administration is closely monitoring the cost of operations and continues to search for new funding sources in order to maintain the quality educational services that the Mount Olive School District is accustomed to providing.

Labor agreements with the Education Association of Mt. Olive and the International Brotherhood of Teamsters, Local 97, are set to expire on June 30, 2011. 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.mtliveboe.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, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,181,744	\$ 244,449	\$ 3,426,193
Receivables, net (Note 5)	2,880,846	33,520	2,914,366
Internal balances (Note 6)	92,046	(92,046)	-
Inventory (Note 7)	-	12,667	12,667
Restricted cash and cash equivalents	21,138	-	21,138
Deferred bond issuance costs, net (Note 8)	499,082	-	499,082
Capital assets, non-depreciable (Note 9)	703,670	-	703,670
Capital assets, depreciable, net (Note 9)	72,095,388	77,966	72,173,354
Total Assets	<u>79,473,914</u>	<u>276,556</u>	<u>79,750,470</u>
LIABILITIES			
Accounts payable	700,855	25,165	726,020
Deferred revenue	57,854	-	57,854
Accrued interest payable	1,167,910	-	1,167,910
Unamortized bond premium	1,267,587	-	1,267,587
Noncurrent liabilities, net (Note 10):			
Due within one year	3,159,969	-	3,159,969
Due beyond one year	54,852,284	12,330	54,864,614
Total Liabilities	<u>61,206,459</u>	<u>37,495</u>	<u>61,243,954</u>
NET ASSETS			
Invested in capital assets, net of related debt	17,763,304	77,966	17,841,270
Restricted for:			
Capital projects	17,372	-	17,372
Debt service	3,039	-	3,039
Other purposes	3,286,843	-	3,286,843
Unrestricted (deficit)	(2,803,103)	161,095	(2,642,008)
Total Net Assets	<u>\$ 18,267,455</u>	<u>\$ 239,061</u>	<u>\$ 18,506,516</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular programs	\$ 29,253,267	\$ -	\$ 4,749,269	\$ -	\$ (24,503,998)	\$ -	\$ (24,503,998)
Special education programs	8,464,554	113,801	4,486,072	-	(3,864,681)	-	(3,864,681)
Other instructional programs	1,578,165	-	291,749	-	(1,286,416)	-	(1,286,416)
School sponsored programs	1,079,690	63,787	-	-	(1,015,903)	-	(1,015,903)
Community services programs	40,789	-	-	-	(40,789)	-	(40,789)
Support services:							
Tuition	3,224,109	-	2,429,268	-	(794,841)	-	(794,841)
Student & instruction related services	11,405,017	-	940,756	-	(10,464,261)	-	(10,464,261)
School administrative services	4,441,668	-	312,788	-	(4,128,880)	-	(4,128,880)
Other administrative services	2,968,343	-	49,567	-	(2,918,776)	-	(2,918,776)
Plant operations and maintenance	12,115,937	70,875	421,620	68,465	(11,554,977)	-	(11,554,977)
Pupil transportation	5,890,727	24,362	1,799,922	-	(4,066,443)	-	(4,066,443)
Unallocated depreciation	79,015	-	-	-	(79,015)	-	(79,015)
Interest on long-term debt and capital leases	2,721,148	-	679,836	-	(2,041,312)	-	(2,041,312)
Total governmental activities	<u>83,262,429</u>	<u>272,825</u>	<u>16,160,847</u>	<u>68,465</u>	<u>(66,760,292)</u>	<u>-</u>	<u>(66,760,292)</u>
Business-type activities:							
Food service	1,341,549	1,001,572	343,921	-	-	3,944	3,944
Community school	160,173	152,901	-	-	-	(7,272)	(7,272)
Summer school	57,488	33,813	-	-	-	(23,675)	(23,675)
Total business-type activities	<u>1,559,210</u>	<u>1,188,286</u>	<u>343,921</u>	<u>-</u>	<u>-</u>	<u>(27,003)</u>	<u>(27,003)</u>
Total primary government	<u>\$ 84,821,639</u>	<u>\$ 1,461,111</u>	<u>\$ 16,504,768</u>	<u>\$ 68,465</u>	<u>\$ (66,760,292)</u>	<u>\$ (27,003)</u>	<u>\$ (66,787,295)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 56,099,419	\$ -	\$ 56,099,419
Taxes levied for debt service					4,478,743	-	4,478,743
Federal and State aid not restricted					9,121,265	-	9,121,265
Investment Earnings					5,987	934	6,921
Miscellaneous Income					111,856	-	111,856
Transfers					20,000	(20,000)	-
Total general revenues, special items, extraordinary items and transfers					<u>69,837,270</u>	<u>(19,066)</u>	<u>69,818,204</u>
Change in Net Assets					<u>3,076,978</u>	<u>(46,069)</u>	<u>3,030,909</u>
Net Assets - Beginning					<u>15,190,477</u>	<u>285,130</u>	<u>15,475,607</u>
Net Assets - Ending					<u>\$ 18,267,455</u>	<u>\$ 239,061</u>	<u>\$ 18,506,516</u>

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, 2010

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 3,178,705	\$ -	\$ 4,895	\$ 3,039	\$ 3,186,639
Due from other funds	455,658	-	-	-	455,658
Receivables from other governments	2,237,600	487,891	68,465	-	2,793,956
Other accounts receivable	86,890	-	-	-	86,890
Restricted cash and cash equivalents	16,243	-	-	-	16,243
Total assets	\$ 5,975,096	\$ 487,891	\$ 73,360	\$ 3,039	\$ 6,539,386
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 555,699	\$ 138,656	\$ -	\$ -	\$ 694,355
Deposits payable	6,500	-	-	-	6,500
Due to other funds	-	291,381	72,231	-	363,612
Deferred revenue	-	57,854	-	-	57,854
Total liabilities	562,199	487,891	72,231	-	1,122,321
Fund balances:					
Reserved for:					
Encumbrances	372,210	-	-	-	372,210
Capital reserve account	16,243	-	-	-	16,243
Unreserved -- designated for subsequent year's expenditures	3,286,843	-	-	3,039	3,289,882
Unreserved reported in:					
General fund	1,737,601	-	-	-	1,737,601
Capital projects fund	-	-	1,129	-	1,129
Total fund balances	5,412,897	-	1,129	3,039	5,417,065
Total liabilities and fund balances	\$ 5,975,096	\$ 487,891	\$ 73,360	\$ 3,039	\$ 6,539,386

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, 2010

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

Total fund balances - governmental funds \$ 5,417,065

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	\$113,095,269	
Accumulated depreciation	<u>(40,296,211)</u>	72,799,058

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	<u>556,767</u>	(1,267,587)

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	<u>(850,507)</u>	2,318,243

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	<u>(333,449)</u>	499,082

Long-term liabilities and the corresponding interest accruals are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (See Note 10) Liabilities at year end consist of:

Bonds payable	(57,775,000)	
Loans payable	(428,988)	
Capital leases payable	(895,009)	
Accrued interest on bonds and notes	(1,155,684)	
Accrued interest on capital leases	(12,226)	
Accrued compensated absences	<u>(1,231,499)</u>	
		<u>(61,498,406)</u>

Net assets of governmental activities	<u><u>\$ 18,267,455</u></u>
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$56,099,419	\$ -	\$ -	\$ 4,478,743	\$60,578,162
Tuition charges	113,801	-	-	-	113,801
Interest on investments	5,930	-	-	-	5,930
Interest earned on capital reserve funds	57	-	-	-	57
Transportation fees	24,362	-	-	-	24,362
Miscellaneous	243,481	-	-	3,037	246,518
Total - Local Sources	56,487,050	-	-	4,481,780	60,968,830
State sources	20,476,742	-	68,465	679,836	21,225,043
Federal sources	2,143,051	1,982,483	-	-	4,125,534
Total revenues	79,106,843	1,982,483	68,465	5,161,616	86,319,407
EXPENDITURES					
Current:					
Regular instruction	20,358,453	107,391	-	-	20,465,844
Special education instruction	4,914,553	897,980	-	-	5,812,533
Other instructional programs	949,571	131,774	-	-	1,081,345
School sponsored programs	813,821	-	-	-	813,821
Community services programs	35,390	-	-	-	35,390
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,767,279	456,830	-	-	3,224,109
Student & instruction related services	7,947,004	307,586	-	-	8,254,590
School administrative services	3,037,525	-	-	-	3,037,525
Other administrative services	2,335,164	-	-	-	2,335,164
Plant operations and maintenance	7,385,965	-	-	-	7,385,965
Pupil transportation	4,475,471	-	-	-	4,475,471
Unallocated employee benefits	19,972,462	66,819	-	-	20,039,281
Capital outlay	326,658	14,103	171,164	-	511,925
Debt service:					
Principal	-	-	-	2,541,417	2,541,417
Interest and other charges	-	-	-	2,631,155	2,631,155
Total expenditures	75,319,316	1,982,483	171,164	5,172,572	82,645,535
Excess (Deficiency) of revenues over expenditures	3,787,527	-	(102,699)	(10,956)	3,673,872
OTHER FINANCING SOURCES (USES)					
Transfers in	22,200	-	103,828	-	126,028
Transfers out	(103,828)	-	(2,200)	-	(106,028)
Capital leases (non-budgeted)	230,000	-	-	-	230,000
Total other financing sources and uses	148,372	-	101,628	-	250,000
Net change in fund balances	3,935,899	-	(1,071)	(10,956)	3,923,872
Fund balance—July 1	1,476,998	-	2,200	13,995	1,493,193
Fund balance—June 30	\$ 5,412,897	\$ -	\$ 1,129	\$ 3,039	\$ 5,417,065

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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)		\$ 3,923,872
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	\$ (3,913,142)	
Capital outlays	<u>511,925</u>	
		(3,401,217)
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	(230,000)	
Lease payments	<u>398,279</u>	
		168,279
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.		2,541,417
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)
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.		100,701
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)
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.		56,083
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(105,717)</u>
Change in net assets of governmental activities		<u>\$ 3,076,978</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Major Enterprise Funds			Enterprise Funds Totals
	Food Services	Special Schools Community School	Summer School	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 158,254	\$ 50,453	\$ 35,742	\$ 244,449
Intergovernmental accounts receivable	20,084	-	-	20,084
Other accounts receivables	13,436	-	-	13,436
Inventories	12,667	-	-	12,667
Total current assets	<u>204,441</u>	<u>50,453</u>	<u>35,742</u>	<u>290,636</u>
Noncurrent assets:				
Equipment	411,162	-	-	411,162
Less accumulated depreciation	<u>333,196</u>	<u>-</u>	<u>-</u>	<u>333,196</u>
Total noncurrent assets	<u>77,966</u>	<u>-</u>	<u>-</u>	<u>77,966</u>
Total assets	<u>282,407</u>	<u>50,453</u>	<u>35,742</u>	<u>368,602</u>
LIABILITIES				
Accounts payable	25,165	-	-	25,165
Interfund payable	74,635	17,411	-	92,046
Compensated absences payable	<u>12,330</u>	<u>-</u>	<u>-</u>	<u>12,330</u>
Total liabilities	<u>112,130</u>	<u>17,411</u>	<u>-</u>	<u>129,541</u>
NET ASSETS				
Invested in capital assets, net of related debt	77,966	-	-	77,966
Unrestricted	<u>92,311</u>	<u>33,042</u>	<u>35,742</u>	<u>161,095</u>
Total net assets	<u>\$ 170,277</u>	<u>\$ 33,042</u>	<u>\$ 35,742</u>	<u>\$ 239,061</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, 2010

	Major Enterprise Funds			Enterprise Funds Totals
	Food Services	Special Schools Community School	Summer School	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 929,846	\$ -	\$ -	\$ 929,846
Daily sales - non-reimbursable programs	71,726	-	-	71,726
Tuition	-	152,901	33,813	186,714
Total operating revenues	<u>1,001,572</u>	<u>152,901</u>	<u>33,813</u>	<u>1,188,286</u>
Operating expenses:				
Salaries	507,141	55,258	51,922	614,321
Employee benefits	236,734	4,227	3,972	244,933
Supplies and materials	36,834	683	156	37,673
Depreciation	13,503	-	-	13,503
Cost of sales	546,780	-	-	546,780
Miscellaneous	557	-	-	557
Purchased professional educational services	-	86,157	-	86,157
Office expense	-	13,848	1,438	15,286
Total operating expenses	<u>1,341,549</u>	<u>160,173</u>	<u>57,488</u>	<u>1,559,210</u>
Operating loss	<u>(339,977)</u>	<u>(7,272)</u>	<u>(23,675)</u>	<u>(370,924)</u>
Nonoperating revenues:				
State sources:				
State school breakfast program	784	-	-	784
State school lunch program	14,706	-	-	14,706
Federal sources:				
School breakfast program	8,559	-	-	8,559
National school lunch program	228,773	-	-	228,773
Special milk program	3,284	-	-	3,284
After school snack program	3,668	-	-	3,668
Food donation program	84,147	-	-	84,147
Interest	450	21	463	934
Total nonoperating revenues	<u>344,371</u>	<u>21</u>	<u>463</u>	<u>344,855</u>
Net income (loss) before transfers	4,394	(7,251)	(23,212)	(26,069)
Transfer out	-	-	(20,000)	(20,000)
Change in net assets	4,394	(7,251)	(43,212)	(46,069)
Total net assets—beginning	165,883	40,293	78,954	285,130
Total net assets—ending	<u>\$ 170,277</u>	<u>\$ 33,042</u>	<u>\$ 35,742</u>	<u>\$ 239,061</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, 2010

	Major Enterprise Funds		Enterprise Funds
	Food Services	Special Schools	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,001,573	\$ 186,714	\$ 1,188,287
Payments to employees	(509,994)	(107,180)	(617,174)
Payments for employee benefits	(236,734)	(8,199)	(244,933)
Payments to suppliers	(492,271)	(102,282)	(594,553)
Net cash used in operating activities	<u>(237,426)</u>	<u>(30,947)</u>	<u>(268,373)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	16,057	-	16,057
Federal Sources	245,186	-	245,186
Operating subsidies and transfers to other funds	-	(20,151)	(20,151)
Net cash provided by (used in) non-capital financing activities	<u>261,243</u>	<u>(20,151)</u>	<u>241,092</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES			
Interest and dividends	450	484	934
Net increase (decrease) in cash and cash equivalents	24,267	(50,614)	(26,347)
Cash and cash equivalents - beginning of year	133,987	136,809	270,796
Cash and cash equivalents - end of year	<u>\$ 158,254</u>	<u>\$ 86,195</u>	<u>\$ 244,449</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (339,977)	\$ (30,947)	\$ (370,924)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	13,503	-	13,503
Food donation program	84,147	-	84,147
(Increase) in accounts receivable, net	25,777	-	25,777
Decrease in inventories	1,972	-	1,972
Increase in accounts payable	131	-	131
(Decrease) in compensated absences payable	(2,854)	-	(2,854)
Increase in due to/from other funds	(20,125)	-	(20,125)
Total adjustments	102,551	-	102,551
Net cash used in operating activities	<u>\$ (237,426)</u>	<u>\$ (30,947)</u>	<u>\$ (268,373)</u>

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Total Agency Funds	Trust Fund	Total Trust and Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 349,576	\$ 19,097	\$ 368,673
Accounts receivable	15,175	-	15,175
Total assets	<u>364,751</u>	<u>19,097</u>	<u>383,848</u>
LIABILITIES			
Accounts payable	38,688	17,683	56,371
Payroll deductions and withholdings	10,644	-	10,644
Due to student groups	315,419	-	315,419
Total liabilities	<u>\$ 364,751</u>	<u>17,683</u>	<u>382,434</u>
NET ASSETS			
Held in trust for unemployment claims		<u>\$ 1,414</u>	<u>\$ 1,414</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, 2010

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions:	
Plan members	\$ 126,950
Board contributions	141,469
Total additions	<u>268,419</u>
DEDUCTIONS	
Quarterly contribution reports	56,425
Unemployment claims	219,724
Total deductions	<u>276,149</u>
Change in net assets	(7,730)
Net assets—beginning of the year	9,144
Net assets—end of the year	<u><u>\$ 1,414</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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"*, as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* 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.

