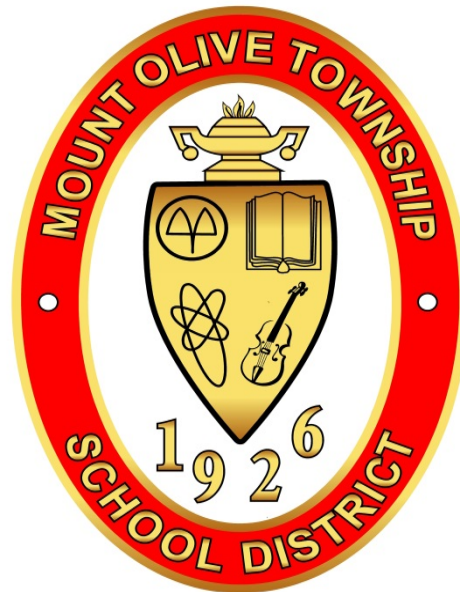


# Mount Olive Township School District

“Students are our first priority”



“Home of the Marauders”

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

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020

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, 2020**

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**INTRODUCTORY SECTION**

# Public Schools of Mount Olive Township

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## Letter of Transmittal For the Fiscal Year Ended June 30, 2020

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

We are pleased to present to you the Comprehensive Annual Financial Report ("CAFR") of the Mount Olive Township School District ("District") for the fiscal year ended June 30, 2020. State statutes require the issuance of a CAFR by every school district as the basis for the annual audit. This CAFR was prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as applicable to governmental entities.

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

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

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



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

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

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

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

### **Reporting Entity**

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

### **Educational Programs and Services**

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

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

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

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

The District had 7 students enrolled in charter schools for the 2019-20 school year. Charter school students who reside in the District are reported to the Department of Education through the District's Application for State School Aid ("ASSA") and are considered "resident students" for purposes of calculating the District's state aid. Pursuant to state statutes, the school district of residence must pay the charter school "an amount equal to 90% of the sum of the budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation". In addition, the school district of residence shall pay directly to the charter school the security categorical aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school and, if applicable, 100% of preschool education aid.

In addition to its 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 26 Varsity sports for male and female athletes at the high school level and 12 male and female sports teams at the middle school level in addition to its renowned, award winning marching band program. In the shortened 2019-20 school year, Mount Olive won 2 conference championships and 1 state sectional championship and 14 of the District's athletic programs qualified for state tournaments.

### **Internal Accounting Controls**

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

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

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

### **Accounting System and Reports**

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

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

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

### **Budget Development and Controls**

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

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

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

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

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 19% of the District's original 2020 operating budget while local property taxes accounted for 74% of budgeted revenue. As a result, the financial well being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

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

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

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

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

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

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

*Morris Chase Development* - The development is located between Mount Olive Road to the west, Dyrham Castle Road to the east, Gold Mine Road to the north and Flanders Road to the south. Phase I, which consisted of 281 single family dwellings and townhouses, has been built and is now occupied. Phase II would add 66 additional dwellings in a combination of single family dwellings and townhouses; however, the Planning Board denied the owner's request to extend zoning protection for this phase and the decision was recently upheld in Superior Court. Unless overturned on appeal, Phase II will be significantly modified to reduce the number of units, if it proceeds at all.

*Marveland Crescent* - Marveland Crescent is the affordable housing component of the age-restricted development known as Regency at Flanders. The 57 rental units (9 one-bedroom; 30 two-bedroom; 18 three-bedroom) for moderate income families are fully occupied.

*Mountain Ridge Estates* - Mountain Ridge Estates is located along the east-bound lanes of Route 46 bordered by Chamberlain Lane to the southwest, comprising lots 80, 83, and 84 in Block 4100. This development will provide 215 market townhouse units and 54 low and moderate family rental units. Site work is ongoing and at present there are approximately 50 occupied market units. The Township Building Department anticipates 20-25 affordable units to be ready for occupancy by the end of this year.

*FTZ-4 Zoning Modification* - In December 2017 the Township Council adopted an ordinance to modify the existing commercial zoning for the FTZ-4 district to permit residential use at a density of six units per acre. The Rockefeller Group recently submitted what is known as a General Development Plan (GDP) which is essentially a master plan for the entire build-out of the three tracts of land comprising a total of 124 acres. The GDP envisions a total of 686 residential units - 548 market units and 138 units for low and moderate income households. Infrastructure and roadwork is expected to begin by the end of the year. The projected phasing schedule, which is subject to change, is as follows:

- By the close of 2021 - 8 percent of the market units (43)
- By the close of 2022 - 28 percent of the market units (153) and 19 percent of affordable units (26)
- By the close of 2023 - 54 percent of the market units (296) and 57 percent of affordable units (78)
- By the close of 2024 - 77 percent of the market units (421) and 97 percent of affordable units (134)
- By the close of 2025 - 97 percent of the market units (531) and 100 percent of affordable units (138)
- By the second quarter of 2026 - 100 percent of the market units (548)

*Village Green* - The Township has had discussions with the new owners of Village Green who are interested in adding several new buildings for an additional 75 to 90 units. No timetable has been established as yet.

The District's enrollment reported on the Application for State School Aid ("ASSA") in October 2019 was 4,646 students compared to 4,626 students the previous year. Enrollment has been relatively stable with minor fluctuations for the past several years. At the present time, there is adequate capacity within the District to meet the general classroom enrollment projections, both now and in the near future. However, the Board is mindful of the potential impact these housing developments might have on class sizes within the District. As a result, the Board continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

## **Student Performance**

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

A record 784 AP examinations were administered in 2020 to 332 students in 27 subject areas with eighty-one percent earning scores of 3 or higher. The final AP scholar report yielded impressive results with a total of 55 AP scholars, 34 AP scholars with honors, 52 AP scholars with distinction, 11 national scholars, 11 AP Capstone diplomas, and 3 AP seminar research certificates.

Two hundred eighty-eight students from the class of 2020 took the Scholastic Aptitude Test (SAT), which represents 78% of the class. The District's combined average SAT score was 1140, which is 70 points higher than the state average and 100 points above the national average.

Eighty-eight percent of the school's 2020 graduates will be pursuing post-secondary education, with fifty-nine percent attending four-year colleges and universities. Seven seniors were recognized as National Merit Commended Scholars, with scores ranking in the top 2% of the nation, and one of them was awarded the National Merit Special Scholarship.

## Academic Initiatives

During the 2019-2020 school year, the Board and administration undertook a number of challenging academic initiatives. The following is a summary of these initiatives:

Education Foundation of the Mount Olive Township School District – In June 2019, the Board of Education officially approved the establishment of the Education Foundation of the Mount Olive Township School District, effective July 1, 2019. The new education foundation was formed to assist the school district in achieving its goals for the students, to support programs that benefit the professional development of educators, and to provide additional funding for intervention and enrichment programs for all students. In the summer of 2019, the newly established Education Foundation selected Mrs. Rhonda Cohen as President, Dr. Rosalie Lamonte as Secretary, and Mr. Brian O’Conner as Treasurer, with Superintendent Zywicki participating in a non-voting capacity as an ex-officio member.

Real World Connection (RWC) Program at New Jersey Institute of Technology (NJIT) – In the summer of 2019, several Mount Olive High School and Middle School students participated in the Real World Connections Program at NJIT. The RWC program is a STEAM education platform that provides a special approach to teaching and learning by placing middle and high school students in the driver’s seat of their own education. Students develop and present their own projects in one of 10 different project tracks, including Android app development, game development, web development, introduction to coding, music and technology, cybersecurity, Cisco networking, robotics, space and mini architecture school. Ideas for the projects come from RWC coaches and local industry, government and community leaders who propose topics for the projects. The 2019 project focused on the Area 51 military base mystery.

The International Barcode of Life - The Barcode of Life program is a project to create a public collection of reference sequences from vouchered specimens of all species of life. The goal is to create an online scientific database that includes the DNA sequences of all living organisms and species on the planet. During the summer of 2019, a group of Mount Olive High School students participated in a week-long program whereby the students extracted DNA from bee samples and duplicated a designated gene.

Computer Science Pilot Task Force – In the summer of 2019, Mount Olive High School teachers participated in the Rutgers Computer Science Teaching and Learning Collaboration Program funded by the National Science Foundation’s “*Computer Science for All*” grant. The program addressed the computer science standards that are included in the current technology standards and provided ways to nurture a more inclusive environment to recruit under-represented minority students.

County College of Morris Dual Enrollment Program – The Mount Olive School District entered into an articulation agreement with the County College of Morris (CCM) enabling the District to offer opportunities for students to take college courses, to earn college credit, to enroll in the Pathways to Careers Program to obtain an Associate Degree, or to enroll in other certificate programs. The program began in the Fall of 2019 with four courses offered initially: audio engineering, music theory, industrial design, and advanced art. The District is also pursuing other partnership opportunities with CCM that might enable students to broaden their educational and career alternatives.

Rubicon Atlas Program – In September 2019, the District moved its curriculum to the Rubicon Atlas Program, enabling teachers to collaborate in professional learning communities and allowing them to update and write curriculum. The program also allows parents to see the standards that their students are working on at any given time.

Multifunctional Learning Area – In October 2019, the Chester M. Stephens Elementary School opened a new multifunctional learning area by combining a resource room with a classroom to provide space for a variety of purposes such as a STEAM area and whole grade instruction. The area is divided into separate learning sections for small groups of students to work simultaneously on different projects and instructional technology is available including computers, a printer, and an interactive whiteboard.

NJSBA Professional Development Program – In October 2019, the Mount Olive School District was invited by the New Jersey School Boards Association (NJSBA) to host the I-STEAM Ready professional development program for school board members and school administrators, which offered a series of sessions on STEAM best practices. The program provided an opportunity for board members, administrators, teachers, and students to discuss the District’s leadership in the area of STEAM.

STEAM Tank Challenge – In the Fall of 2019, a team of students from Mount Olive Middle School and Chester M. Stephens Elementary School created products for the STEAM Tank Challenge. The program, a partnership between the New Jersey School Boards Association and the U.S. Army, challenges students to invent new products based on a need they identify or modify an existing product. The goal of the program is to inspire students to become the next generation of entrepreneurs, inventors, scientists, artists, and engineers.

Living Voices Project – In the Fall of 2019, student members of the seventh grade Gifted and Talented (G&T) program participated in the Living Voices project, which showcased the United States veterans. The students learned about veterans as part of the county-wide Living Voices program, a comprehensive oral history project undertaken by students across Morris County and coordinated through The Morris County Historical Society and the New Jersey Consortium for Gifted and Talented Programs.

High School Financial Lab – In December 2019, Mount Olive High School implemented a new financial literacy lab putting high tech financial tools at the students' fingertips. The lab is outfitted with laptops, big screen monitors, and a digital stock ticker, which is used by students in Finance Honors, Accounting I, Accounting II Honors, and AP Economics.

The Garden State Coalition of Schools – In February 2020, the District hosted a meeting of the Garden State Coalition of Schools, which is a group of high performing and progressive schools similar to the Mount Olive School District and who are often underfunded by the state. The core mission of the group is to advocate for state funding but it has branched into other areas, such as developing computer science standards that the state will be implementing for 2021-2022 school year. The Mount Olive School District, however, will be developing computer science standards for K-12 to be implemented in the 2020-2021 school year.

Distance Learning – In March 2020, Mount Olive School District staff members encountered the challenges posed by the COVID-19 pandemic with remarkable dedication and resilience, both before and during the District's precautionary closure. With the onset of distance learning in March of 2020, the District extended its Chromebook initiative to Mount Olive students in grades K through 8 by reconfiguring previously purchased devices for home use. Jet packs were provided to students to provide and/or strengthen internet connectivity. Assignments were differentiated for students of different academic levels, focusing on both the acquisition of knowledge and its practical applications. The lessons were also personalized to provide students with both the enrichment and remediation they need to continue to grow and learn in a remote environment.

Full Day Kindergarten – In April 2020, the Board of Education adopted the 2020-2021 school district budget, which included funds to implement a full day kindergarten program as part of the 2020-2021 curriculum. The implementation of a full day kindergarten program had been a longstanding goal of the district and the Board of Education.

Elementary School Inclusion Program – In the 2019-2020 school year, the District's elementary schools expanded the practice of integrating special education students into general education classes for most or all of the school day. Seventeen additional classes adopted a co-teaching model that pairs special education teachers with classroom teachers to deliver instruction and provide instructional support.

ST Math – The District implemented the ST Math program in the 2019-2020 school year, which is a web based program that provides interactive puzzles to help students practice their problem solving. The ST Math program enables teachers to monitor the progress of each student in real-time status.

Social Emotional Learning Curriculum – In the 2019-2020 school year, the Mount Olive School District implemented a new curriculum at the elementary level that helps students work towards achieving the New Jersey Department of Education's social emotional learning competencies, including self-awareness, self-management, social awareness, responsible decision making, and relationship skills.

Advanced Placement (AP) Incentive Program – To further motivate students to enroll in AP courses and take AP exams, the Board approved an AP incentive program in January 2019, which covers AP exams fees for any additional exams beyond a student's first exam. Since 2018 Mount Olive High School's AP participation has increased by 43% from 536 exams in 2018 to 764 in 2020. Along the way, the District simultaneously enhanced the diversity of students taking AP exams and increased the average exam score. In the 2019-2020 school year, a record 142 Mount Olive students earned AP Scholar awards by earning multiple scores of 3 on multiple AP exams.

## State and National Recognitions

During the 2019-2020 school year, the Mount Olive School District received the following prestigious honors recognizing their outstanding achievements:

Future Ready Schools Certification - In October 2019, all six Mount Olive schools were recognized for their commitment to harnessing the power of instructional technology and were certified as “*Future Ready*” by Future Ready Schools - New Jersey (FRS-NJ). FRS-NJ is a partnership among the New Jersey School Boards Association, the New Jersey Institute of Technology, and the New Jersey Department of Education. The voluntary certification program helps schools plan and implement effective digital learning strategies so all students can achieve their full potential. The New Jersey program is an offshoot of a national effort, Future Ready Schools, which is run by the Alliance for Excellent Education.

Niche Distinction - The Mount Olive School District is one of the best K-12 school systems in the State of New Jersey according to Niche, a website that compiles data to determine the nation's best places to live, work, and learn. In the recently released report, Mount Olive earned an "A+" rating and is ranked 31st in the state and in the top 3% nationally, ahead of many well-regarded neighboring districts.

U.S. News & World Report National Ranking - Nationally, Mount Olive High School was named one of the best high schools in the country by U.S. News & World Report, earning an overall score of 90%. The U.S. News “Best High Schools” rankings include data on more than 24,000 public high schools in 50 states and the District of Columbia. Nearly 18,000 schools were ranked on six factors based on their performance on state assessments and how well they prepare students for college. Mount Olive High School ranked number 1,800 out of 17,792 ranked high schools – just a fraction shy of the top 10% high schools in the nation.

Advanced Placement (AP) Honor Roll - For the third consecutive year, Mount Olive High School was named to the National Advanced Placement (AP) Honor Roll by the AP College Board. The AP honor roll consists of only 250 school districts in the U.S. and Canada that achieved increases in access to AP courses for under-represented students while simultaneously maintaining or increasing the percentage of students earning AP exam scores of 3 or higher.

New Jersey Quality Single Accountability Continuum (NJQSAC) Monitoring Results - In the Spring of 2020, the Mount Olive School District was recognized as a “*high performing*” school district by the New Jersey Department of Education for its outstanding level of student achievement and strict adherence with state education regulations. This recognition was based on an examination of the District's compliance in the areas of instruction, fiscal management, governance, operations, and personnel. A district must earn a minimum score of 80% in each of the five areas to earn the “*high performing*” distinction on the state's Quality Single Accountability Continuum (QSAC).

Reentry Plan for In-Person Instruction – In the Spring of 2020, the District began developing a post COVID-19 reentry plan for in-person instruction for the 2020-2021 school year. A committee of approximately 50 administrators, teachers, guidance counselors, board of education members, and other staff members came together to design a reentry plan which contained four possible instructional models: a normal school day, a normal school day with social distancing, split days or sessions, and virtual learning for all students. The committee used international scheduling models and models from other states, along with medical guidance from the Centers for Disease Control and Prevention and the American Academy of Pediatrics, to formulate a plan that was best for Mount Olive students. The District's plan was so highly regarded that Governor Murphy invited Superintendent Zywicki to present the plan during a televised briefing, suggesting that the Mount Olive reentry plan be used as a model for all New Jersey school districts.

National Music Award - The Mount Olive School District received the 2020 “*Best Communities for Music Education*” award from the National Association of Music Merchants. This prestigious award recognizes the efforts of teachers, administrators, parents, students and community leaders who have made the study and performance of music an integral part of the District's educational experience.

Staff Recognitions – In the Spring of 2020, Dave Falleni, the current high school Vice-Principal and former Athletic Director, was named the Morris County Athletic Director of the Year. In June of 2020, School Business Administrator, Gail Libby, was named Second Vice-President of the Executive Committee for the New Jersey Association of School Business Officials.

## **Other Initiatives/Accomplishments**

Facility Upgrades – The District undertook and completed a number of capital improvements and facilities upgrades in the 2019-2020 school year. The projects included new windows installed at Chester M. Stephens Elementary School, water chillers and energy efficient boilers installed at Mount Olive Middle School, bathroom and hallway renovations, and new lighting at Sandshore Elementary School, and new furniture added to the STEAM areas at Mt. View and Chester M. Stephens Elementary Schools. A new finance lab was established at Mount Olive High School, with LED stock ticker and televisions for monitoring stock markets and business news. In June 2020, work began on a new Geodome on the high school grounds that will enable students to practice horticulture and agriculture during the 2020-2021 school year.

Security Upgrades – During the 2019-2020 school year the District upgraded the security cameras and installed additional security cameras districtwide as well as implemented a new electronic card access system in every school, replacing keys for staff. In addition, a new lockdown system was installed with strobe lights for high noise areas and building exteriors.

Technology Integration – The District continues to devote significant financial resources to technology integration to provide students with the necessary tools and technical skills to succeed in the future. During the 2019-2020 school year, the District upgraded its network infrastructure access points and switches to increase WiFi density coverage for large grouping areas. The District also approved a contract with Real-Time Information Technology for a fully integrated student information system, which will replace Power School and become fully operational in the 2020-2021 school year. In addition, the District purchased 1500 Chromebooks to provide all students at Mount Olive High School with a new Hewlett Packard Chromebook to use at home and in class throughout their high school career. With the onset of distance learning in March of 2020, the District extended its Chromebook initiative to Mount Olive students from K-8 by reconfiguring previously purchased devices for home use.

COVID-19 Donations - During the COVID-19 pandemic, Mount Olive High School industrial engineering teacher, Dave Bodmer, and a team of teachers and staff utilized the high school maker space 3-D printers to create protective face shields for use by medical personnel in New Jersey and New York hospitals. Mount Olive High School collaborated with Warren Hills Regional High School and together they raised more than \$36,000 in donations to support the effort.

## **Relevant Financial Policies**

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

## **Risk Management**

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

## **Independent Audit**

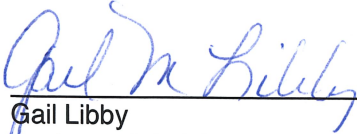
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkotz & Co, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements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



## Acknowledgments

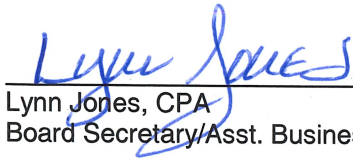
We would like to express our appreciation to the members of the Mount Olive Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



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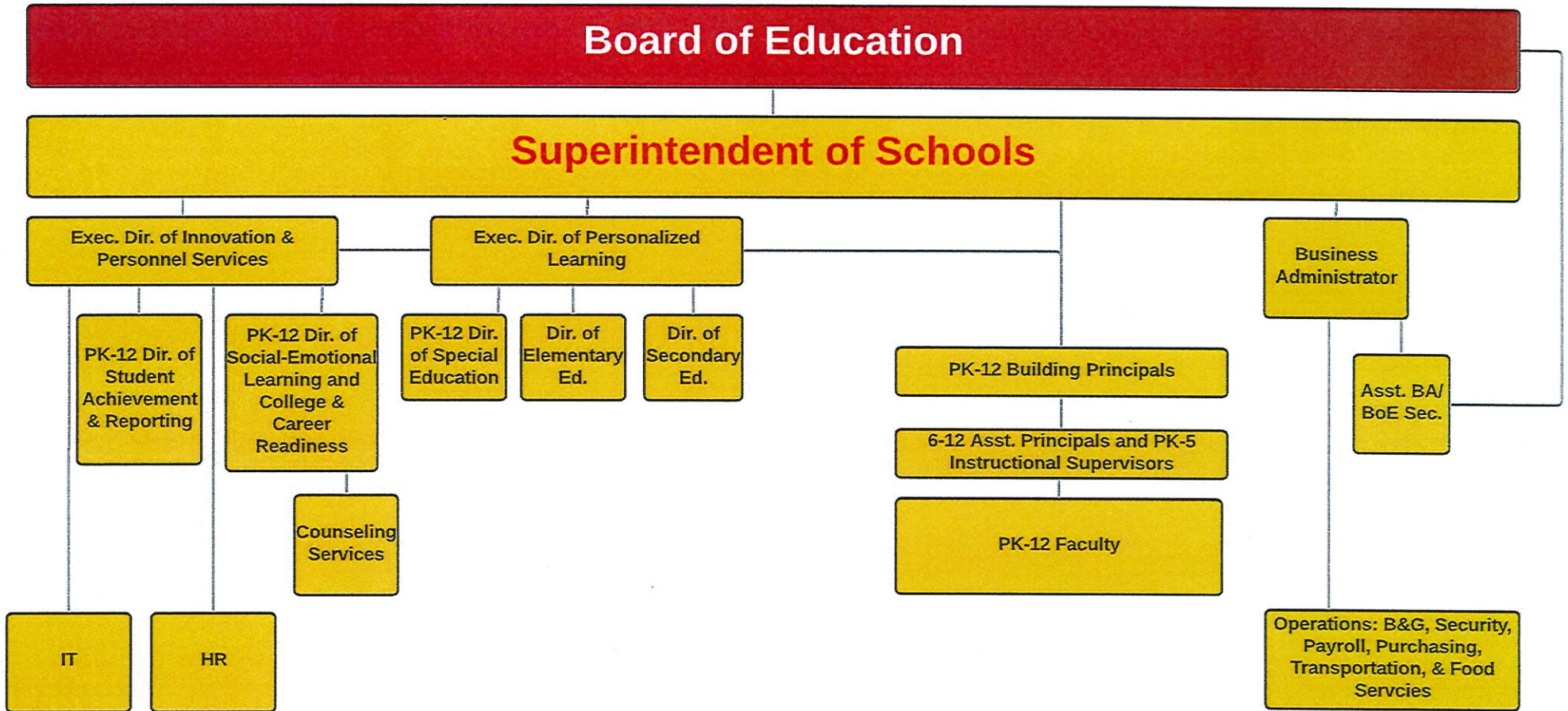
Gail Libby  
Business Administrator



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Lynn Jones, CPA  
Board Secretary/Asst. Business Administrator

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ORGANIZATIONAL CHART  
JUNE 30, 2020**



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2020**

| <b><u>Members of the Board of Education</u></b> | <b><u>Term Expires<br/>December 31,</u></b> |
|---|---|
| Anthony Giordano, President                     | 2022  |
| John Petrie, Vice-President                     | 2020  |
| Asunta Beardsley                                | 2020  |
| Antoine Gayles                                  | 2020  |
| John Kehmna                                     | 2021  |
| Elizabeth Ouimet                                | 2021  |
| William Robinson                                | 2022  |
| Nolan Stephens                                  | 2022  |
| Anthony Strillacci                              | 2021  |

**Other Officials**

Robert R. Zywicki, Ed.D. Superintendent

Gail Libby, Business Administrator

Lynn Jones, CPA, Board Secretary/Assistant Business Administrator

Sherry Kolody, Treasurer of School Monies

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

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Wielkocz & Company, LLC  
401 Wanaque Avenue  
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Florham Park, New Jersey 07932

**Bond Counsel**

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

**Architect/Engineer**

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

**Continuing Disclosure Agent/Financial Services Advisor**

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

**Risk Management Consultants**

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

Brown & Brown Benefit Advisors  
7 Regent Street, Suite 708  
Livingston, NJ 07039

**Health Benefits Broker**

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

**Property Management Services**

Fairclough Enterprises  
265 Sparta Avenue  
Sparta, NJ 07871

**Official Depositories**

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

Sussex Bank  
15 Trinity Street  
Newton, NJ 07860

**FINANCIAL SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA  
Matthew B. Wielkocz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Thomas M. Ferry, CPA, RMA, PSA

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(973)-835-7900

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

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 Board of Education of the Township of Mount Olive School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 2 to the basic financial statements in 2020, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing



Honorable President and  
Members of the Board of Education  
Page 4.

standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by N.J. OMB Circular 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021 on our consideration of the Township of Mount Olive Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mount Olive Board of Education's internal control over financial reporting and compliance.



Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkottz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

Newton, New Jersey

January 14, 2021

**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, 2020  
UNAUDITED**

As management of the Mount Olive Township School District (District), we offer readers of the District's financial statements this narrative discussion and analysis (MD&A), which will provide a general overview of the District's financial performance and activities for the fiscal year ended June 30, 2020. While the intent of this MD&A is to examine the District's financial performance as a whole, we encourage readers to review it in conjunction with the transmittal letter and the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

**Financial Highlights**

Key financial highlights for fiscal year 2020 are as follows:

- ❖ Net position at year-end totaled \$33,084,265, which represents an increase of \$5,498,460, or 20%, over the prior year net position balance of \$27,585,805.
- ❖ Assets increased by \$279,296. Current assets such as cash and cash equivalents, accounts receivable, and inventory increased by \$1,913,602 while capital assets such as land, buildings, machinery and equipment decreased by \$1,634,306.
- ❖ Liabilities decreased by \$7,193,881. Current liabilities such as accounts payable, unearned revenue, and accrued liabilities decreased by \$213,933 while long-term liabilities such as bonds payable, capital leases payable, net pension liability payable, unamortized bond premium, and accrued compensated absences payable decreased by \$6,979,948. Of this amount, the District's net pension liability for PERS employees, as reported by the State of New Jersey, decreased by \$2,247,041 while the District's debt related to bonds and capital leases decreased by \$4,655,226.
- ❖ Deferred outflows of resources decreased by \$2,125,061 while deferred inflows of resources decreased by \$150,344. These fluctuations are attributable to differences between expected and actual experience, changes of assumptions, changes in proportion, and the net difference between projected and actual investment earnings on pension plan investments.
- ❖ General revenues such as property taxes, unrestricted federal and state aid, investment earnings, and miscellaneous income amounted to \$85,357,229, which represents 74% of total revenue. The largest source of revenue for the District continues to be locally assessed property taxes, which comprised 84% of general revenues and 62% of total revenues. Program specific revenues in the form of charges for services and grants and contributions totaled \$30,539,313, the remaining 26% of total revenue. Overall, total revenues decreased \$1,902,528, or 1.6% over the prior year. The decrease in revenues is largely attributable to a decrease in the amount of revenue allocated to the District by the State of New Jersey for TPAF pension and postemployment benefits.
- ❖ Expenses totaled \$110,392,628. Of this amount, only \$30,539,313 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 \$85,357,229 were sufficient to provide for the balance of governmental expenses. Overall, expenses decreased \$3,290,759, or 2.9% over the prior year. Again, the decrease in expenses is mostly attributable to a decrease in the expense amount allocated to the District by the State of New Jersey for TPAF pension and postemployment benefits.

**Overview of the Financial Statements**

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

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

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

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

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

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

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

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

## **2) Fund financial statements**

Fund financial statements provide the next level of detail. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 as supplementary information to demonstrate compliance with the adopted budget.

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

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

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

**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 and the flexible spending account trust fund. Fiduciary funds are not reflected in the district-wide financial statements because the District cannot use these assets to finance its operations.

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

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

**District-wide Financial Analysis**

The District's financial position is the product of various financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a summary of the School District's net position at June 30, 2020 and June 30, 2019.

**Table 1  
Net Position**

|   | <b>2020</b>  | <b>2019</b>  |
|---|--------------|--------------|
| <b>Assets</b>                                   |              |              |
| Current and Other Assets                        | \$15,015,579 | \$13,101,977 |
| Capital Assets                                  | 80,760,126   | 82,394,432   |
| Total Assets                                    | 95,775,705   | 95,496,409   |
| <b>Deferred Outflows of Resources</b>           | 5,334,950    | 7,460,011    |
| <b>Liabilities</b>                              |              |              |
| Current Liabilities                             | 4,684,334    | 4,898,267    |
| Long-Term Liabilities                           | 54,187,264   | 61,167,212   |
| Total Liabilities                               | 58,871,598   | 66,065,479   |
| <b>Deferred Inflows of Resources</b>            | 9,154,792    | 9,305,136    |
| <b>Net Position</b>                             |              |              |
| Invested in Capital Assets, Net of Related Debt | 53,620,999   | 50,433,043   |
| Restricted                                      | 4,196,083    | 2,159,376    |
| Unrestricted/(Deficit)                          | (24,732,817) | (25,006,614) |
| <b>Total Net Position</b>                       | \$33,084,265 | \$27,585,805 |

A significant portion of the District's combined net position reflects the District's investment in capital assets (e.g., land, buildings and improvements, furniture and equipment) less any related outstanding debt that was used to acquire those assets. At June 30, 2020 the District's investment in capital assets, net of depreciation, amounted to \$80,760,126 while the District's outstanding debt and debt related charges amounted to \$27,139,127, resulting in a net investment in capital assets of \$53,620,999.

A portion of the District's combined net position represents resources that are subject to external restrictions. The restricted net position balance of \$4,196,083 has been earmarked for the following purposes:

- \$2,475,745 is restricted for capital projects. This amount represents funds set aside in the capital reserve account to fund future capital projects.
- \$500,000 is restricted for maintenance projects. This amount represents funds set aside in the maintenance reserve account to fund future maintenance projects.
- \$488 is restricted to pay future debt service obligations.
- \$1,219,850 is restricted to finance subsequent year's expenditures. This figure represents current year excess surplus, which must be appropriated and included as anticipated revenue in future budgets. This amount will be appropriated and included as anticipated revenue in the General Fund budget for the fiscal year ending June 30, 2022.

The remaining unrestricted deficit balance of \$24,732,817 represents the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. It represents the residual product of various transactions, including the net results of activities. The deficit balance is due to transactions related to the net pension liability for PERS employees, which reduced net position by \$29,788,723 for the 2020 fiscal year. However, this does not indicate that the District is facing financial difficulties as evidenced by the District's increase in net position the past two years. Table 2 provides a summary of this increase for the fiscal years ended June 30, 2020 and June 30, 2019.

**Table 2  
Changes in Net Position**

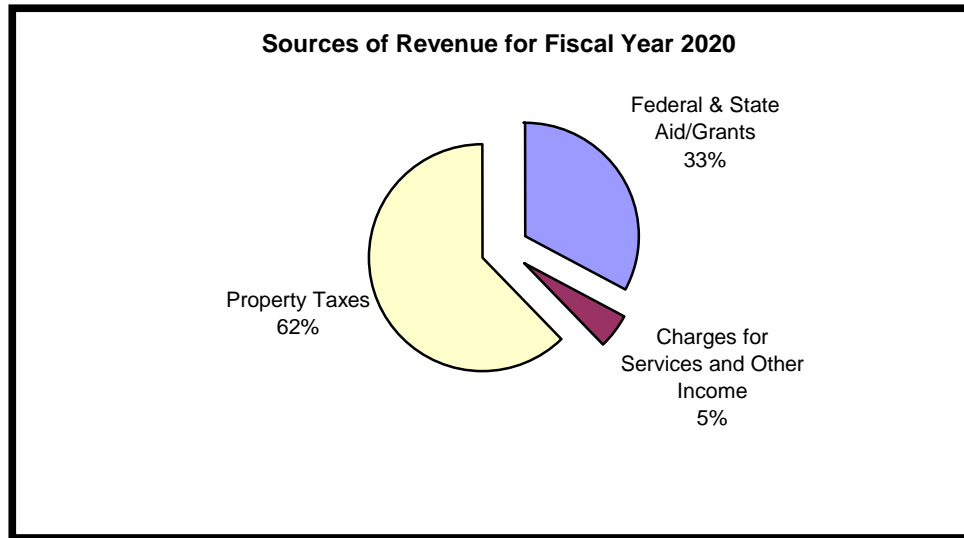
|  | 2020               | 2019               |
|--|--------------------|--------------------|
| <b>Revenues</b>  |                    |                    |
| Program Revenues:  |                    |                    |
| Charges for services   | \$5,155,381        | \$5,229,767        |
| Grants and contributions   | 25,383,932         | 29,381,646         |
| General revenues:  |                    |                    |
| Property taxes   | 72,079,656         | 70,825,401         |
| Grants and entitlements  | 12,764,831         | 11,852,906         |
| Other  | 512,742            | 509,350            |
| <b>Total Revenues</b>  | <b>115,896,542</b> | <b>117,799,070</b> |
| <b>Program Expenses</b>  |                    |                    |
| Instruction  | 57,354,550         | 58,995,265         |
| Support Services:  |                    |                    |
| Pupils and instructional staff   | 18,499,589         | 18,487,996         |
| General administration, school administration, business and other support services | 10,312,908         | 10,440,194         |
| Plant operations and maintenance   | 15,577,275         | 16,646,590         |
| Pupil transportation   | 6,139,641          | 6,609,150          |
| Interest and other debt related charges  | 910,091            | 1,004,189          |
| Food service operations  | 1,082,555          | 1,056,425          |
| Other  | 516,019            | 443,578            |
| <b>Total Program Expenses</b>  | <b>110,392,628</b> | <b>113,683,387</b> |
| <b>Extraordinary and Special Items</b>   |                    |                    |
| Net revaluation, sale and/or disposal of capital assets                            | (5,454)            | (168)              |
| <b>Increase in Net Position</b>  | <b>\$5,498,460</b> | <b>\$4,115,515</b> |

In addition to the net pension liability described above and the net results of activities shown on the previous table, the following transactions had a significant impact on the Statement of Net Position:

- The net reduction in long-term liabilities such as serial bonds payable, capital leases payable, the PERS pension liability, and compensated absences payable totaled \$6,979,948.
- Depreciation exceeded investments in capital assets by \$1,628,852.

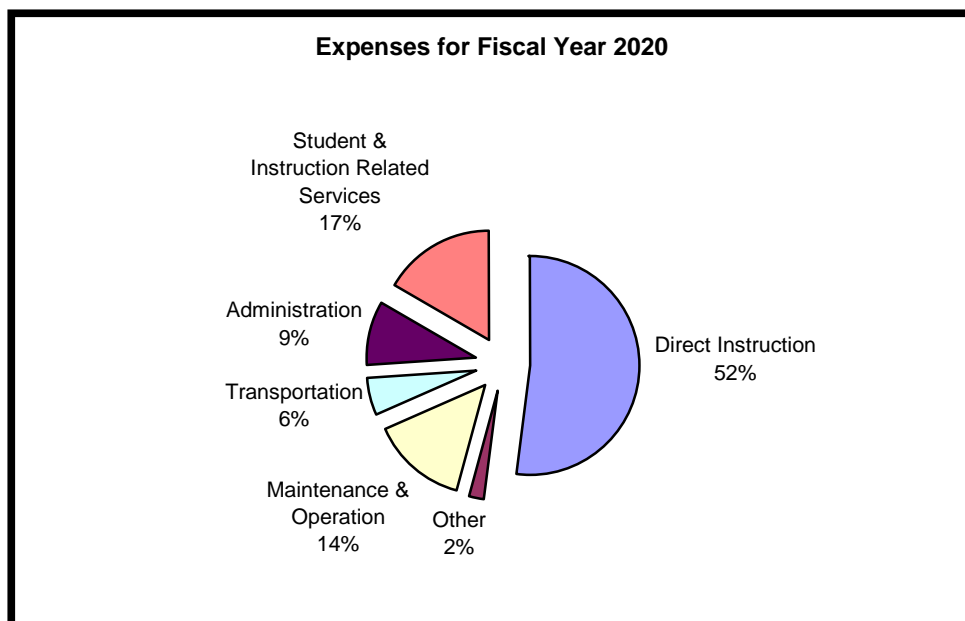
### Revenues

Property taxes made up 62% of total revenue for the Mount Olive Township School District for the fiscal year 2020. Federal, state, and local aid and grants accounted for 33% of revenue. The remaining 5% of revenue was derived from charges for services and other revenue, such as tuition income, transportation fees, interest earnings, use of facilities and miscellaneous income. The following chart illustrates the sources of revenue for the fiscal year 2020:



### Expenses

The total cost of all programs and services was \$110,392,628. Direct instruction and instruction related services comprised 69% of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2020:



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

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

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

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

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

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

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

#### *Governmental Funds*

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

- ❖ In the General Fund, revenues and other financing sources totaled \$100,578,963 and expenditures and other financing uses totaled \$99,223,724, resulting in a net increase in fund balance of \$1,355,239. Actual revenues exceeded budgeted estimates by \$1,459,878 while unexpended budget appropriations amounted to \$4,180,910. The replenishment of \$5,640,788 was sufficient to cover the budgeted fund balance appropriation of \$3,269,549 and the budgeted withdrawal from capital reserve of \$1,017,000.
- ❖ In the General Fund, the year-end fund balance amounted to \$10,388,861. Of this amount, \$2,475,745 has been restricted for capital reserve, \$500,000 has been restricted for maintenance reserve, \$1,219,850 has been restricted as excess surplus, which will be appropriated and included as anticipated revenue in the 2021-2022 budget, \$1,045,354 is committed for specific purposes approved by the Board, \$3,269,549 is assigned for subsequent year's expenditures; and \$423,240 is assigned for year-end encumbrances. The remaining balance of \$1,455,123 is unassigned and represents the maximum undesignated/unreserved (2%) fund balance of \$3,126,778 less the final state aid payment of \$1,671,655 which is not recognized for GAAP purposes.
- ❖ In the Special Revenue Fund, both revenues and expenditures totaled \$1,232,069 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, other financing sources totaled \$1,017,000 and expenditures and other financing uses totaled \$1,017,000, resulting in a year-end fund balance of \$0. All of the District's budgeted capital projects were completed within one year. A zero fund balance is customary when there are no uncompleted capital projects at year-end.
- ❖ In the Debt Service Fund, revenues totaled \$4,686,068 and expenditures totaled \$4,685,824, resulting in a net increase in fund balance of \$244. The year-end fund balance amounted to \$488, which will be appropriated and included as anticipated revenue in future Debt Service budgets.



