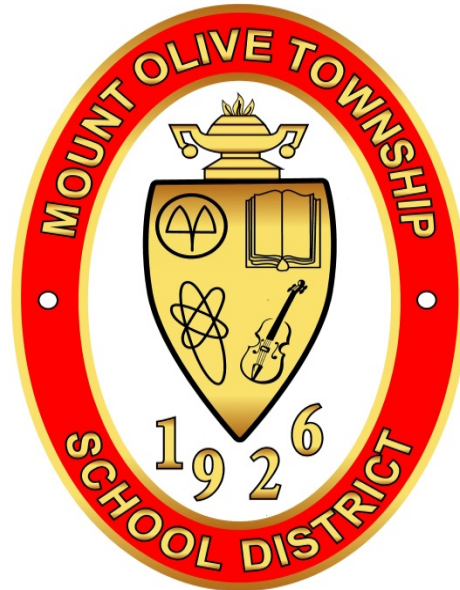


Mount Olive Township School District

“Students are our first priority”



“Home of the Marauders”

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by: Lynn Jones, CPA
Board Secretary
Business Office

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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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, 2021

February 2, 2022

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

We are pleased to present to you the Annual Comprehensive Financial Report ("ACFR") of the Mount Olive Township School District ("District") for the fiscal year ended June 30, 2021. State statutes require the issuance of an ACFR by every school district as the basis for the annual audit. This ACFR was prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as applicable to governmental entities.

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

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

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

Profile of the Mount Olive Township School District

Mount Olive Township is located in northwest New Jersey in Morris County, approximately 45 miles west of New York City. The Mount Olive community is primarily residential with support from varied commercial and retail property. Geographically, the Township is comprised of the Budd Lake and Flanders areas, which total approximately 32 square miles and has a population of approximately 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 8 students enrolled in charter schools for the 2020-21 school year. Charter school students who reside in the District are reported to the Department of Education through the District's Application for State School Aid ("ASSA") and are considered "resident students" for purposes of calculating the District's state aid. Pursuant to state statutes, the school district of residence must pay the charter school "an amount equal to 90% of the sum of the budget year equalization aid per pupil and the prebudget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation". In addition, the school district of residence shall pay directly to the charter school the security categorical aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school and, if applicable, 100% of preschool education aid.

In addition to its many curricular offerings, the District offers an extensive extracurricular and athletic program. Extracurricular programs provide opportunities for students to participate in student government, various academic, social and vocational clubs, National Honor Societies, drama and musical performance productions. The District's athletic program features 26 varsity sports for male and female athletes at the high school level and 12 male and female sports at the middle school level. In the 2020-21 school year, Mount Olive won a conference championship in football, were state sectional finalists in softball and girls' soccer, and was a cup finalist in ice hockey. Sixteen 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 20% of the District's original 2021 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 replace the chillers at Mount Olive Middle School, to fund various classroom renovations at Mount Olive High School, and to make widespread building renovations at Tinc Road Elementary School, Sandshore Elementary School, and Chester M. Stephens Elementary School.

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

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

Mountain Ridge Estates - Mountain Ridge Estates, located along the east-bound lanes of Route 46 and bordered by Chamberlain Lane to the southwest, is comprised of lots 80, 83, and 84 in Block 4100. This development will provide 215 market townhouse units and 54 low and moderate family rental units. Significant progress has occurred over the past year with half of the affordable housing rental apartments in place and the balance expected for occupancy in 2022. To date, 99 Certificates of Occupancy have been issued for the townhouse portion of the development, representing 46 percent completion of the market units. Construction continues at this site so full occupancy may occur in 2022 or shortly thereafter.

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 for 686 residential units was approved by the Planning Board last December. Included in the overall count are 138 units for low and moderate income households. As the project is in the early stages, the unit mix and total count may change. Below is the estimated housing type distribution at this stage of the process:

TRACT	ACRES	TOTAL UNITS	MID-RISE	LOW RISE	TOWNHOMES	SINGLE FAMILY
Crossroads	13.6	166	166			
Canal	23.2	93			93	
Ridge	87.1	427		104	163	160
Total	123.9	686	166	104	256	160

At the moment, the Township anticipates hearings to begin on the Ridge and Canal sites in 2022 with a potential total build-out of 497 units, based on working drawings, rather than the 520 units (93 + 427) indicated in the chart. The balance of the development will occur on the Crossroads site, however; the Township has no indication, as of yet, when it will move forward. A project of this size will likely take several years to fully develop.

Village Green - The Township has had discussions with the new owners of Village Green about the possibility of adding several new buildings for an additional 75 to 90 units. The Township anticipates hearings to commence on this plan in 2022.

Jonsahow, LLC - A new subdivision was approved by the Planning Board this year to create 8 lots for single family homes. The tract is located at 50 Main Road in Flanders (Block 5400, Lot 7). The project secured preliminary major subdivision approval; hence, the applicant must return to obtain final approval before commencing construction. At this time, the Township has no indication as to when that might occur.

The District's enrollment reported on the Application for State School Aid ("ASSA") in October 2020 was 4,612 students compared to 4,646 students the previous year. Enrollment has been relatively stable with minor fluctuations for the past ten years. At the present time, there is adequate capacity within the District to meet the general classroom enrollment projections, both now and in the near future. However, the Board is mindful of the potential impact these housing developments might have on class sizes within the District. As a result, the Board continually monitors the municipal population and housing trends to ensure that sufficient school facilities are available to meet the needs of its student population while keeping class sizes to a minimum.

Student Performance

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

Two hundred seventy-eight students from the class of 2021 took the Scholastic Aptitude Test (SAT), which represents 75% of the class. The District's combined average SAT score was 1112, which is 52 points higher than the national average.

In the 2020-2021 school year, a total of 709 Advanced Placement (AP) examinations were administered to 360 seniors in 27 subject areas with 63% of students scoring 3 or higher. In 2021, 107 students were named AP scholars for taking and passing more than one AP exam and 8 students were awarded the prestigious AP Capstone Diploma for passing AP Seminar, AP Research, and four additional AP exams of their choosing.

Eighty-seven percent of the school's 2021 graduates will be pursuing post-secondary education, with sixty-one percent attending four-year colleges and universities. Four 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 Scholarship.

Academic Initiatives and Accomplishments

During the 2020-2021 school year, the Board and administration undertook a number of challenging academic initiatives. The following is a summary of these initiatives:

Return to In-Person Instruction – The greatest challenge the district faced in 2020 was the safe return of students to school amid the COVID-19 pandemic. The Mount Olive Township School District Reentry Committee developed a four option reentry plan for the 2020-2021 school year in full compliance with the New Jersey Department of Education's "Road Back" guidance, with the primary goal being to return to the traditional school day. The committee of approximately 50 administrators, teachers, guidance counselors, board of education members, and other staff members designed 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.

In-person instruction was slowly phased in during the 2020-2021 school year, beginning with split weekly cohorts on an abbreviated schedule for the District's youngest learners. In-person instruction eventually expanded to the upper elementary grades, the middle school, and the high school, with the entire District returning to full in-person instruction in March 2021. Remote instruction continued to be offered to students whose parents requested it for the remainder of the school year.

The Mount Olive School District continues to ensure that New Jersey Department of Health (NJDOH) and CDC research-based mitigation strategies are followed throughout the District. These strategies include, but are not limited to, Merv 13 filtration, Plexiglas dividers on all desks and lunch tables, daily sanitization of buildings and buses, social distancing, availability of sanitizing items, masks and face shields to all students and staff, daily symptom screening, weekly on-site testing, and rigorous contact tracing and quarantining.

Full Day Kindergarten – In September 2020, the District abolished its K-Excel program and a full day kindergarten program was implemented, officially becoming part of the school district's curriculum for the 2020-2021 school year and beyond. The implementation of a full day kindergarten program had been a longstanding goal of the district and the Board of Education.

Personalized Student Success Plans – In the Fall of 2020 all students were given the opportunity to look at their strengths and core values and to set goals for themselves by creating a student driven personalized success plan. All students completed a plan in consultation with teachers and family members to develop goals for academic, social, wellness, love of learning, and/or career purposes.

High School Anatomage Lab – Beginning with the 2020-2021 school year, Mount Olive High School students enrolled in anatomy and physiology classes were equipped with a new anatomage lab containing four interactive computer displays that enable students to examine anatomical parts and systems in real life 3D forms and to perform virtual dissections. The anatomage tables included in the lab are the most technologically advanced 3D anatomy visualization and virtual dissection tools for anatomy and physiology education.

Korea-Mount Olive International School Agreement – In the Fall of 2020, the Board approved a Korea-Mount Olive International School Agreement, which expanded their existing international program with Shanghai, China to include students from Korea. The District has a longstanding partnership with Edu-Link, a Paramus-based consulting firm that connects international and U.S. schools.

Child Assault Prevention (CAP) Program – In the Fall of 2020, the Mount Olive Middle School implemented a teen version of the CAP Program, which is designed to prevent assaults against teens. Staff members, parents, and students received virtual training, participated in group discussions, and focused on situations that teens frequently encounter. Prevention strategies included self-assertion, self-defense, and seeking help from a trusted adult.

Equity Task Force – In February 2021, the District assembled the Equity Task Force to ensure that all students have equitable access to programs, resources, and supports and that diversity and inclusivity is part of the fabric of everyday learning. The Equity Task Force is divided into several subcommittees comprised of Mount Olive students, faculty, parents, Board members, and community members. The subcommittees focus on academic achievement, disciplinary policy, inclusive curriculum, relationship building, and diversifying and training staff. The District's strategic plan will bring about the kind of inclusion and equity that the task force is striving to achieve. The plan will include college fairs, a minority career fair, collaboration with NJPSA, NEA, NJASA, and local higher education institutions to develop a pathways program, the development of training programs to assist with overcoming biases, and the creation of a supportive and inclusive environment for all.

Geodome – In the Spring of 2021, the construction of Mount Olive High School's domed greenhouse was completed. The Geodome will provide students with hands-on opportunities to plant, grow, and harvest produce year-round in an ecologically sustainable environment. The Geodome will be the new home for expanded horticulture, agriculture, aquaculture, farm-to-table, and environmental science programs for all high school students.

Cross Role Group – In the Spring of 2021, the District established a Cross Role Group, which assembled approximately 50 stakeholders that include teachers, aides, administrators, parents, and board members who meet quarterly to discuss changes that the District must implement due to state or federal mandates. In addition, the Cross Role Group, along with representatives from the Equity Task Force, will review and gather input on the Strategic Plan, which expires in 2023.

State and National Recognitions

During the 2020-2021 school year, the Mount Olive School District received several prestigious honors and awards recognizing the District's outstanding achievements. The following is a summary of these recognitions:

U.S. News and World Report State and National Rankings – The Mount Olive School District was again named one of the best school districts in the country by U.S. News and World Report. Mount Olive High School was ranked in the top 9% of high schools in the nation; Mount Olive Middle School was ranked in the top 10% of all middle schools in New Jersey and in the top 7% nationally; and the four PK-5 elementary schools were ranked in the top 20% in New Jersey and the top 8% nationally. Mount Olive High School and Mount Olive Middle School were both ranked in the top 100 schools in New Jersey.

Niche Distinction – The Mount Olive School District was again rated one of the best K-12 school systems in the State of New Jersey according to Niche.com, a website that compiles data to determine the nation's best places to live, work, and learn. Niche ranked the Mount Olive Township School District in the top 4% of all school districts in the United States. The District was ranked in the top 50 best school districts in New Jersey with an overall "A" rating. Mount Olive High School was ranked in the top 3% of all high schools in the United States and in the top 100 best high schools in New Jersey.

Music Education Award – The Mount Olive School District received the 2021 *Best Communities for Music Education* award from the National Association of Music Merchants for the fifth consecutive year. This prestigious award recognizes the efforts of teachers, administrators, parents, students and community leaders who have made the study and performance of music an integral part of the District's educational experience.

Special Education Awards - Mount Olive High School was recognized as one of 36 Special Olympics Unified Champion Schools that made the 2020 ESPN Honor Roll for its commitment to athletic inclusion. In addition, Mount Olive High School's "Best Buddies" program was named Chapter of the Year for the State of New Jersey. The Best Buddies program is a nonprofit international organization dedicated to enhancing the lives of people with intellectual disabilities by providing opportunities for one-to-one friendships. The goal is to help make lifelong friendships, have some fun with people your own age, and to help others.

Public Relations Award - The District's monthly newsletter, *Education Update*, was recognized by the National School Public Relations Association (NSPRA) as one of only two publications in the state and seven in the nation to be honored in the community print newsletter category of NSPRA's annual communications competition. The award recognizes overall quality in writing, photography, and graphic design. This is the newsletter's ninth national award.

JerseyCAN Recognition – The district was recently recognized by JerseyCAN, a nonprofit organization that advocates for high-quality schools that provide excellent educators, continuous support, and appropriate resources for all New Jersey students regardless of their locality, cultural background or socioeconomic status. On its website and in complementary documentation, JerseyCan showcased the district's data-driven academic support program, which provides remediation tailored to meet each student's unique learning needs. The district's behavioral supports and social-emotional learning practices were also featured.

Digital School Stars Certification – All six Mount Olive schools were awarded a “digital school star” and earned bronze certification from Sustainable Jersey for their effective use of digital learning tools and their commitment to sustainability in 2021. Among the highlights cited were the District's advanced wireless network, 1:1 Chromebook deployment to students, extensive use of the Google educational suite of applications, the development of a personalized success plan for each student, hybrid learning practices, and various digital communication vehicles. The Mount Olive School District is one of only two districts in the state to receive the digital stars certification. The digital schools program is offered in partnership with the N.J. Department of Education and the N.J. School Boards Association.

Staff Recognitions – Superintendent, Robert Zywicki, was recognized by the Morris County Council of Education Associations as an individual who has positively impacted public education in Morris County. In addition, Dr. Zywicki was named a 2020 “Superintendent to Watch” by the National School Public Relations Association for demonstrating dynamic, fast-paced leadership that uses communication technology in innovative ways to engage and inform the school community.

In September, Director of Buildings and Grounds, Glenn Miller, was named the President of the New Jersey Schools Buildings and Grounds Association Northwest Chapter.

Food Service Recognition – The New Jersey Department of Agriculture recently recognized the Mount Olive Township School District and its food services partner, Sodexo USA, for their activities and nutritional education in support of National Farm to School month and Jersey Fresh Farm to School week. The District's food service program distributed over 1,000 meals a week to the students throughout the COVID-19 pandemic.

Other Initiatives/Accomplishments

Facility Upgrades – The District undertook and/or completed a number of capital improvements and facilities upgrades in the 2020-2021 school year. The District completed the bathroom renovations and ventilator system replacement at Sandshore Elementary School, the construction of the Geodome at Mount Olive High School, the installation of a vision panel in Room B109 at Mount Olive High School, and the replacement of a HVAC rooftop unit at Mount Olive Middle School. Two capital projects remained in progress at year end: building renovations to the Chester M. Stephens Elementary School and the synthetic turf and field lighting project at Mount Olive High School.

Security Upgrades – During the 2020-2021 school year, the District implemented a number of security measures including the addition of armed security officers at each school, the implementation of a keycard entry system for staff, and the installation of security kiosks, main lobby security doors and walls, additional external and internal surveillance cameras, and strobes to alert the hearing impaired. The Morris County Focus Magazine ranked the Mount Olive Township School District as the most secure school district in Morris County. Of the 41 Morris County districts surveyed, Mount Olive was ranked number one due to its thorough security measures both inside and outside its school buildings.