B. Basis of Presentation, Basis of Accounting:

The 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 activities of the District at 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 District.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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 governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Fund Types

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

General Fund: The General Fund is the general operating fund of the District and is used to account for 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 District:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

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, 2010

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, 2010

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, 2010. 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, 2010 represents grants and entitlements received before the eligibility requirements have been met and outstanding encumbrances at June 30, 2010.

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, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance Reserves:

The 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 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 District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On 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 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, 2010

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, 2010

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, 2010, 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, 2010, the carrying amount of the District's cash and cash equivalents balances for all funds was \$3,816,004 and the bank balance was \$4,700,604. 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, 2010, 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 2009-2010 fiscal year, the District invested funds in a government money market mutual fund. At June 30, 2010, the District did not hold any investments other than certificates of deposits, which totaled \$31,452.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 2009-10 fiscal year is as follows:

Beginning balance, July 1, 2009	\$15,986
Increased by:	
Budgeted Increase in Capital Reserve	200
Interest Earnings	57
Ending balance, June 30, 2010	<u>\$16,243</u>

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 is \$10,286,000. During the 2009-10 fiscal year, there were no withdrawals from the capital reserve.

4. TRANSFER TO CAPITAL PROJECTS:

During the year ending June 30, 2010, the District transferred \$103,828 to the Capital Projects Fund. The transfer was made from the capital outlay accounts to fund the Board's share of the Reroofing and Reflashing Project at Mountain View Elementary School. The balance of the project was funded by a grant from the New Jersey Schools Development Authority.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

5. RECEIVABLES:

Receivables at June 30, 2010, consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. All receivables are considered collectible in full. The following is a summary of the principal receivable items:

State and federal aid receivable	\$ 2,805,039
Intergovernmental accounts receivable	9,001
Other accounts receivable	<u>100,326</u>
Total receivables	<u>\$ 2,914,366</u>

6. INTERFUND BALANCES AND TRANSFERS:

\$ 92,046	Due to the General Fund from the Enterprise Fund
291,381	Due to the General Fund from the Special Revenue Fund
<u>72,231</u>	Due to the General Fund from the Capital Projects Fund
455,658	Total Interfund Balance - Fund Financial Statements
<u>(363,612)</u>	Elimination of Governmental Interfund Activities
<u>\$ 92,046</u>	

The \$92,046 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.

7. INVENTORY:

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food	\$ 9,809
Non-Food Items	<u>2,858</u>
	<u>\$ 12,667</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.

8. 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, 2010, amounted to \$36,394 and the total accumulated amortization is \$333,449.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

9. CAPITAL ASSETS:

Capital Asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 703,670	\$ -	\$ -	\$ 703,670
Construction in progress	-	-	-	-
Total capital assets not being Depreciated	703,670	-	-	703,670
Site and site improvements	3,934,228	-	-	3,934,228
Building and building improvements	94,836,129	171,164	-	95,007,293
Machinery and equipment	13,357,913	340,761	(248,596)	13,450,078
Totals at historical cost	112,128,270	511,925	(248,596)	112,391,599
Less accumulated depreciation for:				
Site and site improvements	(1,803,861)	(141,961)	-	(1,945,822)
Building and improvements	(24,776,680)	(2,897,582)	-	(27,674,262)
Machinery and equipment	(10,051,124)	(873,599)	248,596	(10,676,127)
Total accumulated depreciation	(36,631,665)	(3,913,142)	248,596	(40,296,211)
Government activities capital assets, net	\$ 76,200,275	\$ (3,401,217)	\$ -	\$ 72,799,058
Business-type activities:				
Equipment	\$ 411,162	\$ -	\$ -	\$ 411,162
Less accumulated depreciation for: equipment	(319,693)	(13,503)	-	(333,196)
Business-type activities capital assets, net	\$ 91,469	\$ (13,503)	\$ -	\$ 77,966

Depreciation expense was charged to governmental functions as follows:

Regular programs instruction	\$ 134,278
Special education programs	2,549
School sponsored programs	9,189
Student and instruction related services	6,823
School administrative services	115
Other administrative services	102,594
Plant operations and maintenance	3,114,812
Pupil transportation	463,767
Unallocated depreciation	79,015
Total depreciation expense	<u>\$ 3,913,142</u>

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

10. 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, 2010

10. LONG-TERM LIABILITIES: (Continued)

Long-term obligations activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Refunded	Ending Balance
Governmental activities:					
Bonds payable:					
High school addition/renovations	\$ 30,320,000	\$ -	\$ 910,000	\$ -	\$ 29,410,000
Middle school/facilities expansion	28,075,000	-	1,455,000	-	26,620,000
Refunding bonds - E.R.I.P.	1,855,000	-	110,000	-	1,745,000
	60,250,000	-	2,475,000	-	57,775,000
Less: Deferred interest	(2,488,289)	170,046	-	-	(2,318,243)
Total bonds payable	57,761,711	170,046	2,475,000	-	55,456,757
Loans payable:					
Sewer project loan #1	330,000	-	35,000	-	295,000
Sewer project loan #2	165,405	-	31,417	-	133,988
Total loans payable	495,405	-	66,417	-	428,988
Other Liabilities:					
Capital leases payable	1,063,288	230,000	398,279	-	895,009
Compensated absences payable	1,125,782	283,260	177,543	-	1,231,499
Total other liabilities	2,189,070	513,260	575,822	-	2,126,508
Total all governmental activities	\$ 60,446,186	\$ 683,306	\$ 3,117,239	\$ -	\$ 58,012,253
Business-Type Activities:					
Compensated absences payable	\$ 15,184	\$ 4,052	\$ 6,906	\$ -	\$ 12,330
Total all business-type activities	\$ 15,184	\$ 4,052	\$ 6,906	\$ -	\$ 12,330

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Bonds payable:			
High school addition/renovations	\$ 899,578	\$ 27,605,869	\$ 28,505,447
Middle school/facilities expansion	1,415,376	23,790,934	25,206,310
Refunding bonds - E.R.I.P.	115,000	1,630,000	1,745,000
Total bonds payable	2,429,954	53,026,803	55,456,757
Loans payable:			
Sewer project loan #1	35,000	260,000	295,000
Sewer project loan #2	30,299	103,689	133,988
Total loans payable	65,299	363,689	428,988
Other Liabilities:			
Capital leases payable	335,885	559,124	895,009
Compensated absences payable	328,831	902,668	1,231,499
Total other liabilities	664,716	1,461,792	2,126,508
Total all governmental activities	\$ 3,159,969	\$ 54,852,284	\$ 58,012,253
Business-Type Activities:			
Compensated absences payable	\$ -	\$ 12,330	\$ 12,330
Total all business-type activities	\$ -	\$ 12,330	\$ 12,330

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

10. LONG-TERM LIABILITIES: (Continued)

Debt Obligations:

Debt service requirements on serial bonds payable at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	3,115,000	2,041,815	5,156,815
2016-2020	17,960,000	7,992,369	25,952,369
2021-2025	15,890,000	3,650,860	19,540,860
2026-2030	9,690,000	1,060,185	10,750,185
	<u>\$ 57,775,000</u>	<u>\$ 24,093,834</u>	<u>\$ 81,868,834</u>

Bonds Authorized But Not Issued:

As of June 30, 2010, 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
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>\$ 428,988</u>	<u>\$ 57,356</u>	<u>\$ 486,344</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
2011	\$ 335,885
2012	249,342
2013	188,849
2014	95,194
2015	25,739
	<u>\$ 895,009</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

10. 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 \$1,231,499 at June 30, 2010. Of this amount, \$328,831 is due within one year and \$902,668 is due beyond one year.

11. 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.

For the year ended June 30, 2010 the State of New Jersey contributed \$2,061,495 to the TPAF for post retirement medical benefits on behalf of the District. The following chart illustrates the State's TPAF pension and post retirement medical contributions paid on behalf of the District for the past three fiscal years:

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		
2010	\$ -	\$ 2,061,495	unknown	-
2009	\$ -	\$ 1,954,252	unknown	-
2008	\$ 2,055,540	\$ 1,854,631	100%	-

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

11. PENSION PLANS: (Continued)

In addition to the TPAF post retirement medical contribution paid on behalf of the District, the State also reimbursed the District \$2,269,064 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
2010	\$ 2,269,064
2009	\$ 2,244,549
2008	\$ 2,245,728

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. The following chart illustrates the District's required pension contribution to PERS over the last three years:

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
2010	\$ 818,283	100%	\$ 818,283
2009	\$ 698,118	100%	\$ 698,118
2008	\$ 709,186	80%	\$ 567,349

For the 2009-10 fiscal year, the District also contributed \$113,477 for non-contributory group life insurance.

12. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or qualify for a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for 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 2009, the State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

13. 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

14. 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:

Fiscal Year	Plan Member Contributions	Board Contributions	Interest Earnings	Quarterly Billings	Reimbursed to State	Ending Balance
2009-2010	\$126,950	\$141,469	-	\$56,425	\$219,724	\$1,414
2008-2009	\$115,155	-	\$1,253	\$46,153	\$206,203	\$9,144
2007-2008	\$101,532	-	\$4,766	\$29,868	\$81,878	\$145,092

The 2010-2011 budget includes an appropriation in the amount of \$178,953 for contributions to the Unemployment Insurance Trust Fund.

15. FUND BALANCE APPROPRIATED:

Of the \$5,412,897 fund balance in the General Fund at June 30, 2010, \$372,210 is reserved for encumbrances, \$16,243 has been reserved in the capital reserve account, and \$3,286,843 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011. In addition, all of the \$3,039 fund balance in the Debt Service Fund at June 30, 2010 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

16. CONSTRUCTION COMMITMENTS:

As of June 30, 2010 the District had no active construction projects.

17. 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.

18. 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, 2010

	Original Budget	Budget Transfers	Final Budget
REVENUES:			
Local sources:			
Local tax levy	\$ 56,099,419	\$ -	\$ 56,099,419
Tuition charges	82,809	-	82,809
Interest on investments	50,000	-	50,000
Interest earned on capital reserve funds	200	-	200
Transportation fees	33,600	-	33,600
Miscellaneous	241,000	-	241,000
Total - Local Sources	56,507,028	-	56,507,028
State sources:			
Categorical special education aid	2,838,048	-	2,838,048
Equalization aid	9,369,130	-	9,369,130
Categorical security aid	423,333	-	423,333
Categorical transportation aid	1,820,434	-	1,820,434
Extraordinary aid	275,000	-	275,000
Other state aid	-	-	-
On-behalf TPAF contributions (Non-Budgeted)	-	-	-
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-
Total - State Sources	14,725,945	-	14,725,945
Federal sources:			
Equalization aid - ARRA ESF	1,999,423	-	1,999,423
Equalization aid - ARRA GSF	77,401	-	77,401
Medicaid Reimbursement	27,186	-	27,186
Total - Federal Sources	2,104,010	-	2,104,010
TOTAL REVENUES	73,336,983	-	73,336,983
EXPENDITURES:			
CURRENT:			
Regular programs - distributed instruction:			
Salaries of teachers:			
Kindergarten	542,061	(16,500)	525,561
Grades 1 - 5	7,340,813	(7,250)	7,333,563
Grades 6 - 8	4,924,911	(173,920)	4,750,991
Grades 9 - 12	6,685,540	(178,950)	6,506,590
Regular programs - home instruction:			
Salaries of teachers	9,400	-	9,400
Purchased professional - educational services	12,000	6,410	18,410
Regular programs - undistributed instruction:			
Other salaries for instruction	350,500	(201,170)	149,330
Purchased professional - educational services	19,600	1,640	21,240
Other purchased services	434,832	35,077	469,909
General supplies	640,503	326,013	966,516
Textbooks	151,805	225,931	377,736
Other objects	16,260	2,703	18,963
Total Regular Programs - Instruction	21,128,225	19,984	21,148,209

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, 2010

Actual	Variance Final to Actual
\$ 56,099,419	\$ -
113,801	30,992
5,930	(44,070)
57	(143)
24,362	(9,238)
<u>243,481</u>	<u>2,481</u>
<u>56,487,050</u>	<u>(19,978)</u>
2,838,048	-
9,144,951	(224,179)
423,333	-
1,820,434	-
1,972,438	1,697,438
16,677	16,677
2,061,495	2,061,495
<u>2,269,064</u>	<u>2,269,064</u>
<u>20,546,440</u>	<u>5,820,495</u>
1,999,423	-
77,401	-
<u>66,227</u>	<u>39,041</u>
<u>2,143,051</u>	<u>39,041</u>
<u>79,176,541</u>	<u>5,839,558</u>
434,575	90,986
7,240,355	93,208
4,707,184	43,807
6,319,470	187,120
6,930	2,470
18,402	8
87,154	62,176
21,235	5
453,292	16,617
808,866	157,650
250,212	127,524
<u>10,778</u>	<u>8,185</u>
<u>20,358,453</u>	<u>789,756</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, 2010