### Enterprise Funds

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

- ❖ In the Food Service Fund, revenues totaled \$975,931 and expenses totaled \$1,082,555, resulting in a decrease in net position of \$106,624. Charges for services, which represent amounts paid by patrons for meals, amounted to 61% of total revenue. Non-operating revenues, which include state and federal subsidies and interest earnings, accounted for the remaining 39% of total revenue. Labor costs, including payroll taxes and employee benefits, and cost of sales accounted for 81% of operating expenses. The ending net position at June 30, 2020 amounted to \$340,464. Of this amount, \$194,944 reflects the Fund's investment in capital assets and \$145,520 is unrestricted. The Board employs an outside food service management company to oversee its food service operations.
- ❖ Overall, revenues from summer programs totaled \$113,143 and expenses totaled \$142,165, resulting in a net loss of \$29,022. Tuition income accounted for 98% of total revenue and salaries and employee benefits accounted for 64% of total expenses. During the 2019-2020 fiscal year, the General Fund transferred \$9,000 to subsidize the summer school program. Due to sustained losses and inactivity, the administration is considering dissolving the summer school and Capstone summer camp programs as Enterprise Funds and incorporating these activities into the General Fund budget.
- ❖ The property rental account is used to account for the revenues and expenses related to the rental of commercial office space in Building #2 of the administrative office complex located at 227 US Route 206 in Flanders NJ. Rental income amounted to \$362,216, representing 100% of total revenue. Operating expenses, such as building management fees, cleaning, repairs and maintenance services, depreciation, utilities, and interest amounted to \$373,854, thereby resulting in a decrease in net position of \$11,638 for the 2020 fiscal year. The ending net position at June 30, 2020 amounted to \$524,594. Of this amount, \$506,917 reflects the Fund's investment in capital assets and \$17,677 is unrestricted. The Board employs Fairclough Realtors of Sparta, NJ to oversee the property rental account.

### Internal Service Fund

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

- ❖ Operating revenues, which are comprised of health benefit contributions from the General Fund and the District's employees, amounted to \$13,929,539 for the 2020 fiscal year. Expenses, which are comprised of insurance claims, excess liability insurance premiums, administrative fees, and state surcharges amounted to \$12,789,031, resulting in an operating income of \$1,140,508 and an ending net position of \$1,660,874. The ending net position balance of \$1,660,874 represents approximately one and one-half months of insurance claims.
- ❖ Based on budgeted premiums, the 2019-2020 plan year produced a net positive experience of \$1,991,679.

### 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, 2020 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

| Revenue         | Amount                | Percent<br>of Total | Increase<br>(Decrease)<br>from 2019 | Percentage<br>Increase<br>(Decrease) |
|-----------------|-----------------------|---------------------|-------------------------------------|--------------------------------------|
| Local Sources   | \$ 73,726,779         | 69.27%              | \$ 1,136,746                        | 1.57%                                |
| State Sources   | 31,424,463            | 29.52%              | 1,481,449                           | 4.95%                                |
| Federal Sources | 1,289,874             | 1.21%               | (127,323)                           | -8.98%                               |
| <b>Total</b>    | <b>\$ 106,441,116</b> | <b>100.00%</b>      | <b>\$ 2,490,872</b>                 | <b>2.40%</b>                         |

The increase in *local sources* is largely attributable to an increase in the local tax levy. The local tax levy increased \$1,254,255, which represents a 2% rise over the prior year levy - the maximum growth rate permitted by current legislation without voter approval. Revenue from other local sources decreased \$117,509, primarily from the loss of tuition, transportation, and facility usage fees resulting from the COVID-19 pandemic.

The increase in *state sources* is primarily attributable to an increase in state equalization aid totaling \$1,008,687 and an increase in on-behalf pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions totaling \$504,060. The District's contributions for these items are legally required to be funded by the State of New Jersey; however, the District is required to record an expense and corresponding revenue in the financial statements.

The decrease in *federal sources* is attributable to a decrease in revenues recognized for federally funded grant programs.

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2020 and the amount and percentage of increase in relation to prior year expenditures.

| Expenditures                         | Amount         | Percent<br>of Total | Increase<br>(Decrease)<br>from 2019 | Percentage<br>Increase<br>(Decrease) |
|--------------------------------------|----------------|---------------------|-------------------------------------|--------------------------------------|
| Current:                             |                |                     |                                     |                                      |
| Distributed Expenditures-Instruction | \$ 34,933,094  | 33.25%              | \$ 959,421                          | 2.82%                                |
| Undistributed Expenditures           | 61,441,113     | 58.47%              | 166,657                             | 0.27%                                |
| Capital Outlay                       | 4,016,602      | 3.82%               | (3,432,963)                         | -46.08%                              |
| Debt Service                         | 4,685,824      | 4.46%               | (82,001)                            | -1.72%                               |
| Total                                | \$ 105,076,633 | 100.00%             | \$ (2,388,886)                      | -2.22%                               |

*Distributed Expenditures-Instruction* includes all activities associated with the instructional programs including regular and special education, basic skills and remedial instruction, bilingual education, before and after school programs, and school sponsored co-curricular and athletic programs. Approximately 80% of the increase in distributed expenditures is attributable to an increase in instructional salaries, which totaled \$770,863. Like most service entities, salaries comprise the vast majority of the District's expenses. Salary increases are the result of negotiated pay rates, coupled with the need for additional instructional staff to meet the demands of the educational program and students with special needs.

*Undistributed Expenditures* includes all support activities that facilitate and enhance the instructional programs including out-of-district tuition, attendance and social work services, health services, guidance services, educational media/library services, instructional staff training services, curriculum development services, and other student related and extraordinary services such as speech, physical therapy, occupational therapy, and services provided by child study team members. This category also includes all school and general administrative services, custodial and maintenance services, and pupil transportation services. Salaries and employee benefits, including payments made by the State of New Jersey on behalf of the Board, increased \$1,114,282. The increase in salaries and employee benefits was largely offset by a reduction in operational expenses resulting from the COVID-19 pandemic.

*Capital Outlay* includes machinery and equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. During the 2020 fiscal year, machinery and equipment purchases decreased \$1,674,462, facilities acquisition and construction services decreased \$1,060,374 and capital leases decreased \$698,127. Capital outlay expenditures can vary significantly from year to year based on the District's facility needs. While the overall total decreased from the prior year, the significant amount invested in capital outlay reflects the District's continued commitment to improve its facilities, to upgrade its fleet of vehicles, to replace obsolete machinery and equipment, and to provide enhanced technology to its students.

*Debt Service* includes all of the District's bonded debt and loan obligations. The District's debt service requirements are driven by the amount of annual maturities and the corresponding interest payments for each debt obligation. In the 2020 fiscal year, the District's principal payments increased by \$55,000 while associated interest payments decreased by \$137,001.

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

The following points highlight key areas of the 2019-2020 General Fund budget:

- On-behalf TPAF pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions ("on-behalf payments") are not required to be included in the original budget; however, these items are reflected as revenue and expenditures in the financial statements in accordance with GASB Statement No. 24 paragraphs 7 through 13.
- Excluding state on-behalf payments, revenues exceeded budgeted estimates by \$1,503,446, or 1.7% of anticipated revenues. Ninety-two percent of the excess is attributable to extraordinary aid, which exceeded the budgeted amount by \$1,381,741. Extraordinary aid is state aid for special education students whose individual program costs exceed certain monetary levels established by the state. This aid is not fully budgeted since the amount the state will fund is unknown at the time the budget is prepared. In recognition of this, the state allows extraordinary aid to be excluded from the excess surplus calculation and to be appropriated in the subsequent year's budget without prior approval from the Executive County Superintendent.
- Tuition income is derived from the K-Excel program, the international education partnership with Edu-Link, and tuition received from individuals and other school districts located within New Jersey for educating students that reside outside the district. Tuition is budgeted based on the number of projected incoming students at the time the budget is prepared. In the 2020 fiscal year tuition income exceeded budgeted estimates by \$136,601.
- Interest income is budgeted based on historical cash balances and existing interest rates. For the 2020 fiscal year, interest income fell short of budgeted estimates by \$12,551.
- Transportation fees are derived from transportation jointures with surrounding school districts, fees paid by students for transportation on school field trips, and from fees charged to the Township Recreation Department and the Mount Olive Child Care and Learning Center for special transportation needs. In the 2020 fiscal year, budgeted estimates exceeded the amount of actual transportation fees collected by \$13,034.
- Miscellaneous income includes revenue collected for student fines and fees, parking permit fees, before and after care program fees, facilities usage, the sale and/or lease of assets, prior year refunds, and other unanticipated revenues. Miscellaneous income can fluctuate dramatically from year to year, based on the uncertain nature of these receipts. In the 2020 fiscal year, actual revenues exceeded budgeted estimates by \$20,107.
- Excluding state on-behalf payments, unexpended budget appropriations totaled \$6,577,279, or 7% of the final revised budget. Of this amount, \$1,468,594 has been reserved for encumbrances, which will be expended in the subsequent fiscal year. The final unexpended and unencumbered balance of \$5,108,685 represents 5.5% of the final revised budget.
- The 2020 budget was adopted based on existing and known factors at the time the budget was prepared. Accordingly, the District amended its General Fund budget as needed, based on the actual results of operations. Throughout the course of the year, the Board approved line item transfers whenever a line item was in danger of falling into a deficit balance. Balances remaining in under-expended line items were sufficient to cover those line items requiring additional funds. Transfers to and from the capital projects accounts and line item transfers, which on a cumulative basis exceed 10 percent of the amount included in the original budget, require the approval of the Executive County Superintendent as well as the Board. During the 2019-20 school year, the Board sought County authorization for four such transfers: 1) to reclassify salaries to reflect the Superintendent's Board approved reorganization plan; 2) to fund additional costs related to the districtwide access point upgrade; 3) to fund site improvements at Sandshore Elementary School; and 4) to fund the bathroom project at Sandshore Elementary School and the GeoDome project at Mount Olive High School.

### Capital Assets

The capitalization threshold used by school districts in the State of New Jersey is \$2,000. Acclaim Inventory LLC conducts an annual inventory of the District's capital assets. At June 30, 2020, the District had \$80,760,126 invested in land, site improvements, buildings, furniture, machinery and equipment. The following table illustrates the District's investment in capital assets, net of depreciation.

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

|                                    | 2020                 | 2019                 |
|------------------------------------|----------------------|----------------------|
| Land                               | \$ 2,028,259         | \$ 2,028,259         |
| Site and site improvements         | 6,513,046            | 6,968,214            |
| Building and building improvements | 63,796,515           | 64,718,887           |
| Furniture, equipment and machinery | 8,422,306            | 8,679,072            |
| <b>Total Capital Assets</b>        | <b>\$ 80,760,126</b> | <b>\$ 82,394,432</b> |

Overall, the District invested \$3,812,657 in capital assets for the fiscal year 2020. Of this amount, \$29,870 was invested in site and site improvements, \$2,749,396 was invested in building and building improvements, and \$1,033,391 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$5,441,509. The physical inventory performed by Acclaim Inventory LLC resulted in a net revaluation adjustment of \$5,454.

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

### Debt Administration

At June 30, 2020, the District had \$54,187,264 in long-term outstanding debt, of which \$7,662,520 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2020 and June 30, 2019.

**Table 4  
Outstanding Debt**

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Outstanding Bonds, Loans and Notes</b>                         |                      |                      |
| 2011 Refunding Bonds - ERIP Liability                             | \$ 210,000           | \$ 410,000           |
| 2012 Refunding Bonds - High School Additions and Renovations      | -                    | 1,225,000            |
| 2014 Refunding Bonds - Mt. Olive Middle School/District Expansion | 6,945,000            | 9,060,000            |
| 2016 Refunding Bonds - High School Additions and Renovations      | 7,430,000            | 7,430,000            |
| 2016 Refunding Bonds - High School Additions and Renovations      | 7,985,000            | 7,985,000            |
| <b>Other Noncurrent Liabilities</b>                               |                      |                      |
| Capital Leases Payable  | 2,046,557            | 2,999,462            |
| Building Lease Payable  | 1,075,179            | 1,237,500            |
| Net Pension Liability   | 23,745,308           | 25,992,349           |
| Unamortized Bond Issuance Premium                                 | 2,404,797            | 2,933,313            |
| Accrued Compensated Absences Payable                              | 2,345,423            | 1,894,588            |
| <b>Total Long-term Outstanding Debt</b>                           | <b>\$ 54,187,264</b> | <b>\$ 61,167,212</b> |

State statutes limit the amount of bonded debt a school district may issue. As a result, the Mount Olive School District's debt is limited to 4% of the average equalized valuation of taxable property. The current debt limitation for the Mount Olive School District is \$133,053,077, resulting in an available borrowing margin of \$110,483,077 at June 30, 2020.

At June 30, 2020 the District had no authorized but unissued debt.

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

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

Like most school districts in New Jersey, the District's primary sources of funding are property tax revenue and state aid. State aid comprised 19% of the District's original 2020 operating budget while local property taxes accounted for 74% of budgeted revenue. As a result, the financial well-being of the District is tied in large measure to the actions of the state legislature. Current legislation restricts the growth rate on local property taxes to 2%. However, the law does allow for an increase in the 2% limitation, if needed, provided that it is approved by the voters. Significant cuts in state funding and/or further restrictions on the growth rate of the local property tax levy could have a substantial impact on the District's programs and services.

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

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

The District employs three separate bargaining units: the Education Association of Mt. Olive ("EAMO"), the International Brotherhood of Teamsters Local 97 ("Teamsters"), and the Mt. Olive Administrators and Supervisors Association. The Board is currently in the process of renegotiating the Teamsters contract, which expired on June 30, 2020. The Mt. Olive Administrators and Supervisors Association contract expires on June 30, 2021 and the EAMO contract expires on June 30, 2023. Each bargaining unit agreement has a significant impact on the District's future operating budgets as salaries and benefits comprise more than three-quarters of the District's operating budget.

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

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

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

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

|  | Governmental<br>Activities | Business-type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b>ASSETS</b>                                      |                            |                             |                      |
| Cash and cash equivalents                          | \$ 8,540,038               | \$ 375,215                  | \$ 8,915,253         |
| Receivables, net                                   | 3,010,182                  | 60,207                      | 3,070,389            |
| Prepaid expense                                    | -                          | 3,133                       | 3,133                |
| Inventory  | -                          | 45,625                      | 45,625               |
| Restricted assets:                                 |                            |                             |                      |
| Cash and cash equivalents                          | 500,488                    | 4,946                       | 505,434              |
| Capital reserve account - cash                     | 2,475,745                  | -                           | 2,475,745            |
| Capital assets, non-depreciable                    | 1,377,059                  | 651,200                     | 2,028,259            |
| Capital assets, depreciable, net                   | 77,606,027                 | 1,125,840                   | 78,731,867           |
| <b>Total Assets</b>                                | <b>93,509,539</b>          | <b>2,266,166</b>            | <b>95,775,705</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                            |                             |                      |
| Deferred loss on defeasance of debt                | 758,679                    | -                           | 758,679              |
| Deferred amounts related to PERS pension liability | 4,576,271                  | -                           | 4,576,271            |
| <b>Total Deferred Outflows of Resources</b>        | <b>5,334,950</b>           | <b>-</b>                    | <b>5,334,950</b>     |
| <b>LIABILITIES</b>                                 |                            |                             |                      |
| Current liabilities:                               |                            |                             |                      |
| Accounts payable                                   | 2,716,205                  | 128,154                     | 2,844,359            |
| Unearned revenue                                   | 22,164                     | 58,173                      | 80,337               |
| Escrow deposits payable                            | -                          | 4,946                       | 4,946                |
| Accrued interest payable                           | 493,346                    | 58,591                      | 551,937              |
| Accrued liability for insurance claims             | 1,202,755                  | -                           | 1,202,755            |
| Noncurrent liabilities:                            |                            |                             |                      |
| Due within one year                                | 7,564,446                  | 98,074                      | 7,662,520            |
| Due beyond one year                                | 45,547,639                 | 977,105                     | 46,524,744           |
| <b>Total Liabilities</b>                           | <b>57,546,555</b>          | <b>1,325,043</b>            | <b>58,871,598</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                            |                             |                      |
| Deferred amounts related to PERS pension liability | 9,154,792                  | -                           | 9,154,792            |
| <b>Total Deferred Inflows of Resources</b>         | <b>9,154,792</b>           | <b>-</b>                    | <b>9,154,792</b>     |
| <b>NET POSITION</b>                                |                            |                             |                      |
| Net investment in capital assets                   | 52,919,138                 | 701,861                     | 53,620,999           |
| Restricted for:                                    |                            |                             |                      |
| Capital projects                                   | 2,475,745                  | -                           | 2,475,745            |
| Maintenance reserve                                | 500,000                    | -                           | 500,000              |
| Debt service                                       | 488                        | -                           | 488                  |
| Excess surplus                                     | 1,219,850                  | -                           | 1,219,850            |
| Unrestricted/(Deficit)                             | (24,972,079)               | 239,262                     | (24,732,817)         |
| <b>Total Net Position</b>                          | <b>\$ 32,143,142</b>       | <b>\$ 941,123</b>           | <b>\$ 33,084,265</b> |

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



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Functions/Programs   | Program Revenues |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             | Total           |
|--|------------------|-------------------------|--|--|--|-----------------------------|-----------------|
|  | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities |                 |
| <b>Governmental activities:</b>  |                  |                         |  |  |  |                             |                 |
| Instruction:   |                  |                         |  |  |  |                             |                 |
| Regular programs   | \$ 40,363,686    | \$ 1,408,360            | \$ 9,764,885                             | \$ -                                   | \$ (29,190,441)                                      | \$ -                        | \$ (29,190,441) |
| Special education programs   | 12,316,453       | 818,041                 | 6,097,321                                | -                                      | (5,401,091)  | -                           | (5,401,091)     |
| Other instructional programs   | 1,942,689        | 54,817                  | 663,411                                  | -                                      | (1,224,461)  | -                           | (1,224,461)     |
| School sponsored programs  | 2,731,722        | 356,437                 | 102,035                                  | -                                      | (2,273,250)  | -                           | (2,273,250)     |
| Support services:  |                  |                         |  |  |  |                             |                 |
| Tuition  | 2,964,902        | -                       | 1,885,241                                | -                                      | (1,079,661)  | -                           | (1,079,661)     |
| Student & instruction related services                                   | 15,534,687       | 463,572                 | 3,241,888                                | -                                      | (11,829,227)   | -                           | (11,829,227)    |
| School administrative services   | 5,746,044        | 188,753                 | 1,194,517                                | -                                      | (4,362,774)  | -                           | (4,362,774)     |
| Other administrative services  | 4,566,864        | 102,027                 | 276,775                                  | -                                      | (4,188,062)  | -                           | (4,188,062)     |
| Plant operations and maintenance   | 15,577,275       | 527,313                 | 162,325                                  | -                                      | (14,887,637)   | -                           | (14,887,637)    |
| Pupil transportation   | 6,139,641        | 167,158                 | 1,104,034                                | -                                      | (4,868,449)  | -                           | (4,868,449)     |
| Interest and other debt related charges                                  | 910,091          | -                       | 518,520                                  | -                                      | (391,571)  | -                           | (391,571)       |
| Total governmental activities  | 108,794,054      | 4,086,478               | 25,010,952                               | -                                      | (79,696,624)   | -                           | (79,696,624)    |
| <b>Business-type activities:</b>   |                  |                         |  |  |  |                             |                 |
| Food service   | 1,082,555        | 595,976                 | 372,980                                  | -                                      | -  | (113,599)                   | (113,599)       |
| Summer programs  | 142,165          | 110,711                 | -  | -                                      | -  | (31,454)                    | (31,454)        |
| Property rentals   | 373,854          | 362,216                 | -  | -                                      | -  | (11,638)                    | (11,638)        |
| Total business-type activities   | 1,598,574        | 1,068,903               | 372,980                                  | -                                      | -  | (156,691)                   | (156,691)       |
| Total primary government   | \$ 110,392,628   | \$ 5,155,381            | \$ 25,383,932                            | \$ -                                   | \$ (79,696,624)                                      | \$ (156,691)                | \$ (79,853,315) |
| <b>General revenues:</b>   |                  |                         |  |  |  |                             |                 |
| Taxes:   |                  |                         |  |  |  |                             |                 |
| Property taxes, levied for general purposes, net                         |                  |                         |  |  | \$ 67,912,108  | \$ -                        | \$ 67,912,108   |
| Taxes levied for debt service  |                  |                         |  |  | 4,167,548  | -                           | 4,167,548       |
| Federal and State aid not restricted                                     |                  |                         |  |  | 12,764,831   | -                           | 12,764,831      |
| Investment earnings  |                  |                         |  |  | 276,600  | 9,407                       | 286,007         |
| Miscellaneous income   |                  |                         |  |  | 226,735  | -                           | 226,735         |
| Extraordinary item - appraisor adjustment to capital assets              |                  |                         |  |  | (5,454)  | -                           | (5,454)         |
| Transfers  |                  |                         |  |  | (9,000)  | 9,000                       | -               |
| Total general revenues, special items, extraordinary items and transfers |                  |                         |  |  | 85,333,368   | 18,407                      | 85,351,775      |
| Change in Net Position   |                  |                         |  |  | 5,636,744  | (138,284)                   | 5,498,460       |
| Net Position - Beginning   |                  |                         |  |  | 26,506,398   | 1,079,407                   | 27,585,805      |
| Net Position - Ending  |                  |                         |  |  | \$ 32,143,142  | \$ 941,123                  | \$ 33,084,265   |

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

## **FUND FINANCIAL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

|  | Major Funds          |                            |                             |                         | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
|  | General<br>Fund      | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund |                                |
| <b>ASSETS</b>                              |                      |                            |                             |                         |                                |
| Cash and cash equivalents                  | \$ 5,930,278         | \$ -                       | \$ -                        | \$ -                    | \$ 5,930,278                   |
| Restricted cash and cash equivalents       | 2,975,745            | -                          | -                           | 488                     | 2,976,233                      |
| Due from other funds                       | 192,435              | -                          | -                           | -                       | 192,435                        |
| Receivables from other governments         | 2,172,543            | 318,868                    | -                           | -                       | 2,491,411                      |
| Other accounts receivable                  | 78,383               | 120                        | -                           | -                       | 78,503                         |
| <b>Total assets</b>                        | <b>\$ 11,349,384</b> | <b>\$ 318,988</b>          | <b>\$ -</b>                 | <b>\$ 488</b>           | <b>\$ 11,668,860</b>           |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                            |                             |                         |                                |
| <b>Liabilities:</b>                        |                      |                            |                             |                         |                                |
| Accounts payable                           | \$ 938,359           | \$ 135,728                 | \$ -                        | \$ -                    | \$ 1,074,087                   |
| Due to other funds                         | -                    | 183,260                    | -                           | -                       | 183,260                        |
| Unearned revenue                           | 22,164               | -                          | -                           | -                       | 22,164                         |
| <b>Total liabilities</b>                   | <b>960,523</b>       | <b>318,988</b>             | <b>-</b>                    | <b>-</b>                | <b>1,279,511</b>               |
| <b>Fund balances:</b>                      |                      |                            |                             |                         |                                |
| <b>Restricted for:</b>                     |                      |                            |                             |                         |                                |
| Capital reserve                            | 2,475,745            | -                          | -                           | -                       | 2,475,745                      |
| Maintenance reserve                        | 500,000              | -                          | -                           | -                       | 500,000                        |
| Excess surplus                             | 1,219,850            | -                          | -                           | -                       | 1,219,850                      |
| Debt service                               | -                    | -                          | -                           | 488                     | 488                            |
| <b>Committed to:</b>                       |                      |                            |                             |                         |                                |
| Other purposes                             | 1,045,354            | -                          | -                           | -                       | 1,045,354                      |
| <b>Assigned to:</b>                        |                      |                            |                             |                         |                                |
| Unreserved - subsequent year expenditures  | 3,269,549            | -                          | -                           | -                       | 3,269,549                      |
| Other purposes                             | 423,240              | -                          | -                           | -                       | 423,240                        |
| Unassigned                                 | 1,455,123            | -                          | -                           | -                       | 1,455,123                      |
| <b>Total fund balances</b>                 | <b>10,388,861</b>    | <b>-</b>                   | <b>-</b>                    | <b>488</b>              | <b>10,389,349</b>              |
| <b>Total liabilities and fund balances</b> | <b>\$ 11,349,384</b> | <b>\$ 318,988</b>          | <b>\$ -</b>                 | <b>\$ 488</b>           | <b>\$ 11,668,860</b>           |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2020

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

|  |                     |                     |
|--|---------------------|---------------------|
| Total fund balances - governmental funds   | \$                  | 10,389,349          |
| <p>The activities of the District's self-insurance fund are reported in the internal service fund. In the statement of net position the assets and liabilities of the internal service fund are included with governmental activities.</p>   |                     |                     |
|  |                     | 1,660,874           |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>  |                     |                     |
| Cost of capital assets   | \$ 151,672,371      |                     |
| Accumulated depreciation   | <u>(72,689,285)</u> |                     |
|  |                     | 78,983,086          |
| <p>Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued, but are capitalized in the statement of net position.</p>   |                     |                     |
| Bond premium   | (5,543,443)         |                     |
| Accumulated amortization   | <u>3,138,646</u>    |                     |
|  |                     | (2,404,797)         |
| <p>Refunding bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the government-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds.</p>     |                     |                     |
| Deferred loss on defeasance of debt  | 1,793,009           |                     |
| Accumulated amortization   | <u>(1,034,330)</u>  |                     |
|  |                     | 758,679             |
| <p>Amounts related to the net pension liability for PERS employees are not reported in the governmental funds. However, in the government-wide statements, the net pension liability is reported as a noncurrent liability due beyond one year and the related inflows and outflows are deferred and amortized in the statement of net position.</p> |                     |                     |
| Net pension liability  | (23,745,308)        |                     |
| Deferred outflows of resources related to PERS pension liability   | 4,576,271           |                     |
| Deferred inflows of resources related to PERS pension liability  | <u>(9,154,792)</u>  |                     |
|  |                     | (28,323,829)        |
| <p>The subsequent pension contribution is reported in the governmental funds as an expenditure in the year paid. In the government-wide statements, the subsequent pension contribution is recorded as an accounts payable.</p>  |                     |                     |
|  |                     | (1,464,894)         |
| <p>Long-term liabilities and the corresponding interest accruals are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. (See Note 9) Liabilities at year end consist of:</p>   |                     |                     |
| Bonds payable  | (22,570,000)        |                     |
| Capital leases payable   | (2,046,557)         |                     |
| Accrued interest on bonds, notes, and capital leases   | (493,346)           |                     |
| Accrued compensated absences   | <u>(2,345,423)</u>  |                     |
|  |                     | <u>(27,455,326)</u> |
| Net position of governmental activities  | \$                  | <u>32,143,142</u>   |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  | Major Funds          |                            |                             |                         | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
|  | General<br>Fund      | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund |                                |
| <b>REVENUES</b>  |                      |                            |                             |                         |                                |
| Local sources:   |                      |                            |                             |                         |                                |
| Local tax levy   | \$ 67,912,108        | \$ -                       | \$ -                        | \$ 4,167,548            | \$ 72,079,656                  |
| Tuition charges  | 886,601              | -                          | -                           | -                       | 886,601                        |
| Transportation fees  | 7,966                | -                          | -                           | -                       | 7,966                          |
| Interest on investments                                      | 244,673              | -                          | -                           | -                       | 244,673                        |
| Interest earned on capital reserve funds                     | 18,776               | -                          | -                           | -                       | 18,776                         |
| Miscellaneous  | 489,107              | -                          | -                           | -                       | 489,107                        |
| <b>Total - Local Sources</b>                                 | <b>69,559,231</b>    | <b>-</b>                   | <b>-</b>                    | <b>4,167,548</b>        | <b>73,726,779</b>              |
| State sources  | 30,905,943           | -                          | -                           | 518,520                 | 31,424,463                     |
| Federal sources  | 57,805               | 1,232,069                  | -                           | -                       | 1,289,874                      |
| <b>Total revenues</b>  | <b>100,522,979</b>   | <b>1,232,069</b>           | <b>-</b>                    | <b>4,686,068</b>        | <b>106,441,116</b>             |
| <b>EXPENDITURES</b>  |                      |                            |                             |                         |                                |
| Current:   |                      |                            |                             |                         |                                |
| Regular instruction  | 23,936,083           | 15,990                     | -                           | -                       | 23,952,073                     |
| Special education instruction                                | 6,909,692            | 544,000                    | -                           | -                       | 7,453,692                      |
| Other instructional programs                                 | 979,968              | 160,168                    | -                           | -                       | 1,140,136                      |
| School sponsored programs                                    | 2,387,193            | -                          | -                           | -                       | 2,387,193                      |
| Support services and undistributed costs:                    |                      |                            |                             |                         |                                |
| Tuition and transfers to charter schools                     | 2,964,902            | -                          | -                           | -                       | 2,964,902                      |
| Student & instruction related services                       | 9,422,223            | 374,596                    | -                           | -                       | 9,796,819                      |
| School administrative services                               | 3,479,480            | -                          | -                           | -                       | 3,479,480                      |
| Other administrative services                                | 3,375,685            | -                          | -                           | -                       | 3,375,685                      |
| Plant operations and maintenance                             | 8,982,085            | -                          | -                           | -                       | 8,982,085                      |
| Pupil transportation   | 4,722,803            | -                          | -                           | -                       | 4,722,803                      |
| Unallocated employee benefits                                | 27,987,824           | 131,515                    | -                           | -                       | 28,119,339                     |
| Capital outlay   | 3,049,786            | 5,800                      | 961,016                     | -                       | 4,016,602                      |
| Debt service:  |                      |                            |                             |                         |                                |
| Principal  | -                    | -                          | -                           | 3,540,000               | 3,540,000                      |
| Interest and other charges                                   | -                    | -                          | -                           | 1,145,824               | 1,145,824                      |
| <b>Total expenditures</b>                                    | <b>98,197,724</b>    | <b>1,232,069</b>           | <b>961,016</b>              | <b>4,685,824</b>        | <b>105,076,633</b>             |
| Excess (Deficiency) of revenues<br>over (under) expenditures | 2,325,255            | -                          | (961,016)                   | 244                     | 1,364,483                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                            |                             |                         |                                |
| Operating Transfers:   |                      |                            |                             |                         |                                |
| Transfers in   | 55,984               | -                          | 1,017,000                   | -                       | 1,072,984                      |
| Transfers out  | (1,026,000)          | -                          | (55,984)                    | -                       | (1,081,984)                    |
| <b>Total other financing sources and uses</b>                | <b>(970,016)</b>     | <b>-</b>                   | <b>961,016</b>              | <b>-</b>                | <b>(9,000)</b>                 |
| Net change in fund balances                                  | 1,355,239            | -                          | -                           | 244                     | 1,355,483                      |
| Fund balance—July 1  | 9,033,622            | -                          | -                           | 244                     | 9,033,866                      |
| <b>Fund balance—June 30</b>                                  | <b>\$ 10,388,861</b> | <b>\$ -</b>                | <b>\$ -</b>                 | <b>\$ 488</b>           | <b>\$ 10,389,349</b>           |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

|   |              |
|---|--------------|
| Total net change in fund balances - governmental funds (from B-2) | \$ 1,355,483 |
|---|--------------|

|  |           |
|--|-----------|
| The activities of the District's self-insurance fund are reported in the internal service fund. In the statement of activities the revenues and expenses of the internal service fund are included with governmental activities. | 1,153,659 |
|--|-----------|

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 capitalized and allocated over their estimated useful lives as depreciation expense.

|  |                |             |
|--|----------------|-------------|
| Capital outlays                              | \$ 3,812,657   |             |
| Depreciation expense                         | (5,398,898)    |             |
| (Net) Appraiser adjustment to capital assets | <u>(5,454)</u> |             |
|  |                | (1,591,695) |

|   |         |
|---|---------|
| In the governmental funds, capital leases are reported as other financing sources and lease payments are reported as expenditures in the year paid. In the district-wide statements, capital leases are reported as noncurrent liabilities and lease payments are recorded as a reduction to the liability. | 952,905 |
|---|---------|

|   |           |
|---|-----------|
| Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | 3,540,000 |
|---|-----------|

|  |         |
|--|---------|
| Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, in the district-wide statements, bond premiums are amortized and expensed over the life of the bonds. | 528,516 |
|--|---------|

|  |           |
|--|-----------|
| Refunding bond proceeds are reported as other financing sources in the governmental funds in the year the bonds are refinanced and thus contribute to the change in fund balances. In the district-wide statements, refunding bond proceeds are reduced by the principal defeased and the balance is recorded as deferred interest, which is amortized over the life of the bonds. | (178,389) |
|--|-----------|

|   |        |
|---|--------|
| In the governmental funds, interest on long term debt and capital leases is reported when due. In the statement of activities, interest is accrued, regardless of when due. | 54,339 |
|---|--------|

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, 2020

Amounts related to the net pension liability for PERS employees do not require the use of current financial resources and are therefore not reported in the governmental funds. In the statement of activities, the change in net pension liability is reported as an adjustment to expenses and the related inflows and outflows are deferred and amortized.

|  |                |         |
|--|----------------|---------|
| Change in net pension liability  | 2,247,041      |         |
| Change in deferred outflows of resources related to PERS pension liability | (2,124,624)    |         |
| Change in deferred inflows of resources related to PERS pension liability  | <u>150,344</u> |         |
|  |                | 272,761 |

Per GASB Statement No. 68 non-employer contributing entities are required to record a revenue and a corresponding expense for on-behalf TPAF pension payments paid by the State of New Jersey on the statement of activities that are in excess of those amounts reported in the fund financial statements.

|  |                    |   |
|--|--------------------|---|
| Increase in state revenues for on-behalf TPAF pension payments | 4,446,421          |   |
| Increase in on-behalf TPAF pension expense                     | <u>(4,446,421)</u> | - |

Per GASB Statement No. 75 non-employer contributing entities are required to record a revenue and a corresponding expense for on-behalf other post-employment benefits (OPEB) paid by the State of New Jersey on the statement of activities that are in excess of those amounts reported in the fund financial statements.

|  |                  |   |
|--|------------------|---|
| Increase in state revenues for on-behalf OPEB payments | 615,025          |   |
| Increase in on-behalf OPEB expense                     | <u>(615,025)</u> | - |

In the governmental funds, compensated absences are reported as expenditures in the year paid. In the statement of activities, compensated absences are measured by the amounts earned during the year. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

|   |                  |                            |
|---|------------------|----------------------------|
|   | <u>(450,835)</u> |                            |
| Change in net position of governmental activities |                  | <u><u>\$ 5,636,744</u></u> |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2020

|   | Business-type Activities - Enterprise Funds |                   |                           | Major Fund               |
|---|---|-------------------|---------------------------|--------------------------|
|   | Non-Major<br>Funds                          | Major<br>Fund     | Total<br>Enterprise Funds | Internal<br>Service Fund |
|   |   |                   |                           | Self Insurance<br>Fund   |
| <b>ASSETS</b>                                   |   |                   |                           |                          |
| Current assets:                                 |   |                   |                           |                          |
| Cash and cash equivalents                       | \$ 190,110                                  | \$ 185,105        | \$ 375,215                | \$ 2,609,760             |
| Restricted cash and cash equivalents            | -   | 4,946             | 4,946                     | -                        |
| Prepaid expense                                 | 3,133                                       | -                 | 3,133                     | -                        |
| Intergovernmental accounts receivable           | 38,268                                      | -                 | 38,268                    | -                        |
| Other accounts receivable                       | 17,939                                      | 4,000             | 21,939                    | 431,093                  |
| Inventories                                     | 45,625                                      | -                 | 45,625                    | -                        |
| Total current assets                            | <u>295,075</u>                              | <u>194,051</u>    | <u>489,126</u>            | <u>3,040,853</u>         |
| Noncurrent assets:                              |   |                   |                           |                          |
| Capital assets                                  | 617,793                                     | 1,700,000         | 2,317,793                 | -                        |
| Less accumulated depreciation                   | <u>422,849</u>                              | <u>117,904</u>    | <u>540,753</u>            | <u>-</u>                 |
| Total noncurrent assets                         | <u>194,944</u>                              | <u>1,582,096</u>  | <u>1,777,040</u>          | <u>-</u>                 |
| Total assets                                    | <u>490,019</u>                              | <u>1,776,147</u>  | <u>2,266,166</u>          | <u>3,040,853</u>         |
| <b>LIABILITIES</b>                              |   |                   |                           |                          |
| Current liabilities:                            |   |                   |                           |                          |
| Accounts payable                                | 40,729                                      | 87,425            | 128,154                   | 177,224                  |
| Unearned revenue                                | 32,761                                      | 25,412            | 58,173                    | -                        |
| Escrow deposits payable                         | -   | 4,946             | 4,946                     | -                        |
| Accrued interest payable                        | -   | 58,591            | 58,591                    | -                        |
| Accrued liability for insurance claims          | -   | -                 | -                         | 1,202,755                |
| Noncurrent liabilities:                         |   |                   |                           |                          |
| Due within one year                             | -   | 98,074            | 98,074                    | -                        |
| Due beyond one year                             | -   | 977,105           | 977,105                   | -                        |
| Total liabilities                               | <u>73,490</u>                               | <u>1,251,553</u>  | <u>1,325,043</u>          | <u>1,379,979</u>         |
| <b>NET POSITION</b>                             |   |                   |                           |                          |
| Invested in capital assets, net of related debt | 194,944                                     | 506,917           | 701,861                   | -                        |
| Unrestricted                                    | <u>221,585</u>                              | <u>17,677</u>     | <u>239,262</u>            | <u>1,660,874</u>         |
| Total net position                              | <u>\$ 416,529</u>                           | <u>\$ 524,594</u> | <u>\$ 941,123</u>         | <u>\$ 1,660,874</u>      |