Technology Integration – The District continues to devote significant financial resources to technology integration to provide students with the necessary tools and technical skills to succeed in the future. In the summer of 2020, the District replaced the Power School student information system with Real-Time for a fully integrated student information system, which became fully operational in the 2020-2021 school year. In addition, the District implemented a one-to-one Chromebook initiative for all Middle school students in the Fall of 2020.

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.

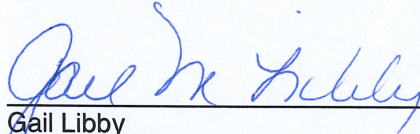
Independent Audit

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.

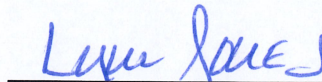
Acknowledgments

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,

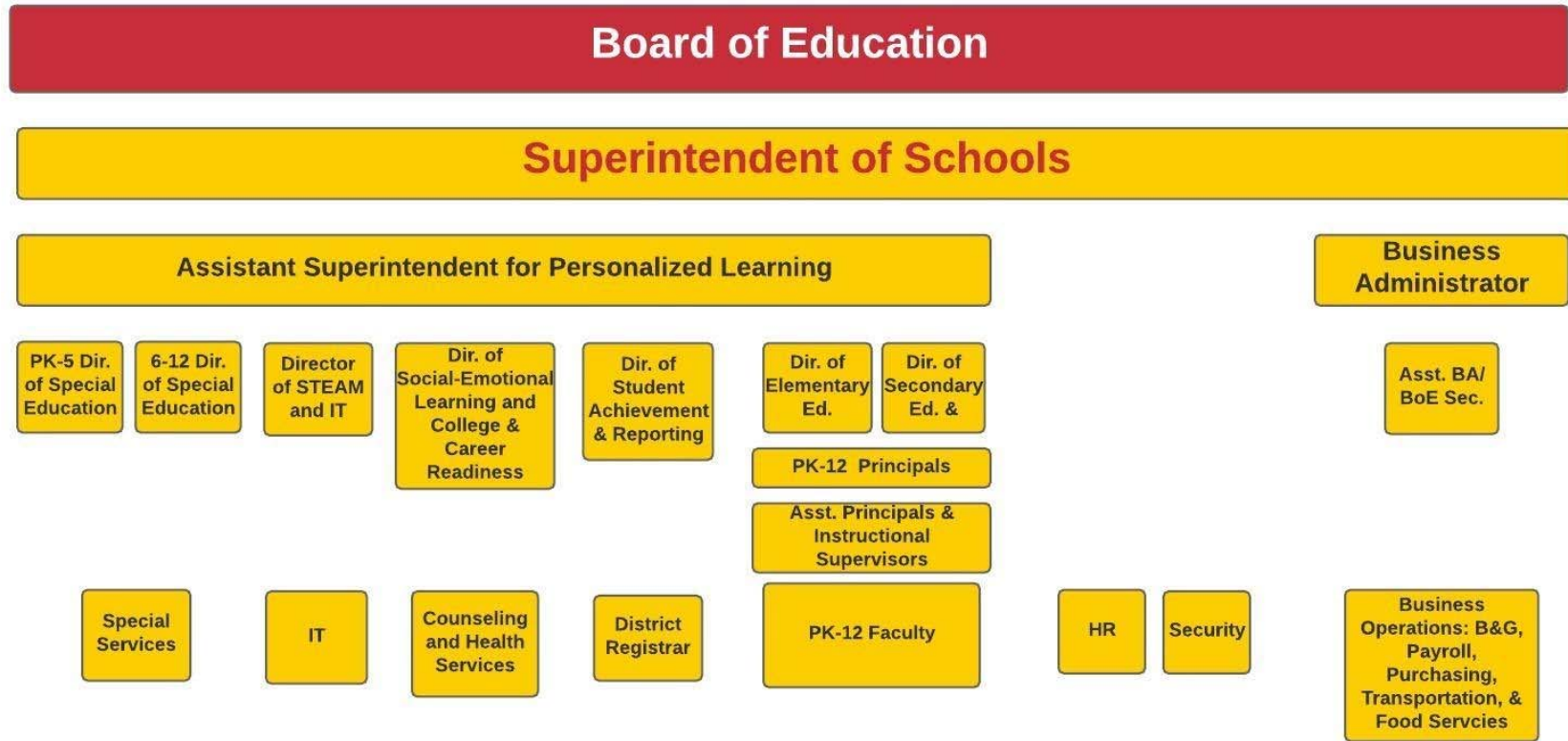


Gail Libby
Business Administrator



Lynn Jones, CPA
Board Secretary/Asst. Business Administrator

**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ORGANIZATIONAL CHART
JUNE 30, 2021**



**MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires December 31,</u>
Anthony Giordano, President	2022
Rhonda Cohen, Vice-President	2023
Antoine Gayles	2023
John Kehmna	2021
Elizabeth Ouimet	2021
John Petrie	2021
William Robinson	2022
Anthony Strillacci	2021
Christopher Zeier	2023

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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Roseland, NJ 07068

Architect/Engineer

Gianforcaro Architects, Engineers, Planners
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Chester, NJ 07930

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Bordentown, NJ 08505

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Roseland, NJ 07068

Health Benefits Broker

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

Property Management Services

Fairclough Enterprises
265 Sparta Avenue
Sparta, NJ 07871

Official Depositories

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

Sussex Bank
15 Trinity Street
Newton, NJ 07860

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
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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, 2021, 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, 2021, 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 fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, prior year balances were restated (Note 10) to reflect the implementation of this Statement. Our opinions are not modified with respect 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 February 2, 2022 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

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

Wielkocz & Company, LLC

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

February 2, 2022



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, 2021
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, 2021. 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 2021 are as follows:

- ❖ Net position at year-end totaled \$39,733,051, which represents an increase of \$6,648,786, or 20%, over the prior year net position balance of \$33,084,265.
- ❖ Assets increased by \$1,993,995. Current assets such as cash and cash equivalents, accounts receivable, and inventory increased by \$4,233,767 while capital assets such as land, buildings, machinery and equipment decreased by \$2,239,772.
- ❖ Liabilities decreased by \$5,647,234. Current liabilities such as accounts payable, unearned revenue, and accrued liabilities increased by \$658,085 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 \$6,305,319. Of this amount, the District's net pension liability for PERS employees, as reported by the State of New Jersey, decreased by \$1,908,310, accrued compensated absences decreased by \$219,565, and the District's debt related to bonds and capital leases decreased by \$4,177,444.
- ❖ Deferred outflows of resources decreased by \$722,575 while deferred inflows of resources increased by \$269,868. 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 \$87,076,450, which represents 68% 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 57% of total revenues. Program specific revenues in the form of charges for services and grants and contributions totaled \$41,789,988, the remaining 32% of total revenue. Overall, total revenues increased \$12,969,896, or 11% over the prior year. The increase in revenues is largely attributable to an increase in the amount of on-behalf revenue allocated to the District by the State of New Jersey for TPAF pension and postemployment benefits.
- ❖ Expenses totaled \$123,025,735. Of this amount, only \$41,789,988 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 \$87,076,450 were sufficient to provide for the balance of governmental expenses. Overall, expenses increased \$12,633,107, or 11% over the prior year. Again, the increase in expenses is mostly attributable to an increase in on-behalf costs allocated to the District by the State of New Jersey for TPAF pension and postemployment benefits.

Overview of the Financial Statements

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

1) District-wide financial statements

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

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

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

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

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

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

2) Fund financial statements

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

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

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

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

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

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

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

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, 2021 and June 30, 2020.

**Table 1
Net Position**

	2021	2020
Assets		
Current and Other Assets	\$19,249,346	\$15,015,579
Capital Assets	78,520,354	80,760,126
Total Assets	97,769,700	95,775,705
Deferred Outflows of Resources	4,612,375	5,334,950
Liabilities		
Current Liabilities	5,342,419	4,684,334
Long-Term Liabilities	47,881,945	54,187,264
Total Liabilities	53,224,364	58,871,598
Deferred Inflows of Resources	9,424,660	9,154,792
Net Position		
Invested in Capital Assets, Net of Related Debt	55,187,892	53,620,999
Restricted	7,032,821	4,196,083
Unrestricted/(Deficit)	(22,487,662)	(24,732,817)
Total Net Position	\$39,733,051	\$33,084,265

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, 2021 the District's investment in capital assets, net of depreciation, amounted to \$78,520,354 while the District's outstanding debt and debt related charges amounted to \$23,332,462, resulting in a net investment in capital assets of \$55,187,892.

A portion of the District's combined net position represents resources that are subject to external restrictions. The restricted net position balance of \$7,032,821 has been earmarked for the following purposes:

- \$3,984,101 is restricted for capital projects. This amount represents funds set aside in a dedicated capital reserve account to fund future capital projects.
- \$1,000,000 is restricted for maintenance projects. This amount represents funds set aside in the maintenance reserve account to fund future maintenance projects pursuant *N.J.A.C. 6A:23A-14.2* and *N.J.A.C. 6A:26*.
- \$368,704 is restricted for unemployment compensation claims. These funds are restricted pursuant to state statute, which requires that employer and employee contributions be held in a trust fund and any surplus remaining in the trust fund be retained in reserve for payment of benefit costs in subsequent years.
- \$459,699 is restricted for student activities. This amount represents funds raised by students for specific extra-curricular club activities.
- \$467 is restricted to pay future debt service obligations.
- \$1,219,850 is restricted to finance subsequent year's expenditures. This figure represents prior year excess surplus, which must 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 \$22,487,662 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 \$28,816,335 for the 2021 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, 2021 and June 30, 2020.

**Table 2
Changes in Net Position**

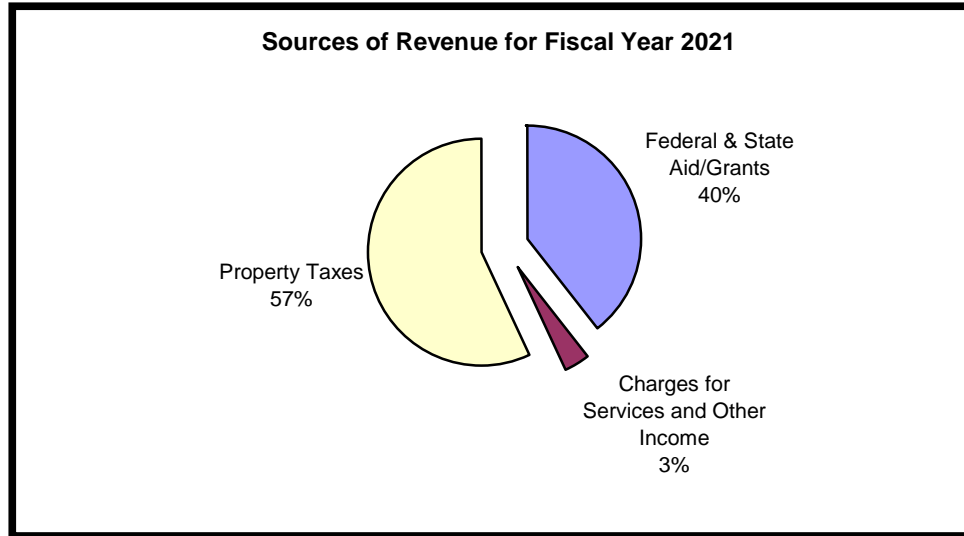
	2021	2020
Revenues		
Program Revenues:		
Charges for services	\$4,189,175	\$5,155,381
Grants and contributions	37,600,813	25,383,932
General revenues:		
Property taxes	73,559,928	72,079,656
Grants and entitlements	13,350,541	12,764,831
Other	165,981	512,742
Total Revenues	128,866,438	115,896,542
Program Expenses		
Instruction	65,642,878	57,354,550
Support Services:		
Pupils and instructional staff	20,521,734	18,499,589
General administration, school administration, business and other support services	12,144,754	10,312,908
Plant operations and maintenance	16,569,719	15,577,275
Pupil transportation	6,083,641	6,139,641
Interest and other debt related charges	754,867	910,091
Food service operations	1,073,019	1,082,555
Other	235,123	516,019
Total Program Expenses	123,025,735	110,392,628
Extraordinary and Special Items		
Net revaluation, sale and/or disposal of capital assets	(37,361)	(5,454)
Increase in Net Position	\$5,803,342	\$5,498,460

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 \$6,305,319.
- Depreciation exceeded investments in capital assets by \$2,202,411.

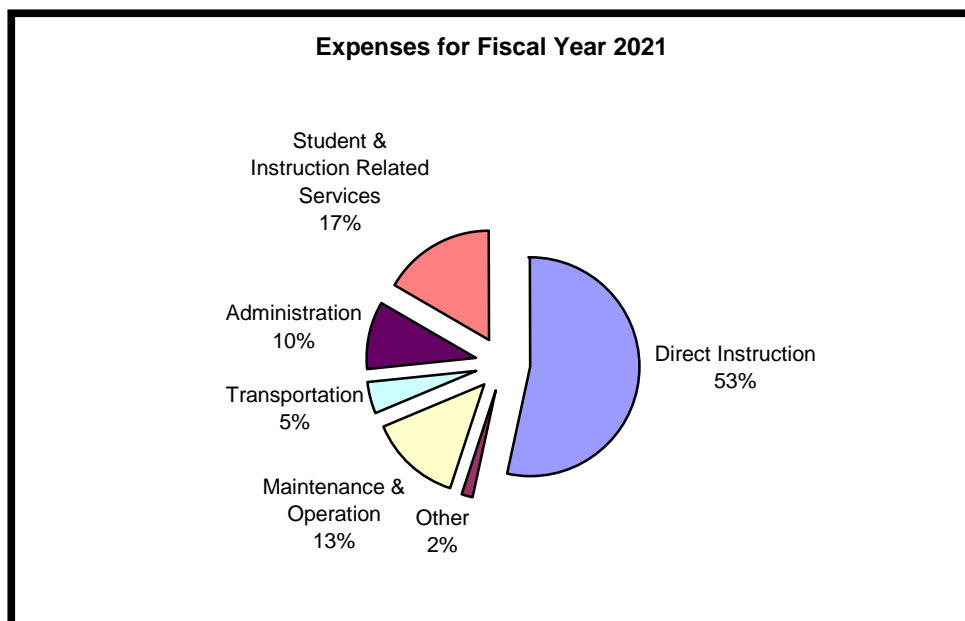
Revenues

Property taxes made up 57% of total revenue for the Mount Olive Township School District for the fiscal year 2021. Federal, state, and local aid and grants accounted for 40% of revenue. The remaining 3% 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 2021:



Expenses

The total cost of all programs and services was \$123,025,735. Direct instruction and instruction related services comprised 70% of the District's total expenses. The following chart illustrates the District's expenses for the fiscal year 2021:



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 \$107,489,935 and expenditures and other financing uses totaled \$104,818,104, resulting in a net increase in fund balance of \$2,671,831. Excess revenues amounted to \$1,220,080 and unexpended budget appropriations amounted to \$5,221,300. The replenishment of \$6,441,380 was sufficient to cover the budgeted fund balance appropriation of \$3,269,549 and the budgeted withdrawal from capital reserve of \$500,000.
- ❖ In the General Fund, the year-end fund balance amounted to \$13,427,951 which represents a 29% increase over the prior year fund balance of \$10,388,861. Of this amount, \$3,484,101 has been restricted for capital reserve, \$1,000,000 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, \$368,704 is restricted for future unemployment compensation claims, \$789,157 is committed for specific purposes approved by the Board, \$2,049,699 is assigned for subsequent year's expenditures; and \$614,781 is assigned for year-end encumbrances. The remaining balance of \$3,901,659 is unassigned and is \$374,466 under the maximum undesignated/unreserved (4%) fund balance allowed by the State.
- ❖ In the Special Revenue Fund, revenues totaled \$2,244,657 and expenditures totaled \$2,263,143, resulting in a net decrease in fund balance of \$18,486. The year-end fund balance amounted to \$459,699, which is comprised entirely of funds raised by students that are held in trust for student activities. Since grant revenues are recognized only to the extent of grant expenditures, the year-end fund balance does not reflect any grant balances.
- ❖ In the Capital Projects Fund, the year-end fund balance amounted to \$500,000, which represents funds restricted for renovations to the Chester M. Stephens Elementary School.
- ❖ In the Debt Service Fund, revenues totaled \$4,723,964 and expenditures totaled \$4,723,985, resulting in a net decrease in fund balance of \$21. The year-end fund balance amounted to \$467, 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 \$1,042,030 and expenses totaled \$1,073,019, resulting in a decrease in net position of \$30,989. Non-operating revenues, which include state and federal subsidies and interest earnings, accounted for 99% of total revenue. During the COVID-19 pandemic, the federal government expanded access to free school breakfast and lunches to all students – not just those from low income families. 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, 2021 amounted to \$309,475. Of this amount, \$181,519 reflects the Fund's investment in capital assets and \$127,956 is unrestricted. The Board employs an outside food service management company to oversee its food service operations.
- ❖ Due to the COVID-19 pandemic, the District did not operate any summer programs in the summer of 2020. Revenues totaling \$229 consisted entirely of interest earnings and expenses totaled \$394, resulting in a net loss of \$165. Due to sustained losses and inactivity, the administration dissolved the Summer School and Capstone Summer Camp programs and incorporated these activities into the General Fund budget. However, the District intends to continue to operate its summer STEAM Camp program, which had a year-end net position of \$44,183.
- ❖ The property rental account is used to account for the revenues and expenses related to the rental of commercial office space in Building #2 of the administrative office complex. For the 2021 fiscal year, revenues amounted to \$357,466, with rental income representing 99% of total revenue. Operating expenses, such as building management fees, cleaning, repairs and maintenance services, depreciation, utilities, and interest amounted to \$234,729, thereby resulting in an increase in net position of \$122,737. The ending net position at June 30, 2021 amounted to \$647,331. Of this amount, \$652,350 reflects the Fund's investment in capital assets and the remaining negative balance of \$5,019 is unrestricted. The Board employs Fairclough Realtors of Sparta, NJ to oversee the property rental account.

Internal Service Fund

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

- ❖ Operating revenues, which are comprised of health benefit contributions from the Board and the District's employees, amounted to \$14,920,263 for the 2021 fiscal year. Expenses, which are comprised of insurance claims, excess liability insurance premiums, administrative fees, and state and federal surcharges amounted to \$15,227,302, resulting in an operating loss of \$307,039. At June 30, 2021, the District established an accrued liability for unpaid claims in the amount of \$987,948. The ending net position of \$1,357,783 at June 30, 2021 represents approximately one month of insurance claims.

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, 2021 and the amount and percentage of increase/(decrease) in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2020	Percentage Increase (Decrease)
Local Sources	\$ 74,622,013	65.96%	\$ 895,234	1.21%
State Sources	36,347,007	32.13%	4,922,544	15.66%
Federal Sources	2,158,465	1.91%	868,591	67.34%
Total	\$ 113,127,485	100.00%	\$ 6,686,369	6.28%

The increase in *local sources* is largely attributable to an increase in the local tax levy. The local tax levy increased \$1,480,272, 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 \$585,038, primarily due to the elimination of the K-Excel program and the loss of transportation and facility usage fees resulting from the COVID-19 pandemic.

The increase in *state sources* is primarily attributable to an increase in state on-behalf payments totaling \$2,999,396 and an increase in extraordinary aid totaling \$1,047,156. The state is responsible for pension, post-retirement medical benefits, long term disability insurance premiums, and social security contributions for TPAF members. Extraordinary aid is state aid for special education students whose individual program costs exceed certain monetary levels established by the state.

The increase in *federal sources* is attributable to an increase in Medicaid reimbursement revenue and an increase in federally funded grant programs. During the 2021 fiscal year, the District was awarded two new federally funded grants from the Coronavirus Relief Fund and the Coronavirus Aid Relief and Economic Security Act (CARES).

The following schedule presents a summary of the governmental fund expenditures for the fiscal year ended June 30, 2021 and the amount and percentage of increase in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2020	Percentage Increase (Decrease)
Current:				
Distributed Expenditures-Instruction	\$ 36,547,872	32.84%	\$ 1,614,778	4.62%
Undistributed Expenditures	66,532,248	59.77%	5,091,135	8.29%
Capital Outlay	3,501,127	3.15%	(515,475)	-12.83%
Debt Service	4,723,985	4.24%	38,161	0.81%
Total	<u>\$ 111,305,232</u>	<u>100.00%</u>	<u>\$ 6,228,599</u>	<u>5.93%</u>

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 65% of the increase in distributed expenditures is attributable to an increase in instructional salaries, which totaled \$1,041,728. 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. Virtually all of the increase in undistributed expenditures is attributable to salaries and employee benefits, including payments made by the State of New Jersey on behalf of the Board, which totaled \$5,319,653.

Capital Outlay includes machinery and equipment purchases greater than \$2,000, facilities acquisition and construction services, and assets acquired under capital leases. During the 2021 fiscal year, machinery and equipment purchases decreased \$473,536, facilities acquisition and construction services decreased \$1,341,293 and capital leases increased \$1,299,354. Capital outlay expenditures 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 2021 fiscal year, the District's principal payments increased by \$180,000 while associated interest payments decreased by \$141,839.

General Fund Budgeting Highlights

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

Statements showing the District's original and final budget compared with actual operating results are provided in this ACFR beginning on page 76 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 2020-2021 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 \$1,218,809, or 1.4% of anticipated revenues.
- Extraordinary aid exceeded budgeted estimates by \$2,428,897. Extraordinary aid is not fully budgeted since the amount the state will fund is unknown at the time the budget is prepared. In recognition of this, the state allows extraordinary aid to be excluded from the excess surplus calculation and to be appropriated in the subsequent year's budget without prior approval from the Executive County Superintendent.
- State equalization aid fell short of budgeted estimates by \$1,153,381. In July 2020, the state cut equalization aid from approximately 375 school districts in response to the financial fallout from the coronavirus pandemic.
- Tuition income is derived from the preschool inclusion program, the international education partnership with Edu-Link, and tuition received from individuals and other school districts located within New Jersey for educating students that reside outside the district. Tuition is budgeted based on the number of projected incoming students at the time the budget is prepared. In the 2021 fiscal year tuition income exceeded budgeted estimates by \$49,330.
- Interest income is budgeted based on historical cash balances and existing interest rates. For the 2021 fiscal year, interest income fell short of budgeted estimates by \$224,999 due to falling interest rates resulting from the financial fallout of the coronavirus pandemic.
- Transportation fees are derived from transportation jointures with surrounding school districts, fees paid by students for school field trips, and from fees charged to the Township Recreation Department for special transportation needs. In the 2021 fiscal year, transportation fees amounted to \$0 as transportation needs were nonexistent due to the coronavirus pandemic.
- 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 2021 fiscal year, actual revenues fell short of budgeted estimates by \$181,283, primarily from the loss of parking permit fees, before and after care program fees, and facility usage fees due to the COVID-19 pandemic.
- Excluding state on-behalf payments and capital leases, unexpended budget appropriations totaled \$6,689,894, or 7% of the final revised budget. Of this amount, \$1,403,938 has been reserved for encumbrances, which will be expended in the subsequent fiscal year. The final unexpended and unencumbered balance of \$5,285,956 represents 5.6% of the final revised budget.
- The 2021 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 2020-21 school year, the Board sought County authorization for five such transfers: 1) to cover additional legal fees related to unforeseen litigation/lawsuits; 2) to fund renovations to the Chester M. Stephens Elementary School; 3) to fund architectural fees for the turf and field lighting project; 4) to fund the high school fire pump wiring project; and 5) to fund the purchase of Adidas athletic uniforms and radios and related radio communications equipment for school personnel, security, and buildings and grounds staff.

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, 2021, the District had \$78,520,354 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)**

	2021	2020
Land	\$ 2,028,259	\$ 2,028,259
Site and site improvements	6,165,299	6,513,046
Building and building improvements	61,382,051	63,796,515
Furniture, equipment and machinery	8,944,745	8,422,306
Total Capital Assets	\$ 78,520,354	\$ 80,760,126

Overall, the District invested \$3,370,136 in capital assets for the fiscal year 2021. Of this amount, \$106,709 was invested in site and site improvements, \$1,401,347 was invested in building and building improvements, and \$1,862,080 was invested in furniture, equipment, and machinery. Depreciation expense for the current fiscal year totaled \$5,572,547 and disposals, net of accumulated depreciation, totaled \$37,361.

Additional information on the District's capital assets can be found in Note 11 of the notes to the basic financial statements.

Debt Administration

At June 30, 2021, the District had \$47,881,945 in long-term outstanding debt, of which \$7,688,077 is due within one year. The following table illustrates the District's outstanding debt at June 30, 2021 and June 30, 2020.

**Table 4
Outstanding Debt**

	2021	2020
Outstanding Bonds, Loans and Notes		
2011 Refunding Bonds - ERIP Liability	\$ -	\$ 210,000
2014 Refunding Bonds - Mt. Olive Middle School/District Expansion	4,735,000	6,945,000
2016 Refunding Bonds - High School Additions and Renovations	7,430,000	7,430,000
2016 Refunding Bonds - High School Additions and Renovations	6,685,000	7,985,000
Other Noncurrent Liabilities		
Capital Leases Payable	2,280,521	2,046,557
Building Lease Payable	908,770	1,075,179
Net Pension Liability	21,836,998	23,745,308
Unamortized Bond Issuance Premium	1,879,798	2,404,797
Accrued Compensated Absences Payable	2,125,858	2,345,423
Total Long-term Outstanding Debt	\$ 47,881,945	\$ 54,187,264

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 \$136,747,204, resulting in an available borrowing margin of \$117,897,204 at June 30, 2021.

At June 30, 2021 the District had no authorized but unissued debt.

Additional information on the District's long-term outstanding debt can be found in Note 12 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 20% of the District's original 2021 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 ("MOASA"). Each bargaining unit agreement has a significant impact on the District's future operating budgets as salaries and benefits comprise more than three-quarters of the District's operating budget. All bargaining unit agreements are currently settled.

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

Contacting the School District's Financial Management

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

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,597,029	\$ 183,947	\$ 8,780,976
Accounts receivable, net	4,305,288	173,950	4,479,238
Prepaid expense	-	12,020	12,020
Inventory	-	46,274	46,274
Restricted assets:			
Cash and cash equivalents	5,927,893	2,945	5,930,838
Capital assets, non-depreciable	1,377,059	651,200	2,028,259
Capital assets, depreciable, net	75,400,656	1,091,439	76,492,095
Total Assets	95,607,925	2,161,775	97,769,700
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on defeasance of debt	586,627	-	586,627
Deferred amounts related to PERS pension liability	4,025,748	-	4,025,748
Total Deferred Outflows of Resources	4,612,375	-	4,612,375
LIABILITIES			
Current liabilities:			
Accounts payable	3,654,377	139,038	3,793,415
Intergovernmental accounts payable	2	-	2
Unearned revenue	22,408	55,708	78,116
Escrow deposits payable	-	2,945	2,945
Accrued interest payable	425,668	54,325	479,993
Accrued liability for insurance claims	987,948	-	987,948
Noncurrent liabilities:			
Due within one year	7,585,737	102,340	7,688,077
Due beyond one year	39,387,438	806,430	40,193,868
Total Liabilities	52,063,578	1,160,786	53,224,364
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to PERS pension liability	9,424,660	-	9,424,660
Total Deferred Inflows of Resources	9,424,660	-	9,424,660
NET POSITION			
Net investment in capital assets	54,354,023	833,869	55,187,892
Restricted for:			
Capital projects	3,984,101	-	3,984,101
Maintenance reserve	1,000,000	-	1,000,000
Debt service	467	-	467
Excess surplus	1,219,850	-	1,219,850
Unemployment compensation	368,704	-	368,704
Student activities	459,699	-	459,699
Unrestricted/(Deficit)	(22,654,782)	167,120	(22,487,662)
Total Net Position	\$ 38,732,062	\$ 1,000,989	\$ 39,733,051

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, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular programs	\$ 47,360,469	\$ 1,330,044	\$ 14,423,593	\$ -	\$ (31,606,832)	\$ -	\$ (31,606,832)
Special education programs	13,335,784	797,988	7,322,432	-	(5,215,364)	-	(5,215,364)
Other instructional programs	2,173,600	51,048	906,654	-	(1,215,898)	-	(1,215,898)
School sponsored programs	2,773,025	274,026	296,399	-	(2,202,600)	-	(2,202,600)
Support services:							
Tuition	2,593,434	-	2,932,397	-	338,963	-	338,963
Student & instruction related services	17,928,300	470,067	5,003,555	-	(12,454,678)	-	(12,454,678)
School administrative services	7,281,227	205,454	1,999,170	-	(5,076,603)	-	(5,076,603)
Other administrative services	4,863,527	101,983	555,564	-	(4,205,980)	-	(4,205,980)
Plant operations and maintenance	16,569,719	446,021	1,118,011	-	(15,005,687)	-	(15,005,687)
Pupil transportation	6,083,641	146,422	1,491,518	-	(4,445,701)	-	(4,445,701)
Interest and other debt related charges	754,867	-	520,655	-	(234,212)	-	(234,212)
Total governmental activities	121,717,593	3,823,053	36,569,948	-	(81,324,592)	-	(81,324,592)
Business-type activities:							
Food service	1,073,019	10,813	1,030,865	-	-	(31,341)	(31,341)
Summer programs	394	-	-	-	-	(394)	(394)
Property rentals	234,729	355,309	-	-	-	120,580	120,580
Total business-type activities	1,308,142	366,122	1,030,865	-	-	88,845	88,845
Total primary government	\$ 123,025,735	\$ 4,189,175	\$ 37,600,813	\$ -	\$ (81,324,592)	\$ 88,845	\$ (81,235,747)
General revenues, special items, extraordinary items and transfers:							
Property taxes, levied for general purposes, net					\$ 69,356,619	\$ -	\$ 69,356,619
Taxes levied for debt service					4,203,309	-	4,203,309
Federal and State aid not restricted					13,350,541	-	13,350,541
Interest and investment earnings					70,394	581	70,975
Miscellaneous income					92,849	2,157	95,006
Sale and/or disposal of capital assets, net					(37,361)	-	(37,361)
Transfers					31,717	(31,717)	-
Total general revenues, special items, extraordinary items and transfers					87,068,068	(28,979)	87,039,089
Change in Net Position					5,743,476	59,866	5,803,342
Net Position, July 1 (restated)					32,988,586	941,123	33,929,709
Net Position, June 30					\$ 38,732,062	\$ 1,000,989	\$ 39,733,051