	Original Budget	Budget Transfers	Final Budget
Special education - instruction:			
Learning and/or language disabilities:			
Salaries of teachers	\$ 904,327	\$ (136,740)	\$ 767,587
Other salaries for instruction	39,149	12,950	52,099
Total Learning and/or Language Disabilities	943,476	(123,790)	819,686
Multiple disabilities:			
Salaries of teachers	277,333	(71,320)	206,013
Other salaries for instruction	37,703	71,320	109,023
Other objects	500	-	500
Total Multiple Disabilities	315,536	-	315,536
Resource room/resource center:			
Salaries of teachers	2,957,429	63,040	3,020,469
Other salaries for instruction	333,368	(74,290)	259,078
Total Resource Room/Resource Center	3,290,797	(11,250)	3,279,547
Autism:			
Salaries of teachers	119,550	(6,710)	112,840
Other salaries for instruction	17,665	36,770	54,435
Total Autism	137,215	30,060	167,275
Preschool disabilities - Part-Time:			
Salaries of teachers	146,045	22,980	169,025
Other salaries for instruction	42,799	250	43,049
Total Preschool Disabilities - Part-Time	188,844	23,230	212,074
Preschool disabilities - Full-Time:			
Salaries of teachers	80,750	-	80,750
Other salaries for instruction	21,594	-	21,594
Total Preschool Disabilities - Full-Time	102,344	-	102,344
Home instruction:			
Salaries of teachers	12,500	14,460	26,960
Purchased professional - educational services	19,000	-	19,000
Total Home Instruction	31,500	14,460	45,960
Total Special Education - Instruction	5,009,712	(67,290)	4,942,422

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, 2010

<u>Actual</u>	<u>Variance Final to Actual</u>
\$ 767,162	\$ 425
52,063	36
<u>819,225</u>	<u>461</u>
194,117	11,896
108,391	632
-	500
<u>302,508</u>	<u>13,028</u>
3,020,456	13
253,245	5,833
<u>3,273,701</u>	<u>5,846</u>
104,693	8,147
54,434	1
<u>159,127</u>	<u>8,148</u>
169,023	2
43,016	33
<u>212,039</u>	<u>35</u>
80,490	260
21,593	1
<u>102,083</u>	<u>261</u>
26,955	5
18,915	85
<u>45,870</u>	<u>90</u>
<u>4,914,553</u>	<u>27,869</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, 2010

	Original Budget	Budget Transfers	Final Budget
Other instructional programs:			
Basic skills/remedial - instruction:			
Salaries of teachers	\$ 508,936	\$ 87,070	\$ 596,006
General supplies	2,500	1,030	3,530
Total Basic Skills/Remedial - Instruction	511,436	88,100	599,536
Bilingual education - instruction:			
Salaries of teachers	371,599	-	371,599
General supplies	3,500	-	3,500
Total Bilingual Education - Instruction	375,099	-	375,099
Total Other Instructional Programs	886,535	88,100	974,635
School sponsored other instructional programs:			
School sponsored co-curricular activities - instruction:			
Salaries	156,451	5,680	162,131
Purchased services	35,000	(1,000)	34,000
Other objects	25,360	7,000	32,360
Total School Sponsored Co-Curricular Activities	216,811	11,680	228,491
School sponsored athletics - instruction:			
Salaries	393,880	6,690	400,570
Purchased services	98,217	1,000	99,217
Supplies and materials	74,900	7,426	82,326
Other objects	46,730	-	46,730
Total School Sponsored Athletics - instruction	613,727	15,116	628,843
Total School Sponsored Other Instructional Programs	830,538	26,796	857,334
Community services programs:			
Salaries	-	12,000	12,000
Purchased services	-	23,560	23,560
Total Community Services Programs	-	35,560	35,560
TOTAL DISTRIBUTED EXPENDITURES	27,855,010	103,150	27,958,160
UNDISTRIBUTED EXPENDITURES:			
Instruction:			
Tuition to other LEAs within the state - regular	-	35,500	35,500
Tuition to other LEAs within the state - special	245,759	65,000	310,759
Tuition to county vocational school districts - regular	328,575	-	328,575
Tuition to county vocational school districts - special	9,090	14,540	23,630
Tuition to CSSSD and regional day schools	308,165	26,500	334,665
Tuition to private schools for the handicapped - within state	2,606,415	(184,140)	2,422,275
Tuition - state facilities	35,250	-	35,250
Tuition - other	-	42,600	42,600
Total Undistributed Expenditures - Instruction	3,533,254	-	3,533,254

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, 2010

C-1

Actual	Variance Final to Actual
\$ 595,403	\$ 603
3,433	97
<u>598,836</u>	<u>700</u>
347,240	24,359
3,495	5
<u>350,735</u>	<u>24,364</u>
<u>949,571</u>	<u>25,064</u>
162,119	12
17,908	16,092
31,495	865
<u>211,522</u>	<u>16,969</u>
400,565	5
97,500	1,717
65,642	16,684
38,592	8,138
<u>602,299</u>	<u>26,544</u>
<u>813,821</u>	<u>43,513</u>
11,835	165
23,555	5
<u>35,390</u>	<u>170</u>
<u>27,071,788</u>	<u>886,372</u>
35,463	37
307,860	2,899
284,776	43,799
23,630	-
334,524	141
1,660,137	762,138
35,250	-
13,215	29,385
<u>2,694,855</u>	<u>838,399</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, 2010

	Original Budget	Budget Transfers	Final Budget
Health services:			
Salaries	\$ 570,710	\$ -	\$ 570,710
Purchased professional and technical services	60,700	5,070	65,770
Other purchased services	3,340	-	3,340
Supplies and materials	26,090	-	26,090
Total Health Services	660,840	5,070	665,910
Other support services - students - related services:			
Salaries	1,094,508	12,530	1,107,038
Purchased professional - educational services	125,647	-	125,647
Other objects	225	-	225
Total Other Support Services - Students - Related Services	1,220,380	12,530	1,232,910
Other support services - students - extraordinary services:			
Salaries	1,219,403	26,380	1,245,783
Purchased professional - educational services	850,520	(24,560)	825,960
Total Other Support Services - Students - Extra. Serv.	2,069,923	1,820	2,071,743
Other support services - students - regular:			
Salaries of other professional staff	1,176,099	28,700	1,204,799
Salaries of secretarial and clerical assistants	92,844	-	92,844
Other purchased professional and technical services	9,300	2,000	11,300
Other purchased services	24,439	2,760	27,199
Supplies and materials	13,894	2,948	16,842
Other objects	2,000	-	2,000
Total Other Support Services - Students - Regular	1,318,576	36,408	1,354,984
Other support services - students - special:			
Salaries of other professional staff	1,227,422	(64,300)	1,163,122
Purchased professional - educational services	48,000	9,910	57,910
Other purchased professional and technical services	4,000	500	4,500
Miscellaneous purchased services	3,000	-	3,000
Supplies and materials	4,000	-	4,000
Total Other Support Services - Students - Special	1,286,422	(53,890)	1,232,532
Improvement of instructional services:			
Salaries of supervisors of instruction	378,450	100	378,550
Salaries of other professional staff	19,550	16,960	36,510
Salaries of secretarial and clerical assistants	380,705	-	380,705
Other purchased services	40,480	(1,190)	39,290
Supplies and materials	13,150	4,380	17,530
Other objects	7,000	-	7,000
Total Improvement of Instruction Services/Other Support Services - Instructional Staff	839,335	20,250	859,585

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, 2010

C-1

Actual	Variance Final to Actual
\$ 567,139	\$ 3,571
65,759	11
2,841	499
<u>25,731</u>	<u>359</u>
<u>661,470</u>	<u>4,440</u>
1,072,040	34,998
61,190	64,457
<u>225</u>	<u>-</u>
<u>1,133,455</u>	<u>99,455</u>
1,245,765	18
<u>584,544</u>	<u>241,416</u>
<u>1,830,309</u>	<u>241,434</u>
1,203,998	801
92,844	-
11,199	101
26,898	301
13,445	3,397
<u>439</u>	<u>1,561</u>
<u>1,348,823</u>	<u>6,161</u>
1,156,565	6,557
57,904	6
4,500	-
865	2,135
<u>-</u>	<u>4,000</u>
<u>1,219,834</u>	<u>12,698</u>
378,542	8
36,504	6
380,461	244
37,089	2,201
13,813	3,717
<u>4,413</u>	<u>2,587</u>
<u>850,822</u>	<u>8,763</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, 2010

	Original Budget	Budget Transfers	Final Budget
Educational media services/school library:			
Salaries	\$ 464,192	\$ 63,410	\$ 527,602
Other purchased services	62,224	(2,000)	60,224
Supplies and materials	101,140	91,580	192,720
Other objects	350	-	350
Total Educational Media Services/School Library	627,906	152,990	780,896
Instructional staff training services:			
Salaries of other professional staff	8,500	1,500	10,000
Purchased professional - educational services	8,000	92,050	100,050
Other purchased services	13,000	17,983	30,983
Supplies and materials	4,000	12,805	16,805
Other objects	3,000	(1,500)	1,500
Total Instructional Staff Training Services	36,500	122,838	159,338
Support services - general administration:			
Salaries	461,446	-	461,446
Legal services	194,584	(5,510)	189,074
Audit fees	29,500	3,500	33,000
Architectural/Engineering services	5,000		1,500
Other purchased professional services	34,950	(4,485)	30,465
Communications/telephone	175,674	(4,986)	170,688
BOE other purchased services	5,750	(250)	5,500
Other purchased services	305,223	(9,490)	295,733
General supplies	10,200	-	10,200
Judgements against the school district	-	40,000	40,000
Miscellaneous expenditures	18,445	-	18,445
BOE membership dues and fees	29,250	-	29,250
Total Support Services - General Administration	1,270,022	18,779	1,285,301
Support services - school administration:			
Salaries of principals/assistant principals	1,480,672	(1,700)	1,478,972
Salaries of other professional staff	770,258	1,600	771,858
Salaries of secretarial and clerical assistants	515,272	157,620	672,892
Other purchased services	58,664	(1,000)	57,664
Supplies and materials	84,294	15,263	99,557
Other objects	33,800	-	33,800
Total Support Services - School Administration	2,942,960	171,783	3,114,743
Central services:			
Salaries	560,579	-	560,579
Miscellaneous purchased services	40,100	8,000	48,100
Supplies and materials	14,800	2,493	17,293
Miscellaneous expenditures	1,525	-	1,525
Total Central Services	617,004	10,493	627,497

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, 2010

Actual	Variance Final to Actual
\$ 524,797	\$ 2,805
51,849	8,375
179,539	13,181
-	350
<u>756,185</u>	<u>24,711</u>
9,087	913
89,853	10,197
30,677	306
16,435	370
54	1,446
<u>146,106</u>	<u>13,232</u>
457,086	4,360
189,067	7
33,000	-
-	1,500
26,089	4,376
129,224	41,464
4,589	911
289,165	6,568
5,265	4,935
40,000	-
16,813	1,632
28,123	1,127
<u>1,218,421</u>	<u>66,880</u>
1,457,186	21,786
750,492	21,366
670,374	2,518
52,818	4,846
81,262	18,295
25,393	8,407
<u>3,037,525</u>	<u>77,218</u>
554,501	6,078
37,063	11,037
13,015	4,278
1,505	20
<u>606,084</u>	<u>21,413</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, 2010

	Original Budget	Budget Transfers	Final Budget
Administrative information technology:			
Salaries	\$ 259,982	\$ -	\$ 259,982
Other purchased services	243,535	8,540	252,075
Supplies and materials	20,000	16,214	36,214
Other objects	750	-	750
Total Administrative Information Technology	524,267	24,754	549,021
Required maintenance for school facilities:			
Salaries	169,740	840	170,580
Cleaning, repair and maintenance services	424,003	14,732	438,735
General supplies	135,400	50,000	185,400
Other objects	3,100	2,500	5,600
Total Required Maintenance for School Facilities	732,243	68,072	800,315
Custodial services:			
Salaries	2,911,745	(58,330)	2,853,415
Salaries of non-instructional aides	243,853	22,970	266,823
Purchased professional and technical services	65,000	25,570	90,570
Cleaning, repair and maintenance services	94,092	5,625	99,717
Rental of land and buildings other than lease purchase	476,487	-	476,487
Other purchased property services	129,118	(21,870)	107,248
Insurance	94,293	11,320	105,613
Miscellaneous purchased services	4,600	(40)	4,560
General supplies	233,600	138,113	371,713
Energy (electricity)	1,582,752	(188,770)	1,393,982
Energy (natural gas)	860,122	(23,150)	836,972
Energy (oil)	7,047	-	7,047
Other objects	4,450	1,000	5,450
Total Custodial Services	6,707,159	(87,562)	6,619,597
Care and upkeep of grounds:			
Salaries	220,737	21,290	242,027
Cleaning, repair and maintenance services	94,300	-	94,300
General supplies	162,500	(57,420)	105,080
Total Care and Upkeep of Grounds	477,537	(36,130)	441,407
Security:			
Salaries	78,581	-	78,581
Purchased professional and technical services	92,000	20,000	112,000
Total Security	170,581	20,000	190,581
Total Operation and Maintenance of Plant Services	8,087,520	(35,620)	8,051,900

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, 2010

C-1

Actual	Variance Final to Actual
\$ 256,677	\$ 3,305
232,163	19,912
21,094	15,120
725	25
<u>510,659</u>	<u>38,362</u>
163,871	6,709
426,524	12,211
185,358	42
5,368	232
<u>781,121</u>	<u>19,194</u>
2,765,072	88,343
260,666	6,157
67,048	23,522
52,484	47,233
476,487	-
99,457	7,791
105,612	1
2,462	2,098
369,349	2,364
1,248,402	145,580
551,057	285,915
4,313	2,734
5,122	328
<u>6,007,531</u>	<u>612,066</u>
241,994	33
78,532	15,768
95,696	9,384
<u>416,222</u>	<u>25,185</u>
78,526	55
102,565	9,435
<u>181,091</u>	<u>9,490</u>
<u>7,385,965</u>	<u>665,935</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, 2010