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



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Business-type Activities - Enterprise Funds |                   |                           | Internal<br>Service Fund |
|---|---|-------------------|---------------------------|--------------------------|
|   | Non-Major<br>Funds                          | Major<br>Fund     | Total<br>Enterprise Funds | Self Insurance<br>Fund   |
| <b>OPERATING REVENUES:</b>                |   |                   |                           |                          |
| Daily sales - reimbursable programs       | \$ 331,814                                  | \$ -              | \$ 331,814                | \$ -                     |
| Daily sales - non-reimbursable programs   | 264,162                                     | -                 | 264,162                   | -                        |
| Rental income                             | -   | 362,216           | 362,216                   | -                        |
| Tuition                                   | 110,711                                     | -                 | 110,711                   | -                        |
| Charges for services                      | -   | -                 | -                         | 13,929,539               |
| Total operating revenues                  | <u>706,687</u>                              | <u>362,216</u>    | <u>1,068,903</u>          | <u>13,929,539</u>        |
| <b>OPERATING EXPENSES:</b>                |   |                   |                           |                          |
| Salaries and employee benefits            | 91,344                                      | -                 | 91,344                    | -                        |
| Labor and labor related costs             | 498,140                                     | -                 | 498,140                   | -                        |
| Management fees                           | 66,768                                      | 12,000            | 78,768                    | -                        |
| Cleaning, repair and maintenance services | 9,947                                       | 237,520           | 247,467                   | -                        |
| Other purchased services                  | 78,332                                      | -                 | 78,332                    | -                        |
| Cost of sales - reimbursable programs     | 283,573                                     | -                 | 283,573                   | -                        |
| Cost of sales - non-reimbursable programs | 92,234                                      | -                 | 92,234                    | -                        |
| Supplies and materials                    | 76,295                                      | -                 | 76,295                    | -                        |
| Depreciation                              | 21,635                                      | 20,976            | 42,611                    | -                        |
| Utilities                                 | -   | 44,637            | 44,637                    | -                        |
| Interest expense                          | -   | 58,591            | 58,591                    | -                        |
| Other expenses                            | 6,452                                       | 130               | 6,582                     | -                        |
| Insurance claims                          | -   | -                 | -                         | 10,495,673               |
| Excess liability insurance premiums       | -   | -                 | -                         | 1,594,429                |
| Administrative fees                       | -   | -                 | -                         | 532,817                  |
| State surcharge                           | -   | -                 | -                         | 166,112                  |
| Total operating expenses                  | <u>1,224,720</u>                            | <u>373,854</u>    | <u>1,598,574</u>          | <u>12,789,031</u>        |
| <b>OPERATING INCOME (LOSS)</b>            | <u>(518,033)</u>                            | <u>(11,638)</u>   | <u>(529,671)</u>          | <u>1,140,508</u>         |
| <b>NON-OPERATING REVENUES:</b>            |   |                   |                           |                          |
| State sources:                            |   |                   |                           |                          |
| State school lunch program                | 10,393                                      | -                 | 10,393                    | -                        |
| Federal sources:                          |   |                   |                           |                          |
| School breakfast program                  | 46,632                                      | -                 | 46,632                    | -                        |
| National school lunch program             | 242,136                                     | -                 | 242,136                   | -                        |
| After school snack program                | 1,319                                       | -                 | 1,319                     | -                        |
| Special milk program                      | 551   | -                 | 551                       | -                        |
| Food donation program                     | 71,949                                      | -                 | 71,949                    | -                        |
| Interest income                           | 9,407                                       | -                 | 9,407                     | 13,151                   |
| Total nonoperating revenues               | <u>382,387</u>                              | <u>-</u>          | <u>382,387</u>            | <u>13,151</u>            |
| <b>NET INCOME (LOSS)</b>                  | <u>(135,646)</u>                            | <u>(11,638)</u>   | <u>(147,284)</u>          | <u>1,153,659</u>         |
| <b>OTHER FINANCING SOURCES:</b>           |   |                   |                           |                          |
| Transfer from General Fund                | 9,000                                       | -                 | 9,000                     | -                        |
| Change in net position                    | (126,646)                                   | (11,638)          | (138,284)                 | 1,153,659                |
| Total net position - beginning            | <u>543,175</u>                              | <u>536,232</u>    | <u>1,079,407</u>          | <u>507,215</u>           |
| Total net position - ending               | <u>\$ 416,529</u>                           | <u>\$ 524,594</u> | <u>\$ 941,123</u>         | <u>\$ 1,660,874</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, 2020

|   | Business-type Activities - Enterprise Funds |                   |                           | Major Fund<br>Internal<br>Service Fund |
|---|---|-------------------|---------------------------|--|
|   | Non-Major<br>Funds                          | Major<br>Fund     | Total<br>Enterprise Funds | Self Insurance<br>Fund                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |   |                   |                           |  |
| Receipts from customers   | \$ 689,594                                  | \$ 392,893        | \$ 1,082,487              | \$ 13,644,250                          |
| Payments for employees and employee benefits                                      | (91,344)                                    | -                 | (91,344)                  | (9,866,523)                            |
| Payments to suppliers for goods and services                                      | (1,095,393)                                 | (222,913)         | (1,318,306)               | (2,486,219)                            |
| Net cash used in operating activities   | <u>(497,143)</u>                            | <u>169,980</u>    | <u>(327,163)</u>          | <u>1,291,508</u>                       |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                           |   |                   |                           |  |
| State sources   | 10,178                                      | -                 | 10,178                    | -                                      |
| Federal sources   | 338,002                                     | -                 | 338,002                   | -                                      |
| Operating subsidies and transfers to/from other funds                             | 9,000                                       | -                 | 9,000                     | -                                      |
| Other non-operating income  | 4,748                                       | -                 | 4,748                     | -                                      |
| Net cash provided by non-capital financing activities                             | <u>361,928</u>                              | <u>-</u>          | <u>361,928</u>            | <u>-</u>                               |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                   |   |                   |                           |  |
| Capital contributions   | -   | (225,000)         | (225,000)                 | -                                      |
| Net cash used for capital and related financing activities                        | <u>-</u>                                    | <u>(225,000)</u>  | <u>(225,000)</u>          | <u>-</u>                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |   |                   |                           |  |
| Interest and dividends  | 9,407                                       | -                 | 9,407                     | 13,151                                 |
| Net increase (decrease) in cash and cash equivalents                              | (125,808)                                   | (55,020)          | (180,828)                 | 1,304,659                              |
| Cash and cash equivalents - beginning of year                                     | 315,918                                     | 240,125           | 556,043                   | 1,305,101                              |
| Cash and cash equivalents - end of year   | <u>\$ 190,110</u>                           | <u>\$ 185,105</u> | <u>\$ 375,215</u>         | <u>\$ 2,609,760</u>                    |
| Reconciliation of operating loss to net cash used in operating activities:        |   |                   |                           |  |
| Operating loss  | \$ (518,033)                                | \$ (11,638)       | \$ (529,671)              | \$ 1,140,508                           |
| Adjustments to reconcile operating loss to net cash used in operating activities: |   |                   |                           |  |
| Depreciation and interest expense   | 21,635                                      | 79,567            | 101,202                   | -                                      |
| Food donation program   | 71,949                                      | -                 | 71,949                    | -                                      |
| (Increase) decrease in accounts receivable, net                                   | 54,188                                      | (3,780)           | 50,408                    | 830,734                                |
| (Increase) decrease in prepaid expense  | (3,133)                                     | -                 | (3,133)                   | -                                      |
| (Increase) decrease in inventories  | (34,087)                                    | -                 | (34,087)                  | -                                      |
| Increase (decrease) in accounts payable, net                                      | (18,381)                                    | 87,425            | 69,044                    | (472,921)                              |
| Increase (decrease) in accrued liability  | -   | -                 | -                         | (206,813)                              |
| Increase (decrease) in deferred revenue   | (71,281)                                    | 18,406            | (52,875)                  | -                                      |
| Total adjustments   | <u>20,890</u>                               | <u>181,618</u>    | <u>202,508</u>            | <u>151,000</u>                         |
| Net cash used in operating activities   | <u>\$ (497,143)</u>                         | <u>\$ 169,980</u> | <u>\$ (327,163)</u>       | <u>\$ 1,291,508</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 POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020

|   | Unemployment<br>Compensation<br>Insurance Trust | Flexible<br>Spending<br>Account Trust | Agency<br>Funds  |
|---|---|---------------------------------------|------------------|
| <b>ASSETS</b>                                       |   |                                       |                  |
| Cash and cash equivalents                           | \$ 405,438                                      | \$ 49,970                             | \$ 1,030,816     |
| Accounts receivable                                 | -   | -                                     | 105,361          |
| Total assets  | <u>405,438</u>                                  | <u>49,970</u>                         | <u>1,136,177</u> |
| <b>LIABILITIES</b>                                  |   |                                       |                  |
| Accounts payable                                    | 38,179  | -                                     | 105,919          |
| Payroll deductions and withholdings                 | -   | -                                     | 542,898          |
| Interfund payable                                   | -   | -                                     | 9,175            |
| Due to student groups                               | -   | -                                     | 478,185          |
| Total liabilities                                   | <u>38,179</u>                                   | <u>-</u>                              | <u>1,136,177</u> |
| <b>NET POSITION</b>                                 |   |                                       |                  |
| Held in trust for unemployment claims               | 367,259   | -                                     | -                |
| Held in trust for medical and dependent care claims | -   | 49,970                                | -                |
| <b>TOTAL NET POSITION</b>                           | <u>\$ 367,259</u>                               | <u>\$ 49,970</u>                      | <u>\$ -</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 POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Unemployment<br>Compensation<br>Insurance Trust | Flexible<br>Spending<br>Account Trust |
|---|---|---------------------------------------|
| ADDITIONS:                                  |   |                                       |
| Contributions:                              |   |                                       |
| Plan members                                | \$ 177,982                                      | \$ 144,301                            |
| Total contributions                         | <u>177,982</u>                                  | <u>144,301</u>                        |
| Investment earnings:                        |   |                                       |
| Interest                                    | 6,569   | 346                                   |
| Total investment earnings                   | <u>6,569</u>                                    | <u>346</u>                            |
| Total additions                             | <u>184,551</u>                                  | <u>144,647</u>                        |
| DEDUCTIONS:                                 |   |                                       |
| Quarterly contribution reports              | 91,831  | -                                     |
| Unemployment claims                         | 74,205  | -                                     |
| Qualified medical and dependent care claims | -   | 124,727                               |
| Service charges                             | -   | 3,080                                 |
| Total deductions                            | <u>166,036</u>                                  | <u>127,807</u>                        |
| Change in net position                      | 18,515  | 16,840                                |
| Net position-beginning of the year          | <u>348,744</u>                                  | <u>33,130</u>                         |
| Net position-end of the year                | <u>\$ 367,259</u>                               | <u>\$ 49,970</u>                      |

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation:

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

District-Wide Financial Statements:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

A. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

Governmental Fund Types

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

A. Basis of Presentation: (Cont'd)

Governmental Fund Types (Cont'd)

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

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

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

Proprietary Fund Types

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

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

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

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, the Flexible Spending Account Trust Fund, and the Unemployment Compensation Insurance Trust Fund.



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Measurement Focus and Basis of Accounting:

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and capital leases and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

Like the district-wide financial statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting in which revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as revenue. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net position presents increases and decreases in total net position. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

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

C. Budgets/Budgetary Control:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

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

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

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

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

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

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

D. Cash and Cash Equivalents and Investments:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

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

E. Interfund Transactions:

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

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

F. Encumbrances:

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

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

G. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed over the twelve-month fiscal year; however, salaries may be accrued at year-end for unsettled employment contracts. At June 30, 2020 the District had no unsettled employment contracts.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

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

H. Capital Assets:

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

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

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

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

I. Long Term Liabilities:

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

J. Unearned Revenue:

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

K. Allowance for Uncollectible Accounts:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

L. Inventories:

Inventories are presented at cost, which approximates market, using the first-in, first-out ("FIFO") method and are expensed when used. Inventories of proprietary funds consist of food and goods held for resale, including supplies, and are expensed when used.

M. Compensated Absences:

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

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

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

N. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, tuition, unrestricted grants, and interest.

O. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed. At June 30, 2020 the District had prepaid items totaling \$3,133.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

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

P. Fund Balance Restrictions, Commitments, and Assignments:

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

The *restricted* fund balance category includes amounts constrained for specific purposes as stipulated by external parties, constitutional provision, or enabling legislation. At June 30, 2020 the District had restricted fund balances of \$2,475,745 for capital projects, \$500,000 for maintenance reserve, \$488 for future debt service payments, and \$1,219,850 for excess surplus, which will be appropriated and included as anticipated revenue in the 2021-2022 budget.

The *committed* fund balance classification includes amounts that can be used only for specific purposes as determined by formal action of the District's highest level of decision-making authority. The Board of Education has the authority to formally commit resources for specific purposes through a formal motion or resolution that is passed by a majority of the members of the Board of Education at a public meeting. Such process must also be used to remove or change the commitment of resources. At June 30, 2020 the District had committed resources totaling \$1,045,354 for the following purposes:

| <u>Purpose</u>   | <u>Amount</u>      |
|--|--------------------|
| Unit Ventilator Replacement at Sandshore Elementary School                     | \$144,031          |
| Athletic Supplies and Equipment  | 32,550             |
| Professional Services – Transportation Audit                                   | 12,500             |
| Bathroom Renovations at Sandshore Elementary School                            | 127,000            |
| Installation of a Geodome at Mount Olive High School                           | 138,638            |
| English Language Arts Curriculum Materials                                     | 276,718            |
| Augmented Reality/Mixed Media Educational Products for Mount Olive High School | 100,000            |
| Virtual Dissection Tables for Mount Olive High School                          | 213,917            |
|  | <u>\$1,045,354</u> |

Amounts in the *assigned* fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. At June 30, 2020 the District had assigned resources for outstanding encumbrances totaling \$423,240 and for amounts designated for subsequent year's expenditures totaling \$3,269,549.

*Unassigned* fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. At June 30, 2020 the District had unassigned resources totaling \$1,455,123.

Q. Calculation of Excess Surplus:

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C. 73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). The law limits the maximum unassigned fund balance which regular districts may have at year end to 2 percent of adjusted General Fund expenditures. The amount in excess of the 2 percent limitation must be restricted and appropriated and included as anticipated revenue in a subsequent year's budget. At June 30, 2020 the District had fund balance restricted for excess surplus in the amount of \$1,219,850. This amount will be appropriated and included as anticipated revenue in the 2021-2022 budget. The excess surplus calculation is included in the Auditor's Management Report (AMR).

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. At June 30, 2020, the District had \$758,679 in deferred outflows of resources for deferred loss on defeasance of debt arising from the issuance of refunding bonds and \$4,576,271 for deferred amounts related to the PERS pension liability. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. At June 30, 2020, the District had \$9,154,792 in deferred inflows of resources for the deferred amounts related to the PERS pension liability.

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Operating Revenue and Expenses:

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

T. Extraordinary and Special Items:

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

U. Allocation of Indirect Expenses:

Expenses that can be directly attributable to a specific function are reported by function in the Statement of Activities. Indirect expenses, which are not clearly identifiable with a function, are allocated to functions where practicable. Employee benefits and depreciation expense are two examples of indirect expenses. Employee benefits that cannot be directly attributable to a specific function, such as social security, pension contributions, workers compensation, and medical and dental benefits are allocated based on the salaries of that function. Depreciation expense on capital assets purchased after July 1, 2002 is allocated by function. However, depreciation expense on capital assets purchased prior to July 1, 2002 is unallocated and is reported as unallocated depreciation on the Statement of Activities.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

V. Accounting and Financial Reporting for Pensions:

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

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

Note 12 provides a full description of the pension plans offered by the District along with the related accounting and financial data.

W. Recent Accounting Pronouncements:

During fiscal year 2020, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

W. Recent Accounting Pronouncements: (Cont'd)

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the end of a Construction. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

X. Management Estimates:

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

Y. Deficit Net Position:

At June 30, 2020, the District has a deficit in unrestricted net position of \$24,972,079 in governmental activities. The deficit is primarily attributable to the District's allocated share of the net pension liability for PERS employees, which totaled \$23,745,308 at year-end. The deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Permissible Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities, provided they meet the following criteria detailed in the statute:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

As of June 30, 2020, cash and cash equivalents of the District consisted entirely of amounts deposited in interest bearing checking, savings, and money market accounts as follows:

|                                   | Bank<br>Balance | Carrying<br>Amount |
|-----------------------------------|-----------------|--------------------|
| Governmental Funds - Unrestricted | \$6,257,557     | \$5,930,278        |
| Governmental Funds - Restricted   | 2,976,233       | 2,976,233          |
| Proprietary Funds - Unrestricted  | 2,999,219       | 2,984,975          |
| Proprietary Funds - Restricted    | 4,946           | 4,946              |
| Agency Funds                      | 1,049,968       | 1,030,816          |
| Trust Funds                       | 456,486         | 455,408            |
|                                   | \$13,744,409    | \$13,382,656       |

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve account for the 2020 fiscal year is as follows:

|  |             |             |
|--|-------------|-------------|
| Beginning balance, July 1, 2019                    |             | \$1,917,985 |
| Increased by:                                      |             |             |
| Additional increase authorized by Board resolution | \$1,500,000 |             |
| Funds returned from unexpended project balance     | 55,984      |             |
| Interest earnings                                  | 18,776      |             |
|  |             | 1,574,760   |
|  |             | 3,492,745   |
| Decreased by:                                      |             |             |
| Budgeted withdrawal from capital reserve           |             | 1,017,000   |
| Ending balance, June 30, 2020                      |             | \$2,475,745 |

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2020 is \$14,639,000.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
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NOTE 5. RECEIVABLES

Receivables at June 30, 2020 consisted of state and federal aid receivable, intergovernmental accounts receivable, interfund accounts receivable, and other accounts receivable. No allowance for uncollectible accounts has been recorded as all receivables are considered collectible in full. The following is a summary of the principal receivable items.

|                                       |                     |
|---------------------------------------|---------------------|
| State aid receivable                  | \$ 2,351,415        |
| Federal grants receivable             | 42,680              |
| Intergovernmental accounts receivable | 135,584             |
| Interfund accounts receivable         | 9,175               |
| Other accounts receivable             | <u>531,535</u>      |
| Total receivables                     | <u>\$ 3,070,389</u> |

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

NOTE 6. INTERFUND BALANCES AND TRANSFERS

The District had the following interfund balances on the various balance sheets at June 30, 2020:

| Fund                 | Interfund<br>Receivable | Interfund<br>Payable |
|----------------------|-------------------------|----------------------|
| General Fund         | \$192,435               |                      |
| Special Revenue Fund |                         | \$183,260            |
| Fiduciary Fund       |                         | <u>9,175</u>         |
|                      | <u>\$192,435</u>        | <u>\$192,435</u>     |

The interfund balance between the General Fund and the Special Revenue Fund is comprised of funds advanced to cover deficit cash balances while awaiting the collection of federal grant reimbursements. The interfund balance between the General Fund and the Fiduciary Fund is comprised of interest earnings and COBRA administration fees not yet transferred at year-end. All interfund transfers are expected to be repaid within one year.

During the fiscal year, the District made the following interfund transfers to and from the General Fund:

|  |                    |
|--|--------------------|
| Transfer from Capital Reserve to Capital Projects Fund for local share of capital projects | (\$1,017,000)      |
| Transfer from General Fund to Enterprise Fund to cover deficit account balance             | (9,000)            |
| Transfer from Capital Projects Fund to Capital Reserve for unexpended project balances     | <u>55,984</u>      |
| Net Transfers to/(from) General Fund   | <u>(\$970,016)</u> |

NOTE 7. INVENTORIES

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

|                |                  |
|----------------|------------------|
| Food           | \$ 38,549        |
| Non-Food Items | <u>7,076</u>     |
|                | <u>\$ 45,625</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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

**NOTE 8. CAPITAL ASSETS**

The District appointed Acclaim Inventory LLC to conduct a physical inventory of its capital assets as of June 30, 2020. The following schedule details the district's capital asset activity for the year ended June 30, 2020:

|  | Beginning<br>Balance | Additions             | Adjustments       | Ending<br>Balance    |
|--|----------------------|-----------------------|-------------------|----------------------|
| Governmental activities:                     |                      |                       |                   |                      |
| Capital assets not being depreciated:        |                      |                       |                   |                      |
| Land   | \$ 1,377,059         | \$ -                  | \$ -              | \$ 1,377,059         |
| Total capital assets not being depreciated   | <u>1,377,059</u>     | <u>-</u>              | <u>-</u>          | <u>1,377,059</u>     |
| Capital assets being depreciated:            |                      |                       |                   |                      |
| Site and site improvements                   | 11,223,144           | 29,870                | -                 | 11,253,014           |
| Building and building improvements           | 119,788,512          | 2,749,396             | -                 | 122,537,908          |
| Machinery and equipment                      | 16,298,303           | 1,033,391             | (827,304)         | 16,504,390           |
| Total capital assets being depreciated       | <u>147,309,959</u>   | <u>3,812,657</u>      | <u>(827,304)</u>  | <u>150,295,312</u>   |
| Governmental activities capital assets       | <u>148,687,018</u>   | <u>3,812,657</u>      | <u>(827,304)</u>  | <u>151,672,371</u>   |
| Less accumulated depreciation for:           |                      |                       |                   |                      |
| Site and site improvements                   | (4,254,930)          | (485,038)             | -                 | (4,739,968)          |
| Building and improvements                    | (56,021,497)         | (3,650,792)           | -                 | (59,672,289)         |
| Machinery and equipment                      | (7,835,810)          | (1,263,068)           | 821,850           | (8,277,028)          |
| Total accumulated depreciation               | <u>(68,112,237)</u>  | <u>(5,398,898)</u>    | <u>821,850</u>    | <u>(72,689,285)</u>  |
| Government activities capital assets, net    | <u>\$ 80,574,781</u> | <u>\$ (1,586,241)</u> | <u>\$ (5,454)</u> | <u>\$ 78,983,086</u> |
| Business-type activities:                    |                      |                       |                   |                      |
| Capital assets not being depreciated:        |                      |                       |                   |                      |
| Land   | \$ 651,200           | \$ -                  | \$ -              | \$ 651,200           |
| Total capital assets not being depreciated   | <u>651,200</u>       | <u>-</u>              | <u>-</u>          | <u>651,200</u>       |
| Capital assets being depreciated:            |                      |                       |                   |                      |
| Building and building improvements           | 1,048,800            | -                     | -                 | 1,048,800            |
| Machinery and equipment                      | 617,793              | -                     | -                 | 617,793              |
| Total capital assets being depreciated       | <u>1,666,593</u>     | <u>-</u>              | <u>-</u>          | <u>1,666,593</u>     |
| Business-type activities capital assets      | <u>2,317,793</u>     | <u>-</u>              | <u>-</u>          | <u>2,317,793</u>     |
| Less accumulated depreciation for:           |                      |                       |                   |                      |
| Building and improvements                    | (96,928)             | (20,976)              | -                 | (117,904)            |
| Machinery and equipment                      | (401,214)            | (21,635)              | -                 | (422,849)            |
| Total accumulated depreciation               | <u>(498,142)</u>     | <u>(42,611)</u>       | <u>-</u>          | <u>(540,753)</u>     |
| Business-type activities capital assets, net | <u>\$ 1,819,651</u>  | <u>\$ (42,611)</u>    | <u>\$ -</u>       | <u>\$ 1,777,040</u>  |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

|   |                     |
|---|---------------------|
| Regular programs – instruction            | \$ 235,598          |
| Special education programs                | 24,510              |
| Other instructional programs              | 10,772              |
| Student and instruction related services  | 44,583              |
| School administrative services            | 3,645               |
| Other administrative services             | 149,737             |
| Plant operations and maintenance          | 4,410,231           |
| Pupil transportation                      | 471,288             |
| School sponsored co-curricular activities | 48,534              |
|   | <hr/>               |
| Total depreciation expense                | <u>\$ 5,398,898</u> |

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020 the following changes occurred in long-term obligations reported in the district-wide financial statements:

|                                   | Beginning<br>Balance | Additions         | Reductions          | Ending<br>Balance    |
|-----------------------------------|----------------------|-------------------|---------------------|----------------------|
|                                   | <hr/>                | <hr/>             | <hr/>               | <hr/>                |
| Governmental activities:          |                      |                   |                     |                      |
| Serial bonds payable              | \$ 26,110,000        | \$ -              | \$ 3,540,000        | \$ 22,570,000        |
| Capital leases payable            | 2,999,462            | -                 | 952,905             | 2,046,557            |
| Unamortized bond issuance premium | 2,933,313            | -                 | 528,516             | 2,404,797            |
| Net pension liability             | 25,992,349           |                   | 2,247,041           | 23,745,308           |
| Compensated absences payable      | 1,894,588            | 591,797           | 140,962             | 2,345,423            |
| Total governmental activities     | 59,929,712           | 591,797           | 7,409,424           | 53,112,085           |
|                                   | <hr/>                | <hr/>             | <hr/>               | <hr/>                |
| Business-type activities:         |                      |                   |                     |                      |
| Building lease payable            | 1,237,500            | -                 | 162,321             | 1,075,179            |
|                                   | <hr/>                | <hr/>             | <hr/>               | <hr/>                |
| Total long-term liabilities       | <u>\$ 61,167,212</u> | <u>\$ 591,797</u> | <u>\$ 7,571,745</u> | <u>\$ 54,187,264</u> |

|                                   | Amounts<br>Due Within<br>One Year | Amounts<br>Due Beyond<br>One Year | Total                |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------|
|                                   | <hr/>                             | <hr/>                             | <hr/>                |
| Governmental activities:          |                                   |                                   |                      |
| Serial bonds payable              | \$ 3,720,000                      | \$ 18,850,000                     | \$ 22,570,000        |
| Capital leases payable            | 804,491                           | 1,242,066                         | 2,046,557            |
| Unamortized bond issuance premium | 524,999                           | 1,879,798                         | 2,404,797            |
| Net pension liability             | 1,464,894                         | 22,280,414                        | 23,745,308           |
| Compensated absences payable      | 1,050,062                         | 1,295,361                         | 2,345,423            |
| Total governmental activities     | 7,564,446                         | 45,547,639                        | 53,112,085           |
|                                   | <hr/>                             | <hr/>                             | <hr/>                |
| Business-type activities:         |                                   |                                   |                      |
| Building lease payable            | 98,074                            | 977,105                           | 1,075,179            |
|                                   | <hr/>                             | <hr/>                             | <hr/>                |
| Total long-term liabilities       | <u>\$ 7,662,520</u>               | <u>\$ 46,524,744</u>              | <u>\$ 54,187,264</u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Serial Bonds Payable:

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

Bonds payable at June 30, 2020 are comprised of the following issues:

| Purpose                    | Issue Date | Original Amount Issued | Interest Rates | Date of Maturity | Principal Balance at June 30, 2020 |
|----------------------------|------------|------------------------|----------------|------------------|------------------------------------|
| Middle School Construction | 10/29/2014 | \$16,740,000           | 3.00-5.00%     | 1/15/2023        | \$6,945,000                        |
| Early Retirement Incentive | 12/20/2011 | 1,535,000              | 2.61-3.48%     | 2/01/2021        | 210,000                            |
| High School Addition       | 04/20/2016 | 7,540,000              | 3.00-5.00%     | 7/15/2029        | 7,430,000                          |
| High School Addition       | 04/20/2016 | 8,095,000              | 3.00-5.00%     | 7/15/2025        | 7,985,000                          |
|                            |            |                        |                |                  | \$22,570,000                       |

Bond Obligations:

Debt service requirements on serial bonds payable at June 30, 2020 are as follows:

| Fiscal Year Ending June 30, | Principal     | Interest     | Total         |
|-----------------------------|---------------|--------------|---------------|
|                             |               | \$           |               |
| 2021                        | \$ 3,720,000  | 1,004,208    | \$ 4,724,208  |
| 2022                        | 3,660,000     | 855,400      | 4,515,400     |
| 2023                        | 3,835,000     | 684,950      | 4,519,950     |
| 2024                        | 1,455,000     | 506,250      | 1,961,250     |
| 2025                        | 1,515,000     | 439,275      | 1,954,275     |
| 2026                        | 1,395,000     | 366,525      | 1,761,525     |
| 2027                        | 1,640,000     | 290,650      | 1,930,650     |
| 2028                        | 1,710,000     | 206,900      | 1,916,900     |
| 2029                        | 1,785,000     | 128,450      | 1,913,450     |
| 2030                        | 1,855,000     | 46,375       | 1,901,375     |
|                             | \$ 22,570,000 | \$ 4,528,983 | \$ 27,098,983 |

Capital Leases Payable:

The District has outstanding leases for school buses, LED lighting upgrades, and the air dome at Mount Olive High School. 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 |
|-----------------------------|-------------------------------|
| 2021                        | \$ 804,491                    |
| 2022                        | 681,977                       |
| 2023                        | 416,438                       |
| 2024                        | 143,651                       |
|                             | \$ 2,046,557                  |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Unamortized Bond Issuance Premium:

At June 30, 2020, the District had unamortized premiums on four refunding bond issues totaling \$2,404,797 as follows:

| <u>Issue Date</u> | <u>Purpose</u>             | <u>Unamortized<br/>Premium</u> |
|-------------------|----------------------------|--------------------------------|
| 10/29/2014        | Middle School Construction | \$ 655,543                     |
| 04/20/2016        | High School Addition       | 1,058,110                      |
| 04/20/2016        | High School Addition       | 691,144                        |
|                   |                            | <u>\$ 2,404,797</u>            |

Amortization expense for the fiscal year ended June 30, 2020 amounted to \$528,516. Bond premiums are amortized using the straight-line method over the life of the specific bonds as follows:

| <u>Fiscal Year<br/>Ending June 30,</u> | <u>Amortization<br/>Expense</u> |
|--|---------------------------------|
| 2021                                   | \$ 524,999                      |
| 2022                                   | 524,999                         |
| 2023                                   | 393,890                         |
| 2024                                   | 262,781                         |
| 2025                                   | 238,949                         |
| 2026                                   | 119,786                         |
| 2027                                   | 119,786                         |
| 2028                                   | 119,786                         |
| 2029                                   | 99,821                          |
|  | <u>\$ 2,404,797</u>             |

Net Pension Liability:

At June 30, 2020, the District reported a liability of \$23,745,308 for its proportionate share of the Public Employees' Retirement System's (PERS) net pension liability. Of this amount, \$1,464,894 is due within one year and \$22,280,414 is due beyond one year.

See Note 12 for further information on the PERS pension plan.

Compensated Absences Payable:

The liability for compensated absences reported in the District-wide financial statements consists of unpaid accumulated vacation and sick leave balances as of June 30, 2020. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The entire compensated absence liability is reported on the District-wide financial statements.

The total liability for compensated absences amounted to \$2,345,423 at June 30, 2020. Of this amount, \$1,050,062 is due within one year and \$1,295,361 is due beyond one year. Compensated absences will be liquidated by the General Fund.



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

Building Lease Payable:

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

During the 2020 fiscal year, the District made a lease payment of \$225,000. Of this amount, \$62,679 was considered interest and the remaining balance of \$162,321 was applied as principal, bringing the outstanding principal balance to \$1,075,179.

NOTE 10. DEFERRED LOSS ON DEFEASANCE OF DEBT

Deferred loss on defeasance of debt arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. The amount is amortized using the straight-line method over the life of the related debt as a component of interest expense. As of June 30, 2020, the District has recorded an unamortized balance of \$758,679 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2020 was \$178,389.

NOTE 11. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

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

|   |                          |
|---|--------------------------|
| Governmental activities:  |                          |
| Capital assets, net of depreciation   | \$ 78,983,086            |
| Outstanding bond obligations used to build or acquire capital assets        | (22,360,000)             |
| Capital leases payable  | (2,046,557)              |
| Deferred loss on defeasance of debt used to build or acquire capital assets | 747,406                  |
| Unamortized deferred premium  | <u>(2,404,797)</u>       |
| <br>Total governmental activities   | <br><u>\$ 52,919,138</u> |
| Business-type activities:   |                          |
| Capital assets, net of depreciation   | \$ 1,777,040             |
| Outstanding lease obligations used to build or acquire capital assets       | <u>(1,075,179)</u>       |
| <br>Total business-type activities  | <br><u>\$ 701,861</u>    |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. PENSION PLANS

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

A. Public Employees' Retirement System

Plan Description

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. The District's contribution to PERS amounted to \$1,286,942 for fiscal year 2020. The employee contribution rate for fiscal year 2020 was 7.5% of base salary.

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

At June 30, 2020, the District reported a liability of \$23,745,308 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.1317830612%, which was a decrease of 0.0002281451% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$1,012,377. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows        | Deferred<br>Inflows         |
|---|-----------------------------|-----------------------------|
| Difference between expected and actual experience               | \$ 426,197                  | 104,896                     |
| Changes of assumptions  | 2,371,056                   | 8,241,921                   |
| Net difference between projected and actual investment earnings | <u>                    </u> | <u>374,829</u>              |
|   | 2,797,253                   | 8,721,646                   |
| Changes in proportion   | 314,124                     | 433,146                     |
| District contributions subsequent to the measurement date       | <u>1,464,894</u>            | <u>                    </u> |
|   | <u>\$ 4,576,271</u>         | <u>\$ 9,154,792</u>         |

District contributions subsequent to the measurement date (\$1,464,894) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

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

| Fiscal Year<br>Ending June 30, | Pension<br>Expense |
|--------------------------------|--------------------|
| 2020                           | \$ (685,656)       |
| 2021                           | (2,224,256)        |
| 2022                           | (1,986,131)        |
| 2023                           | (932,591)          |
| 2024                           | (95,759)           |
|                                | \$ (5,924,393)     |

Changes in Proportion

The previous amounts do not include deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts are recognized (amortized) over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Actuarial Assumptions

The pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|-------------------------------------|
| Risk Mitigation Strategies        | 3.00%                    | 4.67%                               |
| Cash Equivalents                  | 5.00%                    | 2.00%                               |
| U.S. Treasuries                   | 5.00%                    | 2.68%                               |
| Investment Grade Credit           | 10.00%                   | 4.25%                               |
| High Yield                        | 2.00%                    | 5.37%                               |
| Private Credit                    | 6.00%                    | 7.92%                               |
| Real Assets                       | 2.50%                    | 9.31%                               |
| Real Estate                       | 7.50%                    | 8.33%                               |
| U.S. Equity                       | 28.00%                   | 8.26%                               |
| Non-U.S. Developed Markets Equity | 12.50%                   | 9.00%                               |
| Emerging Markets Equity           | 6.50%                    | 11.37%                              |
| Private Equity                    | 12.00%                   | 10.85%                              |

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | <u>1% Decrease<br/>(5.28%)</u> | <u>Current Rate<br/>(6.28%)</u> | <u>1% Increase<br/>(7.28%)</u> |
|---|--------------------------------|---------------------------------|--------------------------------|
| District's proportionate share of net pension liability | \$30,202,844                   | \$23,745,308                    | \$18,608,304                   |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

At June 30, 2019, the plan fiduciary net position as a percentage of the total pension liability was 56.27%. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund

Plan Description

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy established by N.J.S.A 18A:66-33 requires contributions by active members and participating employers. Contributions for local participating employers are legally required to be funded by the State. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

During the fiscal year ended 2020, the State of New Jersey contributed \$6,856,523 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$11,302,944. The employee contribution rate was 7.5% of base salary for the 2020 fiscal year.