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, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 6,356,876	\$ -	\$ -	\$ -	\$ 6,356,876
Restricted cash and cash equivalents	4,957,494	469,379	500,553	467	5,927,893
Interfund accounts receivable	286,894	-	-	-	286,894
Intergovernmental accounts receivable:					
Federal	-	477,735	-	-	477,735
State	3,034,961	-	-	-	3,034,961
Other, net	108,499	395	-	-	108,894
Other accounts receivable	329,180	8,813	-	-	337,993
Total assets	\$ 15,073,904	\$ 956,322	\$ 500,553	\$ 467	\$ 16,531,246
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,623,545	\$ 210,280	\$ -	\$ -	\$ 1,833,825
Intergovernmental accounts payable - state	-	2	-	-	2
Interfund accounts payable	-	286,341	553	-	286,894
Unearned revenue	22,408	-	-	-	22,408
Total liabilities	1,645,953	496,623	553	-	2,143,129
Fund balances:					
Restricted for:					
Capital projects	3,484,101	-	500,000	-	3,984,101
Maintenance reserve	1,000,000	-	-	-	1,000,000
Excess surplus	1,219,850	-	-	-	1,219,850
Debt service	-	-	-	467	467
Unemployment compensation	368,704	-	-	-	368,704
Student activities	-	459,699	-	-	459,699
Committed to:					
Other purposes	789,157	-	-	-	789,157
Assigned to:					
Unreserved - subsequent year expenditures	2,049,699	-	-	-	2,049,699
Other purposes	614,781	-	-	-	614,781
Unassigned	3,901,659	-	-	-	3,901,659
Total fund balances	13,427,951	459,699	500,000	467	14,388,117
Total liabilities and fund balances	\$ 15,073,904	\$ 956,322	\$ 500,553	\$ 467	\$ 16,531,246

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, 2021

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

Total fund balances - governmental funds	\$ 14,388,117	
<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>		
		1,357,783
<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	\$ 154,574,467	
Accumulated depreciation	<u>(77,796,752)</u>	
		76,777,715
<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	(4,941,914)	
Accumulated amortization	<u>3,062,116</u>	
		(1,879,798)
<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	1,673,009	
Accumulated amortization	<u>(1,086,382)</u>	
		586,627
<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	(21,836,998)	
Deferred outflows of resources related to PERS pension liability	4,025,748	
Deferred inflows of resources related to PERS pension liability	<u>(9,424,660)</u>	
		(27,235,910)
<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>		
		(1,580,425)

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, 2021

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:

Bonds payable	(18,850,000)	
Capital leases payable	(2,280,521)	
Accrued interest on bonds, notes, and capital leases	(425,668)	
Accrued compensated absences	<u>(2,125,858)</u>	
		<u>(23,682,047)</u>
Net position of governmental activities		<u>\$ 38,732,062</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, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 69,356,619	\$ -	\$ -	\$ 4,203,309	\$ 73,559,928
Tuition charges	520,338	-	-	-	520,338
Interest on investments	56,645	-	-	-	56,645
Interest earned on capital reserve funds	8,356	-	-	-	8,356
Unrestricted miscellaneous revenues	277,272	-	-	-	277,272
Other restricted miscellaneous revenues	1,445	198,029	-	-	199,474
Total - Local Sources	70,220,675	198,029	-	4,203,309	74,622,013
State sources	35,826,352	-	-	520,655	36,347,007
Federal sources	111,837	2,046,628	-	-	2,158,465
Total revenues	106,158,864	2,244,657	-	4,723,964	113,127,485
EXPENDITURES					
Current:					
Regular instruction	25,366,430	396,963	-	-	25,763,393
Special education instruction	6,670,755	617,964	-	-	7,288,719
Other instructional programs	952,226	235,570	-	-	1,187,796
School sponsored programs	2,091,449	216,515	-	-	2,307,964
Support services and undistributed costs:					
Tuition and transfers to charter schools	2,593,434	-	-	-	2,593,434
Student & instruction related services	9,904,548	565,076	-	-	10,469,624
School administrative services	3,945,711	-	-	-	3,945,711
Other administrative services	3,474,674	-	-	-	3,474,674
Plant operations and maintenance	9,218,280	29,936	-	-	9,248,216
Pupil transportation	4,540,368	-	-	-	4,540,368
Unallocated employee benefits	32,075,622	184,599	-	-	32,260,221
Capital outlay	3,484,607	16,520	-	-	3,501,127
Debt service:					
Principal	-	-	-	3,720,000	3,720,000
Interest and other charges	-	-	-	1,003,985	1,003,985
Total expenditures	104,318,104	2,263,143	-	4,723,985	111,305,232
Excess (Deficiency) of revenues over (under) expenditures	1,840,760	(18,486)	-	(21)	1,822,253
OTHER FINANCING SOURCES (USES)					
Capital Leases (non-budgeted)	1,299,354	-	-	-	1,299,354
Operating Transfers:					
Transfers in	31,717	-	500,000	-	531,717
Transfers out	(500,000)	-	-	-	(500,000)
Total other financing sources and uses	831,071	-	500,000	-	1,331,071
Net change in fund balances	2,671,831	(18,486)	500,000	(21)	3,153,324
Fund balance, July 1 (restated)	10,756,120	478,185	-	488	11,234,793
Fund balance, June 30	\$ 13,427,951	\$ 459,699	\$ 500,000	\$ 467	\$ 14,388,117

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, 2021

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

Total net change in fund balances - governmental funds (from B-2)	\$ 3,153,324
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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.	(303,091)
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Capital outlays are reported in the governmental funds as expenditures in the year purchased. However, in the statement of activities, the cost of capital assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital outlays	\$ 3,370,136	
Depreciation expense	(5,538,146)	
Disposals, net	<u>(37,361)</u>	
		(2,205,371)

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.

Capital leases	(1,299,354)	
Lease payments	<u>1,065,390</u>	
		(233,964)

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.	3,720,000
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Bond premiums are reported in the governmental funds as other financing sources in the year the bonds are issued. However, in the district-wide statements, bond premiums are amortized and expensed over the life of the bonds.	524,999
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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.	(172,052)
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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.	67,678
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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, 2021

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	1,908,310	
Change in deferred outflows of resources related to PERS pension liability	(666,054)	
Change in deferred inflows of resources related to PERS pension liability	<u>(269,868)</u>	
		972,388

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	3,523,007	
Increase in on-behalf TPAF pension expense	<u>(3,523,007)</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	7,892,010	
Increase in on-behalf OPEB expense	<u>(7,892,010)</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 (+).

Change in net position of governmental activities		<u>219,565</u>
		<u><u>\$5,743,476</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, 2021

	Business-type Activities - Enterprise Funds			Major Fund Governmental Activities
	Non-Major Funds	Major Fund	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 113,946	\$ 70,001	\$ 183,947	\$ 2,240,153
Restricted cash and cash equivalents	-	2,945	2,945	-
Prepaid expense	12,020	-	12,020	-
Intergovernmental accounts receivable	159,077	-	159,077	-
Other accounts receivable	11,011	3,862	14,873	345,705
Inventories	46,274	-	46,274	-
Total current assets	<u>342,328</u>	<u>76,808</u>	<u>419,136</u>	<u>2,585,858</u>
Noncurrent assets:				
Capital assets	573,268	1,700,000	2,273,268	-
Less accumulated depreciation	391,749	138,880	530,629	-
Total noncurrent assets	<u>181,519</u>	<u>1,561,120</u>	<u>1,742,639</u>	<u>-</u>
Total assets	<u>523,847</u>	<u>1,637,928</u>	<u>2,161,775</u>	<u>2,585,858</u>
LIABILITIES				
Current liabilities:				
Accounts payable	139,038	-	139,038	240,127
Unearned revenue	31,151	24,557	55,708	-
Escrow deposits payable	-	2,945	2,945	-
Accrued interest payable	-	54,325	54,325	-
Accrued liability for insurance claims	-	-	-	987,948
Noncurrent liabilities:				
Due within one year	-	102,340	102,340	-
Due beyond one year	-	806,430	806,430	-
Total liabilities	<u>170,189</u>	<u>990,597</u>	<u>1,160,786</u>	<u>1,228,075</u>
NET POSITION				
Invested in capital assets, net of related debt	181,519	652,350	833,869	-
Unrestricted	172,139	(5,019)	167,120	1,357,783
Total net position	<u>\$ 353,658</u>	<u>\$ 647,331</u>	<u>\$ 1,000,989</u>	<u>\$ 1,357,783</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, 2021

	Business-type Activities - Enterprise Funds			Major Fund Governmental Activities
	Non-Major Funds	Major Fund	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:				
Daily sales - reimbursable programs	\$ 5,467	\$ -	\$ 5,467	\$ -
Daily sales - non-reimbursable programs	5,346	-	5,346	-
Rental income	-	355,309	355,309	-
Charges for services	-	-	-	14,920,263
Total operating revenues	<u>10,813</u>	<u>355,309</u>	<u>366,122</u>	<u>14,920,263</u>
OPERATING EXPENSES:				
Salaries	338,373	-	338,373	-
Employee benefits	101,477	-	101,477	-
Management fees	74,552	12,000	86,552	-
Cleaning, repair and maintenance services	11,836	55,681	67,517	-
Other purchased services	36,989	1,044	38,033	-
Cost of sales - reimbursable programs	424,456	-	424,456	-
Cost of sales - non-reimbursable programs	-	-	-	-
Supplies and materials	68,141	-	68,141	-
Property taxes	-	53,430	53,430	-
Depreciation	13,425	20,976	34,401	-
Utilities	-	37,273	37,273	-
Interest expense	-	54,325	54,325	-
Other expenses	4,164	-	4,164	-
Insurance claims	-	-	-	12,265,796
Excess liability insurance premiums	-	-	-	2,214,780
Administrative fees	-	-	-	546,058
State and federal surcharges	-	-	-	200,668
Total operating expenses	<u>1,073,413</u>	<u>234,729</u>	<u>1,308,142</u>	<u>15,227,302</u>
OPERATING INCOME (LOSS)	<u>(1,062,600)</u>	<u>120,580</u>	<u>(942,020)</u>	<u>(307,039)</u>
NON-OPERATING REVENUES:				
State sources:				
State school lunch program	39,226	-	39,226	-
Federal sources:				
School breakfast program	195,629	-	195,629	-
National school lunch program	698,834	-	698,834	-
After school snack program	2,152	-	2,152	-
P-EBT administrative cost reimbursement	614	-	614	-
Emergency operational cost program	16,765	-	16,765	-
Food donation program	77,645	-	77,645	-
Interest income	581	-	581	3,948
Other income	-	2,157	2,157	-
Total nonoperating revenues	<u>1,031,446</u>	<u>2,157</u>	<u>1,033,603</u>	<u>3,948</u>
NET INCOME (LOSS)	<u>(31,154)</u>	<u>122,737</u>	<u>91,583</u>	<u>(303,091)</u>
OTHER FINANCING SOURCES:				
Transfer to General Fund	<u>(31,717)</u>	<u>-</u>	<u>(31,717)</u>	<u>-</u>
Change in net position	(62,871)	122,737	59,866	(303,091)
Total net position - beginning	<u>416,529</u>	<u>524,594</u>	<u>941,123</u>	<u>1,660,874</u>
Total net position - ending	<u>\$ 353,658</u>	<u>\$ 647,331</u>	<u>\$ 1,000,989</u>	<u>\$ 1,357,783</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, 2021

	Business-type Activities - Enterprise Funds			Major Fund Governmental Activities
	Non-Major Funds	Major Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 16,131	\$ 379,457	\$ 395,588	\$ 14,920,262
Payments for employees and employee benefits	(401,227)	-	(401,227)	(12,400,444)
Payments to suppliers for goods and services	(492,343)	(269,561)	(761,904)	(2,893,373)
Net cash used in operating activities	<u>(877,439)</u>	<u>109,896</u>	<u>(767,543)</u>	<u>(373,555)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING				
State sources	31,382	-	31,382	-
Federal sources	801,029	-	801,029	-
Operating subsidies and transfers to/from other funds	(31,717)	-	(31,717)	-
Other non-operating income	-	-	-	-
Net cash provided by non-capital financing activities	<u>800,694</u>	<u>-</u>	<u>800,694</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
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>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	581	-	581	3,948
Net increase (decrease) in cash and cash equivalents	(76,164)	(115,104)	(191,268)	(369,607)
Cash and cash equivalents - beginning of year	190,110	185,105	375,215	2,609,760
Cash and cash equivalents - end of year	<u>\$ 113,946</u>	<u>\$ 70,001</u>	<u>\$ 183,947</u>	<u>\$ 2,240,153</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (1,062,600)	\$ 122,737	\$ (939,863)	\$ (307,039)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and interest expense	13,425	75,301	88,726	-
Food donation program	77,645	-	77,645	-
(Increase) decrease in accounts receivable, net	6,928	138	7,066	85,388
(Increase) decrease in prepaid expense	(8,887)	-	(8,887)	-
(Increase) decrease in inventories	(649)	-	(649)	-
Increase (decrease) in accounts payable, net	98,309	(87,425)	10,884	62,903
Increase (decrease) in accrued liability	-	-	-	(214,807)
Increase (decrease) in deferred revenue	(1,610)	(855)	(2,465)	-
Total adjustments	<u>185,161</u>	<u>(12,841)</u>	<u>172,320</u>	<u>(66,516)</u>
Net cash used in operating activities	<u>\$ (877,439)</u>	<u>\$ 109,896</u>	<u>\$ (767,543)</u>	<u>\$ (373,555)</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, 2021

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation:

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

District-Wide Financial Statements:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

A. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

Governmental Fund Types

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 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, 2021
(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, 2021
(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 and outstanding timesheets for hourly employees. At June 30, 2021 the District had one unsettled employment contract with the Teamsters Local 97 Union. Accrued salaries and wages for unsettled employment contracts and outstanding payroll timesheets amounted to \$266,801 at year-end.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (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, 2021
(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.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (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, 2021 the District had restricted fund balances of \$3,984,101 for capital projects, \$1,000,000 for maintenance reserve, \$1,219,850 for prior year excess surplus, \$368,704 for unemployment compensation insurance claims, \$459,699 for student activities, and \$467 for future debt service payments.

The *committed* fund balance classification includes amounts that can be used only for specific purposes as determined by formal action of the District's highest level of decision-making authority. The Board of Education has the authority to formally commit resources for specific purposes through a formal motion or resolution that is passed by a majority of the members of the Board of Education at a public meeting. Such process must also be used to remove or change the commitment of resources. At June 30, 2021 the District had committed resources totaling \$789,157 for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Building renovations at Chester M. Stephens Elementary School	\$209,643
Unit ventilator replacement at Sandshore Elementary School	32,188
Professional services – independent investigator	9,025
Athletic uniforms, supplies and equipment	121,171
HVAC maintenance	9,923
Fire pump wiring project at Mount Olive High School	14,000
Radio communication equipment	393,207
	<u>\$789,157</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, 2021 the District had assigned resources for outstanding encumbrances totaling \$614,781 and for amounts designated for subsequent year's expenditures totaling \$2,049,699.

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, 2021 the District had unassigned resources totaling \$3,901,659.

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 4 percent of adjusted General Fund expenditures. Any amount in excess of the 4 percent limitation must be restricted and appropriated and included as anticipated revenue in a subsequent year's budget. At June 30, 2021 the District's total unassigned fund balance was \$5,618,760, which was less than the maximum unassigned fund balance of \$5,993,226, thereby resulting in a \$0 excess surplus balance. The full 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, 2021
(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, 2021, the District had \$586,627 in deferred outflows of resources for deferred loss on defeasance of debt arising from the issuance of refunding bonds and \$4,025,748 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, 2021, the District had \$9,424,660 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. At June 30, 2021 the District's net investment in capital assets amounted to \$55,187,892.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. At June 30, 2021 the District's restricted net position totaled \$7,032,821.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. At June 30, 2021 the District had an unrestricted deficit balance of \$22,487,662.