	Original Budget	Budget Transfers	Final Budget
Student transportation services:			
Salaries for pupil trans. (between home & school) - regular	\$ 1,746,395	\$ 102,460	\$ 1,848,855
Salaries for pupil trans. (between home & school) - special ed.	250,196	(15,680)	234,516
Salaries for pupil trans. (other than between home & school)	161,300	(12,000)	149,300
Salaries for pupil trans. (between home & school) - nonpublic	98,977	(52,140)	46,837
Salaries of non-instructional aides	111,151	39,900	151,051
Management fees - ESC & CTSA transportation programs	43,450	-	43,450
Cleaning, repair and maintenance services	68,580	-	68,580
Lease purchase payments - school buses	190,056	-	190,056
Contracted services - aid in lieu payments - nonpublic schools	91,400	(24,560)	66,840
Contracted services - aid in lieu payments - charter schools	-	7,100	7,100
Contracted services (other than bet. home & school) - vendors	1,000	-	1,000
Contracted services (between home & school) - joint agreements	7,956	-	7,956
Contracted services (special ed. students) - vendors	46,725	(4,860)	41,865
Contracted services (regular students) - ESCs & CTSAs	83,800	9,780	93,580
Contracted services (special ed. students) - ESCs & CTSAs	923,491	(9,780)	913,711
Miscellaneous purchased services	93,556	2,350	95,906
General supplies	374,481	(22,955)	351,526
Transportation supplies	310,300	17,780	328,080
Miscellaneous expenditures	3,897	-	3,897
Total Student Transportation Services	4,606,711	37,395	4,644,106
Unallocated benefits - employee benefits:			
Social security contributions	1,149,740	(45,000)	1,104,740
Other retirement contributions - regular	940,465	-	940,465
Unemployment compensation	92,000	78,000	170,000
Workers compensation	610,700	(26,320)	584,380
Health benefits	12,570,232	(20,000)	12,550,232
Tuition reimbursement	325,000	-	325,000
Other employee benefits	278,777	45,000	323,777
Total Unallocated Benefits - Employee Benefits	15,966,914	31,680	15,998,594
On-behalf TPAF contributions (Non-Budgeted)	-	-	-
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-
Total On-behalf Payments	-	-	-
TOTAL UNDISTRIBUTED EXPENDITURES	45,608,534	557,280	46,162,314
TOTAL EXPENDITURES - CURRENT	73,463,544	660,430	74,120,474

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, 2010

Actual	Variance Final to Actual
\$ 1,848,821	34
234,056	460
149,299	1
46,510	327
149,383	1,668
42,851	599
31,235	37,345
189,577	479
65,661	1,179
6,748	352
-	1,000
4,337	3,619
41,210	655
93,571	9
885,784	27,927
92,050	3,856
263,882	87,644
328,070	10
2,426	1,471
<u>4,475,471</u>	<u>168,635</u>
1,031,310	\$ 73,430
931,760	8,705
141,470	
584,079	301
12,359,749	190,483
276,961	48,039
316,574	7,203
<u>15,641,903</u>	<u>328,161</u>
2,061,495	(2,061,495)
<u>2,269,064</u>	<u>(2,269,064)</u>
<u>4,330,559</u>	<u>(4,330,559)</u>
<u>47,848,446</u>	<u>(1,686,132)</u>
<u>74,920,234</u>	<u>(799,760)</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, 2010

	Original Budget	Budget Transfers	Final Budget
CAPITAL OUTLAY:			
Equipment:			
Regular programs - instruction::			
Grades 1 - 5	-	32,727	32,727
Grades 6 - 8	-	2,500	2,500
Grades 9 - 12	4,652	3,172	7,824
Undistributed expenditures:			
Required maintenance for school facilities	20,000	10,400	30,400
Care and upkeep of grounds	24,500	(1,860)	22,640
Student transportation services - non-instructional equipment	10,000	9,400	19,400
Total Equipment	59,152	56,339	115,491
Facilities acquisition and construction services:			
Architectural/engineering services	7,081	(7,081)	-
Construction services	96,747	(96,747)	-
Total Facilities Acquisition and Construction Services:	103,828	(103,828)	-
Assets acquired under capital leases (non-budgeted):			
Instruction - regular programs	-	-	-
Operation and maintenance of plant services	-	-	-
Other administrative services	-	-	-
Total Assets Acquired Under Capital Leases (Non-budgeted)	-	-	-
TOTAL CAPITAL OUTLAY	162,980	(47,489)	115,491
CHARTER SCHOOL:			
Allocation of funds to charter school	87,459	-	87,459
Total Charter School	87,459	-	87,459
TOTAL EXPENDITURES	73,713,983	612,941	74,323,424
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(377,000)	(612,941)	(986,441)
OTHER FINANCING SOURCES (USES):			
Capital Leases (Non-budgeted)	-	-	-
Operating Transfers In:			
Transfer from Capital Projects Fund	2,200	-	2,200
Transfer from Enterprise Fund	20,000	-	20,000
Operating Transfers Out:			
Interest Deposit to Capital Reserve	(200)	-	(200)
Capital Outlay Transfer to Capital Reserve	-	(103,828)	(103,828)
TOTAL OTHER FINANCING SOURCES (USES)	22,000	(103,828)	(81,828)

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, 2010

<u>Actual</u>	<u>Variance Final to Actual</u>
32,544	183
2,239	261
5,616	2,208
14,621	15,779
22,370	270
<u>19,268</u>	<u>132</u>
<u>96,658</u>	<u>18,833</u>
-	-
<u>-</u>	<u>-</u>
-	-
<u>-</u>	<u>-</u>
87,710	(87,710)
44,618	(44,618)
<u>97,672</u>	<u>(97,672)</u>
<u>230,000</u>	<u>(230,000)</u>
<u>326,658</u>	<u>(211,167)</u>
<u>72,424</u>	<u>15,035</u>
<u>72,424</u>	<u>15,035</u>
<u>75,319,316</u>	<u>(995,892)</u>
<u>3,857,225</u>	<u>(4,843,666)</u>
230,000	(230,000)
2,200	-
20,000	-
-	(200)
<u>(103,828)</u>	<u>-</u>
<u>148,372</u>	<u>(230,200)</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, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(355,000)	(716,769)	(1,068,269)
FUND BALANCE, July 1	<u>3,040,189</u>	<u>-</u>	<u>3,040,189</u>
FUND BALANCE, June 30	<u><u>\$ 2,685,189</u></u>	<u><u>\$ (716,769)</u></u>	<u><u>\$ 1,971,920</u></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, 2010

<u>Actual</u>	<u>Variance Final to Actual</u>
4,005,597	(5,073,866)
<u>3,040,189</u>	<u>-</u>
<u><u>\$ 7,045,786</u></u>	<u><u>\$ (5,073,866)</u></u>
\$ 372,210	
16,243	
3,286,843	
<u>3,370,490</u>	
7,045,786	
<u>(1,632,889)</u>	
<u><u>\$ 5,412,897</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
AMERICAN RECOVERY AND REINVESTMENT ACT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-1a

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$2,076,824	\$ -	\$2,076,824	\$ 2,076,824	\$ -
Total Revenues	2,076,824	-	2,076,824	2,076,824	-
EXPENDITURES:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Grades 9-12	2,076,824	-	2,076,824	2,076,824	-
Total Instruction	2,076,824	-	2,076,824	2,076,824	-
Total Expenditures	2,076,824	-	2,076,824	2,076,824	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$1,135,900	\$1,322,622	\$2,458,522	\$ 1,976,588	\$ 481,934
Total Revenues	1,135,900	1,322,622	2,458,522	1,976,588	481,934
EXPENDITURES:					
Instruction:					
Personal services - salaries	641,819	332,172	973,991	934,710	39,281
Purchased professional educational and technical services	-	22,000	22,000	9,709	12,291
Other purchased services	230,000	418,211	648,211	459,836	188,375
General supplies	63,454	124,133	187,587	154,545	33,042
Other objects	1,400	5,700	7,100	-	7,100
Total Instruction	936,673	902,216	1,838,889	1,558,800	280,089
Support Services:					
Personal services - salaries	-	58,378	58,378	55,385	2,993
Personal services - employee benefits	104,613	34,265	138,878	66,819	72,059
Purchased professional educational and technical services	70,406	185,332	255,738	204,417	51,321
Other purchased services	900	35,640	36,540	4,278	32,262
Supplies and materials	11,405	58,295	69,700	42,836	26,864
Total Support Services	187,324	371,910	559,234	373,735	185,499
Facilities Acquisition and Construction Services:					
Instructional equipment	11,903	43,496	55,399	44,053	11,346
Instructional equipment	-	5,000	5,000	-	5,000
Total Facilities Acquisition and Construction Services	11,903	48,496	60,399	44,053	16,346
Total Expenditures	1,135,900	1,322,622	2,458,522	1,976,588	481,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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	\$79,176,541	\$ 1,976,588
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, 2009	-	54,397
Outstanding encumbrances at June 30, 2010	-	(48,502)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2009	1,563,191	-
State aid receivable at June 30, 2010	<u>(1,632,889)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$79,106,843</u></u>	<u><u>\$ 1,982,483</u></u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$75,319,316	\$ 1,976,588
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, 2009	-	54,397
Outstanding encumbrances at June 30, 2010	<u>-</u>	<u>(48,502)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$75,319,316</u></u>	<u><u>\$ 1,982,483</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

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, 2010

	TITLE I		TITLE II		TITLE III		Title IV	Carl D. Perkins Vocational Ed. Secondary Allocation
	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part A Carryover	Part A Current	Part A Current	
REVENUES:								
Federal sources	\$ 33,781	\$ 89,890	\$ 21,273	\$ 87,584	\$ 5,427	\$ 22,946	\$ 3,094	\$ 16,780
Total Revenues	<u>\$ 33,781</u>	<u>\$ 89,890</u>	<u>\$ 21,273</u>	<u>\$ 87,584</u>	<u>\$ 5,427</u>	<u>\$ 22,946</u>	<u>\$ 3,094</u>	<u>\$ 16,780</u>
EXPENDITURES:								
Instruction:								
Personal services - salaries	\$ -	\$ 78,961	\$ -	\$ 60,000	\$ -	\$ 17,000	\$ 2,700	\$ -
Purchased professional educational and technical services	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-
General supplies	3,831	-	-	18,818	5,427	3,462	-	11,091
Total Instruction	<u>3,831</u>	<u>78,961</u>	<u>-</u>	<u>78,818</u>	<u>5,427</u>	<u>20,462</u>	<u>2,700</u>	<u>11,091</u>
Support Services:								
Personal services - salaries	-	-	-	-	-	-	-	5,285
Personal services - employee benefits	-	10,929	-	8,766	-	2,484	394	404
Purchased professional educational and technical services	-	-	14,220	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-
Supplies and materials	-	-	7,053	-	-	-	-	-
Total Support Services	<u>-</u>	<u>10,929</u>	<u>21,273</u>	<u>8,766</u>	<u>-</u>	<u>2,484</u>	<u>394</u>	<u>5,689</u>
Facilities Acquisition and Construction Services:								
Instructional equipment	29,950	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>29,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 33,781</u>	<u>\$ 89,890</u>	<u>\$ 21,273</u>	<u>\$ 87,584</u>	<u>\$ 5,427</u>	<u>\$ 22,946</u>	<u>\$ 3,094</u>	<u>\$ 16,780</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.A.				A.R.R.A. - I.D.E.A.		Total
	Part B - Basic Reg. Prog. Carryover	Part B - Basic Reg. Prog. Current	Part B Preschool Carryover	Part B Preschool Current	Part B - Basic Reg. Prog. Current	Part B Preschool Current	
REVENUES:							
Federal sources	\$ 43,109	\$ 623,747	\$ 31,430	\$ 17,445	\$ 945,636	\$ 34,446	\$ 1,976,588
Total Revenues	<u>\$ 43,109</u>	<u>\$ 623,747</u>	<u>\$ 31,430</u>	<u>\$ 17,445</u>	<u>\$ 945,636</u>	<u>\$ 34,446</u>	<u>\$ 1,976,588</u>
EXPENDITURES:							
Instruction:							
Personal services - salaries	\$ -	\$ 478,712	\$ -	\$ -	\$ 263,623	\$ 33,714	\$ 934,710
Purchased professional educational and technical services	-	-	-	-	9,709	-	9,709
Other purchased services	-	3,006	-	-	456,830	-	459,836
General supplies	10,402	39,788	3,182	2,677	55,135	732	154,545
Total Instruction	<u>10,402</u>	<u>521,506</u>	<u>3,182</u>	<u>2,677</u>	<u>785,297</u>	<u>34,446</u>	<u>1,558,800</u>
Support Services:							
Personal services - salaries	-	32,045	18,055	-	-	-	55,385
Personal services - employee benefits	-	8,731	2,638	-	32,473	-	66,819
Purchased professional educational and technical services	20,609	34,773	5,430	14,768	114,617	-	204,417
Other purchased services	747	3,531	-	-	-	-	4,278
Supplies and materials	7,027	23,161	-	-	5,595	-	42,836
Total Support Services	<u>28,383</u>	<u>102,241</u>	<u>26,123</u>	<u>14,768</u>	<u>152,685</u>	<u>-</u>	<u>373,735</u>
Facilities Acquisition and Construction Services:							
Instructional equipment	4,324	-	2,125	-	7,654	-	44,053
Total Facilities Acquisition and Construction Services	<u>4,324</u>	<u>-</u>	<u>2,125</u>	<u>-</u>	<u>7,654</u>	<u>-</u>	<u>44,053</u>
Total Expenditures	<u>\$ 43,109</u>	<u>\$ 623,747</u>	<u>\$ 31,430</u>	<u>\$ 17,445</u>	<u>\$ 945,636</u>	<u>\$ 34,446</u>	<u>\$ 1,976,588</u>

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Year	Project Title	Appropriation	Expenditures		Unexpended Balance
			Prior Years	Current Year	
2004	Additions and Renovations to Mt. Olive High School	\$46,202,882	\$ 46,200,290	\$ 2,200	\$ 392
2004	Acquisition and Installation of Artificial Turf at the High School Multipurpose Field	700,000	700,000	-	-
2009	Mt. View Elementary School Roof Project	172,293	-	171,164	1,129
		<u>\$47,075,175</u>	<u>\$ 46,900,290</u>	<u>\$ 173,364</u>	<u>\$ 1,521</u>

Analysis:

Designated for subsequent year's expenditures	\$ 1,129
Bonds and notes authorized but not issued	<u>392</u>
	<u>\$ 1,521</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>2010</u>
REVENUES AND OTHER FINANCING SOURCES:	
State Sources - SDA Grant	68,465
Transfer from capital outlay	<u>103,828</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>172,293</u>
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	12,115
Construction services	159,049
Transfer to General Fund	<u>2,200</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>173,364</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,071)
FUND BALANCE, July 1	<u>2,200</u>
FUND BALANCE, June 30	<u><u>\$ 1,129</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO MT. OLIVE HIGH SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES:				
State Sources - SDA 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	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	41,469,281	-	41,469,281	41,471,281
Other purchased services	16,001	-	16,001	16,001
Furniture and equipment	428,842	-	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	2,200	1,462,281	-
Transfer to Debt Service Fund	151,441	-	151,441	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	48,511,812	2,200	48,514,012	46,902,882
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 2,200	\$ (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	100.00%			
Original target completion date	Jun-07			
Revised target completion date	Jun-07			