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

Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the notes to the financial statements must disclose the State's proportionate share of the net pension liability that is associated with the District. In addition, the District must recognize pension revenue and expense in an amount equal to the District's proportionate share of the collective pension expense. At June 30, 2019 the State reported a net pension liability of \$61,519,112,443 and pension expense of \$3,628,561,693. The District's proportionate share of the net pension liability and pension expense was as follows:

|   |    |             |
|---|----|-------------|
| State's proportionate share of the net pension liability associated with the district | \$ | 191,631,597 |
| District's proportionate share of the collective pension expense                      | \$ | 11,302,944  |

The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the proportion of the TPAF net pension liability associated with the District was 0.3122513440%.

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

|  | Deferred<br>Outflows | Deferred<br>Inflows |
|--|----------------------|---------------------|
| Differences between expected and actual experience                                       | \$1,203,503,264      | \$213,344,311       |
| Changes of assumptions   | 8,729,264,342        | 17,163,131,436      |
| Differences between projected and actual investment earnings on pension plan investments |                      | 163,369,676         |
|  | \$9,932,767,606      | \$17,539,845,423    |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

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

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

| Fiscal Year<br>Ending June 30, | Pension<br>Expense |
|--------------------------------|--------------------|
| 2020                           | \$ (272,405,510)   |
| 2021                           | (704,260,700)      |
| 2022                           | (630,562,767)      |
| 2023                           | (1,216,378,743)    |
| 2024                           | (2,381,316,232)    |
| Thereafter                     | (2,402,153,865)    |
|                                | \$ (7,607,077,817) |

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of<br/>Return</u> |
|-----------------------------------|------------------------------|---|
| Risk Mitigation Strategies        | 3.00%                        | 4.67%   |
| Cash Equivalents                  | 5.00%                        | 2.00%   |
| U.S. Treasuries                   | 5.00%                        | 2.68%   |
| Investment Grade Credit           | 10.00%                       | 4.25%   |
| High Yield                        | 2.00%                        | 5.37%   |
| Private Credit                    | 6.00%                        | 7.92%   |
| Real Assets                       | 2.50%                        | 9.31%   |
| Real Estate                       | 7.50%                        | 8.33%   |
| U.S. Equity                       | 28.00%                       | 8.26%   |
| Non-U.S. Developed Markets Equity | 12.50%                       | 9.00%   |
| Emerging Markets Equity           | 6.50%                        | 11.37%  |
| Private Equity                    | 12.00%                       | 10.85%  |

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 12. PENSION PLANS (Cont'd)

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

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

The following presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                       | At 1%<br>Decrease<br>(4.60%) | At Current<br>Discount Rate<br>(5.60%) | At 1%<br>Increase<br>(6.60%) |
|-----------------------|------------------------------|--|------------------------------|
| Net pension liability | \$72,544,649,801             | \$61,519,112,443                       | \$52,371,397,951             |

Pension Plan Fiduciary Net Position

At June 30, 2019, the plan fiduciary net position as a percentage of the total pension liability was 26.95%. Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

For the fiscal year ended June 30, 2019, the District recognized DCRP pension expense of \$123,290.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

|   |                |
|---|----------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 148,051        |
| Active plan members   | <u>216,892</u> |
| Total   | <u>364,943</u> |

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (Cont’d)

Actuarial Assumptions and Other Inputs

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

|                               |   |   |
|-------------------------------|---|---|
| Inflation Rate                | 2.50%                                     |   |
|                               | <u>TPAF/APB</u>                           | <u>PERS</u>                               |
| Salary increases through 2026 | 1.55 – 3.05%<br>based on years of service | 2.00 – 6.00%<br>based on years of service |
| Salary increases thereafter   | 1.55 – 3.05%<br>based on years of service | 3.00 – 7.00%<br>based on years of service |

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

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

|  |    |                       |
|--|----|-----------------------|
| District's proportionate share of OPEB liability - beginning |    | \$ 158,119,320        |
| Changes for the year:  |    |                       |
| Service cost   | \$ | 5,438,156             |
| Interest cost  |    | 6,248,138             |
| Difference between expected and actual experience            |    | (24,862,642)          |
| Changes in assumptions                                       |    | 2,129,432             |
| Member contributions   |    | 129,957               |
| Gross benefit payments                                       |    | <u>(4,384,095)</u>    |
| Net changes  |    | <u>(15,301,054)</u>   |
| District's proportionate share of OPEB liability - ending    |    | <u>\$ 142,818,266</u> |

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | 1%<br>Decrease<br>(2.50%) | Current<br>Discount Rate<br>(3.50%) | 1%<br>Increase<br>(4.50%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Total OPEB Liability Attributable to the District | \$168,724,810             | \$142,818,266                       | \$122,239,528             |

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | 1% Decrease   | Current<br>Healthcare Cost<br>Trend Rate | 1% Increase   |
|---|---------------|--|---------------|
| Total OPEB Liability Attributable to the District | \$117,675,885 | \$142,818,266                            | \$176,101,615 |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 13. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (Cont'd)

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$3,204,261 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in proportion                              | \$ 2,299,868                         | \$ 600,546                          |
| Differences between expected and actual experience |                                      | 35,884,916                          |
| Changes of assumptions or other inputs             |                                      | 29,028,133                          |
| Total  | \$ 2,299,868                         | \$ 65,513,595                       |

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

NOTE 14. OTHER ON-BEHALF TPAF CONTRIBUTIONS

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

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

| Year Ending<br>June 30, | Non-contributory<br>Group Insurance | Long-term<br>Disability Insurance | Social Security<br>Contributions |
|-------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| 2020                    | \$ 122,895                          | \$ 5,935                          | \$ 2,544,821                     |
| 2019                    | \$ 128,552                          | \$ 6,805                          | \$ 2,494,801                     |
| 2018                    | \$ 113,492                          | \$ 8,418                          | \$ 2,390,917                     |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15. DEFERRED COMPENSATION

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

Deferred compensation plans are available from the following providers:

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

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

NOTE 16. RISK MANAGEMENT

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

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

Self-Insurance – In July 2017 the District entered into a self-funded insurance plan with Horizon Blue Cross/Blue Shield for medical and prescription coverage and an internal service fund was established to account for its self-insurance activities. To mitigate any potential losses, the District purchased stop loss insurance for claims in excess of \$100,000. An accrued liability in the amount of \$1,202,755 has been recorded in the internal service fund financial statements for incurred but not reported claims (IBNR). The IBNR liability for medical and prescription claims has been calculated by the District based on actual claims reported through October 4, 2020. At June 30, 2020, the District had an unrestricted net position of \$1,660,874 available for future medical and prescription claims.

NOTE 17. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

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

| <u>Year Ended<br/>June 30,</u> | <u>Plan Member<br/>Contributions</u> | <u>Interest<br/>Earnings</u> | <u>Quarterly<br/>Billings</u> | <u>Reimbursed<br/>to State</u> | <u>Ending<br/>Balance</u> |
|--------------------------------|--------------------------------------|------------------------------|-------------------------------|--------------------------------|---------------------------|
| 2020                           | \$177,982                            | \$6,569                      | \$91,831                      | \$74,205                       | \$367,259                 |
| 2019                           | \$144,405                            | \$8,646                      | \$60,806                      | \$81,228                       | \$348,744                 |
| 2018                           | \$145,011                            | \$4,781                      | \$62,671                      | \$13,692                       | \$337,727                 |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18. FUND BALANCE APPROPRIATED

General Fund - Of the \$10,388,861 General Fund balance at June 30, 2020, \$1,468,594 is committed or assigned for outstanding encumbrances, \$3,269,549 has been designated for subsequent year expenditures, \$1,219,850 has been restricted as excess surplus to be appropriated and included as anticipated revenue in the 2021-22 school district budget, \$2,475,745 has been restricted as capital reserve, \$500,000 has been restricted as maintenance reserve and \$1,455,123 is unassigned.

Debt Service Fund – The restricted Debt Service Fund balance of \$488 at June 30, 2020 will be appropriated and included as anticipated revenue in the 2021-22 school district budget.

NOTE 19. TAX ABATEMENTS

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

The Township of Mount Olive recognized revenue in the amount of \$442,310 from three payment in lieu of taxes ("PILOT") agreements. The taxes that would have been paid on these properties without the abatement would have been \$925,255.

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

NOTE 20. ECONOMIC DEPENDENCY

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

NOTE 21. CONTINGENT LIABILITIES

Grant Programs

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

Pending Litigation

The District is currently involved in one lawsuit requiring disclosure. The following is a summary of the lawsuit.



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 21. CONTINGENT LIABILITIES (Cont'd)

Pending Litigation (Cont'd)

Plaintiffs filed a three-count Complaint against the Mount Olive Board of Education, the District and several employees, alleging (1) the creation of a hostile educational environment due to their daughter's gender in violation of the New Jersey Law Against Discrimination, N.J.S.A. 10:5- 1 et seq. (LAD), (2) retaliation in violation of the LAD, and (3) violation of the New Jersey Civil Rights Act, N.J. S.A. 10:6-1 et seq. and the Anti-Bullying Bill of Rights, N.J.S.A. 18A:37-13 et seq.

The case is currently in the discovery phase. In the opinion of legal counsel, there is a "reasonable possibility" of an unfavorable outcome; however, the amount is "not quantifiable" and is "very likely" to be covered by the District's insurance carrier.

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 14, 2021 the date which the financial statements were available to be issued, and no other items were noted for disclosure.

**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, 2020  
UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual             | Variance<br>Final to Actual |
|--|--------------------|---------------------|-------------------|--------------------|-----------------------------|
| <b>REVENUES:</b>   |                    |                     |                   |                    |                             |
| Local sources:   |                    |                     |                   |                    |                             |
| Local tax levy   | \$ 67,912,108      | \$ -                | \$ 67,912,108     | \$ 67,912,108      | \$ -                        |
| Tuition charges  | 750,000            | -                   | 750,000           | 886,601            | 136,601                     |
| Transportation fees  | 21,000             | -                   | 21,000            | 7,966              | (13,034)                    |
| Interest on investments  | 275,000            | -                   | 275,000           | 244,673            | (30,327)                    |
| Interest earned on capital reserve funds                             | 1,000              | -                   | 1,000             | 18,776             | 17,776                      |
| Miscellaneous  | 469,000            | -                   | 469,000           | 489,107            | 20,107                      |
| <b>Total - Local Sources</b>   | <b>69,428,108</b>  | <b>-</b>            | <b>69,428,108</b> | <b>69,559,231</b>  | <b>131,123</b>              |
| State sources:   |                    |                     |                   |                    |                             |
| Categorical special education aid                                    | 2,959,145          | -                   | 2,959,145         | 2,959,145          | -                           |
| Equalization aid   | 12,858,723         | -                   | 12,858,723        | 12,858,723         | -                           |
| Categorical security aid   | 106,585            | -                   | 106,585           | 106,585            | -                           |
| Transportation aid   | 1,067,482          | -                   | 1,067,482         | 1,067,482          | -                           |
| Extraordinary aid  | 503,500            | -                   | 503,500           | 1,885,241          | 1,381,741                   |
| Nonpublic transportation aid   | -                  | -                   | -                 | 3,131              | 3,131                       |
| Homeless tuition aid   | -                  | -                   | -                 | 5,778              | 5,778                       |
| TPAF on-behalf pension contribution (Non-Budgeted)                   | -                  | -                   | -                 | 6,856,523          | 6,856,523                   |
| TPAF on-behalf non-contributory group insurance (Non-Budgeted)       | -                  | -                   | -                 | 122,895            | 122,895                     |
| TPAF on-behalf post-retirement medical contribution (Non-Budgeted)   | -                  | -                   | -                 | 2,589,236          | 2,589,236                   |
| TPAF on-behalf long term disability insurance premium (Non-Budgeted) | -                  | -                   | -                 | 5,935              | 5,935                       |
| TPAF social security contributions (Reimbursed - Non-Budgeted)       | -                  | -                   | -                 | 2,544,821          | 2,544,821                   |
| <b>Total - State Sources</b>   | <b>17,495,435</b>  | <b>-</b>            | <b>17,495,435</b> | <b>31,005,495</b>  | <b>13,510,060</b>           |
| Federal sources:   |                    |                     |                   |                    |                             |
| Medicaid Reimbursement   | 76,132             | -                   | 76,132            | 57,805             | (18,327)                    |
| <b>Total - Federal Sources</b>                                       | <b>76,132</b>      | <b>-</b>            | <b>76,132</b>     | <b>57,805</b>      | <b>(18,327)</b>             |
| <b>TOTAL REVENUES</b>  | <b>86,999,675</b>  | <b>-</b>            | <b>86,999,675</b> | <b>100,622,531</b> | <b>13,622,856</b>           |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

| EXPENDITURES:                                 | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| CURRENT:                                      |                    |                     |                   |                   |                             |
| Regular programs - distributed instruction:   |                    |                     |                   |                   |                             |
| Salaries of teachers:                         |                    |                     |                   |                   |                             |
| Preschool                                     | \$ 41,257          | \$ 53,618           | \$ 94,875         | \$ 94,875         | \$ -                        |
| Kindergarten                                  | 560,222            | (13,013)            | 547,209           | 547,179           | 30                          |
| Grades 1 - 5                                  | 8,107,462          | (245,590)           | 7,861,872         | 7,758,407         | 103,465                     |
| Grades 6 - 8                                  | 5,599,215          | (165,075)           | 5,434,140         | 5,224,148         | 209,992                     |
| Grades 9 - 12                                 | 8,289,698          | (38,500)            | 8,251,198         | 8,083,366         | 167,832                     |
| Regular programs - home instruction:          |                    |                     |                   |                   |                             |
| Salaries of teachers                          | 23,000             | -                   | 23,000            | 11,130            | 11,870                      |
| Purchased professional - educational services | 44,650             | 1,469               | 46,119            | 38,511            | 7,608                       |
| Regular programs - undistributed instruction: |                    |                     |                   |                   |                             |
| Other salaries for instruction                | 193,874            | (50,000)            | 143,874           | 99,005            | 44,869                      |
| Purchased professional - educational services | 38,000             | (17,625)            | 20,375            | 9,290             | 11,085                      |
| Other purchased services                      | 734,470            | (57,226)            | 677,244           | 612,885           | 64,359                      |
| General supplies                              | 1,500,052          | 127,142             | 1,627,194         | 1,074,972         | 552,222                     |
| Textbooks                                     | 496,255            | 2,008               | 498,263           | 373,328           | 124,935                     |
| Other objects                                 | 14,058             | -                   | 14,058            | 8,987             | 5,071                       |
| Total Regular Programs - Instruction          | <u>25,642,213</u>  | <u>(402,792)</u>    | <u>25,239,421</u> | <u>23,936,083</u> | <u>1,303,338</u>            |
| Special education - instruction:              |                    |                     |                   |                   |                             |
| Learning and/or language disabilities:        |                    |                     |                   |                   |                             |
| Salaries of teachers                          | 594,396            | (22,588)            | 571,808           | 493,244           | 78,564                      |
| Other salaries for instruction                | 102,097            | (19,775)            | 82,322            | 59,524            | 22,798                      |
| Total Learning and/or Language Disabilities   | <u>696,493</u>     | <u>(42,363)</u>     | <u>654,130</u>    | <u>552,768</u>    | <u>101,362</u>              |
| Behavioral disabilities:                      |                    |                     |                   |                   |                             |
| Salaries of teachers                          | 302,997            | (4,450)             | 298,547           | 298,199           | 348                         |
| Other salaries for instruction                | 197,814            | (26,495)            | 171,319           | 171,302           | 17                          |
| Total Behavioral Disabilities                 | <u>500,811</u>     | <u>(30,945)</u>     | <u>469,866</u>    | <u>469,501</u>    | <u>365</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, 2020  
 UNAUDITED

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Multiple disabilities:                          |                    |                     |                  |                  |                             |
| Salaries of teachers                            | \$ 443,808         | \$ 37,200           | \$ 481,008       | \$ 474,637       | \$ 6,371                    |
| Other salaries for instruction                  | 150,530            | (70,700)            | 79,830           | 39,706           | 40,124                      |
| Other objects                                   | 2,200              | -                   | 2,200            | 724              | 1,476                       |
| <b>Total Multiple Disabilities</b>              | <b>596,538</b>     | <b>(33,500)</b>     | <b>563,038</b>   | <b>515,067</b>   | <b>47,971</b>               |
| Resource room/resource center:                  |                    |                     |                  |                  |                             |
| Salaries of teachers                            | 3,992,829          | (13,775)            | 3,979,054        | 3,978,310        | 744                         |
| Other salaries for instruction                  | 639,728            | 110,375             | 750,103          | 748,788          | 1,315                       |
| <b>Total Resource Room/Resource Center</b>      | <b>4,632,557</b>   | <b>96,600</b>       | <b>4,729,157</b> | <b>4,727,098</b> | <b>2,059</b>                |
| Autism:   |                    |                     |                  |                  |                             |
| Salaries of teachers                            | 136,147            | 57,208              | 193,355          | 193,351          | 4                           |
| Other salaries for instruction                  | 142,190            | (14,000)            | 128,190          | 127,636          | 554                         |
| <b>Total Autism</b>                             | <b>278,337</b>     | <b>43,208</b>       | <b>321,545</b>   | <b>320,987</b>   | <b>558</b>                  |
| Preschool disabilities - Part-Time:             |                    |                     |                  |                  |                             |
| Salaries of teachers                            | 275,976            | (17,500)            | 258,476          | 207,870          | 50,606                      |
| Other salaries for instruction                  | 83,734             | 7,500               | 91,234           | 90,185           | 1,049                       |
| <b>Total Preschool Disabilities - Part-Time</b> | <b>359,710</b>     | <b>(10,000)</b>     | <b>349,710</b>   | <b>298,055</b>   | <b>51,655</b>               |
| Home instruction:                               |                    |                     |                  |                  |                             |
| Salaries of teachers                            | 20,000             | -                   | 20,000           | 11,821           | 8,179                       |
| Purchased professional - educational services   | 20,400             | 203                 | 20,603           | 13,027           | 7,576                       |
| Other purchased services                        | 1,600              | -                   | 1,600            | 1,368            | 232                         |
| <b>Total Home Instruction</b>                   | <b>42,000</b>      | <b>203</b>          | <b>42,203</b>    | <b>26,216</b>    | <b>15,987</b>               |
| <b>Total Special Education - Instruction</b>    | <b>7,106,446</b>   | <b>23,203</b>       | <b>7,129,649</b> | <b>6,909,692</b> | <b>219,957</b>              |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Other instructional programs:                                       |                    |                     |                  |                  |                             |
| Basic skills/remedial - instruction:                                |                    |                     |                  |                  |                             |
| Salaries of teachers  | \$ 696,950         | \$ (56,000)         | \$ 640,950       | \$ 587,058       | \$ 53,892                   |
| Purchased services  | 2,750              | -                   | 2,750            | -                | 2,750                       |
| General supplies  | 8,910              | -                   | 8,910            | -                | 8,910                       |
| Total Basic Skills/Remedial - Instruction                           | <u>708,610</u>     | <u>(56,000)</u>     | <u>652,610</u>   | <u>587,058</u>   | <u>65,552</u>               |
| Bilingual education - instruction:                                  |                    |                     |                  |                  |                             |
| Salaries of teachers  | 422,801            | -                   | 422,801          | 392,910          | 29,891                      |
| General supplies  | 3,000              | -                   | 3,000            | -                | 3,000                       |
| Total Bilingual Education - Instruction                             | <u>425,801</u>     | <u>-</u>            | <u>425,801</u>   | <u>392,910</u>   | <u>32,891</u>               |
| Total Other Instructional Programs                                  | <u>1,134,411</u>   | <u>(56,000)</u>     | <u>1,078,411</u> | <u>979,968</u>   | <u>98,443</u>               |
| School sponsored other instructional programs:                      |                    |                     |                  |                  |                             |
| School sponsored co/extra curricular activities - instruction:      |                    |                     |                  |                  |                             |
| Salaries  | 270,854            | 66,225              | 337,079          | 336,984          | 95                          |
| Purchased services  | 96,647             | 17,625              | 114,272          | 102,024          | 12,248                      |
| Supplies and materials  | 35,600             | (3,200)             | 32,400           | 17,965           | 14,435                      |
| Other objects   | 21,300             | -                   | 21,300           | 20,899           | 401                         |
| Total School Sponsored Co/Extra Curricular Activities - Instruction | <u>424,401</u>     | <u>80,650</u>       | <u>505,051</u>   | <u>477,872</u>   | <u>27,179</u>               |
| School sponsored athletics - instruction:                           |                    |                     |                  |                  |                             |
| Salaries  | 847,508            | (1,350)             | 846,158          | 809,580          | 36,578                      |
| Purchased services  | 252,694            | (3,600)             | 249,094          | 245,016          | 4,078                       |
| Supplies and materials  | 98,000             | 27,335              | 125,335          | 61,674           | 63,661                      |
| Other objects   | 33,500             | -                   | 33,500           | 32,330           | 1,170                       |
| Total School Sponsored Athletics - instruction                      | <u>1,231,702</u>   | <u>22,385</u>       | <u>1,254,087</u> | <u>1,148,600</u> | <u>105,487</u>              |
| School sponsored before/after school programs - instruction:        |                    |                     |                  |                  |                             |
| Salaries of teachers  | 20,000             | -                   | 20,000           | 12,500           | 7,500                       |
| Other salaries for instruction                                      | 20,000             | -                   | 20,000           | 11,333           | 8,667                       |
| Salaries of teacher tutors  | 74,000             | 49,375              | 123,375          | 112,442          | 10,933                      |
| Supplies and materials  | 12,500             | -                   | 12,500           | 96               | 12,404                      |
| Other objects   | 1,650              | -                   | 1,650            | -                | 1,650                       |
| Total School Sponsored Before/After School Programs - Instruction   | <u>128,150</u>     | <u>49,375</u>       | <u>177,525</u>   | <u>136,371</u>   | <u>41,154</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, 2020  
 UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| School sponsored before/after school programs - support services:      |                    |                     |                   |                   |                             |
| Salaries   | \$ 32,800          | \$ -                | \$ 32,800         | \$ 24,688         | \$ 8,112                    |
| Total School Sponsored Before/After School Programs - Support Services | 32,800             | -                   | 32,800            | 24,688            | 8,112                       |
| Summer School - Instruction:   |                    |                     |                   |                   |                             |
| Salaries of teachers   | -                  | 8,000               | 8,000             | 6,771             | 1,229                       |
| Purchased professional and technical services                          | -                  | 5,000               | 5,000             | 5,000             | -                           |
| Supplies and materials   | -                  | 1,000               | 1,000             | 928               | 72                          |
| Total Summer School - Instruction                                      | -                  | 14,000              | 14,000            | 12,699            | 1,301                       |
| Other instructional programs - instruction:                            |                    |                     |                   |                   |                             |
| Salaries   | 220,134            | 77,750              | 297,884           | 296,789           | 1,095                       |
| Purchased services   | 2,000              | (1,210)             | 790               | 660               | 130                         |
| Supplies and materials   | 10,000             | 1,210               | 11,210            | 10,780            | 430                         |
| Total Other Instructional Programs - Instruction                       | 232,134            | 77,750              | 309,884           | 308,229           | 1,655                       |
| Community services programs:   |                    |                     |                   |                   |                             |
| Purchased services   | 278,735            | -                   | 278,735           | 278,734           | 1                           |
| Total Community Services Programs                                      | 278,735            | -                   | 278,735           | 278,734           | 1                           |
| Total School Sponsored Other Instructional Programs                    | 2,327,922          | 244,160             | 2,572,082         | 2,387,193         | 184,889                     |
| <b>TOTAL DISTRIBUTED EXPENDITURES</b>                                  | <b>36,210,992</b>  | <b>(191,429)</b>    | <b>36,019,563</b> | <b>34,212,936</b> | <b>1,806,627</b>            |
| UNDISTRIBUTED EXPENDITURES:  |                    |                     |                   |                   |                             |
| Instruction:   |                    |                     |                   |                   |                             |
| Tuition to other LEAs within the state - regular                       | 10,275             | 28,953              | 39,228            | 27,998            | 11,230                      |
| Tuition to other LEAs within the state - special                       | 60,894             | (27,817)            | 33,077            | 33,076            | 1                           |
| Tuition to county vocational school districts - regular                | 690,000            | (54,623)            | 635,377           | 625,212           | 10,165                      |
| Tuition to county vocational school districts - special                | 50,000             | (34,270)            | 15,730            | 15,730            | -                           |
| Tuition to CSSSD and regional day schools                              | 400,007            | 244,995             | 645,002           | 630,187           | 14,815                      |
| Tuition to private schools for the disabled - within state             | 1,571,102          | (180,091)           | 1,391,011         | 1,354,698         | 36,313                      |
| Tuition - state facilities   | 57,943             | -                   | 57,943            | 57,943            | -                           |
| Tuition - other  | 12,000             | 115,270             | 127,270           | 119,270           | 8,000                       |
| Total Undistributed Expenditures - Instruction                         | 2,852,221          | 92,417              | 2,944,638         | 2,864,114         | 80,524                      |

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, 2020  
 UNAUDITED

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Attendance and social work services:                              |                    |                     |                  |                  |                             |
| Salaries  | \$ -               | \$ 44,700           | \$ 44,700        | \$ 44,661        | \$ 39                       |
| Supplies and materials  | -                  | 400                 | 400              | 347              | 53                          |
| <b>Total Attendance and Social Work Services</b>                  | <b>-</b>           | <b>45,100</b>       | <b>45,100</b>    | <b>45,008</b>    | <b>92</b>                   |
| Health services:  |                    |                     |                  |                  |                             |
| Salaries  | 740,650            | 33,775              | 774,425          | 774,263          | 162                         |
| Purchased professional and technical services                     | 50,650             | -                   | 50,650           | 41,375           | 9,275                       |
| Other purchased services  | 3,235              | 5,200               | 8,435            | 7,394            | 1,041                       |
| Supplies and materials  | 41,860             | 2,500               | 44,360           | 39,059           | 5,301                       |
| <b>Total Health Services</b>                                      | <b>836,395</b>     | <b>41,475</b>       | <b>877,870</b>   | <b>862,091</b>   | <b>15,779</b>               |
| Other support services - students - related services:             |                    |                     |                  |                  |                             |
| Salaries  | 1,068,075          | (76,452)            | 991,623          | 987,458          | 4,165                       |
| Purchased professional - educational services                     | 494,500            | 56,536              | 551,036          | 447,474          | 103,562                     |
| Supplies and materials  | 18,000             | -                   | 18,000           | 5,102            | 12,898                      |
| Other objects   | 460                | -                   | 460              | -                | 460                         |
| <b>Total Other Support Services - Students - Related Services</b> | <b>1,581,035</b>   | <b>(19,916)</b>     | <b>1,561,119</b> | <b>1,440,034</b> | <b>121,085</b>              |
| Other support services - students - extraordinary services:       |                    |                     |                  |                  |                             |
| Salaries  | 1,368,682          | 60,775              | 1,429,457        | 1,412,181        | 17,276                      |
| Purchased professional - educational services                     | 263,670            | (148,953)           | 114,717          | 113,517          | 1,200                       |
| <b>Total Other Support Services - Students - Extra. Serv.</b>     | <b>1,632,352</b>   | <b>(88,178)</b>     | <b>1,544,174</b> | <b>1,525,698</b> | <b>18,476</b>               |
| Other support services - students - regular:                      |                    |                     |                  |                  |                             |
| Salaries of other professional staff                              | 1,446,425          | 210,345             | 1,656,770        | 1,655,771        | 999                         |
| Salaries of secretarial and clerical assistants                   | 92,240             | 13,000              | 105,240          | 105,113          | 127                         |
| Other purchased professional and technical services               | 12,500             | -                   | 12,500           | 10,000           | 2,500                       |
| Other purchased services  | 87,249             | 33,100              | 120,349          | 109,887          | 10,462                      |
| Supplies and materials  | 15,350             | (3,175)             | 12,175           | 7,777            | 4,398                       |
| Other objects   | 3,000              | -                   | 3,000            | 592              | 2,408                       |
| <b>Total Other Support Services - Students - Regular</b>          | <b>1,656,764</b>   | <b>253,270</b>      | <b>1,910,034</b> | <b>1,889,140</b> | <b>20,894</b>               |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| Other support services - students - special:             |                    |                     |                  |                  |                             |
| Salaries of other professional staff                     | \$ 1,562,977       | \$ (40,100)         | \$ 1,522,877     | \$ 1,521,589     | \$ 1,288                    |
| Salaries of secretarial and clerical assistants          | 261,780            | (44,700)            | 217,080          | 214,372          | 2,708                       |
| Purchased professional - educational services            | 50,900             | 2,300               | 53,200           | 52,133           | 1,067                       |
| Other purchased professional and technical services      | 22,926             | -                   | 22,926           | 21,305           | 1,621                       |
| Miscellaneous purchased services                         | 5,500              | (2,300)             | 3,200            | 3,126            | 74                          |
| Supplies and materials                                   | 9,000              | -                   | 9,000            | 5,876            | 3,124                       |
| <b>Total Other Support Services - Students - Special</b> | <b>1,913,083</b>   | <b>(84,800)</b>     | <b>1,828,283</b> | <b>1,818,401</b> | <b>9,882</b>                |
| Improvement of instructional services:                   |                    |                     |                  |                  |                             |
| Salaries of supervisors of instruction                   | 740,433            | (86,941)            | 653,492          | 651,814          | 1,678                       |
| Salaries of other professional staff                     | 158,002            | (50,142)            | 107,860          | 106,673          | 1,187                       |
| Salaries of secretarial and clerical assistants          | 250,114            | (55,042)            | 195,072          | 193,396          | 1,676                       |
| Unused vacation payments to terminated/retired staff     | 10,000             | 25,109              | 35,109           | 35,106           | 3                           |
| Other purchased services                                 | 35,256             | (1,550)             | 33,706           | 30,751           | 2,955                       |
| Supplies and materials                                   | 10,500             | 8,000               | 18,500           | 16,181           | 2,319                       |
| Other objects  | 5,000              | 1,550               | 6,550            | 6,431            | 119                         |
| <b>Total Improvement of Instruction Services</b>         | <b>1,209,305</b>   | <b>(159,016)</b>    | <b>1,050,289</b> | <b>1,040,352</b> | <b>9,937</b>                |
| Educational media services/school library:               |                    |                     |                  |                  |                             |
| Salaries   | 385,278            | 73,089              | 458,367          | 448,043          | 10,324                      |
| Other purchased services                                 | 61,895             | -                   | 61,895           | 47,872           | 14,023                      |
| Supplies and materials                                   | 100,415            | 9,414               | 109,829          | 87,553           | 22,276                      |
| <b>Total Educational Media Services/School Library</b>   | <b>547,588</b>     | <b>82,503</b>       | <b>630,091</b>   | <b>583,468</b>   | <b>46,623</b>               |
| Instructional staff training services:                   |                    |                     |                  |                  |                             |
| Salaries of other professional staff                     | 90,000             | 82,550              | 172,550          | 171,988          | 562                         |
| Purchased professional - educational services            | 65,675             | 12,850              | 78,525           | 25,780           | 52,745                      |
| Other purchased services                                 | 27,626             | (2,000)             | 25,626           | 17,020           | 8,606                       |
| Supplies and materials                                   | 10,200             | -                   | 10,200           | 2,013            | 8,187                       |
| Other objects  | 1,000              | 2,000               | 3,000            | 1,230            | 1,770                       |
| <b>Total Instructional Staff Training Services</b>       | <b>194,501</b>     | <b>95,400</b>       | <b>289,901</b>   | <b>218,031</b>   | <b>71,870</b>               |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| Support services - general administration:             |                    |                     |                  |                  |                             |
| Salaries   | \$ 506,425         | \$ (42,095)         | \$ 464,330       | \$ 461,048       | \$ 3,282                    |
| Legal services   | 150,000            | 74,300              | 224,300          | 212,251          | 12,049                      |
| Audit fees   | 33,825             | 175                 | 34,000           | 34,000           | -                           |
| Other purchased professional services                  | 26,600             | 525                 | 27,125           | 23,917           | 3,208                       |
| Communications/telephone                               | 298,817            | -                   | 298,817          | 255,135          | 43,682                      |
| BOE other purchased services                           | 10,700             | (2,950)             | 7,750            | 6,547            | 1,203                       |
| Other purchased services                               | 378,250            | 63,584              | 441,834          | 441,029          | 805                         |
| General supplies                                       | 9,314              | 3,650               | 12,964           | 12,832           | 132                         |
| Miscellaneous expenditures                             | 15,500             | (900)               | 14,600           | 13,462           | 1,138                       |
| BOE membership dues and fees                           | 27,500             | -                   | 27,500           | 26,663           | 837                         |
| <b>Total Support Services - General Administration</b> | <b>1,456,931</b>   | <b>96,289</b>       | <b>1,553,220</b> | <b>1,486,884</b> | <b>66,336</b>               |
| Support services - school administration:              |                    |                     |                  |                  |                             |
| Salaries of principals/assistant principals            | 1,597,861          | 43,540              | 1,641,401        | 1,637,896        | 3,505                       |
| Salaries of other professional staff                   | 1,109,143          | (213,456)           | 895,687          | 895,677          | 10                          |
| Salaries of secretarial and clerical assistants        | 754,094            | 87,700              | 841,794          | 840,780          | 1,014                       |
| Other purchased services                               | 23,050             | -                   | 23,050           | 1,588            | 21,462                      |
| Supplies and materials                                 | 100,469            | 145                 | 100,614          | 76,934           | 23,680                      |
| Other objects  | 35,499             | (2,000)             | 33,499           | 26,605           | 6,894                       |
| <b>Total Support Services - School Administration</b>  | <b>3,620,116</b>   | <b>(84,071)</b>     | <b>3,536,045</b> | <b>3,479,480</b> | <b>56,565</b>               |
| Central services:                                      |                    |                     |                  |                  |                             |
| Salaries   | 598,067            | 92,352              | 690,419          | 690,357          | 62                          |
| Unused vacation payments to terminated/retired staff   | -                  | 21,084              | 21,084           | 21,084           | -                           |
| Miscellaneous purchased services                       | 114,871            | 28,725              | 143,596          | 142,995          | 601                         |
| Supplies and materials                                 | 13,515             | (709)               | 12,806           | 8,756            | 4,050                       |
| Miscellaneous expenditures                             | 1,600              | 1,200               | 2,800            | 2,634            | 166                         |
| <b>Total Central Services</b>                          | <b>728,053</b>     | <b>142,652</b>      | <b>870,705</b>   | <b>865,826</b>   | <b>4,879</b>                |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Administrative information technology:                        |                    |                     |                  |                  |                             |
| Salaries  | \$ 544,271         | \$ 134,505          | \$ 678,776       | \$ 672,538       | \$ 6,238                    |
| Purchased professional and technical services                 | 9,240              | -                   | 9,240            | -                | 9,240                       |
| Other purchased services                                      | 362,326            | (7,100)             | 355,226          | 323,929          | 31,297                      |
| Supplies and materials  | 39,570             | -                   | 39,570           | 23,843           | 15,727                      |
| Other objects   | 2,100              | 600                 | 2,700            | 2,665            | 35                          |
| <b>Total Administrative Information Technology</b>            | <b>957,507</b>     | <b>128,005</b>      | <b>1,085,512</b> | <b>1,022,975</b> | <b>62,537</b>               |
| Required maintenance for school facilities:                   |                    |                     |                  |                  |                             |
| Salaries  | 891,400            | (94,033)            | 797,367          | 789,415          | 7,952                       |
| Unused vacation payments to terminated/retired staff          | -                  | 5,258               | 5,258            | 5,257            | 1                           |
| Cleaning, repair and maintenance services                     | 610,955            | (126,062)           | 484,893          | 445,895          | 38,998                      |
| General supplies  | 341,640            | (215,800)           | 125,840          | 123,193          | 2,647                       |
| Other objects   | 10,000             | -                   | 10,000           | 8,545            | 1,455                       |
| <b>Total Required Maintenance for School Facilities</b>       | <b>1,853,995</b>   | <b>(430,637)</b>    | <b>1,423,358</b> | <b>1,372,305</b> | <b>51,053</b>               |
| Custodial services:   |                    |                     |                  |                  |                             |
| Salaries  | 2,815,232          | 91,300              | 2,906,532        | 2,869,599        | 36,933                      |
| Salaries of non-instructional aides                           | 392,062            | 21,700              | 413,762          | 413,685          | 77                          |
| Unused vacation payments to terminated/retired staff          | -                  | 3,856               | 3,856            | 3,856            | -                           |
| Purchased professional and technical services                 | 182,000            | 4,200               | 186,200          | 183,385          | 2,815                       |
| Cleaning, repair and maintenance services                     | 184,382            | 16,158              | 200,540          | 186,122          | 14,418                      |
| Lease purchase payments - energy savings improvement programs | 77,874             | -                   | 77,874           | 77,873           | 1                           |
| Other purchased property services                             | 415,850            | 67,850              | 483,700          | 483,631          | 69                          |
| Insurance   | 267,290            | -                   | 267,290          | 252,162          | 15,128                      |
| Miscellaneous purchased services                              | 97,600             | 15,600              | 113,200          | 110,790          | 2,410                       |
| General supplies  | 570,332            | 256,903             | 827,235          | 763,270          | 63,965                      |
| Energy (natural gas)  | 495,000            | -                   | 495,000          | 390,931          | 104,069                     |
| Energy (electricity)  | 987,000            | (130,375)           | 856,625          | 766,484          | 90,141                      |
| Energy (oil)  | 6,000              | -                   | 6,000            | 3,302            | 2,698                       |
| Energy (gasoline)   | 40,000             | -                   | 40,000           | 23,537           | 16,463                      |
| Other objects   | 3,775              | -                   | 3,775            | 2,252            | 1,523                       |
| <b>Total Custodial Services</b>                               | <b>6,534,397</b>   | <b>347,192</b>      | <b>6,881,589</b> | <b>6,530,879</b> | <b>350,710</b>              |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Care and upkeep of grounds:                                     |                    |                     |                  |                  |                             |
| Salaries  | \$ 297,466         | \$ (36,750)         | \$ 260,716       | \$ 258,025       | \$ 2,691                    |
| Cleaning, repair and maintenance services                       | 476,000            | (111,179)           | 364,821          | 242,831          | 121,990                     |
| General supplies  | 167,260            | (62,500)            | 104,760          | 104,169          | 591                         |
| <b>Total Care and Upkeep of Grounds</b>                         | <b>940,726</b>     | <b>(210,429)</b>    | <b>730,297</b>   | <b>605,025</b>   | <b>125,272</b>              |
| Security:   |                    |                     |                  |                  |                             |
| Salaries  | 307,556            | 100,825             | 408,381          | 405,657          | 2,724                       |
| Purchased professional and technical services                   | 35,000             | -                   | 35,000           | 21,199           | 13,801                      |
| Cleaning, repair and maintenance services                       | 15,000             | -                   | 15,000           | 3,990            | 11,010                      |
| General supplies  | 20,000             | 31,425              | 51,425           | 42,841           | 8,584                       |
| Other objects   | 200                | -                   | 200              | 189              | 11                          |
| <b>Total Security</b>   | <b>377,756</b>     | <b>132,250</b>      | <b>510,006</b>   | <b>473,876</b>   | <b>36,130</b>               |
| <b>Total Operation and Maintenance of Plant Services</b>        | <b>9,706,874</b>   | <b>(161,624)</b>    | <b>9,545,250</b> | <b>8,982,085</b> | <b>563,165</b>              |
| Student transportation services:                                |                    |                     |                  |                  |                             |
| Salaries of non-instructional aides                             | 189,280            | 19,000              | 208,280          | 208,031          | 249                         |
| Salaries for pupil trans. (between home & school) - regular     | 2,108,471          | (67,500)            | 2,040,971        | 2,040,676        | 295                         |
| Salaries for pupil trans. (between home & school) - special ed. | 370,022            | 119,500             | 489,522          | 485,600          | 3,922                       |
| Salaries for pupil trans. (other than between home & school)    | 154,350            | -                   | 154,350          | 45,298           | 109,052                     |
| Salaries for pupil trans. (between home & school) - nonpublic   | 71,573             | -                   | 71,573           | 66,286           | 5,287                       |
| Management fees - ESC & CTSA transportation programs            | 30,000             | 1,250               | 31,250           | 31,212           | 38                          |
| Purchased professional and technical services                   | -                  | 1,850               | 1,850            | 1,838            | 12                          |
| Cleaning, repair and maintenance services                       | 70,000             | -                   | 70,000           | 57,476           | 12,524                      |
| Lease purchase payments - school buses                          | 360,844            | -                   | 360,844          | 358,005          | 2,839                       |
| Contracted services - aid in lieu payments - nonpublic schools  | 80,000             | -                   | 80,000           | 47,540           | 32,460                      |
| Contracted services - aid in lieu payments - charter schools    | 9,000              | -                   | 9,000            | 4,669            | 4,331                       |
| Contracted services - aid in lieu payments - choice schools     | 15,000             | -                   | 15,000           | 8,004            | 6,996                       |
| Contracted services (other than bet. home & school) - vendors   | 35,000             | -                   | 35,000           | 26,217           | 8,783                       |
| Contracted services (between home & school) - joint agreements  | 9,000              | (6,400)             | 2,600            | -                | 2,600                       |
| Contracted services (special ed. students) - vendors            | 80,000             | -                   | 80,000           | 45,825           | 34,175                      |
| Contracted services (special ed. students) - joint agreements   | -                  | 6,400               | 6,400            | 6,390            | 10                          |
| Contracted services (regular students) - ESCs & CTSA            | 340,000            | 106,825             | 446,825          | 446,815          | 10                          |
| Contracted services (special ed. students) - ESCs & CTSA        | 560,000            | (108,075)           | 451,925          | 444,874          | 7,051                       |
| Miscellaneous purchased services                                | 138,575            | (9,650)             | 128,925          | 103,834          | 25,091                      |
| Fuel and general supplies                                       | 230,000            | -                   | 230,000          | 108,065          | 121,935                     |
| Transportation supplies   | 335,000            | (52,000)            | 283,000          | 184,613          | 98,387                      |
| Miscellaneous expenditures                                      | 2,000              | -                   | 2,000            | 1,535            | 465                         |
| <b>Total Student Transportation Services</b>                    | <b>5,188,115</b>   | <b>11,200</b>       | <b>5,199,315</b> | <b>4,722,803</b> | <b>476,512</b>              |