S. Operating Revenue and Expenses:

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

T. Extraordinary and Special Items:

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

U. Allocation of Indirect Expenses:

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 15 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 2021, the District adopted the following GASB Statements:

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. 98, The Annual Comprehensive Financial Report – This Statement establishes the term “annual comprehensive financial report” and its acronym “ACFR” and replaces the existing term “comprehensive annual financial report” and its acronym “CAFR”. The Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

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, 2021, the District has a deficit in unrestricted net position of \$22,487,662 in governmental activities. The deficit is attributable to the District's allocated share of the net pension liability for PERS employees and the related deferred outflows and inflows of resources which totaled \$27,907,565 for the 2021 fiscal year. The deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

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

- (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.

As of June 30, 2021, cash and cash equivalents of the District consisted entirely of amounts deposited in interest bearing checking, savings, and money market accounts as follows:

	Bank Balance	Carrying Amount
Governmental Funds - Unrestricted	\$7,187,027	\$6,356,876
Governmental Funds - Restricted	5,944,743	5,927,893
Proprietary Funds - Unrestricted	2,575,889	2,424,100
Proprietary Funds - Restricted	2,945	2,945
	\$15,710,604	\$14,711,814

NOTE 4. RECEIVABLES

Receivables at June 30, 2021 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	\$3,045,748
Federal grants receivable	626,025
Intergovernmental accounts receivable	108,894
Other accounts receivable	698,571
Total receivables	\$4,479,238

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

NOTE 5. PREPAID EXPENSE:

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, 2021 the District had prepaid items totaling \$12,020.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 6. INVENTORIES

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$	33,129
Non-Food Items		13,145
	\$	46,274

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 7. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at fiscal year-end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1 (g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the 2021 fiscal year is as follows:

Beginning balance, July 1, 2020		\$2,475,745
Increased by:		
Additional increase authorized by Board resolution	\$1,500,000	
Interest earnings	8,356	
		1,508,356
		3,984,101
Decreased by:		
Budgeted withdrawal from capital reserve		500,000
Ending balance, June 30, 2021		\$3,484,101

In the opinion of the Board's architect, the LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is estimated to be \$17,009,500.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The District had the following interfund balances on the various balance sheets at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$286,894	
Special Revenue Fund		\$286,341
Capital Projects Fund		553
	<u>\$286,894</u>	<u>\$286,894</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 Capital Projects Fund is comprised of interest earnings not yet transferred at year-end. All interfund balances are expected to be cleared within one year.

During the fiscal year, the District made the following interfund transfers:

Transfer from Capital Reserve to Capital Projects Fund for local share of capital projects	(\$500,000)
Transfer from Enterprise Fund to General Fund to close out the Summer School account	585
Transfer from Enterprise Fund to General Fund to close out the Capstone Summer Camp account	31,132
	<u>(\$468,283)</u>
Net Transfers to/(from) General Fund	<u>(\$468,283)</u>

NOTE 9. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Amounts due to vendors	\$ 1,604,277	\$ 139,038
Accrued salaries and wages	266,801	
Payroll deductions and withholdings payable	156,541	
Unemployment compensation claims payable	46,333	
Pension contribution subsequent to the measurement date	1,580,425	
	<u>\$ 3,654,377</u>	<u>\$ 139,038</u>
Total accounts payable	<u>\$ 3,654,377</u>	<u>\$ 139,038</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PRIOR PERIOD ADJUSTMENT

The District implemented GASB Statement No. 84, *Fiduciary Activities*, in the current fiscal year. 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.

In accordance with GASB Statement No. 84, payroll agency, flexible benefits, and unemployment trust funds, which were previously reported as Fiduciary Funds, are now reported in the General Fund and student activity funds are now reported in the Special Revenue Fund. As a result, the District made prior period adjustments in the District-wide and Fund financial statements to reflect the July 1, 2020 beginning balances of the Unemployment Compensation Insurance Trust Fund and the Student Activities Fund.

The following table illustrates the adjustments made to the governmental activities reported in the Statement of Activities and the General and Special Revenue Funds on the Statement of Revenues, Expenditures and Changes in Fund Balance:

Statement of Activities:

Net Position, July 1	\$32,143,142
GASB Statement No. 84 Adjustments:	
July 1, 2020 Beginning Net Position - Unemployment Compensation Insurance Trust	367,259
July 1, 2020 Beginning Net Position – Student Activities Fund	<u>478,185</u>
Net Position, July 1 (restated)	<u>\$32,988,586</u>

Statement of Revenues, Expenditures and Changes in Fund Balance:

General Fund:	
Fund Balance, July 1	\$10,388,861
GASB Statement No. 84 Adjustment:	
July 1, 2020 Beginning Fund Balance - Unemployment Compensation Insurance Trust	<u>367,259</u>
Fund Balance, July 1 (restated)	<u>\$10,756,120</u>
Special Revenue Fund:	
Fund Balance, July 1	\$0
GASB Statement No. 84 Adjustment:	
July 1, 2020 Beginning Fund Balance – Student Activities Fund	<u>478,185</u>
Fund Balance, July 1 (restated)	<u>\$478,185</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. CAPITAL ASSETS

The District appointed Acclaim Inventory LLC to conduct a physical inventory of its capital assets as of June 30, 2021. The following schedule details the district's capital asset activity for the year ended June 30, 2021:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,377,059	\$ -	\$ -	\$ 1,377,059
Total capital assets not being depreciated	<u>1,377,059</u>	<u>-</u>	<u>-</u>	<u>1,377,059</u>
Capital assets being depreciated:				
Site and site improvements	11,253,014	106,709	-	11,359,723
Building and building improvements	122,537,908	1,401,347	-	123,939,255
Machinery and equipment	16,504,390	1,862,080	(468,040)	17,898,430
Total capital assets being depreciated	<u>150,295,312</u>	<u>3,370,136</u>	<u>(468,040)</u>	<u>153,197,408</u>
Governmental activities capital assets	<u>151,672,371</u>	<u>3,370,136</u>	<u>(468,040)</u>	<u>154,574,467</u>
Less accumulated depreciation for:				
Site and site improvements	(4,739,968)	(454,456)	-	(5,194,424)
Building and improvements	(59,672,289)	(3,794,835)	-	(63,467,124)
Machinery and equipment	(8,277,028)	(1,288,855)	430,679	(9,135,204)
Total accumulated depreciation	<u>(72,689,285)</u>	<u>(5,538,146)</u>	<u>430,679</u>	<u>(77,796,752)</u>
Government activities capital assets, net	<u>\$ 78,983,086</u>	<u>\$ (2,168,010)</u>	<u>\$ (37,361)</u>	<u>\$ 76,777,715</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	(117,904)	(20,976)	-	(138,880)
Machinery and equipment	(422,849)	(13,425)	-	(436,274)
Total accumulated depreciation	<u>(540,753)</u>	<u>(34,401)</u>	<u>-</u>	<u>(575,154)</u>
Business-type activities capital assets, net	<u>\$ 1,777,040</u>	<u>\$ (34,401)</u>	<u>\$ -</u>	<u>\$ 1,742,639</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular programs – instruction	\$ 197,660
Special education programs	12,386
Other instructional programs	7,638
Student and instruction related services	42,286
School administrative services	4,826
Other administrative services	149,015
Plant operations and maintenance	4,604,524
Pupil transportation	474,132
School sponsored co-curricular activities	<u>45,679</u>
Total depreciation expense	<u>\$ 5,538,146</u>

NOTE 12. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021 the following changes occurred in long-term obligations reported in the district-wide financial statements:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Serial bonds payable	\$ 22,570,000	\$ -	\$ 3,720,000	\$ 18,850,000
Capital leases payable	2,046,557	1,299,354	1,065,390	2,280,521
Unamortized bond issuance premium	2,404,797	-	524,999	1,879,798
Net pension liability	23,745,308	-	1,908,310	21,836,998
Compensated absences payable	2,345,423	-	219,565	2,125,858
Total governmental activities	<u>53,112,085</u>	<u>1,299,354</u>	<u>7,438,264</u>	<u>46,973,175</u>
Business-type activities:				
Building lease payable	<u>1,075,179</u>	<u>-</u>	<u>166,409</u>	<u>908,770</u>
Total long-term liabilities	<u>\$ 54,187,264</u>	<u>\$ 1,299,354</u>	<u>\$ 7,604,673</u>	<u>\$ 47,881,945</u>

	Amounts Due Within One Year	Amounts Due Beyond One Year	Total
Governmental activities:			
Serial bonds payable	\$ 3,660,000	\$ 15,190,000	\$ 18,850,000
Capital leases payable	937,274	1,343,247	2,280,521
Unamortized bond issuance premium	524,999	1,354,799	1,879,798
Net pension liability	1,580,425	20,256,573	21,836,998
Compensated absences payable	883,039	1,242,819	2,125,858
Total governmental activities	<u>7,585,737</u>	<u>39,387,438</u>	<u>46,973,175</u>
Business-type activities:			
Building lease payable	<u>102,340</u>	<u>806,430</u>	<u>908,770</u>
Total long-term liabilities	<u>\$ 7,688,077</u>	<u>\$ 40,193,868</u>	<u>\$ 47,881,945</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 12. 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, 2021 are comprised of the following issues:

Purpose	Issue Date	Original Amount Issued	Interest Rates	Date of Maturity	Principal Balance at June 30, 2021
Middle School Construction	10/29/2014	\$16,740,000	3.00-5.00%	1/15/2023	\$4,735,000
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	6,685,000
					<u>\$18,850,000</u>

Bond Obligations:

Debt service requirements on serial bonds payable at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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
	<u>\$ 18,850,000</u>	<u>\$ 3,524,775</u>	<u>\$ 22,374,775</u>

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
2022	\$ 937,274
2023	674,591
2024	404,693
2025	263,963
	<u>\$ 2,280,521</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 12. LONG-TERM LIABILITIES (Cont'd)

Unamortized Bond Issuance Premium:

At June 30, 2021, the District had unamortized premiums on three refunding bond issues totaling \$1,879,798 as follows:

<u>Issue Date</u>	<u>Purpose</u>	<u>Unamortized Premium</u>
10/29/2014	Middle School Construction	\$ 393,326
04/20/2016	High School Addition	938,324
04/20/2016	High School Addition	548,148
		<u>\$ 1,879,798</u>

Amortization expense for the fiscal year ended June 30, 2021 amounted to \$524,999. Bond premiums are amortized using the straight-line method over the life of the specific bonds as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amortization Expense</u>
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>\$ 1,879,798</u>

Net Pension Liability:

At June 30, 2021, the District reported a liability of \$21,836,998 for its proportionate share of the Public Employees' Retirement System's (PERS) net pension liability. Of this amount, \$1,580,425 is due within one year and \$20,256,573 is due beyond one year.

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

Compensated Absences Payable:

The liability for compensated absences reported in the District-wide financial statements consists of unpaid accumulated vacation and sick leave balances as of June 30, 2021. 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 \$2,125,858 at June 30, 2021. Of this amount, \$883,039 is due within one year and \$1,242,819 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, 2021
 (Continued)

NOTE 12. 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, 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 2021 fiscal year, the District made a lease payment of \$225,000. Of this amount, \$58,591 was considered interest and the remaining balance of \$166,409 was applied as principal, bringing the outstanding principal balance to \$908,770.

NOTE 13. 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, 2021, the District has recorded an unamortized balance of \$586,627 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2021 was \$172,052.

NOTE 14. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

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

Governmental activities:	
Capital assets, net of depreciation	\$ 76,777,715
Outstanding bond obligations used to build or acquire capital assets	(18,850,000)
Outstanding lease obligations used to build or acquire capital assets	(2,280,521)
Deferred loss on defeasance of debt used to build or acquire capital assets	586,627
Unamortized deferred premium on capital debt	<u>(1,879,798)</u>
 Total governmental activities	 <u>\$ 54,354,023</u>
Business-type activities:	
Capital assets, net of depreciation	\$ 1,742,639
Outstanding lease obligations used to build or acquire capital assets	<u>(908,770)</u>
 Total business-type activities	 <u>\$ 833,869</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. PENSION PLANS

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

A. Public Employees' Retirement System

Plan Description

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

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 1/55th 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 1/60th 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, 2021
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Contributions

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

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. The District's contribution to PERS amounted to \$1,464,894 for fiscal year 2021. The employee contribution rate for fiscal year 2021 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, 2021, the District reported a liability of \$21,836,998 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.1339086416%, which was an increase of 0.0021255804% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$972,388. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 397,616	\$ (77,225)
Changes of assumptions	708,417	(9,143,358)
Net difference between projected and actual investment earnings	746,406	
	1,852,439	(9,220,583)
Changes in proportion	592,884	(204,077)
District contributions subsequent to the measurement date	1,580,425	
	\$ 4,025,748	\$ (9,424,660)

District contributions subsequent to the measurement date (\$1,580,425) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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, 2021
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Pension Expense
2021	\$ (2,740,144)
2022	(2,498,178)
2023	(1,427,645)
2024	(577,316)
2025	(124,861)
	\$ (7,368,144)

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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Actuarial Assumptions

The pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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

The actuarial assumptions used in the July 1, 2019 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-2020.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of net pension liability	\$27,705,295	\$21,836,998	\$17,175,003

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

At June 30, 2020, the plan fiduciary net position as a percentage of the total pension liability was 58.32%. 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.

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 1/55th 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 1/60th 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, 2021
(Continued)

NOTE 15. 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 non-employer contributing entity. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

During the fiscal year ended 2021, the State of New Jersey contributed \$9,277,222 to the TPAF for normal pension benefits on behalf of the District, which is \$3,523,007 less than the contractually required contribution of \$12,800,229. 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, 2020 the State reported a total net pension liability of \$65,993,498,688 and total pension expense of \$4,099,006,933. 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	\$	205,843,557
District's proportionate share of the collective pension expense	\$	12,800,229

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the proportion of the TPAF net pension liability associated with the District was 0.3126003323%.

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$986,767,511	\$182,357,860
Changes of assumptions	7,815,939,253	14,241,964,752
Net difference between projected and actual investment earnings on pension plan investments	656,175,235	
	\$9,458,881,999	\$14,424,322,612

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Pension Expense
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

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

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2019 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-2020.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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, 2021
 (Continued)

NOTE 15. PENSION PLANS (Cont'd)

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

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

The following presents the net pension liability of the State as of June 30, 2020 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% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
Net pension liability	\$77,517,093,055	\$65,993,498,688	\$56,425,087,777

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

Pension Plan Fiduciary Net Position

At June 30, 2020, the plan fiduciary net position as a percentage of the total pension liability was 24.60%. 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, 2021, the District recognized DCRP pension expense of \$116,478.

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, 2021
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

In Fiscal Year 2020, the State paid post-retirement benefits for 143,053 State and local retirees.

Additional information about the State Health Benefits Program for Local Education Employers can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. At June 30, 2020 the total nonemployer OPEB liability was \$67,809,962,608. The total OPEB liability associated with the District was \$229,920,203 which represents 0.34% of the total nonemployer OPEB liability.