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MT. VIEW ELEMENTARY SCHOOL ROOF PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State Sources - SDA Grant	\$ -	\$ 68,465	\$ 68,465	\$ 72,116
Transfer from capital outlay	-	103,828	103,828	103,828.00
TOTAL REVENUES AND OTHER FINANCING SOURCES	-	172,293	172,293	175,944
EXPENDITURES:				
Purchased professional and technical services	-	12,115	12,115	12,000
Construction services	-	159,049	159,049	163,944
TOTAL EXPENDITURES	-	171,164	171,164	175,944
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ 1,129</u>	<u>\$ 1,129</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION:

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

ENTERPRISE FUNDS DETAIL STATEMENTS

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Food Services	Special Schools Community School	Summer School	Totals
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 158,254	\$ 50,453	\$ 35,742	\$ 244,449
Accounts receivable:				
State	1,209	-	-	1,209
Federal	18,875	-	-	18,875
Other	13,436	-	-	13,436
Inventories	12,667	-	-	12,667
Total Current Assets	<u>204,441</u>	<u>50,453</u>	<u>35,742</u>	<u>290,636</u>
NONCURRENT ASSETS:				
Equipment	411,162	-	-	411,162
Less: accumulated depreciation	<u>333,196</u>	<u>-</u>	<u>-</u>	<u>333,196</u>
Total Noncurrent Assets	<u>77,966</u>	<u>-</u>	<u>-</u>	<u>77,966</u>
TOTAL ASSETS	<u>282,407</u>	<u>50,453</u>	<u>35,742</u>	<u>368,602</u>
LIABILITIES:				
Accounts payable	25,165	-	-	25,165
Interfund payable	74,635	17,411	-	92,046
Compensated absences payable	<u>12,330</u>	<u>-</u>	<u>-</u>	<u>12,330</u>
TOTAL LIABILITIES	<u>112,130</u>	<u>17,411</u>	<u>-</u>	<u>129,541</u>
NET ASSETS:				
Invested in capital assets, net of related debt	77,966	-	-	77,966
Unrestricted	<u>92,311</u>	<u>33,042</u>	<u>35,742</u>	<u>161,095</u>
TOTAL NET ASSETS	<u>\$ 170,277</u>	<u>\$ 33,042</u>	<u>\$ 35,742</u>	<u>\$ 239,061</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, 2010

	Food Services	Special Schools Community School	Summer School	Totals
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$ 929,846	\$ -	\$ -	\$ 929,846
Daily sales - non-reimbursable programs	71,726	-	-	71,726
Tuition	-	152,901	33,813	186,714
	<u>-</u>	<u>152,901</u>	<u>33,813</u>	<u>186,714</u>
Total Operating Revenues	<u>1,001,572</u>	<u>152,901</u>	<u>33,813</u>	<u>1,188,286</u>
OPERATING EXPENSES:				
Salaries	507,141	55,258	51,922	614,321
Employee benefits	236,734	4,227	3,972	244,933
Supplies and materials	36,834	683	156	37,673
Depreciation	13,503	-	-	13,503
Cost of sales	546,780	-	-	546,780
Miscellaneous	557	-	-	557
Purchased professional educational services	-	86,157	-	86,157
Office expense	-	13,848	1,438	15,286
	<u>-</u>	<u>13,848</u>	<u>1,438</u>	<u>15,286</u>
Total Operating Expenses	<u>1,341,549</u>	<u>160,173</u>	<u>57,488</u>	<u>1,559,210</u>
OPERATING LOSS	<u>(339,977)</u>	<u>(7,272)</u>	<u>(23,675)</u>	<u>(370,924)</u>
NON-OPERATING REVENUES:				
State sources:				
State school breakfast program	784	-	-	784
State school lunch program	14,706	-	-	14,706
Federal sources:				
School breakfast program	8,559	-	-	8,559
National school lunch program	228,773	-	-	228,773
Special milk program	3,284	-	-	3,284
After school snack program	3,668	-	-	3,668
Food donation program	84,147	-	-	84,147
Interest	450	21	463	934
	<u>450</u>	<u>21</u>	<u>463</u>	<u>934</u>
Total Non-Operating Revenues	<u>344,371</u>	<u>21</u>	<u>463</u>	<u>344,855</u>
NET (LOSS)/INCOME BEFORE TRANSFER	4,394	(7,251)	(23,212)	(26,069)
Transfer Out	-	-	(20,000)	(20,000)
	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
CHANGE IN NET ASSETS	4,394	(7,251)	(43,212)	(46,069)
TOTAL NET ASSETS - BEGINNING	<u>165,883</u>	<u>40,293</u>	<u>78,954</u>	<u>285,130</u>
TOTAL NET ASSETS - ENDING	<u>\$ 170,277</u>	<u>\$ 33,042</u>	<u>\$ 35,742</u>	<u>\$ 239,061</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Services	Special Schools Community School	Summer School	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,001,573	\$ 152,901	\$ 33,813	\$ 1,188,287
Payments to employees	(509,994)	(55,258)	(51,922)	(617,174)
Payments for employee benefits	(236,734)	(4,227)	(3,972)	(244,933)
Payments to suppliers	(492,271)	(100,688)	(1,594)	(594,553)
Net cash used in operating activities	<u>(237,426)</u>	<u>(7,272)</u>	<u>(23,675)</u>	<u>(268,373)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	16,057	-	-	16,057
Federal Sources	182,092	-	-	182,092
Operating subsidies and transfers to other funds	-	(151)	(20,000)	(20,151)
Net cash provided by (used in) non-capital financing activities	<u>261,243</u>	<u>(151)</u>	<u>(20,000)</u>	<u>241,092</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest and dividends	450	21	463	934
Net increase (decrease) in cash and cash equivalents	<u>24,267</u>	<u>(7,402)</u>	<u>(43,212)</u>	<u>(26,347)</u>
Cash and cash equivalents - beginning of year	133,987	57,855	78,954	270,796
Cash and cash equivalents - end of year	<u>\$ 158,254</u>	<u>\$ 50,453</u>	<u>\$ 35,742</u>	<u>\$ 244,449</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (339,977)	\$ (7,272)	\$ (23,675)	\$ (370,924)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	13,503	-	-	13,503
Food donation program	84,147	-	-	84,147
Increase in accounts receivable, net	25,777	-	-	25,777
Decrease in inventories	1,972	-	-	1,972
Increase in accounts payable	131	-	-	131
Decrease in compensated absences payable	(2,854)	-	-	(2,854)
Increase in due to/from other funds	(20,125)	-	-	(20,125)
Total adjustments	<u>102,551</u>	<u>-</u>	<u>-</u>	<u>102,551</u>
Net cash used in operating activities	<u>\$ (237,426)</u>	<u>\$ (7,272)</u>	<u>\$ (23,675)</u>	<u>\$ (268,373)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS
--

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

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

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

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2010

	Agency Funds			Trust Fund
	Student Activity	Payroll	Total Agency	Unemployment Compensation Insurance Trust
ASSETS:				
Cash and cash equivalents	\$ 338,932	\$ 10,644	\$ 349,576	\$ 19,097
Accounts receivable	15,175	-	15,175	-
TOTAL ASSETS	354,107	10,644	364,751	19,097
LIABILITIES:				
Accounts payable	38,688	-	38,688	17,683
Payroll deductions and withholdings	-	10,644	10,644	-
Interfund payable	-	-	-	-
Due to student groups	315,419	-	315,419	-
TOTAL LIABILITIES	354,107	10,644	364,751	17,683
NET ASSETS:				
Held in trust for unemployment claims	-	-	-	1,414
TOTAL NET ASSETS	\$ -	\$ -	\$ -	\$ 1,414

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Unemployment Compensation Insurance Trust</u>
ADDITIONS:	
Contributions:	
Plan members	\$ 126,950
Board contributions	<u>141,469</u>
Total additions	<u>268,419</u>
DEDUCTIONS:	
Quarterly contribution reports	56,425
Unemployment claims	<u>219,724</u>
Total deductions	<u>276,149</u>
Change in net assets	(7,730)
Net assets-beginning of the year	<u>9,144</u>
Net assets-end of the year	<u><u>\$ 1,414</u></u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable/ (Receivable)</u>	<u>Balance June 30, 2010</u>
ELEMENTARY SCHOOLS:					
Sandshore School	\$ 32,925	\$ 17,319	\$ 33,525	\$ 40	\$ 16,679
Mountain View School	10,042	24,038	25,304	(4)	8,780
Tinc Road School	16,757	14,519	18,738	(1,052)	13,590
CMS Elementary School	11,095	54,285	58,518	(1,136)	7,998
TOTAL ELEMENTARY SCHOOLS	<u>70,819</u>	<u>110,161</u>	<u>136,085</u>	<u>(2,152)</u>	<u>47,047</u>
MIDDLE SCHOOL:					
Mount Olive Middle School	<u>60,402</u>	<u>196,780</u>	<u>184,557</u>	<u>8,791</u>	<u>63,834</u>
TOTAL MIDDLE SCHOOL	<u>60,402</u>	<u>196,780</u>	<u>184,557</u>	<u>8,791</u>	<u>63,834</u>
HIGH SCHOOL:					
Mount Olive High School	153,998	379,071	352,457	16,874	163,738
Athletic Account	<u>32,117</u>	<u>104,910</u>	<u>96,227</u>	<u>-</u>	<u>40,800</u>
TOTAL HIGH SCHOOL	<u>186,115</u>	<u>483,981</u>	<u>448,684</u>	<u>16,874</u>	<u>204,538</u>
TOTAL ALL SCHOOLS	<u>\$ 317,336</u>	<u>\$ 790,922</u>	<u>\$ 769,326</u>	<u>\$ 23,513</u>	<u>\$ 315,419</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	\$ 278,748	\$ 61,216,788	\$ 61,484,892	\$ 10,644
TOTAL ASSETS	<u>\$ 278,748</u>	<u>\$ 61,216,788</u>	<u>\$ 61,484,892</u>	<u>\$ 10,644</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 278,748	\$ 61,216,788	\$ 61,484,892	\$ 10,644
TOTAL LIABILITIES	<u>\$ 278,748</u>	<u>\$ 61,216,788</u>	<u>\$ 61,484,892</u>	<u>\$ 10,644</u>

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2009	RETIRED	BALANCE JUNE 30, 2010
			DATE	AMOUNT				
Construction of Mt. Olive Middle School / Facilities Expansion Project - Refunding Bonds	11/01/04	\$ 30,500,000	1/15/2011	\$ 1,530,000	3.25%	\$ 28,075,000	\$ 1,455,000	\$ 26,620,000
			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	2/1/2011	115,000	4.70%	1,855,000	110,000	1,745,000
			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	7/15/2010	895,000	4.00%	11,815,000	855,000	10,960,000
			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, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2009	RETIRED	BALANCE JUNE 30, 2010
			DATE	AMOUNT				
Addition/Renovations to Mt. Olive High School - Refunding Bonds	09/14/06	9,100,000	7/15/2010	25,000	4.00%	9,060,000	20,000	9,040,000
			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	7/15/2010	35,000	4.00%	9,445,000	35,000	9,410,000
			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%			
						<u>\$ 60,250,000</u>	<u>\$ 2,475,000</u>	<u>\$ 57,775,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
			Principal	Interest					
(2) Type C 29-Passenger School Buses, (2) Type D 54-Passenger School Buses, Computer Equipment and Network Upgrade	09/22/06	4 Years	\$ 840,000	\$ 65,329	6.13%	\$ 282,027	\$ -	\$ 186,183	\$ 95,844
(4) 2008 Thomas School Buses Computer and Peripheral Equipment	09/28/07	5 Years	487,513	49,472	4.03%	347,255	-	94,471	252,784
(1) 2008 Ford F-250 Utility Body Truck and Plow	12/20/07	3 Years	28,778	1,940	6.90%	9,579	-	9,579	-
(6) 24-Passenger School Vans, (1) 54-Passenger School Bus, Technology Equipment	03/15/09	5 Years	420,000	38,640	3.29%	380,776	-	79,852	300,924
(2) 2009 Ford F-350 Super Cab Trucks	11/28/08	4 Years	60,269	6,203	6.95%	43,651	-	13,584	30,067
(1) 2010 Ford F-450 Super Cab Truck Computer and Peripheral Equipment	09/15/09	5 Years	230,000	24,869	3.73%	-	230,000	14,610	215,390
						<u>\$ 1,063,288</u>	<u>\$ 230,000</u>	<u>\$ 398,279</u>	<u>\$ 895,009</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,478,743	\$ -	\$ 4,478,743	\$ 4,478,743	\$ -
Miscellaneous	-	-	-	3,037	3,037
Total local sources	4,478,743	-	4,478,743	4,481,780	3,037
State sources:					
Debt service aid type II	679,836	-	679,836	679,836	-
Total state sources	679,836	-	679,836	679,836	-
TOTAL REVENUES	5,158,579	-	5,158,579	5,161,616	3,037
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	100,975	-	100,975	100,975	-
Interest on loans and serial bonds	2,530,180	-	2,530,180	2,530,180	-
Redemption of principal - early retirement bonds	110,000	-	110,000	110,000	-
Redemption of principal - loans and serial bonds	2,431,418	-	2,431,418	2,431,417	1
Total Regular Debt Service	5,172,573	-	5,172,573	5,172,572	1
TOTAL EXPENDITURES	5,172,573	-	5,172,573	5,172,572	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,994)	-	(13,994)	(10,956)	3,038
FUND BALANCE, July 1	13,995	-	13,995	13,995	-
FUND BALANCE, June 30	\$ 1	\$ -	\$ 1	\$ 3,039	\$ 3,038
RECAPITULATION OF EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES:					
Budgeted Fund Balance	\$ (13,994)	\$ -	\$ (13,994)	\$ (10,956)	\$ 3,038

STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	90-97
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	98-101
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.	102-105
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.	106-107
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.	108-112