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Unallocated employee benefits:                                       |                    |                     |                   |                   |                             |
| Social security contributions  | \$ 1,418,872       | \$ -                | \$ 1,418,872      | \$ 1,315,650      | \$ 103,222                  |
| Other retirement contributions - PERS                                | 1,469,847          | (75,000)            | 1,394,847         | 1,265,576         | 129,271                     |
| Other retirement contributions - regular                             | 125,000            | -                   | 125,000           | 123,290           | 1,710                       |
| Workers compensation   | 890,000            | (71,284)            | 818,716           | 789,910           | 28,806                      |
| Health benefits  | 13,983,504         | (635,222)           | 13,348,282        | 11,540,292        | 1,807,990                   |
| Tuition reimbursement  | 300,000            | -                   | 300,000           | 247,959           | 52,041                      |
| Other employee benefits  | 526,500            | -                   | 526,500           | 510,078           | 16,422                      |
| Unused sick payments to terminated/retired staff                     | 220,000            | (50,049)            | 169,951           | 75,659            | 94,292                      |
| <b>Total Unallocated Benefits - Employee Benefits</b>                | <b>18,933,723</b>  | <b>(831,555)</b>    | <b>18,102,168</b> | <b>15,868,414</b> | <b>2,233,754</b>            |
| On-behalf payments:  |                    |                     |                   |                   |                             |
| TPAF on-behalf pension contribution (Non-Budgeted)                   | -                  | -                   | -                 | 6,856,523         | (6,856,523)                 |
| TPAF on-behalf pension contribution (Non-Budgeted)                   | -                  | -                   | -                 | 122,895           | (122,895)                   |
| TPAF on-behalf post-retirement medical contribution (Non-Budgeted)   | -                  | -                   | -                 | 2,589,236         | (2,589,236)                 |
| TPAF on-behalf long term disability insurance premium (Non-Budgeted) | -                  | -                   | -                 | 5,935             | (5,935)                     |
| TPAF social security contributions (Reimbursed - Non-Budgeted)       | -                  | -                   | -                 | 2,544,821         | (2,544,821)                 |
| <b>Total On-behalf Payments</b>                                      | <b>-</b>           | <b>-</b>            | <b>-</b>          | <b>12,119,410</b> | <b>(12,119,410)</b>         |
| <b>TOTAL UNDISTRIBUTED EXPENDITURES</b>                              | <b>53,014,563</b>  | <b>(440,849)</b>    | <b>52,573,714</b> | <b>60,834,214</b> | <b>(8,260,500)</b>          |
| <b>TOTAL EXPENDITURES - CURRENT</b>                                  | <b>89,225,555</b>  | <b>(632,278)</b>    | <b>88,593,277</b> | <b>95,047,150</b> | <b>(6,453,873)</b>          |
| <b>CAPITAL OUTLAY:</b>   |                    |                     |                   |                   |                             |
| Equipment:   |                    |                     |                   |                   |                             |
| Regular programs - instruction:                                      |                    |                     |                   |                   |                             |
| Grades 1 - 5   | 49,400             | (29,090)            | 20,310            | 19,983            | 327                         |
| Grades 6 - 8   | 32,175             | (20,851)            | 11,324            | 7,192             | 4,132                       |
| Grades 9 - 12  | 96,561             | 197,850             | 294,411           | 68,145            | 226,266                     |
| Special education - instruction:                                     |                    |                     |                   |                   |                             |
| Autism   | 2,000              | -                   | 2,000             | -                 | 2,000                       |
| School sponsored co/extra curricular activities                      | -                  | 9,000               | 9,000             | 8,966             | 34                          |
| School sponsored athletics   | -                  | 6,150               | 6,150             | -                 | 6,150                       |

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, 2020  
 UNAUDITED

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget    | Actual            | Variance<br>Final to Actual |
|--|--------------------|---------------------|--------------------|-------------------|-----------------------------|
| Undistributed expenditures:                                      |                    |                     |                    |                   |                             |
| Speech, OT, PT and related services                              | \$ 2,000           | \$ -                | \$ 2,000           | \$ -              | \$ 2,000                    |
| Guidance services  | -                  | 3,175               | 3,175              | 2,821             | 354                         |
| Information technology services                                  | 96,760             | (92,300)            | 4,460              | -                 | 4,460                       |
| Required maintenance for school facilities                       | 42,750             | 150,625             | 193,375            | 62,334            | 131,041                     |
| Custodial services   | 137,700            | 67,637              | 205,337            | 205,320           | 17                          |
| Care and upkeep of grounds                                       | 73,600             | 67,000              | 140,600            | 140,489           | 111                         |
| Security services  | -                  | 593,425             | 593,425            | 544,624           | 48,801                      |
| Student transportation services - non-instructional equipment    | 40,000             | (6,750)             | 33,250             | 26,768            | 6,482                       |
| Non-instructional services                                       | 19,025             | (14,425)            | 4,600              | 4,600             | -                           |
| <b>Total Equipment</b>   | <b>591,971</b>     | <b>931,446</b>      | <b>1,523,417</b>   | <b>1,091,242</b>  | <b>432,175</b>              |
| Facilities acquisition and construction services:                |                    |                     |                    |                   |                             |
| Architectural and engineering services                           | 14,500             | 155,551             | 170,051            | 130,875           | 39,176                      |
| Construction services  | 181,750            | 1,932,650           | 2,114,400          | 1,699,428         | 414,972                     |
| Assessment for debt service on SDA funding                       | 128,241            | -                   | 128,241            | 128,241           | -                           |
| <b>Total Facilities Acquisition and Construction Services:</b>   | <b>324,491</b>     | <b>2,088,201</b>    | <b>2,412,692</b>   | <b>1,958,544</b>  | <b>454,148</b>              |
| <b>TOTAL CAPITAL OUTLAY</b>                                      | <b>916,462</b>     | <b>3,019,647</b>    | <b>3,936,109</b>   | <b>3,049,786</b>  | <b>886,323</b>              |
| CHARTER SCHOOL:  |                    |                     |                    |                   |                             |
| Allocation of funds to charter school                            | 126,207            | -                   | 126,207            | 100,788           | 25,419                      |
| <b>Total Charter School</b>                                      | <b>126,207</b>     | <b>-</b>            | <b>126,207</b>     | <b>100,788</b>    | <b>25,419</b>               |
| <b>TOTAL EXPENDITURES</b>  | <b>90,268,224</b>  | <b>2,387,369</b>    | <b>92,655,593</b>  | <b>98,197,724</b> | <b>(5,542,131)</b>          |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | <b>(3,268,549)</b> | <b>(2,387,369)</b>  | <b>(5,655,918)</b> | <b>2,424,807</b>  | <b>(8,080,725)</b>          |
| OTHER FINANCING SOURCES:   |                    |                     |                    |                   |                             |
| Transfers In:  |                    |                     |                    |                   |                             |
| Capital Reserve - Transfer from Capital Projects                 | -                  | -                   | -                  | 55,984            | (55,984)                    |

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, 2020  
 UNAUDITED

|  | Original<br>Budget    | Budget<br>Transfers   | Final<br>Budget       | Actual               | Variance<br>Final to Actual |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------------|
| OTHER FINANCING USES:  |                       |                       |                       |                      |                             |
| Transfers Out:   |                       |                       |                       |                      |                             |
| Capital Reserve - Transfer to Capital Projects   | \$ (1,017,000)        | \$ -                  | \$ (1,017,000)        | \$ (1,017,000)       | \$ -                        |
| Transfer to Enterprise Fund  | -                     | (9,000)               | (9,000)               | (9,000)              | -                           |
| TOTAL OTHER FINANCING SOURCES (USES)   | <u>(1,017,000)</u>    | <u>(9,000)</u>        | <u>(1,026,000)</u>    | <u>(970,016)</u>     | <u>(55,984)</u>             |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES                           | (4,285,549)           | (2,396,369)           | (6,681,918)           | 1,454,791            | (8,136,709)                 |
| FUND BALANCE, July 1   | <u>10,605,725</u>     | -                     | <u>10,605,725</u>     | <u>10,605,725</u>    | -                           |
| FUND BALANCE, June 30  | <u>\$ 6,320,176</u>   | <u>\$ (2,396,369)</u> | <u>\$ 3,923,807</u>   | <u>\$ 12,060,516</u> | <u>\$ (8,136,709)</u>       |
| <b>Recapitulation of excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:</b> |                       |                       |                       |                      |                             |
| Adjustment for prior year encumbrances   | \$ -                  | \$ (2,396,369)        | \$ (2,396,369)        | \$ (2,396,369)       | \$ -                        |
| Budgeted fund balance  | (3,269,549)           | -                     | (3,269,549)           | 2,849,384            | (6,118,933)                 |
| Budgeted withdrawal from capital reserve   | (1,017,000)           | -                     | (1,017,000)           | (1,017,000)          | -                           |
| Increase in maintenance reserve  | -                     | -                     | -                     | 500,000              | (500,000)                   |
| Increase in capital reserve:   |                       |                       |                       |                      |                             |
| Principal  | -                     | -                     | -                     | 1,500,000            | (1,500,000)                 |
| Interest   | 1,000                 | -                     | 1,000                 | 18,776               | (17,776)                    |
|  | <u>\$ (4,285,549)</u> | <u>\$ (2,396,369)</u> | <u>\$ (6,681,918)</u> | <u>\$ 1,454,791</u>  | <u>\$ (8,136,709)</u>       |
| <b>Recapitulation of Balances:</b>   |                       |                       |                       |                      |                             |
| Restricted Fund Balance:   |                       |                       |                       |                      |                             |
| Capital reserve  |                       |                       |                       | \$ 2,475,745         |                             |
| Maintenance reserve  |                       |                       |                       | 500,000              |                             |
| Excess surplus - current year  |                       |                       |                       | 1,219,850            |                             |
| Committed Fund Balance:  |                       |                       |                       |                      |                             |
| Year-end encumbrances  |                       |                       |                       | 1,045,354            |                             |
| Assigned Fund Balance:   |                       |                       |                       |                      |                             |
| Year-end encumbrances  |                       |                       |                       | 423,240              |                             |
| Unreserved - designated for subsequent year's expenditures - fund balance appropriated                                 |                       |                       |                       | 3,269,549            |                             |
| Unassigned Fund Balance  |                       |                       |                       | <u>3,126,778</u>     |                             |
|  |                       |                       |                       | 12,060,516           |                             |
| Reconciliation to Governmental Funds Statements (GAAP):  |                       |                       |                       |                      |                             |
| Last state aid payment not recognized on GAAP basis  |                       |                       |                       | <u>(1,671,655)</u>   |                             |
| Fund Balance per Governmental Funds (GAAP)   |                       |                       |                       | <u>\$ 10,388,861</u> |                             |

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



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

|   | Original<br>Budget  | Budget<br>Transfers | Final<br>Budget     | Actual              | Variance<br>Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES:                                     |                     |                     |                     |                     |                             |
| Federal sources                               | \$ 1,081,023        | \$ 404,479          | \$ 1,485,502        | \$ 1,233,090        | \$ 252,412                  |
| TOTAL REVENUES                                | <u>\$ 1,081,023</u> | <u>\$ 404,479</u>   | <u>\$ 1,485,502</u> | <u>\$ 1,233,090</u> | <u>\$ 252,412</u>           |
| EXPENDITURES:                                 |                     |                     |                     |                     |                             |
| Instruction:                                  |                     |                     |                     |                     |                             |
| Personal services - salaries                  | \$ 669,092          | \$ 78,829           | \$ 747,921          | \$ 630,810          | \$ 117,111                  |
| Other purchased services                      | 7,000               | 32,612              | 39,612              | 36,912              | 2,700                       |
| General supplies                              | 58,385              | 56,149              | 114,534             | 54,501              | 60,033                      |
| Other objects                                 | 792                 | 1,208               | 2,000               | 237                 | 1,763                       |
| Total Instruction                             | <u>735,269</u>      | <u>168,798</u>      | <u>904,067</u>      | <u>722,460</u>      | <u>181,607</u>              |
| Support Services:                             |                     |                     |                     |                     |                             |
| Personal services - salaries                  | 44,866              | 36,994              | 81,860              | 70,836              | 11,024                      |
| Personal services - employee benefits         | 65,832              | 96,920              | 162,752             | 131,515             | 31,237                      |
| Purchased professional - educational services | 202,827             | 95,248              | 298,075             | 258,363             | 39,712                      |
| Other purchased services                      | 15,000              | 80,315              | 95,315              | 42,866              | 52,449                      |
| Supplies and materials                        | 15,229              | (9,229)             | 6,000               | 1,250               | 4,750                       |
| Total Support Services                        | <u>343,754</u>      | <u>300,248</u>      | <u>644,002</u>      | <u>504,830</u>      | <u>139,172</u>              |
| Equipment:                                    |                     |                     |                     |                     |                             |
| Instructional equipment                       | 2,000               | 3,994               | 5,994               | 5,800               | 194                         |
| Total Equipment                               | <u>2,000</u>        | <u>3,994</u>        | <u>5,994</u>        | <u>5,800</u>        | <u>194</u>                  |
| TOTAL EXPENDITURES                            | <u>\$ 1,081,023</u> | <u>\$ 473,040</u>   | <u>\$ 1,554,063</u> | <u>\$ 1,233,090</u> | <u>\$ 320,973</u>           |

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTE TO RSI  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 UNAUDITED

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

|   | General<br>Fund             | Special<br>Revenue<br>Fund  |
|---|-----------------------------|-----------------------------|
|   | <u>                    </u> | <u>                    </u> |
| Sources/inflows of resources:   |                             |                             |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule   | \$ 100,622,531              | \$ 1,233,090                |
| 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, 2019   | -                           | 2,279                       |
| Outstanding encumbrances at June 30, 2020   | -                           | (3,300)                     |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements   |                             |                             |
| State aid receivable at June 30, 2019   | 1,572,103                   | -                           |
| State aid receivable at June 30, 2020   | <u>(1,671,655)</u>          | <u>-</u>                    |
| <br>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.  | <br><u>\$ 100,522,979</u>   | <br><u>\$ 1,232,069</u>     |
| <br>Uses/outflows of resources:   |                             |                             |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule  | \$ 98,197,724               | \$ 1,233,090                |
| 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, 2019   | -                           | 2,279                       |
| Outstanding encumbrances at June 30, 2020   | <u>-</u>                    | <u>(3,300)</u>              |
| <br>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds  | <br><u>\$ 98,197,724</u>    | <br><u>\$ 1,232,069</u>     |

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return on pension plan investments and the municipal bond index rate. The discount rate changed from 5.66% as of the prior measurement date (June 30, 2018) to 6.28% as of the current measurement date (June 30, 2019). The municipal bond rate changed from 3.87% to 3.50% and the long-term expected rate of return on pension plan investments remained the same at 7.00%.

The inflation rate changed from 2.25% as of June 30, 2018 to 2.75% as of June 30, 2019.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return on pension plan investments and the municipal bond index rate. The discount rate changed from 4.86% as of the prior measurement date (June 30, 2018) to 5.60% as of the current measurement date (June 30, 2019). The municipal bond rate changed from 3.87% to 3.50% and the long-term expected rate of return on pension plan investments remained the same at 7.00%.

The inflation rate changed from 2.25% as of June 30, 2018 to 2.75% as of June 30, 2019.

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

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

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

|   | 2018                  | 2019                 | 2020                  |
|---|-----------------------|----------------------|-----------------------|
| Service cost  | \$ 7,347,823          | \$ 6,106,145         | \$ 5,438,156          |
| Interest cost   | 5,735,411             | 6,637,891            | 6,248,138             |
| Difference between expected and actual experience   | -                     | (13,730,615)         | (24,862,642)          |
| Changes in assumptions  | (23,608,197)          | (18,144,983)         | 2,129,432             |
| Member contributions  | 154,656               | 146,128              | 129,957               |
| Gross benefit payments  | (4,200,053)           | (4,228,054)          | (4,384,095)           |
| Net Change in Total Share of OPEB Liability   | (14,570,360)          | (23,213,488)         | (15,301,054)          |
| Total OPEB Liability - Beginning  | 195,903,168           | 181,332,808          | 158,119,320           |
| Total OPEB Liability - Ending   | <u>\$ 181,332,808</u> | <u>\$158,119,320</u> | <u>\$ 142,818,266</u> |
| District's Proportionate Share of OPEB Liability **   | \$ -                  | \$ -                 | \$ -                  |
| State's Proportionate Share of OPEB Liability **  | 181,332,808           | 158,119,320          | 142,818,266           |
| Total OPEB Liability - Ending   | <u>\$ 181,332,808</u> | <u>\$158,119,320</u> | <u>\$ 142,818,266</u> |
| District's Covered Employee Payroll   | \$ 42,580,751         | \$ 43,973,503        | \$ 44,983,038         |
| District's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll | 0%                    | 0%                   | 0%                    |

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED

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

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Elementary and Secondary Education Act (ESEA) |                  |                 | Individuals with Disabilities<br>Education Act (IDEA) |                  | Carl D. Perkins<br>Career and<br>Technical<br>Education Grant | Total              |
|---|---|------------------|-----------------|---|------------------|---|--------------------|
|   | Title I                                       | Title II         | Title III       | Part B  | Part B           |   |                    |
|   | Part A  | Part A           |                 | Basic   | Preschool        |   |                    |
| REVENUES:                                     |   |                  |                 |   |                  |   |                    |
| Federal sources                               | \$ 197,707                                    | \$ 50,662        | \$ 7,493        | \$ 927,649  | \$ 33,589        | \$ 15,990   | \$1,233,090        |
| <b>TOTAL REVENUES</b>                         | <b>\$ 197,707</b>                             | <b>\$ 50,662</b> | <b>\$ 7,493</b> | <b>\$ 927,649</b>                                     | <b>\$ 33,589</b> | <b>\$ 15,990</b>  | <b>\$1,233,090</b> |
| EXPENDITURES:                                 |   |                  |                 |   |                  |   |                    |
| Instruction:                                  |   |                  |                 |   |                  |   |                    |
| Personal services - salaries                  | \$ 152,488                                    | \$ -             | \$ -            | \$ 453,548  | \$ 24,774        | \$ -  | \$ 630,810         |
| Other purchased services                      | -   | -                | -               | 36,912  | -                | -   | 36,912             |
| General supplies                              | 187   | -                | 7,493           | 23,911  | 6,920            | 15,990  | 54,501             |
| Other objects                                 | -   | -                | -               | 237   | -                | -   | 237                |
| <b>Total Instruction</b>                      | <b>152,675</b>                                | <b>-</b>         | <b>7,493</b>    | <b>514,608</b>  | <b>31,694</b>    | <b>15,990</b>   | <b>722,460</b>     |
| Support Services:                             |   |                  |                 |   |                  |   |                    |
| Personal services - salaries                  | -   | -                | -               | 70,836  | -                | -   | 70,836             |
| Personal services - employee benefits         | 45,032  | -                | -               | 84,588  | 1,895            | -   | 131,515            |
| Purchased professional - educational services | -   | 8,755            | -               | 249,608   | -                | -   | 258,363            |
| Other purchased services                      | -   | 40,657           | -               | 2,209   | -                | -   | 42,866             |
| Supplies and materials                        | -   | 1,250            | -               | -   | -                | -   | 1,250              |
| <b>Total Support Services</b>                 | <b>45,032</b>                                 | <b>50,662</b>    | <b>-</b>        | <b>407,241</b>  | <b>1,895</b>     | <b>-</b>  | <b>504,830</b>     |
| Equipment:                                    |   |                  |                 |   |                  |   |                    |
| Instructional equipment                       | -   | -                | -               | 5,800   | -                | -   | 5,800              |
| <b>Total Equipment</b>                        | <b>-</b>                                      | <b>-</b>         | <b>-</b>        | <b>5,800</b>  | <b>-</b>         | <b>-</b>  | <b>5,800</b>       |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$ 197,707</b>                             | <b>\$ 50,662</b> | <b>\$ 7,493</b> | <b>\$ 927,649</b>                                     | <b>\$ 33,589</b> | <b>\$ 15,990</b>  | <b>\$1,233,090</b> |



**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| <u>Year</u> | <u>Project Title</u>                            | <u>Appropriation</u> | <u>GAAP Expenditures to Date</u> |                     | <u>Unexpended<br/>Balance</u> |
|-------------|---|----------------------|----------------------------------|---------------------|-------------------------------|
|             |   |                      | <u>Prior Years</u>               | <u>Current Year</u> |                               |
| 2020        | Chiller Replacement - Mount Olive Middle School | \$ 961,016           | \$ -                             | \$ 961,016          | \$ -                          |
|             |   | <u>\$ 961,016</u>    | <u>\$ -</u>                      | <u>\$ 961,016</u>   | <u>\$ -</u>                   |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   |                            |
|---|----------------------------|
| REVENUES AND OTHER FINANCING SOURCES:       |                            |
| Transfer from capital reserve               | <u>\$ 1,017,000</u>        |
| TOTAL REVENUES AND OTHER FINANCING SOURCES  | <u>\$ 1,017,000</u>        |
| EXPENDITURES AND OTHER FINANCING USES:      |                            |
| Architectural/engineering services          | \$ 62,870                  |
| Construction services                       | 898,146                    |
| Transfer to General Fund                    | <u>55,984</u>              |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u><u>\$ 1,017,000</u></u> |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CHILLER REPLACEMENT - MOUNT OLIVE MIDDLE SCHOOL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

|  | Prior<br>Periods | Current<br>Period   | Total               | Revised<br>Authorized<br>Cost |
|--|------------------|---------------------|---------------------|-------------------------------|
| <b>REVENUES AND OTHER FINANCING SOURCES:</b>       |                  |                     |                     |                               |
| Transfer from capital reserve                      | \$ -             | \$ 1,017,000        | \$ 1,017,000        | \$ 1,017,000                  |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>  | <b>-</b>         | <b>1,017,000</b>    | <b>1,017,000</b>    | <b>1,017,000</b>              |
| <b>EXPENDITURES AND OTHER FINANCING USES:</b>      |                  |                     |                     |                               |
| Architectural/engineering services                 | -                | 62,870              | 62,870              | 62,870                        |
| Construction services                              | -                | 898,146             | 898,146             | 898,146                       |
| Transfer to General Fund                           | -                | 55,984              | 55,984              | 55,984                        |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> | <b>\$ -</b>      | <b>\$ 1,017,000</b> | <b>\$ 1,017,000</b> | <b>\$ 1,017,000</b>           |

**ADDITIONAL PROJECT INFORMATION:**

|   |                |
|---|----------------|
| Project number                                    | not applicable |
| Grant date  | not applicable |
| Bond authorization date                           | not applicable |
| Bonds authorized                                  | not applicable |
| Bonds issued                                      | not applicable |
| Original authorized cost                          | \$1,017,000    |
| Additional authorized cost                        | (55,984)       |
| Revised authorized cost                           | \$ 961,016     |
| Percentage increase over original authorized cost | -5.50%         |
| Percentage completion                             | 100.00%        |
| Original target completion date                   | Sep-19         |
| Revised target completion date                    | Mar-20         |

**ENTERPRISE FUNDS  
DETAIL STATEMENTS**

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

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020

|   | Business-Type Activities - Enterprise Funds |                  |                  |                         |                   |                     |                     |
|---|---|------------------|------------------|-------------------------|-------------------|---------------------|---------------------|
|   | Non-Major Funds                             |                  |                  |                         |                   | Major Fund          | Total               |
|   | Food<br>Services                            | Summer<br>School | STEAM<br>Camp    | Capstone<br>Summer Camp | Total             | Property<br>Rentals | Enterprise<br>Funds |
| <b>ASSETS:</b>                                  |   |                  |                  |                         |                   |                     |                     |
| <b>CURRENT ASSETS:</b>                          |   |                  |                  |                         |                   |                     |                     |
| Cash and cash equivalents                       | \$ 114,045                                  | \$ 584           | \$ 44,418        | \$ 31,063               | \$ 190,110        | \$ 185,105          | \$ 375,215          |
| Restricted cash and cash equivalents            | -   | -                | -                | -                       | -                 | 4,946               | 4,946               |
| Prepaid expense                                 | 3,133                                       | -                | -                | -                       | 3,133             | -                   | 3,133               |
| Accounts receivable:                            |   |                  |                  |                         |                   |                     |                     |
| State   | 2,943                                       | -                | -                | -                       | 2,943             | -                   | 2,943               |
| Federal   | 35,325                                      | -                | -                | -                       | 35,325            | -                   | 35,325              |
| Other   | 17,939                                      | -                | -                | -                       | 17,939            | 4,000               | 21,939              |
| Inventories                                     | 45,625                                      | -                | -                | -                       | 45,625            | -                   | 45,625              |
| <b>Total Current Assets</b>                     | <b>219,010</b>                              | <b>584</b>       | <b>44,418</b>    | <b>31,063</b>           | <b>295,075</b>    | <b>194,051</b>      | <b>489,126</b>      |
| <b>NONCURRENT ASSETS:</b>                       |   |                  |                  |                         |                   |                     |                     |
| Capital assets                                  | 617,793                                     | -                | -                | -                       | 617,793           | 1,700,000           | 2,317,793           |
| Less: accumulated depreciation                  | 422,849                                     | -                | -                | -                       | 422,849           | 117,904             | 540,753             |
| <b>Total Noncurrent Assets</b>                  | <b>194,944</b>                              | <b>-</b>         | <b>-</b>         | <b>-</b>                | <b>194,944</b>    | <b>1,582,096</b>    | <b>1,777,040</b>    |
| <b>TOTAL ASSETS</b>                             | <b>413,954</b>                              | <b>584</b>       | <b>44,418</b>    | <b>31,063</b>           | <b>490,019</b>    | <b>1,776,147</b>    | <b>2,266,166</b>    |
| <b>LIABILITIES:</b>                             |   |                  |                  |                         |                   |                     |                     |
| Current liabilities:                            |   |                  |                  |                         |                   |                     |                     |
| Accounts payable                                | 40,729                                      | -                | -                | -                       | 40,729            | 87,425              | 128,154             |
| Unearned revenue                                | 32,761                                      | -                | -                | -                       | 32,761            | 25,412              | 58,173              |
| Escrow deposits payable                         | -   | -                | -                | -                       | -                 | 4,946               | 4,946               |
| Accrued interest payable                        | -   | -                | -                | -                       | -                 | 58,591              | 58,591              |
| Noncurrent liabilities:                         |   |                  |                  |                         |                   |                     |                     |
| Due within one year                             | -   | -                | -                | -                       | -                 | 98,074              | 98,074              |
| Due beyond one year                             | -   | -                | -                | -                       | -                 | 977,105             | 977,105             |
| <b>TOTAL LIABILITIES</b>                        | <b>73,490</b>                               | <b>-</b>         | <b>-</b>         | <b>-</b>                | <b>73,490</b>     | <b>1,251,553</b>    | <b>1,325,043</b>    |
| <b>NET POSITION:</b>                            |   |                  |                  |                         |                   |                     |                     |
| Invested in capital assets, net of related debt | 194,944                                     | -                | -                | -                       | 194,944           | 506,917             | 701,861             |
| Unrestricted                                    | 145,520                                     | 584              | 44,418           | 31,063                  | 221,585           | 17,677              | 239,262             |
| <b>TOTAL NET POSITION</b>                       | <b>\$ 340,464</b>                           | <b>\$ 584</b>    | <b>\$ 44,418</b> | <b>\$ 31,063</b>        | <b>\$ 416,529</b> | <b>\$ 524,594</b>   | <b>\$ 941,123</b>   |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Business-Type Activities - Enterprise Funds |                  |                |                         |                  |                     | Total<br>Enterprise<br>Funds |
|---|---|------------------|----------------|-------------------------|------------------|---------------------|------------------------------|
|   | Non-Major Funds                             |                  |                |                         | Total            | Major Fund          |                              |
|   | Food<br>Services                            | Summer<br>School | STEAM<br>Camp  | Capstone<br>Summer Camp |                  | Property<br>Rentals |                              |
| <b>OPERATING REVENUES:</b>                |   |                  |                |                         |                  |                     |                              |
| Charges for services:                     |   |                  |                |                         |                  |                     |                              |
| Daily sales - reimbursable programs       | \$ 331,814                                  | \$ -             | \$ -           | \$ -                    | \$ 331,814       | \$ -                | \$ 331,814                   |
| Daily sales - non-reimbursable programs   | 264,162                                     | -                | -              | -                       | 264,162          | -                   | 264,162                      |
| Rental income                             | -   | -                | -              | -                       | -                | 362,216             | 362,216                      |
| Tuition                                   | -   | 19,470           | 91,241         | -                       | 110,711          | -                   | 110,711                      |
| <b>Total Operating Revenues</b>           | <b>595,976</b>                              | <b>19,470</b>    | <b>91,241</b>  | <b>-</b>                | <b>706,687</b>   | <b>362,216</b>      | <b>1,068,903</b>             |
| <b>OPERATING EXPENSES:</b>                |   |                  |                |                         |                  |                     |                              |
| Salaries and employee benefits            | -   | 29,188           | 62,156         | -                       | 91,344           | -                   | 91,344                       |
| Labor and labor related costs             | 498,140                                     | -                | -              | -                       | 498,140          | -                   | 498,140                      |
| Management fees                           | 66,768                                      | -                | -              | -                       | 66,768           | 12,000              | 78,768                       |
| Cleaning, repair and maintenance services | 9,947                                       | -                | -              | -                       | 9,947            | 237,520             | 247,467                      |
| Other purchased services                  | 44,773                                      | -                | 14,216         | 19,343                  | 78,332           | -                   | 78,332                       |
| Cost of sales - reimbursable programs     | 283,573                                     | -                | -              | -                       | 283,573          | -                   | 283,573                      |
| Cost of sales - non-reimbursable programs | 92,234                                      | -                | -              | -                       | 92,234           | -                   | 92,234                       |
| Supplies and materials                    | 60,219                                      | -                | 15,541         | 535                     | 76,295           | -                   | 76,295                       |
| Depreciation                              | 21,635                                      | -                | -              | -                       | 21,635           | 20,976              | 42,611                       |
| Utilities                                 | -   | -                | -              | -                       | -                | 44,637              | 44,637                       |
| Interest expense                          | -   | -                | -              | -                       | -                | 58,591              | 58,591                       |
| Other expenses                            | 5,266                                       | -                | 1,086          | 100                     | 6,452            | 130                 | 6,582                        |
| <b>Total Operating Expenses</b>           | <b>1,082,555</b>                            | <b>29,188</b>    | <b>92,999</b>  | <b>19,978</b>           | <b>1,224,720</b> | <b>373,854</b>      | <b>1,598,574</b>             |
| <b>OPERATING INCOME (LOSS)</b>            | <b>(486,579)</b>                            | <b>(9,718)</b>   | <b>(1,758)</b> | <b>(19,978)</b>         | <b>(518,033)</b> | <b>(11,638)</b>     | <b>(529,671)</b>             |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|                                | Business-Type Activities - Enterprise Funds |                  |               |                         |            |                     | Total<br>Enterprise<br>Funds |
|--------------------------------|---|------------------|---------------|-------------------------|------------|---------------------|------------------------------|
|                                | Non-Major Funds                             |                  |               |                         | Total      | Major Fund          |                              |
|                                | Food<br>Services                            | Summer<br>School | STEAM<br>Camp | Capstone<br>Summer Camp |            | Property<br>Rentals |                              |
| NON-OPERATING REVENUES:        |   |                  |               |                         |            |                     |                              |
| State sources:                 |   |                  |               |                         |            |                     |                              |
| State school lunch program     | 10,393                                      | -                | -             | -                       | 10,393     | -                   | 10,393                       |
| Federal sources:               |   |                  |               |                         |            |                     |                              |
| School breakfast program       | 46,632                                      | -                | -             | -                       | 46,632     | -                   | 46,632                       |
| National school lunch program  | 242,136                                     | -                | -             | -                       | 242,136    | -                   | 242,136                      |
| After school snack program     | 1,319                                       | -                | -             | -                       | 1,319      | -                   | 1,319                        |
| Special milk program           | 551   | -                | -             | -                       | 551        | -                   | 551                          |
| Food donation program          | 71,949                                      | -                | -             | -                       | 71,949     | -                   | 71,949                       |
| Interest income                | 6,975                                       | 313              | 1,509         | 610                     | 9,407      | -                   | 9,407                        |
| Total Non-Operating Revenues   | 379,955                                     | 313              | 1,509         | 610                     | 382,387    | -                   | 382,387                      |
| NET INCOME (LOSS)              | (106,624)                                   | (9,405)          | (249)         | (19,368)                | (135,646)  | (11,638)            | (147,284)                    |
| OTHER FINANCING SOURCES:       |   |                  |               |                         |            |                     |                              |
| Transfer from General Fund     | -   | 9,000            | -             | -                       | 9,000      | -                   | 9,000                        |
| Change in net position         | (106,624)                                   | (405)            | (249)         | (19,368)                | (126,646)  | (11,638)            | (138,284)                    |
| Total net position - beginning | 447,088                                     | 989              | 44,667        | 50,431                  | 543,175    | 536,232             | 1,079,407                    |
| Total net position - ending    | \$ 340,464                                  | \$ 584           | \$ 44,418     | \$ 31,063               | \$ 416,529 | \$ 524,594          | \$ 941,123                   |