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (Cont’d)

Actuarial Assumptions and Other Inputs

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

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

The actuarial assumptions used in the June 30, 2019 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) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Health Care Trend Assumptions:

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

Discount Rate:

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 16. 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		\$ 142,818,266
Changes for the year:		
Service cost	\$ 5,592,190	
Interest cost	5,127,026	
Difference between expected and actual experience	38,265,600	
Changes in assumptions	41,998.520	
Member contributions	121,322	
Gross benefit payments	<u>(4,002,721)</u>	
Net changes		<u>87,101,937</u>
District's proportionate share of OPEB liability - ending		<u>\$ 229,920,203</u>

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, 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% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$277,180,672	\$229,920,203	\$192,967,068

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, 2020, 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 Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$185,599,341	\$229,920,203	\$282,696,499

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 16. 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, 2021 the District recognized OPEB expense of \$10,854,663 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, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 34,907,876	\$ 31,094,694
Changes of assumptions	39,108,669	26,235,197
Changes in proportion	1,993,628	2,245,719
Total	\$ 76,010,173	\$ 59,575,610

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 17. OTHER ON-BEHALF TPAF CONTRIBUTIONS

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

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

Year Ending June 30,	Non-contributory Group Insurance	Long-term Disability Insurance	Social Security Contributions
2021	\$ 176,511	\$ 5,601	\$ 2,696,819
2020	\$ 122,895	\$ 5,935	\$ 2,544,821
2019	\$ 128,552	\$ 6,805	\$ 2,494,801

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, 2021
 (Continued)

NOTE 18. 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 19. RISK MANAGEMENT

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

Commercial Insurance – The District maintains commercial insurance coverage for property, general liability, auto, worker's compensation, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found on Schedule J-20 in the Statistical Section of this 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 \$987,948 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 September 26, 2021. At June 30, 2021, the District had an unrestricted net position of \$1,357,783 available for future medical and prescription claims.

NOTE 20. 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:

Year Ended June 30,	Plan Member Contributions	Interest Earnings	Quarterly Billings	Reimbursed to State	Ending Balance
2021	\$257,799	\$1,445	\$166,023	\$45,443	\$415,037
2020	\$177,982	\$6,569	\$91,831	\$74,205	\$367,259
2019	\$144,405	\$8,646	\$60,806	\$81,228	\$348,744

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 21. FUND BALANCE APPROPRIATED

General Fund - Of the \$13,427,951 General Fund balance at June 30, 2021, \$1,403,938 is committed or assigned for outstanding encumbrances, \$2,049,699 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, \$3,484,101 has been restricted for capital projects, \$1,000,000 has been restricted as maintenance reserve, \$368,704 has been restricted for unemployment compensation, and \$3,901,659 is unassigned.

Special Revenue Fund – The \$459,699 Special Revenue Fund balance at June 30, 2021 is restricted for student activities.

Capital Projects Fund - The \$500,000 Capital Projects Fund balance at June 30, 2021 is restricted for renovations to the Chester M. Stephens Elementary School.

Debt Service Fund – The restricted Debt Service Fund balance of \$467 at June 30, 2021 will be appropriated and included as anticipated revenue in the 2022-23 school district budget.

NOTE 22. TAX ABATEMENTS

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

For the year ended December 31, 2020, the Township of Mount Olive recognized revenue in the amount of \$435,897 from three payment in lieu of taxes ("PILOT") agreements. The 2020 taxes that would have been paid on these properties without the abatement would have been \$928,142.

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

NOTE 23. ECONOMIC DEPENDENCY

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 24. CONTINGENT LIABILITIES

Grant Programs

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

Pending Litigation

According to the Board's general counsel and the Board's insurance counsel, there are no potential claims or lawsuits, unasserted or otherwise, against the District that would materially affect the financial position of the District.

NOTE 25. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 2, 2022 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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 69,356,619	\$ -	\$ 69,356,619	\$ 69,356,619	\$ -
Tuition charges	471,008	-	471,008	520,338	49,330
Transportation fees	21,000	-	21,000	-	(21,000)
Interest on investments	275,000	-	275,000	56,645	(218,355)
Interest earned on capital reserve funds	15,000	-	15,000	8,356	(6,644)
Unrestricted miscellaneous revenues	460,000	-	460,000	277,272	(182,728)
Other restricted miscellaneous revenues	-	-	-	1,445	1,445
Total - Local Sources	70,598,627	-	70,598,627	70,220,675	(377,952)
State sources:					
Categorical special education aid	2,959,145	-	2,959,145	2,959,145	-
Equalization aid	14,549,368	-	14,549,368	13,395,987	(1,153,381)
Categorical security aid	106,585	-	106,585	106,585	-
Transportation aid	1,067,482	-	1,067,482	1,067,482	-
Extraordinary aid	503,500	-	503,500	2,932,397	2,428,897
Nonpublic transportation aid	-	-	-	28,331	28,331
Securing our children's future bond act	-	-	-	263,065	263,065
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	9,277,222	9,277,222
TPAF on-behalf non-contributory group insurance (Non-Budgeted)	-	-	-	176,511	176,511
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	2,962,653	2,962,653
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	5,601	5,601
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,696,819	2,696,819
Total - State Sources	19,186,080	-	19,186,080	35,871,798	16,685,718
Federal sources:					
Medicaid Reimbursement	81,988	-	81,988	111,837	29,849
Total - Federal Sources	81,988	-	81,988	111,837	29,849
TOTAL REVENUES	89,866,695	-	89,866,695	106,204,310	16,337,615

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, 2021
 UNAUDITED

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT:					
Regular programs - distributed instruction:					
Salaries of teachers:					
Preschool	\$ 97,792	\$ -	\$ 97,792	\$ -	\$ 97,792
Kindergarten	1,135,437	21,718	1,157,155	1,141,630	15,525
Grades 1 - 5	8,266,336	274,954	8,541,290	8,540,210	1,080
Grades 6 - 8	5,896,939	(213,276)	5,683,663	5,541,947	141,716
Grades 9 - 12	8,520,395	(473,010)	8,047,385	7,938,409	108,976
Regular programs - home instruction:					
Salaries of teachers	23,716	-	23,716	18,900	4,816
Purchased professional - educational services	44,060	29	44,089	42,860	1,229
Regular programs - undistributed instruction:					
Other salaries for instruction	141,350	18,115	159,465	146,422	13,043
Purchased professional - educational services	15,000	-	15,000	3,911	11,089
Other purchased services	1,004,137	36,406	1,040,543	910,351	130,192
General supplies	1,220,785	182,678	1,403,463	1,051,347	352,116
Textbooks	124,882	(11,000)	113,882	25,953	87,929
Other objects	12,095	(825)	11,270	4,490	6,780
Total Regular Programs - Instruction	26,502,924	(164,211)	26,338,713	25,366,430	972,283
Special education - instruction:					
Learning and/or language disabilities:					
Salaries of teachers	705,889	(177,049)	528,840	416,657	112,183
Other salaries for instruction	77,880	-	77,880	41,087	36,793
Total Learning and/or Language Disabilities	783,769	(177,049)	606,720	457,744	148,976
Behavioral disabilities:					
Salaries of teachers	378,122	(68,167)	309,955	304,815	5,140
Other salaries for instruction	165,939	19,591	185,530	136,329	49,201
Total Behavioral Disabilities	544,061	(48,576)	495,485	441,144	54,341

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple disabilities:					
Salaries of teachers	\$ 420,397	\$ 99,159	\$ 519,556	\$ 462,897	\$ 56,659
Other salaries for instruction	25,723	-	25,723	-	25,723
Other objects	2,500	-	2,500	-	2,500
Total Multiple Disabilities	<u>448,620</u>	<u>99,159</u>	<u>547,779</u>	<u>462,897</u>	<u>84,882</u>
Resource room/resource center:					
Salaries of teachers	4,073,071	68,167	4,141,238	4,095,651	45,587
Other salaries for instruction	491,544	242,135	733,679	546,906	186,773
Total Resource Room/Resource Center	<u>4,564,615</u>	<u>310,302</u>	<u>4,874,917</u>	<u>4,642,557</u>	<u>232,360</u>
Autism:					
Salaries of teachers	205,760	2,911	208,671	185,657	23,014
Other salaries for instruction	-	189,692	189,692	128,653	61,039
Total Autism	<u>205,760</u>	<u>192,603</u>	<u>398,363</u>	<u>314,310</u>	<u>84,053</u>
Preschool disabilities - Part-Time:					
Salaries of teachers	235,979	39,000	274,979	273,735	1,244
Other salaries for instruction	77,903	1,869	79,772	61,591	18,181
Total Preschool Disabilities - Part-Time	<u>313,882</u>	<u>40,869</u>	<u>354,751</u>	<u>335,326</u>	<u>19,425</u>
Home instruction:					
Salaries of teachers	20,620	-	20,620	7,560	13,060
Purchased professional - educational services	19,500	-	19,500	7,849	11,651
Other purchased services	1,500	-	1,500	1,368	132
Total Home Instruction	<u>41,620</u>	<u>-</u>	<u>41,620</u>	<u>16,777</u>	<u>24,843</u>
Total Special Education - Instruction	<u>6,902,327</u>	<u>417,308</u>	<u>7,319,635</u>	<u>6,670,755</u>	<u>648,880</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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 719,809	\$ (139,700)	\$ 580,109	\$ 512,956	\$ 67,153
Purchased services	2,750	-	2,750	-	2,750
General supplies	8,128	-	8,128	-	8,128
Total Basic Skills/Remedial - Instruction	<u>730,687</u>	<u>(139,700)</u>	<u>590,987</u>	<u>512,956</u>	<u>78,031</u>
Bilingual education - instruction:					
Salaries of teachers	435,895	4,700	440,595	439,270	1,325
General supplies	3,000	-	3,000	-	3,000
Total Bilingual Education - Instruction	<u>438,895</u>	<u>4,700</u>	<u>443,595</u>	<u>439,270</u>	<u>4,325</u>
Total Other Instructional Programs	<u>1,169,582</u>	<u>(135,000)</u>	<u>1,034,582</u>	<u>952,226</u>	<u>82,356</u>
School sponsored other instructional programs:					
School sponsored co/extra curricular activities - instruction:					
Salaries	279,251	36,494	315,745	315,745	-
Purchased services	129,572	-	129,572	70,585	58,987
Supplies and materials	71,331	-	71,331	7,252	64,079
Other objects	21,530	-	21,530	1,148	20,382
Total School Sponsored Co/Extra Curricular Activities - Instruction	<u>501,684</u>	<u>36,494</u>	<u>538,178</u>	<u>394,730</u>	<u>143,448</u>
School sponsored athletics - instruction:					
Salaries	826,355	11,293	837,648	827,147	10,501
Purchased services	219,758	(10,000)	209,758	194,238	15,520
Supplies and materials	113,000	145,057	258,057	101,088	156,969
Other objects	50,014	-	50,014	20,804	29,210
Total School Sponsored Athletics - instruction	<u>1,209,127</u>	<u>146,350</u>	<u>1,355,477</u>	<u>1,143,277</u>	<u>212,200</u>
School sponsored before/after school programs - instruction:					
Salaries of teachers	12,500	-	12,500	5,124	7,376
Other salaries for instruction	21,250	(16,250)	5,000	3,283	1,717
Salaries of teacher tutors	77,500	97,750	175,250	156,345	18,905
Supplies and materials	14,282	-	14,282	-	14,282
Other objects	1,852	-	1,852	-	1,852
Total School Sponsored Before/After School Programs - Instruction	<u>127,384</u>	<u>81,500</u>	<u>208,884</u>	<u>164,752</u>	<u>44,132</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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored before/after school programs - support services:					
Salaries	\$ 25,362	\$ 3,238	\$ 28,600	\$ 28,600	\$ -
Total School Sponsored Before/After School Programs - Support Services	25,362	3,238	28,600	28,600	-
Summer School - Instruction:					
Salaries of teachers	8,248	27,882	36,130	36,130	-
Purchased professional and technical services	6,000	-	6,000	-	6,000
Supplies and materials	1,200	-	1,200	-	1,200
Total Summer School - Instruction	15,448	27,882	43,330	36,130	7,200
Summer school - support services:					
Salaries	-	5,382	5,382	5,382	-
Total Summer School - Support Services	-	5,382	5,382	5,382	-
Other supplemental/at-risk programs - instruction:					
Salaries of teachers	-	37,103	37,103	37,102	1
Salaries of reading specialists	-	2,743	2,743	2,742	1
Total Supplemental/At-Risk Programs - Instruction	-	39,846	39,846	39,844	2
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	2,157,740	340,692	2,498,432	2,091,449	406,983
TOTAL DISTRIBUTED EXPENDITURES	36,732,573	458,789	37,191,362	35,080,860	2,110,502
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition to other LEAs within the state - regular	22,000	-	22,000	-	22,000
Tuition to other LEAs within the state - special	60,000	(50,000)	10,000	9,190	810
Tuition to county vocational school districts - regular	703,583	(109,995)	593,588	563,822	29,766
Tuition to county vocational school districts - special	61,016	-	61,016	22,032	38,984
Tuition to CSSSD and regional day schools	529,422	(124,775)	404,647	350,915	53,732
Tuition to private schools for the disabled - within state	1,765,400	(355,425)	1,409,975	1,409,949	26
Tuition - state facilities	61,944	-	61,944	61,944	-
Tuition - other	148,000	-	148,000	99,072	48,928
Total Undistributed Expenditures - Instruction	3,351,365	(640,195)	2,711,170	2,516,924	194,246

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance and social work services:					
Salaries	\$ 55,223	\$ 7,325	\$ 62,548	\$ 62,524	\$ 24
Supplies and materials	400	-	400	-	400
Total Attendance and Social Work Services	<u>55,623</u>	<u>7,325</u>	<u>62,948</u>	<u>62,524</u>	<u>424</u>
Health services:					
Salaries	818,492	5,750	824,242	822,741	1,501
Purchased professional and technical services	50,875	-	50,875	34,922	15,953
Other purchased services	8,944	15,850	24,794	24,470	324
Supplies and materials	41,051	4,100	45,151	30,953	14,198
Total Health Services	<u>919,362</u>	<u>25,700</u>	<u>945,062</u>	<u>913,086</u>	<u>31,976</u>
Other support services - students - related services:					
Salaries	1,009,301	91,898	1,101,199	1,074,599	26,600
Purchased professional - educational services	570,500	46,302	616,802	526,582	90,220
Supplies and materials	18,000	2,256	20,256	9,396	10,860
Other objects	460	-	460	-	460
Total Other Support Services - Students - Related Services	<u>1,598,261</u>	<u>140,456</u>	<u>1,738,717</u>	<u>1,610,577</u>	<u>128,140</u>
Other support services - students - extraordinary services:					
Salaries	2,293,900	(579,391)	1,714,509	1,592,185	122,324
Purchased professional - educational services	173,570	(34,302)	139,268	92,530	46,738
Total Other Support Services - Students - Extra. Serv.	<u>2,467,470</u>	<u>(613,693)</u>	<u>1,853,777</u>	<u>1,684,715</u>	<u>169,062</u>
Other support services - students - regular:					
Salaries of other professional staff	1,611,048	125,585	1,736,633	1,736,220	413
Salaries of secretarial and clerical assistants	133,372	(18,775)	114,597	114,597	-
Other purchased professional and technical services	5,000	1,000	6,000	1,000	5,000
Other purchased services	185,477	(21,500)	163,977	153,675	10,302
Supplies and materials	12,962	(1,300)	11,662	6,569	5,093
Other objects	3,150	-	3,150	982	2,168
Total Other Support Services - Students - Regular	<u>1,951,009</u>	<u>85,010</u>	<u>2,036,019</u>	<u>2,013,043</u>	<u>22,976</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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - students - special:					
Salaries of other professional staff	\$ 1,607,656	\$ 30,762	\$ 1,638,418	\$ 1,631,123	\$ 7,295
Salaries of secretarial and clerical assistants	219,892	250	220,142	220,141	1
Purchased professional - educational services	49,900	58,000	107,900	51,934	55,966
Other purchased professional and technical services	29,000	-	29,000	-	29,000
Other purchased services	5,250	16,500	21,750	17,255	4,495
Supplies and materials	9,350	56,502	65,852	11,477	54,375
Total Other Support Services - Students - Special	1,921,048	162,014	2,083,062	1,931,930	151,132
Improvement of instructional services:					
Salaries of supervisors of instruction	768,956	(74,993)	693,963	679,107	14,856
Salaries of other professional staff	139,088	-	139,088	123,115	15,973
Salaries of secretarial and clerical assistants	176,744	490	177,234	177,233	1
Unused vacation payments to terminated/retired staff	-	2,641	2,641	2,640	1
Other purchased services	21,186	6,000	27,186	24,324	2,862
Supplies and materials	18,000	(10,601)	7,399	6,742	657
Other objects	12,000	-	12,000	7,175	4,825
Total Improvement of Instruction Services	1,135,974	(76,463)	1,059,511	1,020,336	39,175
Educational media services/school library:					
Salaries	473,077	6,230	479,307	479,146	161
Other purchased services	59,132	-	59,132	51,097	8,035
Supplies and materials	99,948	186	100,134	29,816	70,318
Total Educational Media Services/School Library	632,157	6,416	638,573	560,059	78,514
Instructional staff training services:					
Salaries of other professional staff	130,000	-	130,000	55,647	74,353
Purchased professional - educational services	23,576	16,925	40,501	27,085	13,416
Other purchased services	12,000	16,000	28,000	20,115	7,885
Supplies and materials	5,000	400	5,400	5,331	69
Other objects	3,350	(400)	2,950	100	2,850
Total Instructional Staff Training Services	173,926	32,925	206,851	108,278	98,573