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 EIGHT FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:								
Invested in capital assets, net of related debt	\$ 17,763,304	\$ 18,734,871	\$ 19,646,173	\$ 18,618,960	\$ 3,763,209	\$ 3,799,721	\$ 1,885,787	\$ 707,724
Restricted	3,307,254	387,181	1,555,414	2,473,687	9,188,022	4,481,943	1,881,151	890,277
Unrestricted (Deficit)	(2,803,103)	(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>\$ 18,267,455</u>	<u>\$ 15,190,477</u>	<u>\$ 15,464,005</u>	<u>\$ 19,441,731</u>	<u>\$ 9,402,317</u>	<u>\$ 4,614,473</u>	<u>\$ 2,866,162</u>	<u>\$ 1,471,389</u>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 77,966	\$ 91,469	\$ 105,678	\$ 122,638	\$ 134,041	\$ 145,838	\$ 153,533	\$ 167,376
Restricted	-	-	-	-	-	-	-	-
Unrestricted	161,095	193,661	220,513	287,269	323,985	229,094	142,306	240,648
Total business-type activities net assets	<u>\$ 239,061</u>	<u>\$ 285,130</u>	<u>\$ 326,191</u>	<u>\$ 409,907</u>	<u>\$ 458,026</u>	<u>\$ 374,932</u>	<u>\$ 295,839</u>	<u>\$ 408,024</u>
District-wide:								
Invested in capital assets, net of related debt	\$ 17,841,270	\$ 18,826,340	\$ 19,751,851	\$ 18,741,598	\$ 3,897,250	\$ 3,945,559	\$ 2,039,320	\$ 875,100
Restricted	3,307,254	387,181	1,555,414	2,473,687	9,188,022	4,481,943	1,881,151	890,277
Unrestricted (Deficit)	(2,642,008)	(3,737,914)	(5,517,069)	(1,363,647)	(3,224,929)	(3,438,097)	(758,470)	114,036
Total district net assets	<u>\$ 18,506,516</u>	<u>\$ 15,475,607</u>	<u>\$ 15,790,196</u>	<u>\$ 19,851,638</u>	<u>\$ 9,860,343</u>	<u>\$ 4,989,405</u>	<u>\$ 3,162,001</u>	<u>\$ 1,879,413</u>

Source: District records

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

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

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
Instruction:								
Regular programs	\$ 29,253,267	\$ 28,874,002	\$ 29,538,264	\$ 28,392,776	\$ 26,257,695	\$ 25,424,351	\$ 24,035,461	\$ 21,709,607
Special education programs	8,464,554	7,299,941	8,451,020	7,525,425	6,794,223	6,090,403	5,311,941	4,523,744
Other instructional programs	1,578,165	1,308,443	1,344,860	1,408,582	1,200,190	1,168,034	1,127,160	1,065,252
School sponsored programs	1,079,690	1,012,670	1,161,487	1,130,231	1,072,970	1,045,137	917,828	847,286
Community services programs	40,789	-	237,671	192,694	140,792	27,798	24,203	33,517
Support Services:								
Tuition	3,151,685	3,457,909	3,349,320	2,553,357	2,610,450	2,401,166	2,249,056	1,987,021
Student & instruction related services	11,405,017	10,549,571	10,722,009	10,224,653	9,070,030	8,651,261	8,079,637	7,272,373
School administrative services	4,441,668	4,456,645	4,763,487	4,488,613	4,410,915	3,811,144	3,325,934	2,990,070
Other administrative services	2,968,343	3,055,916	3,038,472	2,744,156	2,525,602	2,345,576	1,768,973	1,753,771
Plant operations and maintenance	12,115,937	12,259,725	12,118,196	9,626,775	7,855,225	7,497,193	7,768,646	7,035,165
Pupil transportation	5,890,727	6,048,492	6,451,921	5,482,210	5,555,129	4,918,198	4,108,259	3,769,890
Charter schools	72,424		45,123	47,348	37,299	4,031	-	-
Interest on long-term debt and capital leases	2,721,148	2,835,064	2,915,556	3,927,627	3,073,022	4,142,208	2,015,732	1,837,297
Unallocated depreciation	79,015	86,339	92,320	101,418	1,238,708	1,374,521	1,448,717	1,525,506
Total governmental activities expenses	83,262,429	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	1,341,549	1,348,421	1,482,292	1,441,598	1,355,509	1,284,271	1,309,808	1,276,834
Community school	160,173	195,828	173,357	181,389	172,239	148,861	135,199	124,606
Summer school	57,488	42,759	39,865	31,801	24,940	33,473	35,881	62,787
Total business-type activities expenses	1,559,210	1,587,008	1,695,514	1,654,788	1,552,688	1,466,605	1,480,888	1,464,227
Total district expenses	\$ 84,821,639	\$ 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 EIGHT FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues								
Governmental activities:								
Charges for services:								
Special education programs (tuition)	\$ 113,801	\$ 103,408	\$ 271,335	\$ 126,618	\$ 94,978	\$ 131,562	\$ 222,321	\$ 131,274
School sponsored programs (sports and activity fees)	63,787	-	-	-	-	-	-	-
Plant operations and maintenance (building usage fees)	70,875	50,572	67,918	43,284	115,653	176,837	141,706	139,956
Pupil transportation (transportation fees)	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930
Operating grants and contributions	16,160,847	11,825,243	13,626,319	13,027,363	10,790,379	10,424,271	11,010,412	9,182,058
Capital grants and contributions	68,465	-	-	8,700,382	4,403,899	1,601,097	-	-
Total governmental activities program revenues	16,502,137	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	1,001,572	1,059,598	1,088,892	1,076,005	1,105,351	1,029,665	984,216	925,800
Community school	152,901	183,467	190,352	167,724	163,208	161,175	154,691	142,916
Summer school	33,813	51,258	47,551	46,494	10,894	4,235	5,100	69,159
Operating grants and contributions	343,921	291,976	317,405	300,809	238,713	212,075	222,376	211,790
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,532,207	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	\$ 18,034,344	\$ 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	\$ (66,760,292)	\$ (69,235,259)	\$ (70,228,946)	\$ (55,854,617)	\$ (56,268,964)	\$ (56,329,890)	\$ (50,608,644)	\$ (46,682,281)
Business-type activities	(27,003)	(709)	(51,314)	(63,756)	(34,522)	(59,455)	(114,505)	(114,562)
Total district-wide net (expense)/revenue	\$ (66,787,295)	\$ (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 EIGHT FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 56,099,419	\$ 53,189,858	\$ 52,201,822	\$ 49,278,445	\$ 45,886,614	\$ 43,809,539	\$ 40,140,349	\$ 36,578,161
Taxes levied for debt service	4,478,743	4,458,369	2,884,116	4,239,536	4,170,259	3,242,544	2,623,948	2,581,095
Unrestricted grants and contributions	9,121,265	10,956,684	10,243,283	9,817,027	9,697,625	9,679,376	9,096,480	8,233,511
Extraordinary items	-	-	(230,425)	-	96,500	-	-	471,460
Investment earnings	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901
Miscellaneous income	111,856	270,079	932,599	97,776	152,139	41,558	37,271	106,337
Transfers	20,000	42,000	42,000	1,000	(103,000)	(132,000)	-	30,000
Total governmental activities	69,837,270	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	934	1,648	9,598	16,637	14,616	6,548	2,320	3,148
Transfers	(20,000)	(42,000)	(42,000)	(1,000)	103,000	132,000	-	(30,000)
Total business-type activities	(19,066)	(40,352)	(32,402)	15,637	117,616	138,548	2,320	(26,852)
Total district-wide	\$ 69,818,204	\$ 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	\$ 3,076,978	\$ (273,528)	\$ (3,977,726)	\$ 9,807,786	\$ 4,787,844	\$ 1,748,311	\$ 1,394,773	\$ 1,438,184
Business-type activities	(46,069)	(41,061)	(83,716)	(48,119)	83,094	79,093	(112,185)	(141,414)
Total district	\$ 3,030,909	\$ (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 EIGHT FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ended June 30,							
	2010	2009	2008	2007	2006	2005	2004	2003
General Fund								
Reserved	\$ 388,453	\$ 729,145	\$ 88,964	\$ 543,792	\$ 294,630	\$ 677,788	\$ 368,044	\$ 340,370
Unreserved	5,024,444	747,853	937,894	2,337,745	3,137,867	2,989,406	2,518,462	2,716,214
Total general fund	<u>\$ 5,412,897</u>	<u>\$ 1,476,998</u>	<u>\$ 1,026,858</u>	<u>\$ 2,881,537</u>	<u>\$ 3,432,497</u>	<u>\$ 3,667,194</u>	<u>\$ 2,886,506</u>	<u>\$ 3,056,584</u>
All Other Governmental Funds								
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	1,129	2,200	-	342,589	(7,080,102)	29,622,425	28,930,114	(214,087)
Debt service fund	3,039	13,995	-	162,198	50,923	187,540	94,496	3,185
Total all other governmental funds	<u>\$ 4,168</u>	<u>\$ 16,195</u>	<u>\$ 123,453</u>	<u>\$ 595,896</u>	<u>\$ 9,531,531</u>	<u>\$ 31,138,251</u>	<u>\$ 31,412,681</u>	<u>\$ (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,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Tax levy	\$ 60,578,162	\$ 57,648,227	\$ 55,085,938	\$ 53,517,981	\$ 50,056,873	\$ 47,052,083	\$ 42,764,297	\$ 39,159,256	\$ 35,268,004	\$ 31,661,898
Tuition charges	113,801	103,408	271,335	126,618	94,978	131,562	222,321	131,274	115,660	9,233
Interest earnings	5,987	44,741	177,825	2,228,619	1,156,671	1,437,184	105,369	119,901	155,609	688,810
Transportation fees	24,362	30,235	35,188	93,601	168,377	237,364	198,464	214,930	77,000	78,753
Rental income	-	-	-	-	85,633	146,375	141,706	139,956	138,789	126,543
Miscellaneous	246,518	321,443	1,005,621	141,060	282,699	90,571	37,271	106,337	72,750	127,165
State sources	21,225,043	21,612,738	22,233,937	30,342,000	23,902,311	20,572,898	18,808,063	16,509,865	16,033,430	16,816,940
Federal sources	4,125,534	1,168,397	1,635,665	1,202,772	989,052	1,113,295	1,298,829	905,704	804,352	658,771
Total revenue	86,319,407	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
Expenditures										
Instruction:										
Regular Instruction	20,465,844	20,375,044	20,178,505	19,549,789	19,156,321	19,097,322	18,267,729	16,774,120	16,085,510	15,183,522
Special education instruction	5,812,533	5,183,587	5,729,167	5,169,688	4,943,019	4,536,162	3,992,694	3,469,009	3,120,068	2,733,155
Other instructional programs	1,081,345	933,563	901,818	959,586	873,650	871,428	850,929	808,791	623,198	440,954
School sponsored programs	813,821	770,131	910,714	900,141	866,945	871,800	766,499	712,611	690,923	666,089
Community services programs	35,390	-	164,377	134,694	104,320	23,478	20,361	27,665	46,769	46,334
Support Services:										
Tuition	3,151,685	3,392,265	3,349,320	2,553,357	2,647,749	2,405,197	2,249,056	1,987,021	2,020,728	2,293,201
Student & inst. related services	8,254,590	7,708,012	7,725,924	7,485,456	6,905,857	6,731,461	6,447,128	5,819,991	5,416,043	4,929,050
School administrative services	3,037,525	3,149,541	3,342,593	3,191,495	3,282,926	2,909,544	2,513,686	2,317,905	2,283,153	2,087,417
Other administrative services	2,335,164	2,453,562	2,414,639	2,279,895	2,081,919	1,972,621	1,579,706	1,527,104	1,398,052	1,270,044
Plant operations and maintenance	7,385,965	7,630,014	7,652,112	7,194,867	6,594,110	6,413,924	6,749,835	6,179,592	5,721,022	4,911,417
Pupil transportation	4,475,471	4,913,561	5,255,049	4,356,902	4,346,124	3,852,922	3,177,722	2,917,859	2,867,444	2,754,555
Employee benefits	20,039,281	18,697,449	20,212,132	18,482,389	15,193,902	13,496,227	12,024,251	10,208,438	8,686,410	8,084,927
Charter Schools	72,424	65,644	45,123	47,348	-	-	-	-	15,044	17,909
Capital outlay	511,925	701,203	1,075,849	19,051,279	26,732,356	2,294,605	2,766,146	1,162,104	2,327,085	11,276,784
Debt service:										
Principal	2,541,417	2,402,519	1,575,466	2,061,383	1,967,300	1,650,084	1,532,848	1,526,613	1,272,377	1,220,008
Interest and other charges	2,631,155	2,732,481	2,798,134	4,604,490	3,065,298	3,016,299	1,866,788	1,809,577	1,872,736	1,946,953
Total expenditures	82,645,535	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
Excess (Deficiency) of revenues over (under) expenditures	3,673,872	(179,387)	(2,885,413)	(10,370,108)	(22,025,202)	638,258	(1,229,058)	38,823	(1,780,968)	(9,694,206)

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,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	32,280,000	-	-	-
Permanent financing of temp. debt	-	-	-	-	-	-	412,000	205,000	-	-
Proceeds from refunding	-	-	-	18,733,310	-	32,221,379	-	2,395,000	-	-
Payments to escrow agent	-	-	-	(18,465,867)	-	(31,863,490)	-	(2,308,744)	-	-
Costs of issuance	-	-	-	(240,752)	-	(327,554)	-	(86,256)	-	-
Accrued interest	-	-	-	-	-	(30,335)	-	-	-	-
Cancellation of loans payable	-	-	-	-	-	-	-	(82,571)	-	-
Capital leases	230,000	480,269	516,291	855,822	286,785	-	-	-	-	-
Transfers in	126,028	42,000	42,000	193,441	892,386	649,047	215,803	30,000	412,199	416,852
Transfers out	(106,028)	-	-	(192,441)	(995,386)	(781,047)	(215,803)	-	(300,199)	(480,511)
Total other financing sources (uses)	<u>250,000</u>	<u>522,269</u>	<u>558,291</u>	<u>883,513</u>	<u>183,785</u>	<u>(132,000)</u>	<u>32,692,000</u>	<u>152,429</u>	<u>112,000</u>	<u>(63,659)</u>
Net change in fund balances	<u>\$ 3,923,872</u>	<u>\$ 342,882</u>	<u>\$ (2,327,122)</u>	<u>\$ (9,486,595)</u>	<u>\$ (21,841,417)</u>	<u>\$ 506,258</u>	<u>\$ 31,462,942</u>	<u>\$ 191,252</u>	<u>\$ (1,668,968)</u>	<u>\$ (9,757,865)</u>
Debt service as a percentage of noncapital expenditures	6.30%	6.39%	5.32%	8.44%	6.99%	6.88%	5.48%	5.95%	6.03%	6.52%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