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Business-Type Activities - Enterprise Fund |                   |                    |                         |                     |                     |                     |
|---|--|-------------------|--------------------|-------------------------|---------------------|---------------------|---------------------|
|   | Non-Major Funds                            |                   |                    |                         | Major Fund          |                     |                     |
|   | Food<br>Services                           | Summer<br>School  | STEAM<br>Camp      | Capstone<br>Summer Camp | Total               | Property<br>Rentals | Total               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |  |                   |                    |                         |                     |                     |                     |
| Receipts from customers   | \$ 602,936                                 | \$ 19,470         | \$ 46,438          | \$ 20,750               | \$ 689,594          | \$ 392,893          | \$ 1,082,487        |
| Payments for employees and employee benefits                                      | -  | (29,188)          | (62,156)           | -                       | (91,344)            | -                   | (91,344)            |
| Payments to suppliers for goods and services                                      | (1,044,572)                                | -                 | (30,843)           | (19,978)                | (1,095,393)         | (222,913)           | (1,318,306)         |
| Net cash provided by (used for) operating activities                              | <u>(441,636)</u>                           | <u>(9,718)</u>    | <u>(46,561)</u>    | <u>772</u>              | <u>(497,143)</u>    | <u>169,980</u>      | <u>(327,163)</u>    |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                           |  |                   |                    |                         |                     |                     |                     |
| State sources   | 10,178                                     | -                 | -                  | -                       | 10,178              | -                   | 10,178              |
| Federal sources   | 338,002                                    | -                 | -                  | -                       | 338,002             | -                   | 338,002             |
| Operating subsidies and transfers to/from other funds                             | -  | 9,000             | -                  | -                       | 9,000               | -                   | 9,000               |
| Other non-operating income  | 4,748                                      | -                 | -                  | -                       | 4,748               | -                   | 4,748               |
| Net cash provided by non-capital financing activities                             | <u>352,928</u>                             | <u>9,000</u>      | <u>-</u>           | <u>-</u>                | <u>361,928</u>      | <u>-</u>            | <u>361,928</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                   |  |                   |                    |                         |                     |                     |                     |
| Capital contributions   | -  | -                 | -                  | -                       | -                   | (225,000)           | (225,000)           |
| Net cash used for capital and related financing activities                        | <u>-</u>                                   | <u>-</u>          | <u>-</u>           | <u>-</u>                | <u>-</u>            | <u>(225,000)</u>    | <u>(225,000)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |  |                   |                    |                         |                     |                     |                     |
| Interest and dividends  | 6,975                                      | 313               | 1,509              | 610                     | 9,407               | -                   | 9,407               |
| Net increase (decrease) in cash and cash equivalents                              | (81,733)                                   | (405)             | (45,052)           | 1,382                   | (125,808)           | (55,020)            | (180,828)           |
| Cash and cash equivalents - beginning of year                                     | 195,778                                    | 989               | 89,470             | 29,681                  | 315,918             | 240,125             | 556,043             |
| Cash and cash equivalents - end of year   | <u>\$ 114,045</u>                          | <u>\$ 584</u>     | <u>\$ 44,418</u>   | <u>\$ 31,063</u>        | <u>\$ 190,110</u>   | <u>\$ 185,105</u>   | <u>\$ 375,215</u>   |
| <b>Reconciliation of operating loss to net cash used in operating activities:</b> |  |                   |                    |                         |                     |                     |                     |
| Operating income (loss)   | \$ (486,579)                               | \$ (9,718)        | \$ (1,758)         | \$ (19,978)             | \$ (518,033)        | \$ (11,638)         | \$ (529,671)        |
| Adjustments to reconcile operating loss to net cash used in operating activities: |  |                   |                    |                         |                     |                     |                     |
| Depreciation and interest expense   | 21,635                                     | -                 | -                  | -                       | 21,635              | 79,567              | 101,202             |
| Food donation program   | 71,949                                     | -                 | -                  | -                       | 71,949              | -                   | 71,949              |
| (Increase) decrease in accounts receivable, net                                   | (10,062)                                   | -                 | 43,500             | 20,750                  | 54,188              | (3,780)             | 50,408              |
| (Increase) decrease in prepaid expense  | (3,133)                                    | -                 | -                  | -                       | (3,133)             | -                   | (3,133)             |
| (Increase) decrease in inventories  | (34,087)                                   | -                 | -                  | -                       | (34,087)            | -                   | (34,087)            |
| Increase (decrease) in accounts payable, net                                      | (18,381)                                   | -                 | -                  | -                       | (18,381)            | 87,425              | 69,044              |
| Increase (decrease) in deferred revenue   | 17,022                                     | -                 | (88,303)           | -                       | (71,281)            | 18,406              | (52,875)            |
| Total adjustments   | <u>44,943</u>                              | <u>-</u>          | <u>(44,803)</u>    | <u>20,750</u>           | <u>20,890</u>       | <u>181,618</u>      | <u>202,508</u>      |
| Net cash used in operating activities   | <u>\$ (441,636)</u>                        | <u>\$ (9,718)</u> | <u>\$ (46,561)</u> | <u>\$ 772</u>           | <u>\$ (497,143)</u> | <u>\$ 169,980</u>   | <u>\$ (327,163)</u> |

**INTERNAL SERVICE FUNDS  
DETAIL STATEMENTS**

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020

|  | Major Fund<br>Self<br>Insurance<br>Fund |
|--|---|
| ASSETS:                                |   |
| CURRENT ASSETS:                        |   |
| Cash and cash equivalents              | \$ 2,609,760                            |
| Accounts receivable - other            | 431,093                                 |
| TOTAL ASSETS                           | 3,040,853                               |
| LIABILITIES:                           |   |
| Current liabilities:                   |   |
| Accounts payable                       | 177,224                                 |
| Accrued liability for insurance claims | 1,202,755                               |
| TOTAL LIABILITIES                      | 1,379,979                               |
| NET POSITION:                          |   |
| Unrestricted                           | 1,660,874                               |
| TOTAL NET POSITION                     | \$ 1,660,874                            |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|                                     | Major Fund<br>Self<br>Insurance<br>Fund |
|-------------------------------------|---|
| OPERATING REVENUES:                 |   |
| Member contributions                | \$ 13,929,539                           |
| Total Operating Revenues            | 13,929,539                              |
| OPERATING EXPENSES:                 |   |
| Insurance claims                    | 10,495,673                              |
| Excess liability insurance premiums | 1,594,429                               |
| Administrative fees                 | 532,817                                 |
| State surcharge                     | 166,112                                 |
| Total Operating Expenses            | 12,789,031                              |
| OPERATING INCOME                    | 1,140,508                               |
| NON-OPERATING REVENUES:             |   |
| Interest income                     | 13,151                                  |
| Total Non-Operating Revenues        | 13,151                                  |
| Change in net position              | 1,153,659                               |
| Total net position - beginning      | 507,215                                 |
| Total net position - ending         | \$ 1,660,874                            |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Major Fund<br>Self<br>Insurance<br>Fund |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |   |
| Receipts from member contributions, net   | \$ 13,644,250                           |
| Payments for insurance claims, net  | (9,866,523)                             |
| Payments for other goods and services   | (2,486,219)                             |
| Net cash used in operating activities   | 1,291,508                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |   |
| Interest and dividends  | 13,151                                  |
| Net increase (decrease) in cash and cash equivalents                              | 1,304,659                               |
| Cash and cash equivalents - beginning of year                                     | 1,305,101                               |
| Cash and cash equivalents - end of year   | \$ 2,609,760                            |
| <b>Reconciliation of operating loss to net cash used in operating activities:</b> |   |
| Operating income (loss)   | \$ 1,140,508                            |
| Adjustments to reconcile operating loss to net cash used in operating activities: |   |
| (Increase) decrease in accounts receivable, net                                   | 830,734                                 |
| Increase (decrease) in accounts payable, net                                      | (472,921)                               |
| Increase (decrease) in interfund payable  | -                                       |
| Increase (decrease) in accrued liability  | (206,813)                               |
| Total adjustments   | 151,000                                 |
| Net cash used in operating activities   | \$ 1,291,508                            |

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

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

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

**Student Activity Fund** – This agency fund is used to account for student activity 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 funds held to pay quarterly unemployment contributions and unemployment claims billed by the State.

**Flexible Spending Account Trust Fund** – This trust fund is used to account for funds held to pay qualified medical and dependent care claims.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020

|   | Agency Funds        |                |                          | Unemployment<br>Compensation<br>Insurance Trust | Flexible<br>Spending<br>Account Trust |
|---|---------------------|----------------|--------------------------|---|---------------------------------------|
|   | Student<br>Activity | Payroll        | Total<br>Agency<br>Funds |   |                                       |
| <b>ASSETS:</b>                                      |                     |                |                          |   |                                       |
| Cash and cash equivalents                           | \$ 478,743          | \$ 552,073     | \$ 1,030,816             | \$ 405,438                                      | \$ 49,970                             |
| Accounts receivable                                 | 105,361             | -              | 105,361                  | -   | -                                     |
| <b>TOTAL ASSETS</b>                                 | <b>584,104</b>      | <b>552,073</b> | <b>1,136,177</b>         | <b>405,438</b>                                  | <b>49,970</b>                         |
| <b>LIABILITIES:</b>                                 |                     |                |                          |   |                                       |
| Accounts payable                                    | 105,919             | -              | 105,919                  | 38,179  | -                                     |
| Payroll deductions and withholdings                 | -                   | 542,898        | 542,898                  | -   | -                                     |
| Interfund payable                                   | -                   | 9,175          | 9,175                    | -   | -                                     |
| Due to student groups                               | 478,185             | -              | 478,185                  | -   | -                                     |
| <b>TOTAL LIABILITIES</b>                            | <b>584,104</b>      | <b>552,073</b> | <b>1,136,177</b>         | <b>38,179</b>                                   | <b>-</b>                              |
| <b>NET POSITION:</b>                                |                     |                |                          |   |                                       |
| Held in trust for unemployment claims               | -                   | -              | -                        | 367,259   | -                                     |
| Held in trust for medical and dependent care claims | -                   | -              | -                        | -   | 49,970                                |
| <b>TOTAL NET POSITION</b>                           | <b>\$ -</b>         | <b>\$ -</b>    | <b>\$ -</b>              | <b>\$ 367,259</b>                               | <b>\$ 49,970</b>                      |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Unemployment<br>Compensation<br>Insurance Trust | Flexible<br>Spending<br>Account Trust |
|---|---|---------------------------------------|
| ADDITIONS:                                  |   |                                       |
| Contributions:                              |   |                                       |
| Plan members                                | \$ 177,982                                      | \$ 144,301                            |
| Total contributions                         | <u>177,982</u>                                  | <u>144,301</u>                        |
| Investment earnings:                        |   |                                       |
| Interest                                    | 6,569   | 346                                   |
| Total investment earnings                   | <u>6,569</u>                                    | <u>346</u>                            |
| Total additions                             | <u>184,551</u>                                  | <u>144,647</u>                        |
| DEDUCTIONS:                                 |   |                                       |
| Quarterly contribution reports              | 91,831  | -                                     |
| Unemployment claims                         | 74,205  | -                                     |
| Qualified medical and dependent care claims | -   | 124,727                               |
| Service charges                             | -   | 3,080                                 |
| Total deductions                            | <u>166,036</u>                                  | <u>127,807</u>                        |
| Change in net position                      | 18,515  | 16,840                                |
| Net position-beginning of the year          | 348,744   | 33,130                                |
| Net position-end of the year                | <u><u>\$ 367,259</u></u>                        | <u><u>\$ 49,970</u></u>               |



MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|                                 | Balance<br>July 1, 2019 | Cash<br>Receipts  | Cash<br>Disbursements | Accounts<br>Payable/<br>(Receivable) | Balance<br>June 30, 2020 |
|---------------------------------|-------------------------|-------------------|-----------------------|--------------------------------------|--------------------------|
| <b>ELEMENTARY SCHOOLS:</b>      |                         |                   |                       |                                      |                          |
| Sandshore School                | \$ 22,643               | \$ 8,746          | \$ 9,357              | \$ (25)                              | \$ 22,057                |
| Mountain View School            | 21,971                  | 6,087             | 11,481                | (2,136)                              | 18,713                   |
| Tinc Road School                | 18,223                  | 3,240             | 829                   | (288)                                | 20,922                   |
| CMS Elementary School           | 13,995                  | 10,983            | 7,607                 | -                                    | 17,371                   |
| <b>TOTAL ELEMENTARY SCHOOLS</b> | <b>76,832</b>           | <b>29,056</b>     | <b>29,274</b>         | <b>(2,449)</b>                       | <b>79,063</b>            |
| <b>MIDDLE SCHOOL:</b>           |                         |                   |                       |                                      |                          |
| Mount Olive Middle School       | 181,792                 | 159,776           | 175,881               | (16,540)                             | 182,227                  |
| <b>TOTAL MIDDLE SCHOOL</b>      | <b>181,792</b>          | <b>159,776</b>    | <b>175,881</b>        | <b>(16,540)</b>                      | <b>182,227</b>           |
| <b>HIGH SCHOOL:</b>             |                         |                   |                       |                                      |                          |
| Mount Olive High School         | 145,700                 | 233,979           | 170,814               | 45,484                               | 163,381                  |
| Athletic Account                | 14,563                  | 145,538           | 106,509               | 78                                   | 53,514                   |
| <b>TOTAL HIGH SCHOOL</b>        | <b>160,263</b>          | <b>379,517</b>    | <b>277,323</b>        | <b>45,562</b>                        | <b>216,895</b>           |
| <b>TOTAL ALL SCHOOLS</b>        | <b>\$ 418,887</b>       | <b>\$ 568,349</b> | <b>\$ 482,478</b>     | <b>\$ 26,573</b>                     | <b>\$ 478,185</b>        |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|                                     | <u>Balance</u><br><u>July 1, 2019</u> | <u>Cash</u><br><u>Receipts</u> | <u>Cash</u><br><u>Disbursements</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|-------------------------------------|---------------------------------------|--------------------------------|-------------------------------------|--|
| Payroll deductions and withholdings | \$ 501,482                            | \$ 27,776,643                  | \$ 27,735,227                       | \$ 542,898                             |
| Interfund payable                   | 13,051                                | 9,175                          | 13,051                              | 9,175                                  |
| Total                               | <u>\$ 514,533</u>                     | <u>\$ 27,785,818</u>           | <u>\$ 27,748,278</u>                | <u>\$ 552,073</u>                      |

**LONG-TERM DEBT SCHEDULES**

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| ISSUE  | DATE OF<br>ISSUE | AMOUNT OF<br>ISSUE | ANNUAL MATURITIES |            | INTEREST<br>RATE | BALANCE<br>JULY 1, 2019 | RETIRED      | BALANCE<br>JUNE 30, 2020 |
|--|------------------|--------------------|-------------------|------------|------------------|-------------------------|--------------|--------------------------|
|  |                  |                    | DATE              | AMOUNT     |                  |                         |              |                          |
| Early Retirement Incentive<br>Program - Refunding Bonds  | 12/20/11         | \$ 1,535,000       | 2/1/2021          | \$ 210,000 | 3.38%            | \$ 410,000              | \$ 200,000   | \$ 210,000               |
| Addition/Renovations to<br>Mt. Olive High School -<br>Refunding Bonds                          | 05/31/12         | 6,175,000          | -                 | -          | -                | 1,225,000               | 1,225,000    | -                        |
| Construction of Mt. Olive Middle<br>School / Facilities Expansion<br>Project - Refunding Bonds | 10/29/14         | 16,740,000         | 1/15/2021         | 2,210,000  | 4.00%            | 9,060,000               | 2,115,000    | 6,945,000                |
|  |                  |                    | 1/15/2022         | 2,305,000  | 4.00%            |                         |              |                          |
|  |                  |                    | 1/15/2023         | 2,430,000  | 5.00%            |                         |              |                          |
| Addition/Renovations to<br>Mt. Olive High School -<br>Refunding Bonds                          | 04/20/16         | 7,540,000          | 7/15/2025         | 440,000    | 5.00%            | 7,430,000               | -            | 7,430,000                |
|  |                  |                    | 7/15/2026         | 1,640,000  | 5.00%            |                         |              |                          |
|  |                  |                    | 7/15/2027         | 1,710,000  | 5.00%            |                         |              |                          |
|  |                  |                    | 7/15/2028         | 1,785,000  | 4.00%            |                         |              |                          |
|  |                  |                    | 7/15/2029         | 1,855,000  | 5.00%            |                         |              |                          |
| Addition/Renovations to<br>Mt. Olive High School -<br>Refunding Bonds                          | 04/20/16         | 8,095,000          | 7/15/2020         | 1,300,000  | 4.00%            | 7,985,000               | -            | 7,985,000                |
|  |                  |                    | 7/15/2021         | 1,355,000  | 4.00%            |                         |              |                          |
|  |                  |                    | 7/15/2022         | 1,405,000  | 4.00%            |                         |              |                          |
|  |                  |                    | 7/15/2023         | 1,455,000  | 4.00%            |                         |              |                          |
|  |                  |                    | 7/15/2024         | 1,515,000  | 5.00%            |                         |              |                          |
|  |                  |                    | 7/15/2025         | 955,000    | 5.00%            |                         |              |                          |
|  |                  |                    |                   |            |                  | \$ 26,110,000           | \$ 3,540,000 | \$ 22,570,000            |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Purpose  | Date of Lease | Term of Lease | Amount of Original Lease |           | Interest Rate | Balance July 1, 2019 | Retired           | Balance June 30, 2020 |
|--|---------------|---------------|--------------------------|-----------|---------------|----------------------|-------------------|-----------------------|
|  |               |               | Principal                | Interest  |               |                      |                   |                       |
| (4) 30-Passenger School Buses and<br>(1) 50-Passenger School Bus     | 08/06/15      | 5 Years       | \$ 540,000               | \$ 24,864 | 1.768%        | \$ 111,492           | \$ 111,492        | \$ -                  |
| LED Lighting Improvements at Mt. Olive Middle School                 | 12/15/15      | 5 Years       | 370,000                  | 19,366    | 1.877%        | 114,652              | 76,077            | 38,575                |
| (4) 30-Passenger School Buses  | 06/01/16      | 5 Years       | 466,000                  | 21,815    | 1.677%        | 191,982              | 95,036            | 96,946                |
| Air Dome at Mt. Olive High School                                    | 08/31/17      | 5 Years       | 2,400,000                | 130,075   | 1.780%        | 1,883,209            | 526,261           | 1,356,948             |
| (6) 54-Passenger School Buses and<br>(1) 19-Passenger Wheelchair Bus | 05/10/19      | 5 Years       | 698,127                  | 37,933    | 2.479%        | 698,127              | 144,039           | 554,088               |
|  |               |               |                          |           |               | <u>\$ 2,999,462</u>  | <u>\$ 952,905</u> | <u>\$ 2,046,557</u>   |

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| <b>REVENUES:</b>  |                    |                     |                  |                  |                             |
| Local sources:  |                    |                     |                  |                  |                             |
| Local tax levy  | \$ 4,167,548       | \$ -                | \$ 4,167,548     | \$ 4,167,548     | \$ -                        |
| Total local sources   | 4,167,548          | -                   | 4,167,548        | 4,167,548        | -                           |
| State sources:  |                    |                     |                  |                  |                             |
| Debt service aid type II  | 518,520            | -                   | 518,520          | 518,520          | -                           |
| Total state sources   | 518,520            | -                   | 518,520          | 518,520          | -                           |
| <b>TOTAL REVENUES</b>   | <b>4,686,068</b>   | <b>-</b>            | <b>4,686,068</b> | <b>4,686,068</b> | <b>-</b>                    |
| <b>EXPENDITURES:</b>  |                    |                     |                  |                  |                             |
| Regular debt service:   |                    |                     |                  |                  |                             |
| Interest on early retirement bonds  | 14,068             | -                   | 14,068           | 13,824           | 244                         |
| Interest on loans and serial bonds  | 1,132,000          | -                   | 1,132,000        | 1,132,000        | -                           |
| Redemption of principal - early retirement bonds                                    | 200,000            | -                   | 200,000          | 200,000          | -                           |
| Redemption of principal - loans and serial bonds                                    | 3,340,000          | -                   | 3,340,000        | 3,340,000        | -                           |
| Total Regular Debt Service  | 4,686,068          | -                   | 4,686,068        | 4,685,824        | 244                         |
| <b>TOTAL EXPENDITURES</b>   | <b>4,686,068</b>   | <b>-</b>            | <b>4,686,068</b> | <b>4,685,824</b> | <b>244</b>                  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>                    | <b>-</b>           | <b>-</b>            | <b>-</b>         | <b>244</b>       | <b>244</b>                  |
| FUND BALANCE, July 1  | 244                | -                   | 244              | 244              | -                           |
| FUND BALANCE, June 30   | \$ 244             | \$ -                | \$ 244           | \$ 488           | \$ 244                      |
| <b>Recapitulation of excess (deficiency) of revenues over (under) expenditures:</b> |                    |                     |                  |                  |                             |
| Budgeted Fund Balance   | \$ -               | \$ -                | \$ -             | \$ 244           | \$ 244                      |
| <b>Recapitulation of Balances:</b>  |                    |                     |                  |                  |                             |
| Restricted for:   |                    |                     |                  |                  |                             |
| Debt service  |                    |                     |                  | \$ 488           |                             |

**STATISTICAL SECTION**

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

| <b><u>Contents</u></b>   | <b><u>Pages</u></b> |
|--|---------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.   | 118-125             |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.   | 126-129             |
| <b>Debt Capacity</b><br>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.                            | 130-133             |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.  | 134-135             |
| <b>Operating Information</b><br>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. | 136-140             |



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

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                     |                      |                      |                      |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
|   | 2020                       | 2019                 | (Restated)<br>2018   | (Restated)<br>2017   | 2016                 | 2015                 | 2014                | 2013                 | 2012                 | 2011                 |
| Governmental activities:                        |                            |                      |                      |                      |                      |                      |                     |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 52,919,138              | \$ 49,850,892        | \$ 43,574,301        | \$ 37,499,410        | \$ 32,147,230        | \$ 27,314,078        | \$ 20,304,261       | \$ 20,889,514        | \$ 18,234,468        | \$ 16,698,417        |
| Restricted                                      | 4,196,083                  | 2,159,376            | 5,512,261            | 9,196,464            | 10,301,504           | 9,865,271            | 6,755,089           | 3,241,776            | 2,563,951            | 1,210,035            |
| Unrestricted (Deficit)                          | (24,972,079)               | (25,503,870)         | (26,399,461)         | (27,795,826)         | (26,704,489)         | (24,606,865)         | (21,296,812)        | 2,414,935            | 1,488,319            | 2,276,040            |
| Total governmental activities net position      | <u>\$ 32,143,142</u>       | <u>\$ 26,506,398</u> | <u>\$ 22,687,101</u> | <u>\$ 18,900,048</u> | <u>\$ 15,744,245</u> | <u>\$ 12,572,484</u> | <u>\$ 5,762,538</u> | <u>\$ 26,546,225</u> | <u>\$ 22,286,738</u> | <u>\$ 20,184,492</u> |
| Business-type activities:                       |                            |                      |                      |                      |                      |                      |                     |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 701,861                 | \$ 582,151           | \$ 289,566           | \$ 143,288           | \$ (6,107)           | \$ 23,029            | \$ 34,263           | \$ 40,823            | \$ 52,592            | \$ 64,463            |
| Restricted                                      | -                          | -                    | -                    | -                    | -                    | -                    | -                   | -                    | -                    | -                    |
| Unrestricted                                    | 239,262                    | 497,256              | 493,623              | 429,144              | 390,244              | 164,949              | 109,048             | 100,029              | 192,031              | 170,029              |
| Total business-type activities net position     | <u>\$ 941,123</u>          | <u>\$ 1,079,407</u>  | <u>\$ 783,189</u>    | <u>\$ 572,432</u>    | <u>\$ 384,137</u>    | <u>\$ 187,978</u>    | <u>\$ 143,311</u>   | <u>\$ 140,852</u>    | <u>\$ 244,623</u>    | <u>\$ 234,492</u>    |
| District-wide:                                  |                            |                      |                      |                      |                      |                      |                     |                      |                      |                      |
| Invested in capital assets, net of related debt | \$ 53,620,999              | \$ 50,433,043        | \$ 43,863,867        | \$ 37,642,698        | \$ 32,141,123        | \$ 27,337,107        | \$ 20,338,524       | \$ 20,930,337        | \$ 18,287,060        | \$ 16,762,880        |
| Restricted                                      | 4,196,083                  | 2,159,376            | 5,512,261            | 9,196,464            | 10,301,504           | 9,865,271            | 6,755,089           | 3,241,776            | 2,563,951            | 1,210,035            |
| Unrestricted (Deficit)                          | (24,732,817)               | (25,006,614)         | (25,905,838)         | (27,366,682)         | (26,314,245)         | (24,441,916)         | (21,187,764)        | 2,514,964            | 1,680,350            | 2,446,069            |
| Total district net position                     | <u>\$ 33,084,265</u>       | <u>\$ 27,585,805</u> | <u>\$ 23,470,290</u> | <u>\$ 19,472,480</u> | <u>\$ 16,128,382</u> | <u>\$ 12,760,462</u> | <u>\$ 5,905,849</u> | <u>\$ 26,687,077</u> | <u>\$ 22,531,361</u> | <u>\$ 20,418,984</u> |

Source: District records

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

|   | Fiscal Year Ended June 30, |                       |                       |                       |                       |                      |                      |                      |                      |                      |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2020                       | 2019                  | 2018                  | 2017                  | 2016                  | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
| <b>Expenses</b>                         |                            |                       |                       |                       |                       |                      |                      |                      |                      |                      |
| Governmental activities:                |                            |                       |                       |                       |                       |                      |                      |                      |                      |                      |
| Instruction:                            |                            |                       |                       |                       |                       |                      |                      |                      |                      |                      |
| Regular programs                        | \$ 40,363,686              | \$ 41,862,042         | \$ 44,217,503         | \$ 44,124,968         | \$ 39,955,470         | \$ 34,496,285        | \$ 30,374,097        | \$ 31,494,232        | \$ 30,440,311        | \$ 29,279,680        |
| Special education programs              | 12,316,453                 | 12,331,915            | 12,801,445            | 12,790,046            | 11,266,201            | 9,951,711            | 9,095,697            | 9,002,194            | 8,480,211            | 8,473,838            |
| Other instructional programs            | 1,942,689                  | 2,158,086             | 2,319,502             | 2,479,822             | 2,214,619             | 2,250,135            | 2,033,353            | 1,796,657            | 1,661,105            | 1,529,506            |
| School sponsored programs               | 2,731,722                  | 2,643,222             | 2,584,821             | 1,842,419             | 1,625,029             | 1,537,598            | 1,413,971            | 1,128,260            | 1,138,941            | 1,123,417            |
| Community services programs             | -                          | -                     | -                     | -                     | 34,540                | 37,655               | 40,784               | 29,698               | 46,610               | 53,148               |
| Support Services:                       |                            |                       |                       |                       |                       |                      |                      |                      |                      |                      |
| Tuition                                 | 2,864,114                  | 2,538,835             | 2,366,732             | 2,525,984             | 2,435,596             | 2,756,260            | 2,730,940            | 2,711,876            | 2,862,242            | 2,964,008            |
| Student & instruction related services  | 15,534,687                 | 15,812,693            | 16,156,474            | 15,462,791            | 13,779,605            | 13,018,212           | 11,795,770           | 11,742,227           | 11,246,504           | 11,222,504           |
| School administrative services          | 5,746,044                  | 6,309,349             | 6,565,270             | 6,604,221             | 5,866,902             | 4,982,172            | 4,534,163            | 4,532,706            | 4,780,646            | 4,352,318            |
| Other administrative services           | 4,566,864                  | 4,130,845             | 4,316,030             | 4,294,786             | 3,742,696             | 3,629,252            | 3,475,143            | 3,272,978            | 3,312,477            | 3,077,718            |
| Plant operations and maintenance        | 15,577,275                 | 16,646,590            | 17,006,640            | 14,845,383            | 13,818,421            | 12,084,724           | 12,148,221           | 11,366,854           | 11,842,279           | 11,953,154           |
| Pupil transportation                    | 6,139,641                  | 6,609,150             | 6,813,857             | 6,386,281             | 5,616,420             | 5,188,897            | 5,079,433            | 5,033,828            | 5,138,677            | 5,204,635            |
| Charter schools                         | 100,788                    | 136,468               | 91,473                | 95,706                | 77,188                | 98,784               | 155,488              | 134,935              | 95,957               | 75,946               |
| Interest and other debt related charges | 910,091                    | 1,004,189             | 1,101,186             | 1,200,544             | 1,395,096             | 1,714,681            | 2,176,498            | 2,344,683            | 2,955,477            | 2,774,929            |
| Unallocated depreciation                | -                          | 51,644                | 54,932                | 52,672                | 55,632                | 56,360               | 50,568               | 52,755               | 55,909               | 65,277               |
| Total governmental activities expenses  | <u>108,794,054</u>         | <u>112,235,028</u>    | <u>116,395,865</u>    | <u>112,705,623</u>    | <u>101,883,415</u>    | <u>91,802,726</u>    | <u>85,104,126</u>    | <u>84,643,883</u>    | <u>84,057,346</u>    | <u>82,150,078</u>    |
| Business-type activities:               |                            |                       |                       |                       |                       |                      |                      |                      |                      |                      |
| Food service                            | 1,082,555                  | 1,056,425             | 1,058,506             | 988,099               | 987,989               | 1,027,741            | 1,198,103            | 1,221,314            | 1,272,852            | 1,266,957            |
| Community school                        | -                          | -                     | -                     | -                     | -                     | -                    | -                    | -                    | 40,056               | 113,517              |
| Summer programs                         | 142,165                    | 169,715               | 169,991               | 145,409               | 147,656               | 129,906              | 34,965               | 42,822               | 40,410               | 50,824               |
| Property rentals                        | 373,854                    | 222,219               | 238,458               | 244,638               | 223,046               | -                    | -                    | -                    | -                    | -                    |
| Total business-type activities expenses | <u>1,598,574</u>           | <u>1,448,359</u>      | <u>1,466,955</u>      | <u>1,378,146</u>      | <u>1,358,691</u>      | <u>1,157,647</u>     | <u>1,233,068</u>     | <u>1,264,136</u>     | <u>1,353,318</u>     | <u>1,431,298</u>     |
| Total district expenses                 | <u>\$ 110,392,628</u>      | <u>\$ 113,683,387</u> | <u>\$ 117,862,820</u> | <u>\$ 114,083,769</u> | <u>\$ 103,242,106</u> | <u>\$ 92,960,373</u> | <u>\$ 86,337,194</u> | <u>\$ 85,908,019</u> | <u>\$ 85,410,664</u> | <u>\$ 83,581,376</u> |

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

|   | Fiscal Year Ended June 30, |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2020                       | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   | 2014                   | 2013                   | 2012                   | 2011                   |
| <b>Program Revenues</b>                                       |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                      |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services:   |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Regular programs  | \$ 1,408,360               | \$ 1,237,545           | \$ 1,424,544           | \$ 107,649             | \$ 4,100               | \$ -                   | \$ 4,164               | \$ -                   | \$ -                   | \$ -                   |
| Special education programs                                    | 818,041                    | 801,226                | 557,530                | 478,299                | 375,088                | 234,015                | 166,822                | 47,494                 | 56,178                 | 87,350                 |
| Other instructional programs                                  | 54,817                     | 50,989                 | 52,352                 | 9,000                  | 7,600                  | 11,700                 | 11,400                 | 5,400                  | 7,053                  | -                      |
| School sponsored programs (tuition, sports and activity fees) | 356,437                    | 347,111                | 405,793                | -                      | -                      | -                      | -                      | -                      | 81,658                 | 85,155                 |
| Student & instruction related services                        | 463,572                    | 391,082                | 387,884                |                        |                        |                        |                        |                        |                        |                        |
| School administrative services                                | 188,753                    | 171,823                | 169,964                |                        |                        |                        |                        |                        |                        |                        |
| Other administrative services                                 | 102,027                    | 81,543                 | 82,991                 |                        |                        |                        |                        |                        |                        |                        |
| Plant operations and maintenance (building usage, parking)    | 527,313                    | 603,763                | 567,500                | 118,204                | 124,822                | 124,822                | 109,545                | 101,755                | 158,787                | 56,007                 |
| Pupil transportation (transportation fees)                    | 167,158                    | 168,485                | 168,288                | 27,238                 | 6,227                  | 7,180                  | 5,597                  | 57,357                 | 229,595                | 213,067                |
| Operating grants and contributions                            | 25,010,952                 | 29,046,409             | 34,536,558             | 34,035,893             | 26,314,500             | 20,954,270             | 13,170,198             | 14,069,996             | 12,135,738             | 12,226,330             |
| Capital grants and contributions                              | -                          | -                      | -                      | -                      | 90,547                 | 1,356,982              | -                      | 247,696                | 266,917                | 15,454                 |
| Total governmental activities program revenues                | <u>29,097,430</u>          | <u>32,899,976</u>      | <u>38,353,404</u>      | <u>34,776,283</u>      | <u>26,922,884</u>      | <u>22,688,969</u>      | <u>13,467,726</u>      | <u>14,529,698</u>      | <u>12,935,926</u>      | <u>12,683,363</u>      |
| Business-type activities:                                     |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services:   |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Food service  | 595,976                    | 771,618                | 786,157                | 729,382                | 703,531                | 693,762                | 724,307                | 774,919                | 922,334                | 950,217                |
| Community school  | -                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 20,271                 | 94,059                 |
| Summer programs   | 110,711                    | 230,897                | 173,910                | 129,236                | 144,040                | 133,103                | 30,466                 | 42,904                 | 50,372                 | 36,295                 |
| Property rentals  | 362,216                    | 373,685                | 367,966                | 374,478                | 346,462                | -                      | -                      | -                      | -                      | -                      |
| Operating grants and contributions                            | 372,980                    | 335,237                | 342,541                | 331,009                | 359,641                | 380,496                | 365,754                | 340,497                | 364,214                | 345,789                |
| Total business-type activities program revenues               | <u>1,441,883</u>           | <u>1,711,437</u>       | <u>1,670,574</u>       | <u>1,564,105</u>       | <u>1,553,674</u>       | <u>1,207,361</u>       | <u>1,120,527</u>       | <u>1,158,320</u>       | <u>1,357,191</u>       | <u>1,426,360</u>       |
| Total district program revenues                               | <u>\$ 30,539,313</u>       | <u>\$ 34,611,413</u>   | <u>\$ 40,023,978</u>   | <u>\$ 36,340,388</u>   | <u>\$ 28,476,558</u>   | <u>\$ 23,896,330</u>   | <u>\$ 14,588,253</u>   | <u>\$ 15,688,018</u>   | <u>\$ 14,293,117</u>   | <u>\$ 14,109,723</u>   |
| <b>Net (Expense)/Revenue</b>                                  |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                       | \$ (79,696,624)            | \$ (79,335,052)        | \$ (78,042,461)        | \$ (77,929,340)        | \$ (74,960,531)        | \$ (69,113,757)        | \$ (71,636,400)        | \$ (70,114,185)        | \$ (71,121,420)        | \$ (69,466,715)        |
| Business-type activities                                      | (156,691)                  | 263,078                | 203,619                | 185,959                | 194,983                | 49,714                 | (112,541)              | (105,816)              | 3,873                  | (4,938)                |
| Total district-wide net (expense)/revenue                     | <u>\$ (79,853,315)</u>     | <u>\$ (79,071,974)</u> | <u>\$ (77,838,842)</u> | <u>\$ (77,743,381)</u> | <u>\$ (74,765,548)</u> | <u>\$ (69,064,043)</u> | <u>\$ (71,748,941)</u> | <u>\$ (70,220,001)</u> | <u>\$ (71,117,547)</u> | <u>\$ (69,471,653)</u> |