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - general administration:					
Salaries	\$ 487,565	\$ (24,800)	\$ 462,765	\$ 460,308	\$ 2,457
Legal services	135,000	89,597	224,597	213,466	11,131
Audit fees	34,750	-	34,750	34,750	-
Other purchased professional services	26,600	3,195	29,795	12,915	16,880
Communications/telephone	236,603	60,350	296,953	296,933	20
BOE other purchased services	10,700	(9,800)	900	900	-
Miscellaneous purchased services	393,529	86,283	479,812	479,391	421
General supplies	9,300	(2,600)	6,700	6,626	74
Judgements against the school district	-	5,000	5,000	5,000	-
Miscellaneous expenditures	15,500	5,600	21,100	19,390	1,710
BOE membership dues and fees	27,500	(700)	26,800	26,727	73
Total Support Services - General Administration	1,377,047	212,125	1,589,172	1,556,406	32,766
Support services - school administration:					
Salaries of principals/assistant principals	1,449,976	290,253	1,740,229	1,740,173	56
Salaries of other professional staff	1,175,299	72,709	1,248,008	1,247,952	56
Salaries of secretarial and clerical assistants	830,844	15,310	846,154	844,301	1,853
Other purchased services	20,483	7,430	27,913	27,774	139
Supplies and materials	77,491	(23,167)	54,324	52,093	2,231
Other objects	31,155	3,088	34,243	33,418	825
Total Support Services - School Administration	3,585,248	365,623	3,950,871	3,945,711	5,160
Central services:					
Salaries	730,588	(4,875)	725,713	716,678	9,035
Miscellaneous purchased services	130,650	9,720	140,370	140,318	52
Supplies and materials	11,000	(3,001)	7,999	7,883	116
Miscellaneous expenditures	3,400	500	3,900	3,564	336
Total Central Services	875,638	2,344	877,982	868,443	9,539

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative information technology:					
Salaries	\$ 700,321	\$ 28,723	\$ 729,044	\$ 725,336	\$ 3,708
Unused vacation payments to terminated/retired staff	-	6,360	6,360	6,360	-
Purchased professional and technical services	-	3,600	3,600	-	3,600
Other purchased services	340,376	(13,830)	326,546	301,590	24,956
Supplies and materials	43,208	-	43,208	13,899	29,309
Other objects	3,700	-	3,700	2,640	1,060
Total Administrative Information Technology	1,087,605	24,853	1,112,458	1,049,825	62,633
Required maintenance for school facilities:					
Salaries	693,312	(34,423)	658,889	648,288	10,601
Unused vacation payments to terminated/retired staff	-	12,332	12,332	12,331	1
Cleaning, repair and maintenance services	519,512	(38,025)	481,487	423,799	57,688
Lead testing of drinking water	-	35,585	35,585	33,365	2,220
General supplies	283,790	(141,055)	142,735	140,927	1,808
Other objects	7,000	1,750	8,750	8,746	4
Total Required Maintenance for School Facilities	1,503,614	(163,836)	1,339,778	1,267,456	72,322
Custodial services:					
Salaries	3,082,149	(76,325)	3,005,824	2,976,910	28,914
Salaries of non-instructional aides	429,205	8,525	437,730	435,858	1,872
Unused vacation payments to terminated/retired staff	-	22,021	22,021	22,021	-
Purchased professional and technical services	222,600	(61,260)	161,340	149,095	12,245
Cleaning, repair and maintenance services	174,050	41,792	215,842	205,428	10,414
Lease purchase payments - energy savings improvement programs	38,937	-	38,937	38,937	-
Other purchased property services	381,152	(10,000)	371,152	357,042	14,110
Insurance	279,019	27,571	306,590	306,590	-
Miscellaneous purchased services	47,034	12,309	59,343	45,535	13,808
General supplies	565,417	545,580	1,110,997	1,051,032	59,965
Energy (natural gas)	460,000	27,300	487,300	485,182	2,118
Energy (electricity)	850,000	(51,300)	798,700	724,005	74,695
Energy (oil)	6,000	-	6,000	6,645	3,355
Energy (gasoline)	40,000	-	40,000	18,240	21,760
Other objects	3,950	-	3,950	2,093	1,857
Total Custodial Services	6,579,513	486,213	7,065,726	6,820,613	245,113

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, 2021
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and upkeep of grounds:					
Salaries	\$ 248,347	\$ 62,325	\$ 310,672	\$ 310,647	\$ 25
Cleaning, repair and maintenance services	234,620	(155,800)	78,820	71,479	7,341
General supplies	140,759	12,600	153,359	152,984	375
Total Care and Upkeep of Grounds	623,726	(80,875)	542,851	535,110	7,741
Security:					
Salaries	461,228	46,800	508,028	508,013	15
Purchased professional and technical services	32,204	16,850	49,054	26,775	22,279
Cleaning, repair and maintenance services	4,000	29,550	33,550	29,841	3,709
General supplies	36,000	121,250	157,250	30,472	126,778
Other objects	200	5,300	5,500	-	5,500
Total Security	533,632	219,750	753,382	595,101	158,281
Total Operation and Maintenance of Plant Services	9,240,485	461,252	9,701,737	9,218,280	483,457
Student transportation services:					
Salaries of non-instructional aides	195,697	18,500	214,197	213,400	797
Salaries for pupil trans. (between home & school) - regular	2,215,303	(177,000)	2,038,303	1,981,407	56,896
Salaries for pupil trans. (between home & school) - special ed.	383,519	108,500	492,019	491,936	83
Salaries for pupil trans. (other than between home & school)	159,135	-	159,135	44,533	114,602
Salaries for pupil trans. (between home & school) - nonpublic	73,792	-	73,792	-	73,792
Unused vacation payments to terminated/retired staff	-	13,249	13,249	13,249	-
Management fees - ESC & CTSA transportation programs	30,000	-	30,000	19,428	10,572
Purchased professional and technical services	-	56,500	56,500	56,131	369
Cleaning, repair and maintenance services	60,000	(4,000)	56,000	46,034	9,966
Lease purchase payments - school buses	525,386	-	525,386	512,251	13,135
Contracted services - aid in lieu payments - nonpublic schools	80,000	-	80,000	62,689	17,311
Contracted services - aid in lieu payments - charter schools	9,000	-	9,000	2,406	6,594
Contracted services - aid in lieu payments - choice schools	15,000	-	15,000	3,511	11,489
Contracted services (other than bet. home & school) - vendors	37,500	(1,140)	36,360	14,673	21,687
Contracted services (between home & school) - joint agreements	9,000	-	9,000	979	8,021
Contracted services (special ed. students) - vendors	65,000	1,140	66,140	55,722	10,418
Contracted services (regular students) - ESCs & CTSA	350,000	-	350,000	336,089	13,911
Contracted services (special ed. students) - ESCs & CTSA	560,000	(51,000)	509,000	286,498	222,502
Miscellaneous purchased services	163,995	(17,571)	146,424	123,994	22,430
Fuel and general supplies	225,000	(114,160)	110,840	92,664	18,176
Transportation supplies	310,000	(18,740)	291,260	182,217	109,043
Miscellaneous expenditures	2,500	-	2,500	557	1,943
Total Student Transportation Services	5,469,827	(185,722)	5,284,105	4,540,368	743,737

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated employee benefits:					
Social security contributions	\$ 1,475,000	\$ -	\$ 1,475,000	\$ 1,317,656	\$ 157,344
Other retirement contributions - PERS	1,514,687	(52,175)	1,462,512	1,444,132	18,380
Other retirement contributions - regular	130,000	-	130,000	116,478	13,522
Workers compensation	888,301	(283,055)	605,246	605,245	1
Health benefits	14,028,097	(328,852)	13,699,245	12,577,338	1,121,907
Tuition reimbursement	300,000	-	300,000	276,177	23,823
Other employee benefits	526,500	-	526,500	516,370	10,130
Unused sick payments to terminated/retired staff	220,000	(56,603)	163,397	103,420	59,977
Total Unallocated Benefits - Employee Benefits	19,082,585	(720,685)	18,361,900	16,956,816	1,405,084
On-behalf payments:					
TPAF on-behalf pension contribution (Non-Budgeted)	-	-	-	9,277,222	(9,277,222)
TPAF on-behalf non-contributory group insurance (Non-Budgeted)	-	-	-	176,511	(176,511)
TPAF on-behalf post-retirement medical contribution (Non-Budgeted)	-	-	-	2,962,653	(2,962,653)
TPAF on-behalf long term disability insurance premium (Non-Budgeted)	-	-	-	5,601	(5,601)
TPAF social security contributions (Reimbursed - Non-Budgeted)	-	-	-	2,696,819	(2,696,819)
Total On-behalf Payments	-	-	-	15,118,806	(15,118,806)
Food services:					
Transfers to cover deficit	15,000	-	15,000	-	15,000
Total Food Services	15,000	-	15,000	-	15,000
TOTAL UNDISTRIBUTED EXPENDITURES	54,939,630	(710,715)	54,228,915	65,676,127	(11,447,212)
TOTAL EXPENDITURES - CURRENT	91,672,203	(251,926)	91,420,277	100,756,987	(9,336,710)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1 - 5	-	12,900	12,900	12,871	29
Grades 6 - 8	-	2,475	2,475	-	2,475
Grades 9 - 12	-	282,050	282,050	238,289	43,761
School sponsored athletics	-	23,285	23,285	23,257	28

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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
General administration	\$ -	\$ 2,600	\$ 2,600	\$ 2,599	\$ 1
Information technology services	-	63,478	63,478	-	63,478
Required maintenance for school facilities	34,000	134,275	168,275	86,323	81,952
Custodial services	28,800	200,382	229,182	49,830	179,352
Care and upkeep of grounds	8,000	94,329	102,329	102,326	3
Security services	-	154,176	154,176	72,613	81,563
Student transportation services - non-instructional equipment	-	18,900	18,900	18,878	22
Total Equipment	70,800	988,850	1,059,650	606,986	452,664
Facilities acquisition and construction services:					
Architectural and engineering services	120,000	67,571	187,571	119,458	68,113
Construction services	1,000,000	664,099	1,664,099	1,330,568	333,531
Assessment for debt service on SDA funding	128,241	-	128,241	128,241	-
Total Facilities Acquisition and Construction Services:	1,248,241	731,670	1,979,911	1,578,267	401,644
Assets acquired under capital leases (non-budgeted):					
Purchase of Buses	-	-	-	1,299,354	(1,299,354)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	1,299,354	(1,299,354)
TOTAL CAPITAL OUTLAY	1,319,041	1,720,520	3,039,561	3,484,607	(445,046)
CHARTER SCHOOL:					
Allocation of funds to charter school	130,000	-	130,000	76,510	53,490
Total Charter School	130,000	-	130,000	76,510	53,490
TOTAL EXPENDITURES	93,121,244	1,468,594	94,589,838	104,318,104	(9,728,266)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,254,549)	(1,468,594)	(4,723,143)	1,886,206	(6,609,349)
OTHER FINANCING SOURCES:					
Capital Leases (Non-Budgeted)	-	-	-	1,299,354	(1,299,354)
Transfers In:					
Transfer from Enterprise Funds - Summer School	-	-	-	585	(585)
Transfer from Enterprise Funds - Capstone Summer Camp	-	-	-	31,132	(31,132)

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, 2021
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
OTHER FINANCING USES:					
Transfers Out:					
Capital Reserve - Transfer to Capital Projects	\$ (500,000)	\$ -	\$ (500,000)	\$ (500,000)	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	-	(500,000)	831,071	(1,331,071)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,754,549)	(1,468,594)	(5,223,143)	2,717,277	(7,940,420)
FUND BALANCE, July 1 (restated)	12,427,775	-	12,427,775	12,427,775	-
FUND BALANCE, June 30	<u>\$ 8,673,226</u>	<u>\$ (1,468,594)</u>	<u>\$ 7,204,632</u>	<u>\$ 15,145,052</u>	<u>\$ (7,940,420)</u>
Recapitulation of excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures:					
Adjustment for prior year encumbrances	\$ -	\$ (1,468,594)	\$ (1,468,594)	\$ (1,468,594)	\$ -
Budgeted fund balance	(3,269,549)	-	(3,269,549)	2,677,515	(5,947,064)
Budgeted withdrawal from capital reserve	(500,000)	-	(500,000)	(500,000)	-
Increase in maintenance reserve	-	-	-	500,000	(500,000)
Increase in capital reserve:					
Principal	-	-	-	1,500,000	(1,500,000)
Interest	15,000	-	15,000	8,356	6,644
	<u>\$ (3,754,549)</u>	<u>\$ (1,468,594)</u>	<u>\$ (5,223,143)</u>	<u>\$ 2,717,277</u>	<u>\$ (7,940,420)</u>
Recapitulation of Balances:					
Restricted Fund Balance:					
Capital reserve				\$ 3,484,101	
Maintenance reserve				1,000,000	
Excess surplus - prior year				1,219,850	
Unemployment compensation				368,704	
Committed Fund Balance:					
Year-end encumbrances				789,157	
Assigned Fund Balance:					
Year-end encumbrances				614,781	
Unreserved - designated for subsequent year's expenditures - fund balance appropriated				2,049,699	
Unassigned Fund Balance				<u>5,618,760</u>	
				15,145,052	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(1,717,101)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 13,427,951</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, 2021
 UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,147,508	\$ 1,081,540	\$ 2,229,048	\$ 2,070,232	\$ 158,816
Local sources	-	-	-	198,029	(198,029)
TOTAL REVENUES	<u>1,147,508</u>	<u>1,081,540</u>	<u>2,229,048</u>	<u>2,268,261</u>	<u>(39,213)</u>
EXPENDITURES:					
Instruction:					
Personal services - salaries	548,814	91,141	639,955	618,594	21,361
Purchased professional - educational services	-	152,333	152,333	153,758	(1,425)
Other purchased services	30,900	95,179	126,079	248,232	(122,153)
General supplies	85,688	352,167	437,855	432,701	5,154
Other objects	1,500	1,000	2,500	10,533	(8,033)
Total Instruction	<u>666,902</u>	<u>691,820</u>	<u>1,358,722</u>	<u>1,463,818</u>	<u>(105,096)</u>
Support Services:					
Personal services - salaries	74,628	160,270	234,898	221,242	13,656
Personal services - employee benefits	119,430	65,339	184,769	184,599	170
Purchased professional - educational services	218,000	86,310	304,310	288,248	16,062
Other purchased services	56,288	13,864	70,152	55,425	14,727
Supplies and materials	7,760	51,917	59,677	56,895	2,782
Total Support Services	<u>476,106</u>	<u>377,700</u>	<u>853,806</u>	<u>806,409</u>	<u>47,397</u>
Equipment:					
Instructional equipment	-	5,065	5,065	5,065	-
Non-instructional equipment	4,500	6,955	11,455	11,455	-
Total Equipment	<u>4,500</u>	<u>12,020</u>	<u>16,520</u>	<u>16,520</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,147,508</u>	<u>1,081,540</u>	<u>2,229,048</u>	<u>2,286,747</u>	<u>(57,699)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(18,486)	18,486
FUND BALANCE, July 1 (restated)	<u>478,185</u>	<u>-</u>	<u>478,185</u>	<u>478,185</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 478,185</u>	<u>\$ -</u>	<u>\$ 478,185</u>	<u>\$ 459,699</u>	<u>\$ 18,486</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, 2021
 UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 106,204,310	\$ 2,268,261
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, 2020	-	3,300
Outstanding encumbrances at June 30, 2021	-	(26,904)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
State aid receivable at June 30, 2020	1,671,655	-
State aid receivable at June 30, 2021	(1,717,101)	-
	<u>\$ 106,158,864</u>	<u>\$ 2,244,657</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
	<u>\$ 106,158,864</u>	<u>\$ 2,244,657</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 104,318,104	\$ 2,286,747
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, 2020	-	3,300
Outstanding encumbrances at June 30, 2021	-	(26,904)
	<u>\$ 104,318,104</u>	<u>\$ 2,263,143</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		
	<u>\$ 104,318,104</u>	<u>\$ 2,263,143</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
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 6.28% as of the prior measurement date (June 30, 2019) to 7.00% as of the current measurement date (June 30, 2020). The municipal bond rate changed from 3.50% to 2.21% and the long-term expected rate of return on pension plan investments remained the same at 7.00%.