Fiscal Year Ended June 30,	Insurance Proceeds	Prior Year Tuition Adjustments	Lost Book Fees	Parking Permit Fees	Use of Facilities	Refund Prior Year Expenditures	Cancellation of Prior Year Checks and Payables	Sports and Activity Fees	Local Grants and Contributions	Sale or Lease of Property	Other	Annual Totals
2001	\$ 1,249	\$ 13,921	\$ 1,398	\$ -	\$ 14,102	\$ 5,773	\$ 21,205	\$ -	\$ 67,400	\$ -	\$ 2,117	\$ 127,165
2002	-	22,202	4,579	-	21,762	13,751	8,211	-	-	-	2,245	72,750
2003	1,990	13,681	2,224	-	30,473	45,108	11,923	-	-	-	938	106,337
2004	3,000	3,439	3,618	-	20,490	2,653	1,530	-	-	-	2,288	37,018
2005	15,067	3,964	3,556	-	30,462	2,606	3,107	-	-	-	2,697	61,459
2006	6,120	46,247	3,555	-	30,020	44,678	3,203	-	-	100,000	1,405	235,228
2007	400	1,461	6,710	-	43,284	34,216	10,638	-	-	-	1,881	98,590
2008	19,038	4,751	7,224	-	67,918	40,108	15,928	-	-	5,104	3,055	163,126
2009	126,500	4,607	6,746	19,225	50,572	90,647	1,179	-	-	-	9,232	308,708
2010	49,701	5,717	4,791	19,275	70,875	4,728	-	63,787	-	20,985	3,622	243,481

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
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	\$ 1.76
2001	91,552,700	988,951,400	7,281,000	901,500	169,639,400	369,245,000	143,800,000	1,771,371,000	5,137,980	1,776,508,980	99,177,800	1,806,318,130	1.89
2002	93,974,600	1,031,092,200	7,558,200	1,212,900	182,951,300	391,380,800	143,800,000	1,851,970,000	5,029,543	1,856,999,543	120,742,400	2,049,824,593	2.01
2003	87,421,800	1,082,869,600	7,137,300	1,243,900	237,541,400	369,069,500	143,800,000	1,929,083,500	5,216,113	1,934,299,613	124,059,700	2,209,720,299	2.12
2004	68,056,700	1,149,478,100	6,922,200	1,191,500	255,933,700	371,175,600	145,725,000	1,998,482,800	4,652,732	2,003,135,532	134,395,200	2,491,506,000	2.24
2005	64,936,100	1,178,432,500	6,929,100	1,177,700	266,405,500	317,578,200	145,725,000	1,981,184,100	4,652,732	1,985,836,832	136,591,300	2,814,287,205	2.44
2006	74,730,400	1,220,639,600	6,929,100	1,099,900	263,476,200	290,086,500	145,725,000	2,002,686,700	3,133,535	2,005,820,235	146,217,300	3,361,290,298	2.58
2007	74,085,600	1,237,440,800	7,207,700	1,102,900	265,992,400	250,998,400	138,825,000	1,975,652,800	2,910,002	1,978,562,802	148,023,600	3,676,942,579	2.74
2008*	134,976,400	2,374,738,900	14,894,800	1,371,600	523,154,950	368,387,300	250,006,700	3,667,530,650	5,632,793	3,673,163,443	210,106,100	3,667,530,650	1.55
2009	129,539,100	2,382,560,000	15,145,500	1,336,800	509,132,750	368,195,300	246,300,000	3,652,209,450	5,666,847	3,657,876,297	214,728,300	3,854,574,617	1.63

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	
2000	\$ 1.67	\$ 0.09	\$ 1.76	\$ 0.66	\$ 0.31	\$ 2.73
2001	1.77	0.11	1.89	0.67	0.32	2.88
2002	1.88	0.13	2.01	0.70	0.33	3.04
2003	1.99	0.13	2.12	0.70	0.34	3.16
2004	2.10	0.15	2.24	0.75	0.35	3.34
2005	2.25	0.19	2.44	0.82	0.38	3.64
2006	2.37	0.21	2.58	0.79	0.41	3.79
2007	2.56	0.18	2.74	0.82	0.44	4.00
2008*	1.44	0.11	1.55	0.48	0.24	2.27
2009	1.50	0.13	1.63	0.51	0.24	2.38

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, 2009*			December 31, 1999		
	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	\$ 80,000,000	1	2.19%	50,500,000	2	3.08%
Segal Realty Associates of NJ, LLC	76,000,000	2	2.08%	-	-	-
Toys R Us Inc.	55,000,000	3	1.50%	32,000,000	4	1.95%
MTO Realty Holdings LLC (formerly BASF Corporation)	42,000,000	4	1.15%	160,000,000	1	9.75%
Eagle Rock Village, Inc.	33,000,000	5	0.90%	23,465,000	5	1.43%
350 Clark Drive LLC (Calvin Klein)	24,500,000	6	0.67%	34,200,000	3	2.08%
SCI ITC South Fund (Old Navy, Michael's)	24,450,000	7	0.67%	-	-	-
National Shopping Center Associates, LLC	21,500,000	8	0.59%	-	-	-
SCI ITC South Fund (Babies R Us)	20,750,000	9	0.57%	-	-	-
Kings Village LLC	20,550,000	10	0.56%	12,035,000	8	0.73%
International Trade Center (450 Clark Drive Limited) (Lucent)	-	-	-	13,650,000	6	0.83%
International Trade Center (Tivolie Properties)	-	-	-	12,500,000	7	0.76%
International Trade Center (Seiko)	-	-	-	11,700,000	9	0.71%
International Trade Center (BMW)	-	-	-	9,500,000	10	0.58%
Total	<u>\$ 397,750,000</u>		<u>10.87%</u>	<u>\$ 359,550,000</u>		<u>21.91%</u>

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	
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%	-
2009	59,532,178	59,532,178	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)			
2001	\$ 36,640,000	\$ 1,054,567	\$ -	\$ 37,694,567	2.73%	\$ 1,546
2002	35,425,000	997,190	617,000	37,039,190	2.63%	1,489
2003	36,555,000	858,006	412,000	37,825,006	2.63%	1,499
2004	67,770,000	802,158	-	68,572,158	4.42%	2,703
2005	66,810,000	747,074	-	67,557,074	4.18%	2,649
2006	64,905,000	684,774	-	65,589,774	3.76%	2,571
2007	64,100,000	623,390	-	64,723,390	3.54%	2,525
2008	62,585,000	562,924	-	63,147,924	3.40%	2,444
2009	60,250,000	495,405	-	60,745,405	N/A	2,343
2010	57,775,000	428,988	-	58,203,988	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		
2001	\$ 36,640,000	\$ -	\$ 36,640,000	2.13%	\$ 1,503
2002	35,425,000	-	35,425,000	1.99%	1,424
2003	36,555,000	-	36,555,000	1.97%	1,448
2004	67,770,000	-	67,770,000	3.50%	2,672
2005	66,810,000	-	66,810,000	3.34%	2,619
2006	64,905,000	-	64,905,000	3.27%	2,544
2007	64,100,000	-	64,100,000	3.20%	2,501
2008	62,585,000	-	62,585,000	3.16%	2,422
2009	60,250,000	-	60,250,000	1.64%	2,324
2010	57,775,000	-	57,775,000	1.58%	N/A

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, 2010
UNAUDITED

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Mt. Olive ^b	\$ 28,992,205	100.000%	\$ 28,992,205
County of Morris ^c	248,260,926	3.728%	<u>9,254,253</u>
Subtotal, overlapping debt			38,246,458
Mt. Olive Township School District Direct Debt ^d			<u>58,203,988</u>
Total direct and overlapping debt			<u><u>\$ 96,450,446</u></u>

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

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

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

^b Township debt includes all bonds, notes and loans issued as of December 31, 2009 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, 2010 as reported by the County of Morris.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2010 as per Schedule J-10. Does not include bonds and notes authorized but not issued.

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

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis

2009	\$ 3,745,471,695
2008	3,870,744,749
2007	3,856,437,244
[A]	<u>\$ 11,472,653,688</u>

Average equalized valuation of taxable property [A/3] \$ 3,824,217,896

Debt limit (4% of average equalized valuation)	[B]	\$ 152,968,716 ^a
Total net debt applicable to limit	[C]	<u>57,775,000</u>
Legal debt margin	[B-C]	<u>\$ 95,193,716</u>

	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$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	\$ 152,968,716
Total net debt applicable to limit	<u>36,640,000</u>	<u>35,425,000</u>	<u>36,555,000</u>	<u>67,770,000</u>	<u>66,810,000</u>	<u>64,905,000</u>	<u>64,100,000</u>	<u>62,585,000</u>	<u>60,250,000</u>	<u>57,775,000</u>
Legal debt margin	<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>	<u>\$ 95,193,716</u>
Total net debt applicable to the limit as a percentage of debt limit	55.27%	49.26%	46.78%	78.64%	68.26%	56.96%	48.70%	43.08%	39.47%	37.77%

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2001	24,381	\$ 1,381,744,413	\$ 56,673	4.2%
2002	24,879	1,406,534,265	56,535	5.9%
2003	25,239	1,439,077,302	57,018	5.9%
2004	25,365	1,549,826,865	61,101	4.5%
2005	25,505	1,614,389,985	63,297	3.6%
2006	25,515	1,744,307,460	68,364	3.6%
2007	25,633	1,827,632,900	71,300	3.4%
2008	25,843	1,855,837,516	71,812	4.3%
2009	25,925	N/A	N/A	8.8%
2010	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
Siemens Medical Solutions	2100	1	13.62%
Mt. Olive Township School District	798	2	5.18%
Quest International Flavors	450	3	2.92%
L-3 Communications Corp.	275	4	1.78%
Jewish Community Center of Mt. Olive	250	5	1.62%
Givaudan Fragrances Corp.	200	6	1.30%
Mount Olive Township	150	7	0.97%
Lamtec Corp.	120	8	0.78%
Petillo Inc.	120	9	0.78%
Seiko Corp. of America	100	10	0.65%
	<u>4,563</u>		<u>29.60%</u>

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

Note: Comparative information from 1999 was not available.

^a Based on 2009 annual average labor force estimates by municipality reported by the New Jersey Department of Labor and Workforce Development.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction:										
Regular	291.0	299.5	308.0	336.5	338.0	334.0	321.0	323.0	307.5	286.0
Special education	63.0	66.0	76.5	94.0	103.0	109.0	123.0	123.0	114.5	121.5
Other instruction	9.0	10.0	11.0	11.0	11.0	11.0	11.0	11.5	11.5	11.5
Community services programs	2.0	2.0	-	1.0	1.0	2.0	2.0	3.0	1.0	1.0
Support Services:										
Student & instruction related services	90.0	97.5	102.0	112.5	115.0	126.0	121.5	122.5	118.0	124.5
General administration	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
School administrative services	30.5	32.5	32.5	33.5	36.5	39.0	39.0	37.0	36.0	39.0
Business and other support services	9.5	9.5	10.5	10.5	10.5	10.5	10.5	10.5	10.0	9.5
Administrative information technology ^a	-	-	-	-	6.0	6.0	6.0	6.0	6.0	6.0
Plant operations and maintenance	60.5	73.5	72.0	75.5	71.0	69.0	69.0	70.0	86.5	88.5
Pupil transportation	57.0	54.0	67.0	68.0	69.0	71.0	68.0	68.0	75.0	73.5
Food Service	22.0	29.0	31.0	30.0	32.0	31.0	32.0	34.0	34.0	32.0
Total	<u>638.5</u>	<u>677.5</u>	<u>714.5</u>	<u>776.5</u>	<u>797.0</u>	<u>813.5</u>	<u>808.0</u>	<u>813.5</u>	<u>805.0</u>	<u>798.0</u>

Source: Annual School District Budget Statement Supporting Documentation

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

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Average Class Size ^d			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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%
2010	4,936	76,961,038	15,592	2.82%	429	22	25	18	4,903	4,685	-0.06%	95.55%

Source: District records

^a Enrollment is based on the annual October district count. The 2010 count represents student enrollment as of October 15, 2009.

^b Operating expenditures equal total expenditures less debt service and capital outlay.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

^e Average daily enrollment and average daily attendance are obtained from the Annual School Register Summary (SRS).

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

<u>District Building</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Elementary</u>										
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	1,000	515	564	600	593	609	676	714	719	700
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	886	886	886	886	886	886	886	886	886	886
Enrollment ^c	731	673	661	701	713	675	628	623	608	607
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	627	458	477	505	496	514	497	440	451	426
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	749	546	553	561	570	582	591	561	538	527
<u>Middle School</u>										
Mt. Olive Middle School (2001)										
Square Feet	-	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934	201,934
Capacity (students) ^b	-	1,200	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	1,164
<u>High School</u>										
Mt. Olive High School (1978)										
Square Feet	205,000	205,000	205,000	205,000	205,000	205,000	335,000	335,000	335,000	335,000
Capacity (students)	1,214	1,214	1,214	1,214	1,214	1,214	1,740	1,740	1,740	1,740
Enrollment ^c	1,018	1,084	1,182	1,271	1,317	1,358	1,378	1,376	1,425	1,468
<u>Other</u>										
Administration Building (1925)										
Square Feet	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Bus Garage										
Square Feet	15,000	15,000	15,000	15,000	15,500	15,500	15,500	15,500	15,500	15,500
Flanders School (1929)										
Square Feet ^d	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 TEN FISCAL YEARS
UNAUDITED

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

	School Facilities *						Other Facilities/ Unallocated ^a	Total
	Mt. Olive High School	Mt. Olive Middle School	Chester Stephens Elementary School	Tinc Road Elementary School	Sandshore Elementary School	Mt. View Elementary School		
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
2010	218,053	112,706	71,865	47,964	37,751	39,253	253,529	781,121
Total School Facilities	<u>\$ 1,912,885</u>	<u>\$ 1,134,470</u>	<u>\$ 676,106</u>	<u>\$ 516,385</u>	<u>\$ 474,819</u>	<u>\$ 665,875</u>	<u>\$ 2,059,843</u>	<u>\$ 7,440,383</u>

Source: District records

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund - School Package Policy		
Property:	\$ 250,000,000	\$ 1,000
Building and personal property		
Inland Marine - auto physical damage		
General Liability:	\$ 5,000,000	
Automobile liability		
Employee benefit liability		
Environmental Impairment Liability:		
Per incident	\$ 1,000,000	\$ 5,000
Fund annual aggregate	\$ 25,000,000	
Crime Coverage	\$ 50,000	\$ 1,000
Blanket employee dishonesty bond	\$ 500,000	\$ 1,000
Boiler and machinery	\$ 100,000,000	\$ 1,000
Excess Liability (excludes school board legal liability)	\$ 15,000,000	
School Board Legal Liability	\$ 5,000,000	\$ 10,000
Excess School Board Legal Liability	\$ 15,000,000	
Workers' Compensation:	statutory	
Employer's liability	\$ 5,000,000	
Supplemental indemnity	statutory	
Security Guard Liability	\$ 1,000,000	\$ 5,000
Selective Insurance - Surety Bonds:		
Board Secretary	\$ 30,000	
Treasurer of School Monies	\$ 360,000	
Bollinger - Student Accident Insurance	\$ 1,000,000	