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

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2020                       | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
| <b>General Revenues and Other Changes in Net Position</b> |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                                  |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Property taxes levied for general purposes, net           | \$ 67,912,108              | \$ 66,580,498        | \$ 65,274,998        | \$ 63,322,510        | \$ 62,080,892        | \$ 60,863,620        | \$ 59,670,216        | \$ 58,500,212        | \$ 57,353,149        | \$ 56,228,577        |
| Taxes levied for debt service                             | 4,167,548                  | 4,244,903            | 4,234,063            | 4,234,072            | 4,285,754            | 4,587,826            | 4,592,970            | 4,576,028            | 4,611,674            | 4,598,981            |
| Unrestricted grants and contributions                     | 12,764,831                 | 11,852,906           | 11,893,389           | 11,648,609           | 11,680,396           | 11,672,926           | 11,616,865           | 11,638,067           | 11,351,096           | 10,199,501           |
| Extraordinary items                                       | (5,454)                    | (168)                | 37,239               | 1,514,154            | (66,165)             | (1,278,015)          | 624,852              | 21,398               | (220,988)            | -                    |
| Investment earnings                                       | 276,600                    | 363,145              | 257,534              | 92,985               | 70,942               | 43,546               | 10,892               | 7,604                | 8,685                | 12,354               |
| Miscellaneous income                                      | 226,735                    | 126,065              | 133,391              | 275,229              | 80,774               | 33,800               | 69,929               | 68,690               | 126,251              | 344,339              |
| Transfers   | (9,000)                    | (13,000)             | (1,100)              | (2,416)              | (301)                | -                    | (115,000)            | -                    | (6,201)              | -                    |
| <b>Total governmental activities</b>                      | <b>85,333,368</b>          | <b>83,154,349</b>    | <b>81,829,514</b>    | <b>81,085,143</b>    | <b>78,132,292</b>    | <b>75,923,703</b>    | <b>76,470,724</b>    | <b>74,811,999</b>    | <b>73,223,666</b>    | <b>71,383,752</b>    |
| Business-type activities:                                 |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Investment earnings                                       | 9,407                      | 10,991               | 6,038                | 1,903                | 875                  | 486                  | -                    | 1,345                | 57                   | 369                  |
| Miscellaneous income                                      | -                          | 9,149                | -                    | 433                  | -                    | 384                  | -                    | -                    | -                    | -                    |
| Extraordinary items                                       | -                          | -                    | -                    | -                    | -                    | (5,917)              | -                    | 700                  | -                    | -                    |
| Transfers   | 9,000                      | 13,000               | 1,100                | -                    | 301                  | -                    | 115,000              | -                    | 6,201                | -                    |
| <b>Total business-type activities</b>                     | <b>18,407</b>              | <b>33,140</b>        | <b>7,138</b>         | <b>2,336</b>         | <b>1,176</b>         | <b>(5,047)</b>       | <b>115,000</b>       | <b>2,045</b>         | <b>6,258</b>         | <b>369</b>           |
| <b>Total district-wide</b>                                | <b>\$ 85,351,775</b>       | <b>\$ 83,187,489</b> | <b>\$ 81,836,652</b> | <b>\$ 81,087,479</b> | <b>\$ 78,133,468</b> | <b>\$ 75,918,656</b> | <b>\$ 76,585,724</b> | <b>\$ 74,814,044</b> | <b>\$ 73,229,924</b> | <b>\$ 71,384,121</b> |
| <b>Change in Net Position</b>                             |                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities                                   | \$ 5,636,744               | \$ 3,819,297         | \$ 3,787,053         | \$ 3,155,803         | \$ 3,171,761         | \$ 6,809,946         | \$ 4,834,324         | \$ 4,697,814         | \$ 2,102,246         | \$ 1,917,037         |
| Business-type activities                                  | (138,284)                  | 296,218              | 210,757              | 188,295              | 196,159              | 44,667               | 2,459                | (103,771)            | 10,131               | (4,569)              |
| <b>Total district</b>                                     | <b>\$ 5,498,460</b>        | <b>\$ 4,115,515</b>  | <b>\$ 3,997,810</b>  | <b>\$ 3,344,098</b>  | <b>\$ 3,367,920</b>  | <b>\$ 6,854,613</b>  | <b>\$ 4,836,783</b>  | <b>\$ 4,594,043</b>  | <b>\$ 2,112,377</b>  | <b>\$ 1,912,468</b>  |

Source: District records

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

|                                    | Fiscal Year Ended June 30, |                     |                      |                      |                      |                      |                      |                      |                     |                     |
|------------------------------------|----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|                                    | 2020                       | 2019                | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                | 2011                |
| General Fund                       |                            |                     |                      |                      |                      |                      |                      |                      |                     |                     |
| Restricted                         | \$ 4,195,595               | \$ 2,159,132        | \$ 5,505,766         | \$ 9,189,969         | \$ 9,696,004         | \$ 9,429,497         | \$ 6,937,450         | \$ 3,235,107         | \$ 2,208,841        | \$ 803,360          |
| Committed                          | 1,045,354                  | 2,119,074           | 1,858,255            | 849,781              | 95,229               | 555,996              | 1,276,855            | 1,105,729            | 980,583             | 183,000             |
| Assigned                           | 3,692,789                  | 3,305,697           | 2,805,828            | 2,260,692            | 1,559,697            | 3,354,681            | 4,180,921            | 4,726,347            | 3,641,657           | 4,180,839           |
| Unassigned                         | 1,455,123                  | 1,449,719           | 1,687,670            | 1,363,844            | 1,306,648            | 1,732,824            | 1,907,453            | 1,889,251            | 2,119,323           | 2,406,080           |
| Total general fund                 | <u>\$ 10,388,861</u>       | <u>\$ 9,033,622</u> | <u>\$ 11,857,519</u> | <u>\$ 13,664,286</u> | <u>\$ 12,657,578</u> | <u>\$ 15,072,998</u> | <u>\$ 14,302,679</u> | <u>\$ 10,956,434</u> | <u>\$ 8,950,404</u> | <u>\$ 7,573,279</u> |
| All Other Governmental Funds       |                            |                     |                      |                      |                      |                      |                      |                      |                     |                     |
| Restricted for:                    |                            |                     |                      |                      |                      |                      |                      |                      |                     |                     |
| Capital projects                   | \$ -                       | \$ -                | \$ -                 | \$ -                 | \$ 600,912           | \$ 142,439           | \$ -                 | \$ -                 | \$ 350,454          | \$ 403,689          |
| Debt service                       | 488                        | 244                 | 6,495                | 6,495                | 4,588                | 149,121              | 1,113                | 3,683                | 2,986               | 1                   |
| Assigned                           | -                          | -                   | -                    | 4,588                | 149,121              | 144,214              | 3,683                | 2,986                | 1,670               | 2,985               |
| Unassigned                         | -                          | -                   | -                    | -                    | -                    | -                    | (187,157)            | -                    | -                   | -                   |
| Total all other governmental funds | <u>\$ 488</u>              | <u>\$ 244</u>       | <u>\$ 6,495</u>      | <u>\$ 11,083</u>     | <u>\$ 754,621</u>    | <u>\$ 435,774</u>    | <u>\$ (182,361)</u>  | <u>\$ 6,669</u>      | <u>\$ 355,110</u>   | <u>\$ 406,675</u>   |

Source: District records

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

|  | Fiscal Year Ended June 30, |                    |                    |                   |                    |                   |                   |                   |                   |                   |
|--|----------------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2020                       | 2019               | 2018               | 2017              | 2016               | 2015              | 2014              | 2013              | 2012              | 2011              |
| <b>Revenues</b>  |                            |                    |                    |                   |                    |                   |                   |                   |                   |                   |
| Tax levy   | \$ 72,079,656              | \$ 70,825,401      | \$ 69,509,061      | \$ 67,556,582     | \$ 66,366,646      | \$ 65,451,446     | \$ 64,263,186     | \$ 63,076,240     | \$ 61,964,823     | \$ 60,827,558     |
| Tuition charges  | 886,601                    | 903,878            | 837,046            | 585,948           | 375,088            | 234,015           | 170,986           | 47,494            | 56,178            | 87,350            |
| Interest earnings  | 263,449                    | 345,946            | 244,681            | 92,985            | 70,942             | 43,546            | 10,892            | 7,604             | 8,685             | 12,354            |
| Transportation fees  | 7,966                      | 21,466             | 21,146             | 27,238            | 6,227              | 7,180             | 5,597             | 57,357            | 229,595           | 213,067           |
| Miscellaneous  | 489,107                    | 493,342            | 478,291            | 1,062,433         | 212,311            | 235,322           | 815,726           | 197,243           | 373,749           | 485,501           |
| State sources  | 31,424,463                 | 29,943,014         | 27,920,961         | 25,782,199        | 24,689,601         | 25,392,851        | 23,286,891        | 24,651,784        | 22,171,339        | 20,416,124        |
| Federal sources  | 1,289,874                  | 1,417,197          | 1,416,714          | 1,460,709         | 1,465,683          | 1,425,899         | 1,500,172         | 1,303,975         | 1,582,412         | 2,025,161         |
| <b>Total revenue</b>   | <b>106,441,116</b>         | <b>103,950,244</b> | <b>100,427,900</b> | <b>96,568,094</b> | <b>93,186,498</b>  | <b>92,790,259</b> | <b>90,053,450</b> | <b>89,341,697</b> | <b>86,386,781</b> | <b>84,067,115</b> |
| <b>Expenditures</b>  |                            |                    |                    |                   |                    |                   |                   |                   |                   |                   |
| <b>Instruction:</b>  |                            |                    |                    |                   |                    |                   |                   |                   |                   |                   |
| Regular Instruction  | 23,952,073                 | 23,430,638         | 22,856,800         | 22,611,055        | 23,014,678         | 21,663,620        | 21,605,660        | 22,034,273        | 21,865,872        | 20,949,176        |
| Special education instruction                                    | 7,453,692                  | 7,045,785          | 6,787,654          | 6,696,905         | 6,594,041          | 6,287,558         | 6,453,080         | 6,123,026         | 6,029,745         | 6,126,413         |
| Other instructional programs                                     | 1,140,136                  | 1,223,402          | 1,216,888          | 1,263,566         | 1,278,794          | 1,404,332         | 1,476,002         | 1,232,256         | 1,186,752         | 1,102,572         |
| School sponsored programs  | 2,387,193                  | 2,273,848          | 1,694,433          | 1,258,420         | 1,179,989          | 1,168,238         | 1,069,470         | 850,449           | 868,773           | 846,534           |
| Community services programs                                      | -                          | -                  | -                  | -                 | 34,540             | 37,655            | 40,784            | 29,698            | 43,857            | 47,542            |
| <b>Support Services:</b>   |                            |                    |                    |                   |                    |                   |                   |                   |                   |                   |
| Tuition  | 2,864,114                  | 2,538,835          | 2,366,732          | 2,525,984         | 2,435,596          | 2,756,260         | 2,730,940         | 2,711,876         | 2,862,242         | 2,964,008         |
| Student & inst. related services                                 | 9,796,819                  | 9,504,294          | 8,945,270          | 8,561,308         | 8,319,561          | 8,484,087         | 8,528,782         | 8,351,729         | 8,131,635         | 8,297,296         |
| School administrative services                                   | 3,479,480                  | 3,562,762          | 3,456,160          | 3,420,218         | 3,394,550          | 3,156,541         | 3,166,897         | 3,126,636         | 3,216,347         | 3,062,816         |
| Other administrative services                                    | 3,375,685                  | 2,973,865          | 3,080,416          | 3,098,526         | 2,831,023          | 2,872,144         | 2,745,813         | 2,582,402         | 2,599,568         | 2,401,104         |
| Plant operations and maintenance                                 | 8,982,085                  | 9,975,741          | 10,146,895         | 8,561,682         | 7,607,741          | 7,042,310         | 7,095,980         | 6,571,630         | 7,054,440         | 7,275,560         |
| Pupil transportation   | 4,722,803                  | 4,993,707          | 4,953,581          | 4,789,921         | 4,501,053          | 4,104,999         | 3,950,618         | 3,944,166         | 3,984,861         | 3,963,774         |
| Employee benefits  | 28,119,339                 | 27,588,784         | 25,038,784         | 23,487,854        | 21,638,981         | 19,726,960        | 20,031,310        | 21,147,769        | 19,306,765        | 18,667,448        |
| Charter Schools  | 100,788                    | 136,468            | 91,473             | 95,706            | 77,188             | 98,784            | 155,488           | 134,935           | 95,957            | 75,946            |
| Capital outlay   | 4,016,602                  | 7,449,565          | 9,248,199          | 5,495,453         | 8,395,312          | 8,271,043         | 2,549,967         | 3,686,049         | 2,613,856         | 1,051,275         |
| <b>Debt service:</b>   |                            |                    |                    |                   |                    |                   |                   |                   |                   |                   |
| Principal  | 3,540,000                  | 3,485,000          | 3,345,000          | 3,575,000         | 3,260,000          | 3,220,000         | 3,105,668         | 3,040,869         | 2,807,152         | 2,665,299         |
| Interest and other charges                                       | 1,145,824                  | 1,282,825          | 1,409,870          | 1,326,910         | 1,632,677          | 1,663,068         | 2,074,776         | 2,116,345         | 2,387,198         | 2,514,436         |
| <b>Total expenditures</b>  | <b>105,076,633</b>         | <b>107,465,519</b> | <b>104,638,155</b> | <b>96,768,508</b> | <b>96,195,724</b>  | <b>91,957,599</b> | <b>86,781,235</b> | <b>87,684,108</b> | <b>85,055,020</b> | <b>82,011,199</b> |
| <b>Excess (Deficiency) of revenues over (under) expenditures</b> | <b>1,364,483</b>           | <b>(3,515,275)</b> | <b>(4,210,255)</b> | <b>(200,414)</b>  | <b>(3,009,226)</b> | <b>832,660</b>    | <b>3,272,215</b>  | <b>1,657,589</b>  | <b>1,331,761</b>  | <b>2,055,916</b>  |

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, |                       |                       |                   |                       |                     |                     |                     |                     |                     |
|---|----------------------------|-----------------------|-----------------------|-------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2020                       | 2019                  | 2018                  | 2017              | 2016                  | 2015                | 2014                | 2013                | 2012                | 2011                |
| <b>Other Financing sources (uses)</b>                   |                            |                       |                       |                   |                       |                     |                     |                     |                     |                     |
| Refunding bonds   | -                          | -                     | -                     | -                 | 15,635,000            | 16,740,000          | -                   | -                   | 7,710,000           | -                   |
| Original issue premium                                  | -                          | -                     | -                     | -                 | 2,844,176             | 2,097,739           | -                   | -                   | 601,529             | -                   |
| Payments to escrow agent                                | -                          | -                     | -                     | -                 | (18,356,547)          | (18,676,850)        | -                   | -                   | (8,184,603)         | -                   |
| Costs of issuance                                       | -                          | -                     | -                     | -                 | (119,675)             | (157,095)           | -                   | -                   | (126,926)           | -                   |
| Capital leases  | -                          | 698,127               | 2,400,000             | 466,000           | 910,000               | 552,000             | -                   | -                   | -                   | 506,973             |
| Transfers in  | 1,072,984                  | 2,911,637             | 2,909,500             | 3,533,275         | 3,050,288             | 2,190,388           | 3,021               | 47,176              | 337,355             | 427,999             |
| Transfers out   | (1,081,984)                | (2,924,637)           | (2,910,600)           | (3,533,275)       | (3,050,589)           | (2,190,388)         | (118,021)           | (47,176)            | (343,556)           | (427,999)           |
| Cancellation of prior year receivable                   | -                          | -                     | -                     | (2,416)           | -                     | -                   | -                   | -                   | -                   | -                   |
| Total other financing sources (uses)                    | <u>(9,000)</u>             | <u>685,127</u>        | <u>2,398,900</u>      | <u>463,584</u>    | <u>912,653</u>        | <u>555,794</u>      | <u>(115,000)</u>    | <u>-</u>            | <u>(6,201)</u>      | <u>506,973</u>      |
| Net change in fund balances                             | <u>\$ 1,355,483</u>        | <u>\$ (2,830,148)</u> | <u>\$ (1,811,355)</u> | <u>\$ 263,170</u> | <u>\$ (2,096,573)</u> | <u>\$ 1,388,454</u> | <u>\$ 3,157,215</u> | <u>\$ 1,657,589</u> | <u>\$ 1,325,560</u> | <u>\$ 2,562,889</u> |
| Debt service as a percentage of noncapital expenditures | 4.64%                      | 4.77%                 | 4.98%                 | 5.37%             | 5.57%                 | 5.83%               | 6.15%               | 6.14%               | 6.30%               | 6.40%               |

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<br>June 30, | Insurance<br>Proceeds | Prior Year<br>Tuition<br>Adjustments | Student<br>Fines/Fees | Parking<br>Permit<br>Fees | Use of<br>Facilities | Prior Year<br>Refunds | Cancellation<br>of Prior Year<br>Checks and<br>Payables | Sports and<br>Activity<br>Participation<br>Fees | Sale or<br>Lease of<br>Assets | Sunset<br>Academy<br>Fees | Legal<br>Settlement/<br>Restitution | Before and<br>After Care<br>Program | Other    | Annual Totals |
|-------------------------------|-----------------------|--------------------------------------|-----------------------|---------------------------|----------------------|-----------------------|---|---|-------------------------------|---------------------------|-------------------------------------|-------------------------------------|----------|---------------|
| 2011                          | \$ 52,661             | \$ 51,633                            | \$ 8,097              | \$27,615                  | \$ 56,007            | \$ 3,595              | \$ 1,709  | \$ 85,155                                       | \$ 45,560                     | \$ 9,979                  | \$ 133,000                          | \$ -                                | \$ 7,506 | \$ 482,517    |
| 2012                          | 35,000                | 52,280                               | 3,524                 | 27,984                    | 79,352               | 21,131                | 538   | 81,658  | 51,451                        | 7,053                     | 2,201                               | -                                   | 8,062    | 370,234       |
| 2013                          | -                     | 4,229                                | 4,522                 | 24,880                    | 76,875               | 12,043                | 1,105   | -   | 61,007                        | 5,400                     | -                                   | -                                   | 5,248    | 195,309       |
| 2014                          | -                     | 4,997                                | 1,973                 | 24,455                    | 85,090               | 38,669                | 4,004   | -   | 635,725                       | 11,400                    | -                                   | -                                   | 8,301    | 814,614       |
| 2015                          | 78                    | -                                    | 5,002                 | 25,925                    | 98,897               | 10,154                | 277   | -   | 11,827                        | 11,700                    | 1,237                               | -                                   | 3,997    | 169,094       |
| 2016                          | -                     | -                                    | 365                   | 28,510                    | 108,350              | 24,785                | 2,847   | -   | 28,073                        | 7,600                     | 169                                 | -                                   | 5,629    | 206,328       |
| 2017                          | 9,898                 | -                                    | 1,376                 | 28,180                    | 90,024               | 89,814                | 1,810   | -   | 17,679                        | 9,200                     | 141,654                             | -                                   | 2,167    | 391,802       |
| 2018                          | -                     | -                                    | 1,677                 | 29,245                    | 301,655              | 16,524                | 4,428   | -   | 33,561                        | 14,000                    | -                                   | 74,903                              | 2,298    | 478,291       |
| 2019                          | -                     | -                                    | 1,792                 | 32,337                    | 332,579              | 18,502                | 6,608   | -   | 1,080                         | -                         | 43                                  | 85,431                              | 12,609   | 490,981       |
| 2020                          | -                     | -                                    | 605                   | 19,934                    | 242,438              | 163,052               | 3,566   | -   | 4,995                         | -                         | -                                   | 53,395                              | 1,122    | 489,107       |

Source: District records



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

| Fiscal Year Ended December 31, | Vacant Land   | Residential      | Farm Reg.     | Qfarm        | Commercial     | Industrial     | Apartment      | Total Assessed Value | Public Utilities <sup>a</sup> | Net Valuation Taxable | Tax Exempt Property | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate <sup>b</sup> |
|--------------------------------|---------------|------------------|---------------|--------------|----------------|----------------|----------------|----------------------|-------------------------------|-----------------------|---------------------|---|---|
| 2010                           | \$ 95,028,400 | \$ 1,978,144,500 | \$ 12,356,900 | \$ 1,418,000 | \$ 427,714,200 | \$ 290,149,600 | \$ 228,720,500 | \$ 3,033,532,100     | \$ 6,282,617                  | \$ 3,039,814,717      | \$ 219,794,900      | \$ 3,753,906,818                          | \$ 2.00                                   |
| 2011                           | 90,315,200    | 1,959,429,800    | 12,448,800    | 1,314,200    | 418,373,900    | 272,732,300    | 248,650,000    | 3,003,264,200        | 5,217,039                     | 3,008,481,239         | 219,757,600         | 3,539,081,075                             | 2.04                                      |
| 2012                           | 84,999,000    | 1,974,057,300    | 12,901,400    | 1,357,100    | 409,917,100    | 263,060,500    | 248,650,000    | 2,994,942,400        | 4,728,279                     | 2,999,670,679         | 221,322,700         | 3,296,216,597                             | 2.09                                      |
| 2013                           | 80,606,800    | 1,993,152,600    | 12,304,800    | 1,228,700    | 389,881,600    | 262,472,000    | 248,250,000    | 2,987,896,500        | 5,583,077                     | 2,993,479,577         | 227,248,700         | 3,192,892,823                             | 2.13                                      |
| 2014                           | 70,029,700    | 2,020,455,200    | 12,935,000    | 1,214,500    | 384,049,900    | 257,273,800    | 247,250,000    | 2,993,208,100        | 4,900,281                     | 2,998,108,381         | 231,862,100         | 3,098,250,465                             | 2.16                                      |
| 2015                           | 75,181,800    | 2,052,952,100    | 12,935,000    | 1,084,100    | 371,303,400    | 260,266,400    | 247,250,000    | 3,020,972,800        | -                             | 3,020,972,800         | 232,890,400         | 2,963,850,508                             | 2.18                                      |
| 2016                           | 68,774,000    | 2,087,008,500    | 11,825,400    | 1,078,300    | 380,768,400    | 259,891,200    | 247,250,000    | 3,056,595,800        | -                             | 3,056,595,800         | 235,276,100         | 3,132,027,975                             | 2.19                                      |
| 2017                           | 63,309,600    | 2,122,926,200    | 11,705,000    | 1,077,200    | 380,352,200    | 250,753,600    | 296,350,000    | 3,126,473,800        | -                             | 3,126,473,800         | 235,183,000         | 3,180,572,002                             | 2.19                                      |
| 2018                           | 58,773,300    | 2,152,365,600    | 11,306,600    | 1,104,700    | 377,348,000    | 257,201,900    | 296,350,000    | 3,154,450,100        | -                             | 3,154,450,100         | 238,162,100         | 3,276,182,208                             | 2.24                                      |
| 2019                           | 57,525,900    | 2,176,916,400    | 11,813,400    | 1,076,900    | 372,301,700    | 261,680,100    | 296,350,000    | 3,177,664,400        | -                             | 3,177,664,400         | 243,293,000         | 3,367,664,222                             | 2.27                                      |

Source: Municipal Tax Assessor

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

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

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

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

| Fiscal Year<br>Ended<br>December 31, | Mount Olive Township School District Direct Rate |  |  | Overlapping Rates       |                  | Total Direct and<br>Overlapping Tax<br>Rate |
|--------------------------------------|--|--|--|-------------------------|------------------|---|
|                                      | Basic Rate <sup>a</sup>                          | General<br>Obligation Debt<br>Service <sup>b</sup> | (From J-6)<br>Total Direct<br>School Tax<br>Rate | Mount Olive<br>Township | Morris<br>County |   |
| 2010                                 | \$ 1.85  | \$ 0.15  | \$ 2.00  | \$ 0.62                 | \$ 0.28          | \$ 2.90                                     |
| 2011                                 | 1.89   | 0.15   | 2.04   | 0.63                    | 0.28             | 2.95  |
| 2012                                 | 1.94   | 0.15   | 2.09   | 0.64                    | 0.27             | 3.00  |
| 2013                                 | 1.98   | 0.15   | 2.13   | 0.66                    | 0.27             | 3.06  |
| 2014                                 | 2.01   | 0.15   | 2.16   | 0.66                    | 0.27             | 3.09  |
| 2015                                 | 2.03   | 0.15   | 2.18   | 0.66                    | 0.25             | 3.09  |
| 2016                                 | 2.05   | 0.14   | 2.19   | 0.66                    | 0.26             | 3.11  |
| 2017                                 | 2.06   | 0.14   | 2.19   | 0.66                    | 0.27             | 3.12  |
| 2018                                 | 2.11   | 0.13   | 2.24   | 0.66                    | 0.27             | 3.17  |
| 2019                                 | 2.14   | 0.13   | 2.27   | 0.66                    | 0.28             | 3.21  |

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

Note: Tax rates are per \$100

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

<sup>b</sup> Rates for debt service are based on each year's requirements.

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

| Taxpayer                                      | 2019 Top Ten Taxpayers |                 |  | 2009 Top Ten Taxpayers |                 |  |
|---|------------------------|-----------------|--|------------------------|-----------------|--|
|   | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Oakwood Village Real Estate LLC               | \$ 120,020,500         | 1               | 3.78%                                  | \$ 80,000,000          | 1               | 2.19%                                  |
| SDK Village Green LLC                         | 109,012,200            | 2               | 3.43%                                  | 76,000,000             | 2               | 2.08%                                  |
| Giraffe Properties, LLC (Toys R Us)           |                        |                 |  | 55,000,000             | 3               | 1.50%                                  |
| SM Logistics Mount Olive LLC                  | 49,500,000             | 3               | 1.56%                                  |                        |                 |  |
| Big Box Property Owner East LLC               | 47,735,000             | 4               | 1.50%                                  |                        |                 |  |
| MTO Realty                                    |                        |                 |  | 42,000,000             | 4               | 1.15%                                  |
| Eagle Rock Village Inc.                       | 35,991,700             | 5               | 1.13%                                  | 33,000,000             | 5               | 0.90%                                  |
| SCI ITC South Fund, LLC (Lowes, Babies R Us)  | 30,600,000             | 6               | 0.96%                                  | 20,750,000             | 9               | 0.57%                                  |
| Siemens Healthcare Diagnostics Inc.           | 29,910,900             | 7               | 0.94%                                  |                        |                 |  |
| Kings Village LLC                             | 23,000,000             | 8               | 0.72%                                  | 20,550,000             | 10              | 0.56%                                  |
| SCI ITC South Fund, LLC (Old Navy, Michael's) | 20,458,600             | 9               | 0.64%                                  | 24,450,000             | 7               | 0.67%                                  |
| CRG 1725 LLC                                  | 20,000,000             | 10              | 0.63%                                  |                        |                 |  |
| 350 Clark Drive LLC (Calvin Klein)            |                        |                 |  | 24,500,000             | 6               | 0.67%                                  |
| National Shopping Center Associates, LLC      |                        |                 |  | 21,500,000             | 8               | 0.59%                                  |
| <b>Total</b>                                  | <b>\$ 486,228,900</b>  |                 | <b>15.30%</b>                          | <b>\$ 397,750,000</b>  |                 | <b>10.88%</b>                          |

Source: Municipal Tax Assessor

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

| Fiscal Year<br>Ended<br>December 31, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal<br>Year of the Levy <sup>a</sup> |                       | Collections in<br>Subsequent<br>Years |
|--------------------------------------|-------------------------------------|--|-----------------------|---------------------------------------|
|                                      |                                     | Amount   | Percentage<br>of Levy |                                       |
| 2010                                 | \$ 60,702,860                       | \$ 60,702,860  | 100.00%               | -                                     |
| 2011                                 | 61,396,191                          | 61,396,191   | 100.00%               | -                                     |
| 2012                                 | 62,520,531                          | 62,520,531   | 100.00%               | -                                     |
| 2013                                 | 63,669,713                          | 63,669,713   | 100.00%               | -                                     |
| 2014                                 | 64,857,316                          | 64,857,316   | 100.00%               | -                                     |
| 2015                                 | 65,909,046                          | 65,909,046   | 100.00%               | -                                     |
| 2016                                 | 66,961,614                          | 66,961,614   | 100.00%               | -                                     |
| 2017                                 | 68,532,822                          | 68,532,822   | 100.00%               | -                                     |
| 2018                                 | 70,825,401                          | 70,825,401   | 100.00%               | -                                     |
| 2019                                 | 72,079,656                          | 72,079,656   | 100.00%               | -                                     |

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<br>Year<br>Ended<br>June 30, | Governmental Activities        |                                     |   | Total District | Percentage of<br>Personal<br>Income <sup>a</sup> | Per Capita <sup>a</sup> |
|-------------------------------------|--------------------------------|-------------------------------------|---|----------------|--|-------------------------|
|                                     | General<br>Obligation<br>Bonds | Sewer<br>Connection<br>Project Loan | Bond<br>Anticipation<br>Notes<br>(BANs) |                |  |                         |
| 2011                                | \$ 55,175,000                  | \$ 363,689                          | \$ -                                    | \$ 55,538,689  | 2.55%  | \$ 1,960                |
| 2012                                | 52,715,000                     | 291,537                             | -                                       | 53,006,537     | 2.33%  | 1,862                   |
| 2013                                | 49,745,000                     | 220,668                             | -                                       | 49,965,668     | 2.16%  | 1,748                   |
| 2014                                | 46,720,000                     | 140,000                             | -                                       | 46,860,000     | 1.94%  | 1,634                   |
| 2015                                | 42,040,000                     | 95,000                              | -                                       | 42,135,000     | 1.66%  | 1,462                   |
| 2016                                | 36,465,000                     | 50,000                              | -                                       | 36,515,000     | 1.39%  | 1,264                   |
| 2017                                | 32,940,000                     | -                                   | -                                       | 32,940,000     | 1.22%  | 1,138                   |
| 2018                                | 29,595,000                     | -                                   | -                                       | 29,595,000     | 1.03%  | 1,021                   |
| 2019                                | 26,110,000                     | -                                   | -                                       | 26,110,000     | N/A  | 903                     |
| 2020                                | 22,570,000                     | -                                   | -                                       | 22,570,000     | N/A  | N/A                     |

Source: District records

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

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

N/A At the time of CAFR completion, personal income data was not available beyond 2018 and population data was not available beyond 2019.

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

| Fiscal Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of<br>Property | Per Capita <sup>b</sup> |
|----------------------------------|---------------------------------|------------|---|--|-------------------------|
|                                  | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |  |                         |
| 2011                             | \$ 55,175,000                   | \$ -       | \$ 55,175,000                             | 1.82%  | \$ 1,947                |
| 2012                             | 52,715,000                      | -          | 52,715,000                                | 1.75%  | 1,852                   |
| 2013                             | 49,745,000                      | -          | 49,745,000                                | 1.66%  | 1,740                   |
| 2014                             | 46,720,000                      | -          | 46,720,000                                | 1.56%  | 1,629                   |
| 2015                             | 42,040,000                      | -          | 42,040,000                                | 1.40%  | 1,459                   |
| 2016                             | 36,465,000                      | -          | 36,465,000                                | 1.21%  | 1,263                   |
| 2017                             | 32,940,000                      | -          | 32,940,000                                | 1.08%  | 1,138                   |
| 2018                             | 29,595,000                      | -          | 29,595,000                                | 0.95%  | 1,021                   |
| 2019                             | 26,110,000                      | -          | 26,110,000                                | 0.83%  | 903                     |
| 2020                             | 22,570,000                      | -          | 22,570,000                                | 0.71%  | N/A                     |

Source: District records

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

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

<sup>b</sup> Population data can be found in Exhibit J-14.

N/A At the time of CAFR completion, population data was not available beyond 2019.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF JUNE 30, 2020  
 UNAUDITED

|   | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>a</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|---|-----------------------------|---|--|
| Debt repaid with property taxes:                            |                             |   |  |
| Township of Mt. Olive <sup>b</sup>                          | \$ 22,604,522               | 100.00%   | \$ 22,604,522  |
| County of Morris <sup>c</sup>                               | 216,220,009                 | 3.50%   | <u>7,577,797</u>                                       |
| Subtotal, overlapping debt                                  |                             |   | 30,182,319   |
| Mt. Olive Township School District Direct Debt <sup>d</sup> |                             |   | <u>22,570,000</u>                                      |
| Total direct and overlapping debt                           |                             |   | <u><u>\$ 52,752,319</u></u>                            |

Source: 2019 Annual Debt Statements provided by the County of Morris and Mt. Olive Township  
 2019 Abstract of Ratables for Morris County

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

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt is estimated using taxable assessed property values. The applicable percentage was calculated by dividing the portion of Mt. Olive Township's taxable value by the total taxable value in Morris County as reported on the 2019 Abstract of Ratables for Morris County.

<sup>b</sup> Net debt at December 31, 2019 as per the Township's Annual Debt Statement.

<sup>c</sup> Net debt at December 31, 2019 as per the County's Annual Debt Statement.

<sup>d</sup> School District debt includes all bonds, notes and loans issued as of June 30, 2020 as per Schedule J-10.

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

Legal Debt Margin Calculation as of December 31, 2019

|   |                           |                             |
|---|---------------------------|-----------------------------|
|   | Equalized valuation basis |                             |
|   | 2019                      | \$ 3,394,577,930            |
|   | 2018                      | 3,340,163,172               |
|   | 2017                      | 3,244,239,701               |
|   | [A]                       | <u>\$ 9,978,980,803</u>     |
| Average equalized valuation of taxable property | [A/3]                     | \$ 3,326,326,934            |
| Debt limit (4% of average equalized valuation)  | [B]                       | \$ 133,053,077 <sup>a</sup> |
| Total net debt applicable to limit              | [C]                       | 22,570,000                  |
| Legal debt margin                               | [B-C]                     | <u>\$ 110,483,077</u>       |

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                       |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|   | 2011                       | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                  |
| Debt limit  | \$ 148,613,894             | \$ 141,075,637       | \$ 133,689,899       | \$ 127,755,664       | \$ 122,799,389       | \$ 121,481,824       | \$ 121,773,215       | \$ 125,914,346       | \$ 108,422,909       | \$ 133,053,077        |
| Total net debt applicable to limit <sup>b</sup>                         | 55,175,000                 | 52,715,000           | 49,745,000           | 46,720,000           | 42,040,000           | 36,465,000           | 32,940,000           | 29,595,000           | 26,110,000           | 22,570,000            |
| Legal debt margin   | <u>\$ 93,438,894</u>       | <u>\$ 88,360,637</u> | <u>\$ 83,944,899</u> | <u>\$ 81,035,664</u> | <u>\$ 80,759,389</u> | <u>\$ 85,016,824</u> | <u>\$ 88,833,215</u> | <u>\$ 96,319,346</u> | <u>\$ 82,312,909</u> | <u>\$ 110,483,077</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 37.13%                     | 37.37%               | 37.21%               | 36.57%               | 34.23%               | 30.02%               | 27.05%               | 23.50%               | 24.08%               | 16.96%                |

Source: Mount Olive Township Annual Debt Statement.