Source: Insurance Agent

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mount Olive Township School District, in the County of Morris, State of New Jersey (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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



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



ParenteBeard LLC

December 1, 2010
Clark, New Jersey

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

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

Compliance

We have audited the 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 *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, 2010. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



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



ParenteBeard LLC

December 1, 2010
Clark, New Jersey

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (K-3)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2009
U.S. Department of Education					
Passed-through State Department of Education					
General Fund:					
Equalization Aid ARRA ESF	84.394	1,999,423	09/01/09	08/31/10	\$ -
Equalization Aid ARRA GSF	84.397	77,401	09/01/09	08/31/10	-
Special Education Medicaid Initiative	93.778	57,553	09/01/09	08/31/10	-
Total General Fund					-
Special Revenue Fund:					
Title I Part A, Improving Basic Programs	84.010	94,493	09/01/09	08/31/10	-
Title I Part A, Improving Basic Programs, Carryover	84.010	133,089	09/01/08	08/31/09	(19,310)
Title IIA, Teacher and Principal Training and Recruiting Fund	84.367	92,035	09/01/09	08/31/10	-
Title IIA, Teacher and Principal Training and Recruiting Fund, Carryover	84.367	90,465	09/01/08	08/31/09	(21,194)
Title III, English Language Acquisition and Language Enhancement	84.365	24,442	09/01/09	08/31/10	-
Title III, English Language Acquisition and Language Enhancement, Carryover	84.365	25,591	09/01/08	08/31/09	(6,516)
Title IV, Safe and Drug Free Schools and Communities	84.186	8,114	09/01/09	08/31/10	-
Title IV, Safe and Drug Free Schools and Communities, Carryover	84.186	8,861	09/01/08	08/31/09	(4,060)
I.D.E.A. Part B (Basic)	84.027	942,117	09/01/09	08/31/10	-
I.D.E.A. Part B (Basic), Carryover	84.027	939,654	09/01/08	08/31/09	(201,310)
I.D.E.A. Part B (Preschool Grants)	84.173	41,603	09/01/09	08/31/10	-
I.D.E.A. Part B (Preschool Grants), Carryover	84.173	41,559	09/01/08	08/31/09	2,410
American Recovery and Reinvestment Act, Special Education Grants	84.391	1,055,285	09/01/09	08/31/10	-
American Recovery and Reinvestment Act, Preschool Grants	84.392	38,144	09/01/09	08/31/10	-
Title IID, Enhancing Education Through Technology	84.318	1,062	09/01/09	08/31/10	-
Title IID, Enhancing Education Through Technology, Carryover	84.318	1,105	09/01/08	08/31/09	(157)
Vocational Education - Basic Grants to States, Carryover	84.048	15,601	09/01/08	08/31/09	(11,157)
Vocational Education - Basic Grants to States	84.048	16,855	09/01/09	08/31/10	-
Total Special Revenue Fund					(261,294)
U.S. Department of Agriculture					
Passed-through State Department of Education					
Enterprise Fund:					
Food Donation	10.550	84,147	09/01/09	08/31/10	-
School Breakfast Program	10.553	8,559	09/01/09	08/31/10	-
School Breakfast Program - Carryover	10.553	6,713	09/01/08	08/31/09	(1,820)
National School Lunch Program	10.553	228,773	09/01/09	08/31/10	-
National School Lunch Program - Carryover	10.555	195,321	09/01/08	08/31/09	(38,364)
Special Milk for Children	10.556	3,284	09/01/09	08/31/10	-
Special Milk for Children - Carryover	10.556	4,763	09/01/08	08/31/09	(872)
After School Snack	10.000	3,668	09/01/09	08/31/10	-
After School Snack - Carryover	10.000	4,024	09/01/08	08/31/09	(880)
Total Enterprise Fund					(41,936)
Sub-Total Federal Financial Awards					\$ (303,230)

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, 2010

Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010		
					Accounts Receivable	Deferred Revenue	Due to Grantor
\$ -	\$ 1,888,344	\$ (1,999,423)	\$ -	\$ -	\$ (111,079)	\$ -	\$ -
-	73,101	(77,401)	-	-	(4,300)	-	-
-	48,879	(57,553)	-	-	(8,674)	-	-
-	2,010,324	(2,134,377)	-	-	(124,053)	-	-
-	63,999	(89,890)	-	-	(25,891)	-	-
-	29,212	(33,781)	42	-	(23,837)	-	-
-	57,028	(87,584)	-	-	(30,556)	-	-
-	21,192	(21,273)	2	-	(21,273)	-	-
-	16,276	(22,946)	-	-	(6,670)	-	-
-	6,497	(5,427)	19	-	(5,427)	-	-
-	2,160	(3,094)	-	-	(934)	-	-
-	4,060	-	-	-	-	-	-
-	466,663	(623,747)	-	-	(157,084)	-	-
-	201,328	(43,109)	(18)	-	(43,109)	-	-
-	11,982	(17,445)	-	-	(5,463)	-	-
-	3,966	(31,430)	(20)	-	(25,074)	-	-
-	823,179	(945,636)	-	-	(122,457)	-	-
-	31,110	(34,446)	-	-	(3,336)	-	-
-	-	-	-	-	-	-	-
-	157	-	-	-	-	-	-
-	10,761	-	396	-	-	-	-
-	-	(16,780)	-	-	(16,780)	-	-
-	1,749,570	(1,976,588)	421	-	(487,891)	-	-
-	84,147	(84,147)	-	-	-	-	-
-	7,783	(8,559)	-	-	(776)	-	-
-	1,820	-	-	-	-	-	-
-	211,028	(228,773)	-	-	(17,745)	-	-
-	38,364	-	-	-	-	-	-
-	3,284	(3,284)	-	-	-	-	-
-	872	-	-	-	-	-	-
-	3,314	(3,668)	-	-	(354)	-	-
-	880	-	-	-	-	-	-
-	351,492	(328,431)	-	-	(18,875)	-	-
\$ -	\$ 4,111,386	\$ (4,439,396)	\$ 421	\$ -	\$ (630,819)	\$ -	\$ -

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, 2010

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009	Carryover/ (Walkover) Amount
			From	To		
State Department of Education						
General Fund:						
Special Education Aid	10-495-034-5120-011	2,838,048	07/01/09	06/30/10	\$ -	\$ -
Special Education Aid, Carryover	09-495-034-5120-011	2,766,950	07/01/08	06/30/09	(276,695)	-
Transportation Aid,	10-495-034-5120-014	1,820,434	07/01/09	06/30/10	-	-
Transportation Aid, Carryover	09-495-034-5120-014	1,448,545	07/01/08	06/30/09	(144,855)	-
Extraordinary Special Education Costs Aid	10-495-034-5120-044	1,972,438	07/01/09	06/30/10	-	-
Extraordinary Special Education Costs Aid, Carryover	09-495-034-5120-044	1,334,074	07/01/08	06/30/09	(1,334,074)	-
Nonpublic school transportation aid	10-100-034-5120-067	16,677	07/01/09	06/30/10	-	-
Nonpublic school transportation aid, Carryover	09-100-034-5120-067	34,515	07/01/08	06/30/09	(34,515)	-
Equalization Aid	10-495-034-5120-078	9,144,951	07/01/09	06/30/10	-	-
Equalization Aid, Carryover	09-495-034-5120-078	11,906,074	07/01/08	06/30/09	(1,101,021)	-
Security Aid	10-495-034-5120-084	423,333	07/01/09	06/30/10	-	-
Security Aid, Carryover	09-495-034-5120-084	406,200	07/01/08	06/30/09	(40,620)	-
Intergovernmental Employee Loan Program		87,502	07/01/09	06/30/10	-	-
Intergovernmental Employee Loan Program, Carryover		103,991	07/01/08	06/30/09	(9,025)	-
Homeless Tuition Reimbursement, Carryover		9,427	07/01/08	06/30/09	(9,427)	-
*On-behalf T.P.A.F. Pension	10-100-034-5095-116	2,061,495	07/01/09	06/30/10	-	-
Reimbursed T.P.A.F. Social Security Tax	10-100-034-5095-051	2,269,064	07/01/09	06/30/10	-	-
Reimbursed T.P.A.F. Social Security Tax, Carryover	09-100-034-5095-051	2,244,549	07/01/08	06/30/09	(111,823)	-
Total General Fund					(3,062,055)	-
Capital Projects Fund:						
Schools Construction Corporation Grant	1650-050-05-1000	68,465	07/01/09	06/30/10	-	-
Total Capital Projects Fund					-	-
Debt Service Fund:						
Debt Service Aid - State Support	10-495-034-5120-125	679,836	07/01/09	06/30/10	-	-
Total Debt Service Fund					-	-
State Department of Agriculture						
Enterprise Fund:						
State School Breakfast Program	10-100-010-3360-096	784	07/01/09	06/30/10	-	-
State School Breakfast Program - Carryover	09-100-010-3360-096	650	07/01/08	06/30/09	(179)	-
National School Lunch Program (State Share)	10-100-034-5120-122	14,706	07/01/09	06/30/10	-	-
National School Lunch Program (State Share)-Carryover	09-100-034-5120-122	14,561	07/01/08	06/30/09	(2,805)	-
Total Enterprise Fund					(2,984)	-
Total State Financial Assistance					\$ (3,065,039)	\$ -

* 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, 2010

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 2,554,243	\$ (2,838,048)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (283,805)	\$ 2,838,048
276,695	-	-	-	-	-	-	-	-
1,638,390	(1,820,434)	-	-	-	-	-	(182,044)	1,820,434
144,855	-	-	-	-	-	-	-	-
-	(1,972,438)	-	-	(1,972,438)	-	-	-	1,972,438
1,334,074	-	-	-	-	-	-	-	-
-	(16,677)	-	-	(16,677)	-	-	-	16,677
34,515	-	-	-	-	-	-	-	-
8,020,244	(9,144,951)	-	-	-	-	-	(1,124,707)	9,144,951
1,101,021	-	-	-	-	-	-	-	-
381,000	(423,333)	-	-	-	-	-	(42,333)	423,333
40,620	-	-	-	-	-	-	-	-
83,769	(87,502)	-	-	(3,733)	-	-	-	-
9,025	-	-	-	-	-	-	-	-
9,427	-	-	-	-	-	-	-	-
2,061,495	(2,061,495)	-	-	-	-	-	-	-
2,157,366	(2,269,064)	-	-	(111,698)	-	-	-	2,269,064
111,823	-	-	-	-	-	-	-	-
<u>19,958,562</u>	<u>(20,633,942)</u>	<u>-</u>	<u>-</u>	<u>(2,104,546)</u>	<u>-</u>	<u>-</u>	<u>(1,632,889)</u>	<u>18,484,945</u>
<u>-</u>	<u>(68,465)</u>	<u>-</u>	<u>-</u>	<u>(68,465)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,465</u>
<u>-</u>	<u>(68,465)</u>	<u>-</u>	<u>-</u>	<u>(68,465)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,465</u>
<u>679,836</u>	<u>(679,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>679,836</u>
<u>679,836</u>	<u>(679,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>679,836</u>
711	(784)	-	-	(73)	-	-	-	784
179	-	-	-	-	-	-	-	-
13,570	(14,706)	-	-	(1,136)	-	-	-	14,706
2,805	-	-	-	-	-	-	-	-
<u>17,265</u>	<u>(15,490)</u>	<u>-</u>	<u>-</u>	<u>(1,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,490</u>
<u>\$ 20,655,663</u>	<u>\$ (21,397,733)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,174,220)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,632,889)</u>	<u>\$ 19,248,736</u>

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

For the Fiscal Year ended June 30, 2010

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 two state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of

Mount Olive Township School District

Notes to Schedules of Expenditures of Federal and State Awards

For the Fiscal Year ended June 30, 2010

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(121,143) for the General Fund and \$(68,924) for the Special Revenue Fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and Special Revenue Fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 2,143,051	\$20,476,742	\$22,619,793
Special Revenue Fund	1,982,483		1,982,483
Capital Projects Fund		68,465	68,465
Debt Service Fund	-	679,836	679,836
Proprietary Fund	328,431	15,490	343,921
Total Awards & Financial Assistance	<u>\$4,797,886</u>	<u>\$21,240,533</u>	<u>\$26,038,419</u>

4. Relationship to Federal and State Financial Reports

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

Mount Olive Township School District

Notes to Schedules of Expenditures of
Federal and State Awards

For the Fiscal Year ended June 30, 2010

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2010.

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

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2010

Part I—Summary of Auditors' Results

Financial Statement Section

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

Federal and State Awards Section

- (viii) Dollar threshold used to determine between type A and type B programs: Federal - \$300,000 State - \$578,003
- (ix) Auditee qualified as low-risk auditee? Yes ✓ No
- (v) Type of auditors' report on compliance for major programs: Unqualified
- (iv) Internal control over compliance for major programs:
- Material weakness(es) identified? Yes ✓ No
- Were significant deficiency(ies) identified? Yes ✓ None Reported
- (v) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and New Jersey OMB Circular 04-04? Yes ✓ No

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2010

Part I—Summary of Auditors Results (continued)

Federal and State Awards Section (continued)

(vii) Identification of major programs:

CFDA Number(s) or State Program Number		Name of Federal or State Program or Cluster
Federal:		
84.027		IDEA Preschool
84.173		IDEA Part B
84.391		ARRA – IDEA Part B and Preschool Cluster
84.397		ARRA – SFSF – ESF (Educ. State Grants)
84.394		ARRA – SFSF – ESF (Government Services)
State:		
495-034-5120-078		Equalization Aid
495-034-5120-084		Security Aid
495-034-5120-089		Special Education Categorical Aid

Mount Olive Township School District
Schedule of Findings and Questioned Costs

June 30, 2010

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, 2010

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

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

Mount Olive Township School District
Summary Schedule of Prior Audit Findings

June 30, 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

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).

Current Status

The District has implemented a corrective action plan which requires all employees charged to the grant to certify their time by obtaining a formal signed timesheet on a monthly basis. After review of District's time certification sheets, the District is in compliance with OMB Circular A-87, Attachment B, Paragraph 8.h(3).