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

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



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

| Year Ended<br>December 31, | Population <sup>a</sup> | Personal Income <sup>b</sup> | Per Capita<br>Personal Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|----------------------------|-------------------------|------------------------------|--|-----------------------------------|
| 2010                       | 28,194                  | \$ 2,085,876,702             | \$ 73,983                                  | 8.9%                              |
| 2011                       | 28,339                  | 2,174,366,453                | 76,727                                     | 8.2%                              |
| 2012                       | 28,462                  | 2,270,271,430                | 79,765                                     | 8.3%                              |
| 2013                       | 28,588                  | 2,310,053,340                | 80,805                                     | 7.0%                              |
| 2014                       | 28,679                  | 2,416,492,540                | 84,260                                     | 5.2%                              |
| 2015                       | 28,816                  | 2,542,118,704                | 88,219                                     | 4.4%                              |
| 2016                       | 28,881                  | 2,623,925,493                | 90,853                                     | 4.1%                              |
| 2017                       | 28,936                  | 2,707,107,480                | 93,555                                     | 3.8%                              |
| 2018                       | 28,983                  | 2,864,737,686                | 98,842                                     | 3.5%                              |
| 2019                       | 28,926                  | N/A                          | N/A  | 3.0%                              |

Source:

- <sup>a</sup> Population estimates provided by the New Jersey Department of Labor and Workforce Development.
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per capita personal income based on average for Morris County. Information provided by the US Bureau of Economic Analysis. The most current year is a projected figure.
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR  
UNAUDITED

| Employer                           | Employees    | Rank | Percentage of<br>Total Municipal<br>Employment <sup>a</sup> |
|------------------------------------|--------------|------|---|
| Siemens Medical Solutions          | 898          | 1    | 5.84%   |
| Mt. Olive Township School District | 859          | 2    | 5.59%   |
| Mars, Inc.                         | 375          | 3    | 2.44%   |
| Amazon                             | 252          | 4    | 1.64%   |
| Benjamin Moore Paints              | 235          | 5    | 1.53%   |
| Wal-Mart Stores Inc.               | 226          | 6    | 1.47%   |
| Shop Rite of Flanders              | 215          | 7    | 1.40%   |
| Givaudan Fragrances Corp.          | 203          | 8    | 1.32%   |
| Mount Olive Township               | 203          | 9    | 1.32%   |
| Lowe's Home Centers Inc.           | 198          | 10   | 1.29%   |
|                                    | <u>3,664</u> |      | <u>23.85%</u>   |

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

<sup>a</sup> Based on 2019 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>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction:                           |              |              |              |              |              |              |              |              |              |              |
| Regular                                | 282.0        | 270.0        | 279.8        | 285.0        | 290.3        | 301.0        | 297.2        | 287.1        | 290.6        | 303.6        |
| Special education                      | 125.0        | 125.0        | 106.4        | 131.4        | 141.7        | 149.0        | 142.7        | 142.3        | 150.2        | 138.2        |
| Other instruction                      | 16.0         | 16.0         | 15.2         | 19.0         | 16.6         | 18.6         | 18.2         | 16.0         | 18.0         | 16.0         |
| School sponsored programs              | -            | -            | -            | 1.0          | 1.0          | 1.0          | 1.0          | 8.6          | 7.8          | 4.4          |
| Community services programs            | 0.3          | 0.3          | -            | -            | -            | -            | -            | -            | -            | -            |
| Support Services:                      |              |              |              |              |              |              |              |              |              |              |
| Student & instruction related services | 129.8        | 130.3        | 134.8        | 143.6        | 116.6        | 111.3        | 128.8        | 133.8        | 142.9        | 156.3        |
| General administration                 | 5.0          | 5.0          | 5.0          | 5.0          | 4.5          | 4.6          | 4.6          | 5.1          | 3.6          | 3.6          |
| School administrative services         | 40.0         | 40.0         | 39.0         | 40.0         | 37.0         | 37.0         | 37.0         | 38.0         | 36.0         | 44.6         |
| Business and other support services    | 9.5          | 9.5          | 9.5          | 9.5          | 9.0          | 9.0          | 9.0          | 9.0          | 10.0         | 10.5         |
| Administrative information technology  | 5.0          | 5.0          | 6.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.5          | 9.5          |
| Plant operations and maintenance       | 84.0         | 85.0         | 85.0         | 112.0        | 85.7         | 92.3         | 92.7         | 96.0         | 94.9         | 94.5         |
| Pupil transportation                   | 66.0         | 66.0         | 69.0         | 70.5         | 65.7         | 70.9         | 73.1         | 71.7         | 72.1         | 72.8         |
| Total                                  | <u>762.6</u> | <u>752.1</u> | <u>749.7</u> | <u>824.9</u> | <u>776.1</u> | <u>802.7</u> | <u>812.4</u> | <u>815.6</u> | <u>834.6</u> | <u>854.0</u> |

Source: District Records

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

| Fiscal Year | Enrollment <sup>a</sup> | Operating Expenditures <sup>b</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>c</sup> | Average Class Size |               |             | Average Daily Enrollment (ADE) <sup>d</sup> | Average Daily Attendance (ADA) <sup>d</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|----------------|-------------------|-----------------------------|--------------------|---------------|-------------|---|---|--------------------------------------|-------------------------------|
|             |                         |                                     |                |                   |                             | Elementary         | Middle School | High School |   |   |                                      |                               |
| 2011        | 4,930.0                 | \$ 75,780,189                       | \$ 15,371      | -1.30%            | 435                         | 21                 | 25            | 24          | 4,864                                       | 4,626                                       | -0.80%                               | 95.1%                         |
| 2012        | 4,792.5                 | 77,246,814                          | 16,118         | 4.86%             | 434                         | 18                 | 20            | 17          | 4,735                                       | 4,515                                       | -2.65%                               | 95.4%                         |
| 2013        | 4,631.0                 | 78,840,845                          | 17,025         | 5.62%             | 444                         | 20                 | 19            | 19          | 4,625                                       | 4,391                                       | -2.32%                               | 94.9%                         |
| 2014        | 4,675.5                 | 79,050,824                          | 16,907         | -0.69%            | 440                         | 21                 | 21            | 18          | 4,646                                       | 4,421                                       | 0.45%                                | 95.2%                         |
| 2015        | 4,700.5                 | 78,803,488                          | 16,765         | -0.84%            | 450                         | 23                 | 18            | 23          | 4,664                                       | 4,423                                       | 0.39%                                | 94.8%                         |
| 2016        | 4,577.5                 | 82,907,735                          | 18,112         | 8.04%             | 454                         | 22                 | 20            | 21          | 4,565                                       | 4,330                                       | -2.12%                               | 94.8%                         |
| 2017        | 4,574.5                 | 86,371,145                          | 18,881         | 4.25%             | 453                         | 21                 | 22            | 20          | 4,584                                       | 4,331                                       | 0.42%                                | 94.5%                         |
| 2018        | 4,598.0                 | 90,635,086                          | 19,712         | 4.40%             | 445                         | 22                 | 20            | 21          | 4,597                                       | 4,366                                       | 0.28%                                | 95.0%                         |
| 2019        | 4,626.5                 | 95,248,129                          | 20,588         | 4.44%             | 461                         | 22                 | 23            | 24          | 4,608                                       | 4,382                                       | 0.24%                                | 95.1%                         |
| 2020        | 4,646.0                 | 96,374,207                          | 20,743         | 0.76%             | 470                         | 20                 | 17            | 21          | 4,668                                       | 4,442                                       | 1.30%                                | 95.2%                         |

Source: District records

- <sup>a</sup> Enrollment is based on the annual October district count. The 2020 count represents student enrollment as of October 15, 2019.
- <sup>b</sup> Operating expenditures equal total expenditures per Schedule J-4 less debt service and capital outlay.
- <sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff members.
- <sup>d</sup> Average daily enrollment and average daily attendance are obtained from the Annual School Register Summary (SRS).

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

| <u>District Building</u>                     | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>Elementary (4)</u>                        |         |         |         |         |         |         |         |         |         |         |
| Chester M. Stephens Elementary School (1966) |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  | 88,745  |
| Capacity (students) <sup>a</sup>             | 880     | 887     | 887     | 887     | 887     | 887     | 887     | 887     | 887     | 624     |
| Enrollment <sup>b</sup>                      | 697     | 692     | 648     | 648     | 681     | 678     | 684     | 704     | 674     | 660     |
| Mt. View Elementary School (1969)            |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  | 84,190  |
| Capacity (students) <sup>a</sup>             | 886     | 866     | 866     | 866     | 866     | 866     | 866     | 866     | 866     | 462     |
| Enrollment <sup>b</sup>                      | 599     | 579     | 526     | 508     | 489     | 475     | 444     | 432     | 488     | 489     |
| Sandshore Elementary School (1972)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  | 52,000  |
| Capacity (students) <sup>a</sup>             | 653     | 589     | 589     | 589     | 589     | 589     | 589     | 589     | 589     | 429     |
| Enrollment <sup>b</sup>                      | 422     | 384     | 374     | 376     | 373     | 387     | 403     | 427     | 443     | 454     |
| Tinc Road Elementary School (1974)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  | 60,992  |
| Capacity (students) <sup>a</sup>             | 676     | 688     | 688     | 688     | 688     | 688     | 688     | 688     | 688     | 439     |
| Enrollment <sup>b</sup>                      | 526     | 494     | 456     | 460     | 460     | 453     | 458     | 471     | 457     | 464     |
| <u>Middle School (1)</u>                     |         |         |         |         |         |         |         |         |         |         |
| Mt. Olive Middle School (2001)               |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 | 201,934 |
| Capacity (students) <sup>a</sup>             | 1,200   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,153   |
| Enrollment <sup>b</sup>                      | 1,137   | 1,150   | 1,157   | 1,205   | 1,213   | 1,125   | 1,101   | 1,061   | 1,062   | 1,089   |
| <u>High School (1)</u>                       |         |         |         |         |         |         |         |         |         |         |
| Mt. Olive High School (1978)                 |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 | 335,000 |
| Capacity (students) <sup>a</sup>             | 1,740   | 1,600   | 1,600   | 1,600   | 1,600   | 1,600   | 1,600   | 1,600   | 1,600   | 1,533   |
| Enrollment <sup>b</sup>                      | 1,508   | 1,456   | 1,444   | 1,452   | 1,473   | 1,455   | 1,486   | 1,523   | 1,501   | 1,511   |
| <u>Other (2)</u>                             |         |         |         |         |         |         |         |         |         |         |
| Administrative Office Complex (2015)         |         |         |         |         |         |         |         |         |         |         |
| Building One - Square Feet                   | -       | -       | -       | -       | -       | 19,198  | 19,198  | 19,198  | 19,198  | 19,198  |
| Building Two - Square Feet                   | -       | -       | -       | -       | -       | 19,198  | 19,198  | 19,198  | 19,198  | 19,198  |
| Bus Garage                                   |         |         |         |         |         |         |         |         |         |         |
| Square Feet                                  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  | 15,500  |

Source: District Facilities Office, Demographic Reports, ASSA Report

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

<sup>a</sup> Capacities prior to 2012 are based on architect's estimate as of August 15, 1997. Functional capacity for years 2012 through 2019 is based on the Demographic Report dated July 30, 2012. Functional capacities do not include rooms set aside for self-contained special education students and do not include pre-school space requirements. Actual capacity changes annually based on the number of special needs students and classrooms dedicated to specialized instruction. Functional capacity for the year 2020 is based on the Demographic Report dated December 2019.

<sup>b</sup> Enrollment is based on the annual October district count. The 2020 count represents the number of on roll full-time and shared-time students as of October 15, 2019.

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<br>Facilities/<br>Unallocated <sup>a</sup> | Total                |
|--------------------------------|--------------------------|----------------------------|--|-----------------------------------|-----------------------------------|----------------------------------|--|----------------------|
|                                | Mt. Olive<br>High School | Mt. Olive<br>Middle School | Chester Stephens<br>Elementary<br>School | Tinc Road<br>Elementary<br>School | Sandshore<br>Elementary<br>School | Mt. View<br>Elementary<br>School |  |                      |
| 2011                           | \$ 199,392               | \$ 191,044                 | \$ 42,318                                | \$ 48,019                         | \$ 36,261                         | \$ 58,689                        | \$ 242,349                                       | \$ 818,072           |
| 2012                           | 471,156                  | 170,190                    | 97,969                                   | 57,161                            | 69,420                            | 117,897                          | 273,003  | 1,256,796            |
| 2013                           | 192,793                  | 188,610                    | 40,831                                   | 49,613                            | 73,541                            | 48,900                           | 232,400  | 826,688              |
| 2014                           | 205,502                  | 136,529                    | 40,812                                   | 81,134                            | 49,783                            | 91,195                           | 262,770  | 867,725              |
| 2015                           | 212,341                  | 175,359                    | 80,433                                   | 38,425                            | 94,834                            | 65,264                           | 249,386  | 916,042              |
| 2016                           | 195,614                  | 154,969                    | 68,374                                   | 53,068                            | 71,272                            | 110,151                          | 415,804  | 1,069,252            |
| 2017                           | 345,282                  | 143,537                    | 75,460                                   | 61,383                            | 83,323                            | 123,915                          | 280,224  | 1,113,124            |
| 2018                           | 652,930                  | 208,900                    | 75,919                                   | 110,646                           | 52,248                            | 112,548                          | 347,796  | 1,560,987            |
| 2019                           | 222,504                  | 701,172                    | 82,187                                   | 60,818                            | 78,226                            | 49,666                           | 986,586  | 2,181,159            |
| 2020                           | 160,015                  | 100,884                    | 30,089                                   | 49,545                            | 43,825                            | 70,247                           | 917,700  | 1,372,305            |
| <b>Total School Facilities</b> | <b>\$ 2,857,529</b>      | <b>\$ 2,171,194</b>        | <b>\$ 634,392</b>                        | <b>\$ 609,812</b>                 | <b>\$ 652,733</b>                 | <b>\$ 848,472</b>                | <b>\$ 4,208,018</b>                              | <b>\$ 11,982,150</b> |

Source: District records

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

<sup>a</sup> Other facilities/unallocated includes the administration building, the bus garage, and unallocated maintenance salaries.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED

|   | Coverage         | Deductible |
|---|------------------|------------|
| <b>Commercial Package Policy - School Alliance Insurance Fund</b> |                  |            |
| Property:   |                  |            |
| Blanket building and contents (fund limit)                        | \$ 500,000,000   | \$ 2,500   |
| Accounts receivable   | \$ 2,500,000     | \$ 2,500   |
| Automobile physical damage  | in blanket limit | \$ 1,000   |
| Builders risk   | \$ 25,000,000    | \$ 2,500   |
| Electronic data processing equipment                              | in blanket limit | \$ 2,500   |
| General Liability:  |                  |            |
| Comprehensive general liability                                   | \$ 5,000,000     |            |
| Automobile liability  | \$ 5,000,000     |            |
| Employee benefit liability  | \$ 5,000,000     | \$ 1,000   |
| Excess Liability:   |                  |            |
| General, auto and school board legal liability                    | \$ 5,000,000     |            |
| Crime Coverage:   |                  |            |
| Blanket employee dishonesty bond                                  | \$ 500,000       | \$ 1,000   |
| Forgery   | \$ 50,000        | \$ 1,000   |
| Theft, disappearance, destruction                                 | \$ 50,000        | \$ 1,000   |
| Computer fraud  | \$ 50,000        | \$ 1,000   |
| Funds transfer fraud  | \$ 50,000        | \$ 1,000   |
| School Board Legal Liability                                      | \$ 5,000,000     | \$ 5,000   |
| Environmental Impairment Liability:                               |                  |            |
| Per incident  | \$ 1,000,000     | \$ 10,000  |
| Fund annual aggregate   | \$ 25,000,000    |            |
| Workers' Compensation:  |                  |            |
| Statutory benefits  | included         |            |
| Employer's liability  | \$ 5,000,000     |            |
| Supplemental coverage   | included         |            |
| <b>Selective Insurance Company of America</b>                     |                  |            |
| Surety Bonds:   |                  |            |
| Business Administrator  | \$ 400,000       |            |
| Treasurer of School Monies  | \$ 400,000       |            |
| Board Secretary   | \$ 30,000        |            |
| <b>Bollinger Specialty Group</b>                                  |                  |            |
| Student Accident Insurance  | \$ 1,000,000     |            |

Source: Insurance Agent

**SINGLE AUDIT SECTION**





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CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Mount Olive School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 14, 2021.

***Internal Control Over Financial Reporting***

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



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

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

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

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

We noted certain matters that were required to be reported to the Board of Education of the Township of Mount Olive School District in the separate Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance dated January 14, 2021.

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

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



Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkottz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Newton, New Jersey

January 14, 2021



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

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

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

We have audited the Board of Education of the Township of Mount Olive School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Mount Olive School District's major federal and state programs for the fiscal year ended June 30, 2020. The Township of Mount Olive School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Mount Olive School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits



contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Township of Mount Olive School 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Mount Olive Board of Education's compliance.

#### ***Unmodified Opinion on Each of the Major Federal and State Programs***

In our opinion, the Township of Mount Olive Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the Summary of Auditor Results section of the accompanying Schedule of Finding and Questioned Costs for the year ended June 30, 2020.

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

Management of the Township of Mount Olive School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Mount Olive School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular 15-08, 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 Township of Mount Olive School 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 and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkottz & Company, LLC*  
WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

Newton, New Jersey

January 14, 2021

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Federal Grantor/Pass-Through Grantor/<br>Program Title                  | Federal<br>CFDA<br>Number | Federal<br>FAIN<br>Number | Program or<br>Award<br>Amount | Grant Period |          | Accounts<br>Receivable<br>June 30, 2019 | Cash<br>Received | Budgetary<br>Expenditures | Adjustments | Balance June 30, 2020 |                        | MEMO<br>GAAP<br>Receivable |
|---|---------------------------|---------------------------|-------------------------------|--------------|----------|---|------------------|---------------------------|-------------|-----------------------|------------------------|----------------------------|
|   |                           |                           |                               | From         | To       |   |                  |                           |             | Due to<br>Grantor     | Accounts<br>Receivable |                            |
| <b>U.S. Department of Health and Human Services</b>                     |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| <b>Passed-through State Department of Education</b>                     |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| General Fund:   |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| Medicaid Administrative Claiming (MAC)                                  | 93.778                    | 2005NJ5MAP                | \$ 14,044                     | 09/01/19     | 08/31/20 | \$ -                                    | \$ 14,044        | \$ (14,044)               | \$ -        | \$ -                  | \$ -                   | \$ -                       |
| Special Education Medicaid Initiative (SEMI)                            | 93.778                    | 2005NJ5MAP                | 43,761                        | 09/01/19     | 08/31/20 | -                                       | 43,761           | (43,761)                  | -           | -                     | -                      | -                          |
| <b>Total General Fund</b>   |                           |                           |                               |              |          | -                                       | 57,805           | (57,805)                  | -           | -                     | -                      | -                          |
| <b>U.S. Department of Education</b>                                     |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| <b>Passed-through State Department of Education</b>                     |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| Special Revenue Fund:   |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| Title I Part A, Grants to Local Educational Agencies                    | 84.010A                   | S010A180030               | 232,610                       | 07/01/18     | 06/30/19 | (75,806)                                | 75,807           | -                         | (1)         | -                     | -                      | -                          |
| Title I Part A, Grants to Local Educational Agencies                    | 84.010A                   | S010A190030               | 277,368                       | 07/01/19     | 06/30/20 | -                                       | 136,259          | (197,707)                 | -           | -                     | (61,448)               | (61,448)                   |
|   |                           |                           |                               |              |          | (75,806)                                | 212,066          | (197,707)                 | (1)         | -                     | (61,448)               | (61,448)                   |
| Title IIA Part A, Improving Teacher Quality State Grants                | 84.367A                   | S367A180029               | 135,390                       | 07/01/18     | 06/30/19 | (28,097)                                | 28,096           | -                         | 1           | -                     | -                      | -                          |
| Title IIA Part A, Improving Teacher Quality State Grants                | 84.367A                   | S367A190029               | 103,570                       | 07/01/19     | 06/30/20 | -                                       | 47,854           | (50,662)                  | -           | -                     | (2,808)                | (2,808)                    |
|   |                           |                           |                               |              |          | (28,097)                                | 75,950           | (50,662)                  | 1           | -                     | (2,808)                | (2,808)                    |
| Title III, English Language Acquisition                                 | 84.365A                   | S365A180030               | 51,970                        | 07/01/18     | 06/30/19 | (21,565)                                | 21,565           | -                         | -           | -                     | -                      | -                          |
| Title III, English Language Acquisition                                 | 84.365A                   | S365A190030               | 45,977                        | 07/01/19     | 06/30/20 | -                                       | 7,493            | (7,493)                   | -           | -                     | -                      | -                          |
| Title III, English Language Acquisition (Immigrant)                     | 84.365A                   | S365A190030               | 17,790                        | 07/01/19     | 06/30/20 | -                                       | 1,562            | -                         | -           | 1,562                 | -                      | -                          |
|   |                           |                           |                               |              |          | (21,565)                                | 30,620           | (7,493)                   | -           | 1,562                 | -                      | -                          |
| Title IV Part A, Student Support and Academic Enrichment (SSAE) Program | 84.358B                   | S358B180030               | 6,405                         | 07/01/18     | 06/30/19 | (321)                                   | 321              | -                         | -           | -                     | -                      | -                          |
| Title IV Part A, Student Support and Academic Enrichment (SSAE) Program | 84.358B                   | S358B190030               | 14,844                        | 07/01/19     | 06/30/20 | -                                       | -                | -                         | -           | -                     | -                      | -                          |
|   |                           |                           |                               |              |          | (321)                                   | 321              | -                         | -           | -                     | -                      | -                          |
| I.D.E.A. Part B, Individuals with Disabilities - State Grant            | 84.027                    | H027A180100               | 962,128                       | 07/01/18     | 06/30/19 | (197,237)                               | 197,217          | -                         | 20          | -                     | -                      | -                          |
| I.D.E.A. Part B, Individuals with Disabilities - State Grant            | 84.027                    | H027A190100               | 1,025,726                     | 07/01/19     | 06/30/20 | -                                       | 677,550          | (927,649)                 | -           | -                     | (250,099)              | (249,468)                  |
| I.D.E.A. Part B, Preschool Grants for Children with Disabilities        | 84.173                    | H173A180114               | 43,106                        | 07/01/18     | 06/30/19 | (5,136)                                 | 5,138            | -                         | (2)         | -                     | -                      | -                          |
| I.D.E.A. Part B, Preschool Grants for Children with Disabilities        | 84.173                    | H173A190114               | 43,555                        | 07/01/19     | 06/30/20 | -                                       | 25,776           | (33,589)                  | -           | -                     | (7,813)                | (5,144)                    |
|   |                           |                           |                               |              |          | (202,373)                               | 905,681          | (961,238)                 | 18          | -                     | (257,912)              | (254,612)                  |
| Career and Technical Education - Basic Grants (Perkins)                 | 84.048A                   | V048A180030               | 22,399                        | 07/01/18     | 06/30/19 | (135)                                   | 135              | -                         | -           | -                     | -                      | -                          |
| Career and Technical Education - Basic Grants (Perkins)                 | 84.048A                   | V048A190030               | 25,233                        | 07/01/19     | 06/30/20 | -                                       | 15,990           | (15,990)                  | -           | -                     | -                      | -                          |
|   |                           |                           |                               |              |          | (135)                                   | 16,125           | (15,990)                  | -           | -                     | -                      | -                          |
| Coronavirus Aid Relief and Economic Security Act                        | 84.425D                   | S425D200027               | 222,811                       | 03/13/20     | 09/30/22 | -                                       | -                | -                         | -           | -                     | -                      | -                          |
| <b>Total Special Revenue Fund</b>                                       |                           |                           |                               |              |          | (328,297)                               | 1,240,763        | (1,233,090)               | 18          | 1,562                 | (322,168)              | (318,868)                  |
| <b>U.S. Department of Agriculture</b>                                   |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| <b>Passed-through State Department of Education</b>                     |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| Enterprise Fund:  |                           |                           |                               |              |          |   |                  |                           |             |                       |                        |                            |
| Food Donation   | 10.550                    | 201NJ304N1099             | 71,949                        | 09/01/19     | 08/31/20 | -                                       | 71,949           | (71,949)                  | -           | -                     | -                      | -                          |
| School Breakfast Program  | 10.553                    | 191NJ304N1099             | 27,328                        | 09/01/18     | 08/31/19 | (6,367)                                 | 6,367            | -                         | -           | -                     | -                      | -                          |
| School Breakfast Program  | 10.553                    | 201NJ304N1099             | 46,632                        | 09/01/19     | 08/31/20 | -                                       | 34,414           | (46,632)                  | -           | -                     | (12,218)               | (12,218)                   |
| National School Lunch Program   | 10.555                    | 191NJ304N1099             | 236,437                       | 09/01/18     | 08/31/19 | (47,660)                                | 47,660           | -                         | -           | -                     | -                      | -                          |
| National School Lunch Program   | 10.555                    | 201NJ304N1099             | 242,136                       | 09/01/19     | 08/31/20 | -                                       | 219,029          | (242,136)                 | -           | -                     | (23,107)               | (23,107)                   |
| Special Milk Program for Children                                       | 10.556                    | 191NJ304N1099             | 1,009                         | 09/01/18     | 08/31/19 | (198)                                   | 198              | -                         | -           | -                     | -                      | -                          |
| Special Milk Program for Children                                       | 10.556                    | 201NJ304N1099             | 551                           | 09/01/19     | 08/31/20 | -                                       | 551              | (551)                     | -           | -                     | -                      | -                          |
| After School Snack Program  | 10.555                    | 191NJ304N1099             | 451                           | 09/01/18     | 08/31/19 | (176)                                   | 176              | -                         | -           | -                     | -                      | -                          |
| After School Snack Program  | 10.555                    | 201NJ304N1099             | 1,319                         | 09/01/19     | 08/31/20 | -                                       | 1,319            | (1,319)                   | -           | -                     | -                      | -                          |
| <b>Total Enterprise Fund</b>  |                           |                           |                               |              |          | (54,401)                                | 381,663          | (362,587)                 | -           | -                     | (35,325)               | (35,325)                   |
| <b>Total Federal Financial Awards</b>                                   |                           |                           |                               |              |          | \$ (382,698)                            | \$ 1,680,231     | \$ (1,653,482)            | \$ 18       | \$ 1,562              | \$ (357,493)           | \$ (354,193)               |

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| State Grantor/ Program Title                         | Grant or State Project Number | Program or Award Amount | Grant Period |          | Accounts Receivable July 1, 2019 | Cash Received     | Budgetary Expenditures | Accounts Receivable June 30, 2020 | MEMO               |                   |                      |                               |
|--|-------------------------------|-------------------------|--------------|----------|----------------------------------|-------------------|------------------------|-----------------------------------|--------------------|-------------------|----------------------|-------------------------------|
|  |                               |                         |              |          |                                  |                   |                        |                                   | From               | To                | Budgetary Receivable | Cumulative Total Expenditures |
|  |                               |                         |              |          |                                  |                   |                        |                                   |                    |                   |                      |                               |
| <b>State Department of Education</b>                 |                               |                         |              |          |                                  |                   |                        |                                   |                    |                   |                      |                               |
| <b>General Fund:</b>                                 |                               |                         |              |          |                                  |                   |                        |                                   |                    |                   |                      |                               |
| Special Education Aid, Carryover                     | 19-495-034-5120-089           | \$ 2,959,145            | 07/01/18     | 06/30/19 | \$ (295,914)                     | \$ 295,914        | \$ -                   | \$ -                              | \$ -               | \$ -              |                      |                               |
| Special Education Aid                                | 20-495-034-5120-089           | 2,959,145               | 07/01/19     | 06/30/20 | -                                | 2,663,231         | (2,959,145)            | -                                 | (295,914)          | 2,959,145         |                      |                               |
|  |                               |                         |              |          | <u>(295,914)</u>                 | <u>2,959,145</u>  | <u>(2,959,145)</u>     | <u>-</u>                          | <u>(295,914)</u>   | <u>2,959,145</u>  |                      |                               |
| Transportation Aid, Carryover                        | 19-495-034-5120-014           | 1,067,482               | 07/01/18     | 06/30/19 | (106,748)                        | 106,748           | -                      | -                                 | -                  | -                 |                      |                               |
| Transportation Aid                                   | 20-495-034-5120-014           | 1,067,482               | 07/01/19     | 06/30/20 | -                                | 960,734           | (1,067,482)            | -                                 | (106,748)          | 1,067,482         |                      |                               |
|  |                               |                         |              |          | <u>(106,748)</u>                 | <u>1,067,482</u>  | <u>(1,067,482)</u>     | <u>-</u>                          | <u>(106,748)</u>   | <u>1,067,482</u>  |                      |                               |
| Extraordinary Special Education Costs Aid, Carryover | 19-495-034-5120-044           | 1,847,082               | 07/01/18     | 06/30/19 | (1,847,082)                      | 1,847,082         | -                      | -                                 | -                  | -                 |                      |                               |
| Extraordinary Special Education Costs Aid            | 20-495-034-5120-044           | 1,885,241               | 07/01/19     | 06/30/20 | -                                | -                 | (1,885,241)            | (1,885,241)                       | -                  | 1,885,241         |                      |                               |
|  |                               |                         |              |          | <u>(1,847,082)</u>               | <u>1,847,082</u>  | <u>(1,885,241)</u>     | <u>(1,885,241)</u>                | <u>-</u>           | <u>1,885,241</u>  |                      |                               |
| Nonpublic School Transportation Aid, Carryover       | 19-495-034-5120-014           | 22,620                  | 07/01/18     | 06/30/19 | (22,620)                         | 22,620            | -                      | -                                 | -                  | -                 |                      |                               |
| Nonpublic School Transportation Aid                  | 20-495-034-5120-014           | 3,131                   | 07/01/19     | 06/30/20 | -                                | -                 | (3,131)                | (3,131)                           | -                  | 3,131             |                      |                               |
|  |                               |                         |              |          | <u>(22,620)</u>                  | <u>22,620</u>     | <u>(3,131)</u>         | <u>(3,131)</u>                    | <u>-</u>           | <u>3,131</u>      |                      |                               |
| Homeless Tuition Reimbursement, Carryover            | 19-495-034-5120-005           | 7,486                   | 07/01/18     | 06/30/19 | (7,486)                          | 7,486             | -                      | -                                 | -                  | -                 |                      |                               |
| Homeless Tuition Reimbursement                       | 20-495-034-5120-005           | 5,778                   | 07/01/19     | 06/30/20 | -                                | -                 | (5,778)                | (5,778)                           | -                  | 5,778             |                      |                               |
|  |                               |                         |              |          | <u>(7,486)</u>                   | <u>7,486</u>      | <u>(5,778)</u>         | <u>(5,778)</u>                    | <u>-</u>           | <u>5,778</u>      |                      |                               |
| Equalization Aid, Carryover                          | 19-495-034-5120-078           | 11,850,036              | 07/01/18     | 06/30/19 | (1,158,782)                      | 1,158,782         | -                      | -                                 | -                  | -                 |                      |                               |
| Equalization Aid                                     | 20-495-034-5120-078           | 12,858,723              | 07/01/19     | 06/30/20 | -                                | 11,600,389        | (12,858,723)           | -                                 | (1,258,334)        | 12,858,723        |                      |                               |
|  |                               |                         |              |          | <u>(1,158,782)</u>               | <u>12,759,171</u> | <u>(12,858,723)</u>    | <u>-</u>                          | <u>(1,258,334)</u> | <u>12,858,723</u> |                      |                               |
| Security Aid, Carryover                              | 19-495-034-5120-084           | 106,585                 | 07/01/18     | 06/30/19 | (10,659)                         | 10,659            | -                      | -                                 | -                  | -                 |                      |                               |
| Security Aid   | 20-495-034-5120-084           | 106,585                 | 07/01/19     | 06/30/20 | -                                | 95,926            | (106,585)              | -                                 | (10,659)           | 106,585           |                      |                               |
|  |                               |                         |              |          | <u>(10,659)</u>                  | <u>106,585</u>    | <u>(106,585)</u>       | <u>-</u>                          | <u>(10,659)</u>    | <u>106,585</u>    |                      |                               |
| Reimbursed T.P.A.F. Social Security Tax              | 20-495-034-5094-003           | 2,544,821               | 07/01/19     | 06/30/20 | (132,221)                        | 2,541,588         | (2,544,821)            | (135,454)                         | -                  | 2,544,821         |                      |                               |
| On-behalf T.P.A.F. Pension Contribution              | 20-495-034-5094-002           | 6,856,523               | 07/01/19     | 06/30/20 | -                                | 6,856,523         | (6,856,523)            | -                                 | -                  | 6,856,523         |                      |                               |
| On-behalf T.P.A.F. Non-Contributory Insurance        | 20-495-034-5094-004           | 122,895                 | 07/01/19     | 06/30/20 | -                                | 122,895           | (122,895)              | -                                 | -                  | 122,895           |                      |                               |
| On-behalf T.P.A.F. Post Retirement Medical           | 20-495-034-5094-001           | 2,589,236               | 07/01/19     | 06/30/20 | -                                | 2,589,236         | (2,589,236)            | -                                 | -                  | 2,589,236         |                      |                               |
| On-behalf T.P.A.F. Long Term Disability              | 20-495-034-5094-004           | 5,935                   | 07/01/19     | 06/30/20 | -                                | 5,935             | (5,935)                | -                                 | -                  | 5,935             |                      |                               |
|  |                               |                         |              |          | <u>(132,221)</u>                 | <u>12,116,177</u> | <u>(12,119,410)</u>    | <u>(135,454)</u>                  | <u>-</u>           | <u>12,119,410</u> |                      |                               |
| <b>Total General Fund</b>                            |                               |                         |              |          | <u>(3,581,512)</u>               | <u>30,885,748</u> | <u>(31,005,495)</u>    | <u>(2,029,604)</u>                | <u>(1,671,655)</u> | <u>31,005,495</u> |                      |                               |
| <b>State Department of Education</b>                 |                               |                         |              |          |                                  |                   |                        |                                   |                    |                   |                      |                               |
| <b>Debt Service Fund:</b>                            |                               |                         |              |          |                                  |                   |                        |                                   |                    |                   |                      |                               |
| Debt Service Aid - State Support                     | 20-495-034-5120-075           | 518,520                 | 07/01/19     | 06/30/20 | -                                | 518,520           | (518,520)              | -                                 | -                  | 518,520           |                      |                               |
| <b>Total Debt Service Fund</b>                       |                               |                         |              |          | <u>-</u>                         | <u>518,520</u>    | <u>(518,520)</u>       | <u>-</u>                          | <u>-</u>           | <u>518,520</u>    |                      |                               |

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

K-4  
2 of 2

| State Grantor/ Program Title  | Grant or State Project Number | Program or Award Amount | Grant Period |          | Accounts Receivable July 1, 2019 | Cash Received        | Budgetary Expenditures | Accounts Receivable June 30, 2020 | MEMO                  |                               |
|---|-------------------------------|-------------------------|--------------|----------|----------------------------------|----------------------|------------------------|-----------------------------------|-----------------------|-------------------------------|
|   |                               |                         | From         | To       |                                  |                      |                        |                                   | Budgetary Receivable  | Cumulative Total Expenditures |
| <b>State Department of Agriculture</b>                                  |                               |                         |              |          |                                  |                      |                        |                                   |                       |                               |
| <b>Enterprise Fund:</b>   |                               |                         |              |          |                                  |                      |                        |                                   |                       |                               |
| National School Lunch Program - State Share, Carryover                  | 19-100-010-3350-023           | 8,882                   | 07/01/18     | 06/30/19 | (1,814)                          | 1,814                | -                      | -                                 | -                     | -                             |
| National School Lunch Program - State Share                             | 20-100-010-3350-023           | 10,393                  | 07/01/19     | 06/30/20 | -                                | 7,450                | (10,393)               | (2,943)                           | -                     | 10,393                        |
| <b>Total Enterprise Fund</b>  |                               |                         |              |          | <u>(1,814)</u>                   | <u>9,264</u>         | <u>(10,393)</u>        | <u>(2,943)</u>                    | <u>-</u>              | <u>10,393</u>                 |
| <b>Total State Financial Assistance</b>                                 |                               |                         |              |          | <u>(3,583,326)</u>               | <u>31,413,532</u>    | <u>(31,534,408)</u>    | <u>(2,032,547)</u>                | <u>(1,671,655)</u>    | <u>31,534,408</u>             |
| <b>Less: On-Behalf Pension and Annuity Aid</b>                          |                               |                         |              |          |                                  |                      |                        |                                   |                       |                               |
| On-behalf T.P.A.F. Pension Contribution                                 | 20-495-034-5094-002           | 6,856,523               | 07/01/19     | 06/30/20 | -                                | 6,856,523            | (6,856,523)            | -                                 | -                     | 6,856,523                     |
| On-behalf T.P.A.F. Non-Contributory Insurance                           | 20-495-034-5094-004           | 122,895                 | 07/01/19     | 06/30/20 | -                                | 122,895              | (122,895)              | -                                 | -                     | 122,895                       |
| On-behalf T.P.A.F. Post Retirement Medical                              | 20-495-034-5094-001           | 2,589,236               | 07/01/19     | 06/30/20 | -                                | 2,589,236            | (2,589,236)            | -                                 | -                     | 2,589,236                     |
| On-behalf T.P.A.F. Long Term Disability                                 | 20-495-034-5094-004           | 5,935                   | 07/01/19     | 06/30/20 | -                                | 5,935                | (5,935)                | -                                 | -                     | 5,935                         |
|   |                               |                         |              |          | <u>-</u>                         | <u>9,574,589</u>     | <u>(9,574,589)</u>     | <u>-</u>                          | <u>-</u>              | <u>9,574,589</u>              |
| <b>Total For State Financial Assistance Major Program Determination</b> |                               |                         |              |          | <u>\$ (3,583,326)</u>            | <u>\$ 21,838,943</u> | <u>\$ (21,959,819)</u> | <u>\$ (2,032,547)</u>             | <u>\$ (1,671,655)</u> | <u>\$ 21,959,819</u>          |

See Notes to Schedule of Expenditures of Federal and State Awards



**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

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

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(99,552) for the general fund and \$(1,021) for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during the 2020 fiscal year was \$9,574,589.

Financial award revenues are reported in the District’s basic financial statements on a GAAP basis as follows:

|                                       | <u>Federal</u>     | <u>State</u>        | <u>Total</u>        |
|---------------------------------------|--------------------|---------------------|---------------------|
| General Fund                          | \$57,805           | \$30,905,943        | \$30,963,748        |
| Special Revenue Fund                  | 1,232,069          |                     | 1,232,069           |
| Debt Service                          |                    | 518,520             | 518,520             |
| Food Service Fund                     | <u>362,587</u>     | <u>10,393</u>       | <u>372,980</u>      |
| Total Awards and Financial Assistance | <u>\$1,652,461</u> | <u>\$31,434,856</u> | <u>\$33,087,317</u> |

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

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

**NOTE 5. OTHER**

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

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2020. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

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

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

**NOTE 7. INDIRECT COST RATE**

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

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards**

Internal Control over major federal programs:

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

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

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

Identification of major federal programs:

| <b><u>CFDA Number(s)</u></b> | <b><u>Fein Number(s)</u></b> | <b><u>Name of Federal Program or Cluster</u></b> |
|------------------------------|------------------------------|--|
|                              |                              | <u>SPECIAL EDUCATION CLUSTER:</u>                |
| <u>84.027</u>                | <u>H027A170100</u>           | <u>I.D.E.A. - Part B - Basic</u>                 |
| <u>84.173</u>                | <u>H173A170114</u>           | <u>I.D.E.A. - Part B - Preschool</u>             |
| <u>      </u>                | <u>      </u>                | <u>      </u>                                    |
| <u>      </u>                | <u>      </u>                | <u>      </u>                                    |
| <u>      </u>                | <u>      </u>                | <u>      </u>                                    |

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

Auditee qualified as low-risk auditee?   X   yes        no

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (continued)**

**State Awards**

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

Auditee qualified as low-risk auditee?       X       yes        no

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

Internal Control over major state programs:

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

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

Identification of major state programs:

**State Grant/Project Number(s)**

**Name of State Program**

      20-495-034-5120-078        
      20-495-034-5120-089        
      20-495-034-5120-084        
      

State Aid – Public:  
      Equalization Aid        
      Categorical Special Education Aid        
      Security Aid

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Section II - Financial Statement Findings*

None

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

None

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Status of Prior Year Findings**

There were no prior audit findings.