Inflation rates remained the same at 2.75% for price increases and 3.25% for wage increases.

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 5.60% as of the prior measurement date (June 30, 2019) to 5.40% as of the current measurement date (June 30, 2020). The municipal bond rate changed from 3.50% to 2.21% and the long-term expected rate of return on pension plan investments remained the same at 7.00%.

Inflation rates remained the same at 2.75% for price increases and 3.25% for wage increases.

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

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

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

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
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 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

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

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

The 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%.

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

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

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, 2021

	Elementary and Secondary Education Act (ESEA)					Individuals with Disabilities Education Act (IDEA)	
	Title I	Title II	Title III	Title III	Title IV	Part B	Part B
	Part A	Part A	Title III	Immigrant	Part A	Basic	Preschool
REVENUES:							
Federal sources	\$ 330,660	\$ 121,477	\$ 40,990	\$ 1,560	\$ 21,850	\$ 1,052,515	\$ 55,143
Local sources	-	-	-	-	-	-	-
TOTAL REVENUES	330,660	121,477	40,990	1,560	21,850	1,052,515	55,143
EXPENDITURES:							
Instruction:							
Personal services - salaries	170,175	-	-	-	-	421,799	25,420
Purchased professional - educational services	-	-	-	-	-	-	-
Other purchased services	24,599	-	-	-	18,150	-	-
General supplies	-	-	39,236	1,560	-	149,973	17,578
Other objects	-	-	-	-	-	-	-
Total Instruction	194,774	-	39,236	1,560	18,150	571,772	42,998
Support Services:							
Personal services - salaries	33,335	88,195	-	-	-	99,712	-
Personal services - employee benefits	87,285	-	-	-	-	95,370	1,944
Purchased professional - educational services	-	18,625	-	-	3,700	260,787	5,136
Other purchased services	15,266	9,857	750	-	-	23,552	-
Supplies and materials	-	4,800	1,004	-	-	1,322	-
Total Support Services	135,886	121,477	1,754	-	3,700	480,743	7,080
Equipment:							
Instructional equipment	-	-	-	-	-	-	5,065
Non-instructional equipment	-	-	-	-	-	-	-
Total Equipment	-	-	-	-	-	-	5,065
TOTAL EXPENDITURES	330,660	121,477	40,990	1,560	21,850	1,052,515	55,143
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
FUND BALANCE, July 1 (restated)	-	-	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

E-1
2 of 2

	Coronavirus Aid Relief and Economic Security Act of 2020 (CARES)	Coronavirus Relief Fund Grant	Carl D. Perkins Career and Technical Education Grant	Student Activities Funds	Total
REVENUES:					
Federal sources	\$ 234,983	\$ 192,519	\$ 18,535	\$ -	\$2,070,232
Local sources	-	-	-	198,029	198,029
TOTAL REVENUES	234,983	192,519	18,535	198,029	2,268,261
EXPENDITURES:					
Instruction:					
Personal services - salaries	-	-	-	1,200	618,594
Purchased professional - educational services	152,333	-	-	1,425	153,758
Other purchased services	71,195	-	-	134,288	248,232
General supplies	-	136,750	18,535	69,069	432,701
Other objects	-	-	-	10,533	10,533
Total Instruction	223,528	136,750	18,535	216,515	1,463,818
Support Services:					
Personal services - salaries	-	-	-	-	221,242
Personal services - employee benefits	-	-	-	-	184,599
Purchased professional - educational services	-	-	-	-	288,248
Other purchased services	-	6,000	-	-	55,425
Supplies and materials	-	49,769	-	-	56,895
Total Support Services	-	55,769	-	-	806,409
Equipment:					
Instructional equipment	-	-	-	-	5,065
Non-instructional equipment	11,455	-	-	-	11,455
Total Equipment	11,455	-	-	-	16,520
TOTAL EXPENDITURES	234,983	192,519	18,535	216,515	2,286,747
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(18,486)	(18,486)
FUND BALANCE, July 1 (restated)	-	-	-	478,185	478,185
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ 459,699	\$ 459,699

**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, 2021

<u>Year</u>	<u>Project Title</u>	<u>Appropriation</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2021	Renovations to Chester M. Stephens Elementary School	\$ 500,000	\$ -	\$ -	\$ 500,000
		<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</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, 2021

REVENUES AND OTHER FINANCING SOURCES:

Transfer from capital reserve

\$ 500,000

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
 PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 RENOVATIONS TO CHESTER M. STEPHENS ELEMENTARY SCHOOL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Current Period	Total	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:			
Transfer from capital reserve	\$ 500,000	\$ 500,000	\$ 500,000
ADDITIONAL PROJECT INFORMATION:			
Project number	not applicable		
Grant date	not applicable		
Bond authorization date	not applicable		
Bonds authorized	not applicable		
Bonds issued	not applicable		
Original authorized cost	\$ 500,000		
Additional authorized cost	-		
Revised authorized cost	\$ 500,000		
Percentage increase over original authorized cost	0%		
Percentage completion	57%		
Original target completion date	Aug-21		
Revised target completion date	Dec-21		

**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, 2021

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Non-Major Funds			Major Fund	
	Food Services	STEAM Camp	Total	Building Rental	
ASSETS:					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 69,763	\$ 44,183	\$ 113,946	\$ 70,001	\$ 183,947
Restricted cash and cash equivalents	-	-	-	2,945	2,945
Prepaid expense	12,020	-	12,020	-	12,020
Accounts receivable:					
State	10,787	-	10,787	-	10,787
Federal	148,290	-	148,290	-	148,290
Other	11,011	-	11,011	3,862	14,873
Inventories	46,274	-	46,274	-	46,274
Total Current Assets	<u>298,145</u>	<u>44,183</u>	<u>342,328</u>	<u>76,808</u>	<u>419,136</u>
NONCURRENT ASSETS:					
Capital assets	573,268	-	573,268	1,700,000	2,273,268
Less: accumulated depreciation	<u>391,749</u>	<u>-</u>	<u>391,749</u>	<u>138,880</u>	<u>530,629</u>
Total Noncurrent Assets	<u>181,519</u>	<u>-</u>	<u>181,519</u>	<u>1,561,120</u>	<u>1,742,639</u>
TOTAL ASSETS	<u>479,664</u>	<u>44,183</u>	<u>523,847</u>	<u>1,637,928</u>	<u>2,161,775</u>
LIABILITIES:					
Current liabilities:					
Accounts payable	139,038	-	139,038	-	139,038
Unearned revenue	31,151	-	31,151	24,557	55,708
Escrow deposits payable	-	-	-	2,945	2,945
Accrued interest payable	-	-	-	54,325	54,325
Noncurrent liabilities:					
Due within one year	-	-	-	102,340	102,340
Due beyond one year	-	-	-	806,430	806,430
TOTAL LIABILITIES	<u>170,189</u>	<u>-</u>	<u>170,189</u>	<u>990,597</u>	<u>1,160,786</u>
NET POSITION:					
Invested in capital assets, net of related debt	181,519	-	181,519	652,350	833,869
Unrestricted	127,956	44,183	172,139	(5,019)	167,120
TOTAL NET POSITION	<u>\$ 309,475</u>	<u>\$ 44,183</u>	<u>\$ 353,658</u>	<u>\$ 647,331</u>	<u>\$ 1,000,989</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Non-Major Funds					Major Fund	
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp	Total	Building Rental	
OPERATING REVENUES:							
Charges for services:							
Daily sales - reimbursable programs	\$ 5,467	\$ -	\$ -	\$ -	\$ 5,467	\$ -	\$ 5,467
Daily sales - non-reimbursable programs	5,346	-	-	-	5,346	-	5,346
Rental income	-	-	-	-	-	355,309	355,309
Total Operating Revenues	10,813	-	-	-	10,813	355,309	366,122
OPERATING EXPENSES:							
Salaries	338,373	-	-	-	338,373	-	338,373
Employee benefits	101,477	-	-	-	101,477	-	101,477
Management fees	74,552	-	-	-	74,552	12,000	86,552
Cleaning, repair and maintenance services	11,836	-	-	-	11,836	55,681	67,517
Other purchased services	36,989	-	-	-	36,989	1,044	38,033
Cost of sales - reimbursable programs	424,456	-	-	-	424,456	-	424,456
Cost of sales - non-reimbursable programs	-	-	-	-	-	-	-
Supplies and materials	67,747	-	394	-	68,141	-	68,141
Property taxes	-	-	-	-	-	53,430	53,430
Depreciation	13,425	-	-	-	13,425	20,976	34,401
Utilities	-	-	-	-	-	37,273	37,273
Interest expense	-	-	-	-	-	54,325	54,325
Other expenses	4,164	-	-	-	4,164	-	4,164
Total Operating Expenses	1,073,019	-	394	-	1,073,413	234,729	1,308,142
OPERATING INCOME (LOSS)	(1,062,206)	-	(394)	-	(1,062,600)	120,580	(942,020)

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds						Total Enterprise Funds
	Non-Major Funds					Major Fund	
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp	Total	Property Rentals	
NON-OPERATING REVENUES:							
State sources:							
State school lunch program	39,226	-	-	-	39,226	-	39,226
Federal sources:							
School breakfast program	195,629	-	-	-	195,629	-	195,629
National school lunch program	698,834	-	-	-	698,834	-	698,834
After school snack program	2,152	-	-	-	2,152	-	2,152
P-EBT administrative cost reimbursement	614	-	-	-	614	-	614
Emergency operational cost program	16,765	-	-	-	16,765	-	16,765
Food donation program	77,645	-	-	-	77,645	-	77,645
Interest income	352	1	159	69	581	-	581
Other income	-	-	-	-	-	2,157	2,157
Total Non-Operating Revenues	<u>1,031,217</u>	<u>1</u>	<u>159</u>	<u>69</u>	<u>1,031,446</u>	<u>2,157</u>	<u>1,033,603</u>
NET INCOME (LOSS)	(30,989)	1	(235)	69	(31,154)	122,737	91,583
OTHER FINANCING USES:							
Transfer to General Fund	-	(585)	-	(31,132)	(31,717)	-	(31,717)
Change in net position	(30,989)	(584)	(235)	(31,063)	(62,871)	122,737	59,866
Total net position - beginning	<u>340,464</u>	<u>584</u>	<u>44,418</u>	<u>31,063</u>	<u>416,529</u>	<u>524,594</u>	<u>941,123</u>
Total net position - ending	<u>\$ 309,475</u>	<u>\$ -</u>	<u>\$ 44,183</u>	<u>\$ -</u>	<u>\$ 353,658</u>	<u>\$ 647,331</u>	<u>\$ 1,000,989</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Fund						
	Non-Major Funds					Major Fund	
	Food Services	Summer School	STEAM Camp	Capstone Summer Camp	Total	Building Rental	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 16,131	\$ -	\$ -	\$ -	\$ 16,131	\$ 379,457	\$ 395,588
Payments for employees and employee benefits	(401,227)	-	-	-	(401,227)	-	(401,227)
Payments to suppliers for goods and services	(491,949)	-	(394)	-	(492,343)	(269,561)	(761,904)
Net cash provided by (used for) operating activities	(877,045)	-	(394)	-	(877,439)	109,896	(767,543)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES							
State sources	31,382	-	-	-	31,382	-	31,382
Federal sources	801,029	-	-	-	801,029	-	801,029
Operating subsidies and transfers to/from other funds	-	(585)	-	(31,132)	(31,717)	-	(31,717)
Other non-operating income	-	-	-	-	-	-	-
Net cash provided by non-capital financing activities	832,411	(585)	-	(31,132)	800,694	-	800,694
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions	-	-	-	-	-	(225,000)	(225,000)
Net cash used for capital and related financing activities	-	-	-	-	-	(225,000)	(225,000)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends	352	1	159	69	581	-	581
Net increase (decrease) in cash and cash equivalents	(44,282)	(584)	(235)	(31,063)	(76,164)	(115,104)	(191,268)
Cash and cash equivalents - beginning of year	114,045	584	44,418	31,063	190,110	185,105	375,215
Cash and cash equivalents - end of year	\$ 69,763	\$ -	\$ 44,183	\$ -	\$ 113,946	\$ 70,001	\$ 183,947
Reconciliation of operating loss to net cash used in operating activities:							
Operating income (loss)	\$ (1,062,206)	\$ -	\$ (394)	\$ -	\$ (1,062,600)	\$ 122,737	\$ (939,863)
Adjustments to reconcile operating loss to net cash used in operating activities:							
Depreciation and interest expense	13,425	-	-	-	13,425	75,301	88,726
Food donation program	77,645	-	-	-	77,645	-	77,645
(Increase) decrease in accounts receivable, net	6,928	-	-	-	6,928	138	7,066
(Increase) decrease in prepaid expense	(8,887)	-	-	-	(8,887)	-	(8,887)
(Increase) decrease in inventories	(649)	-	-	-	(649)	-	(649)
Increase (decrease) in accounts payable, net	98,309	-	-	-	98,309	(87,425)	10,884
Increase (decrease) in deferred revenue	(1,610)	-	-	-	(1,610)	(855)	(2,465)
Total adjustments	185,161	-	-	-	185,161	(12,841)	172,320
Net cash used in operating activities	\$ (877,045)	\$ -	\$ (394)	\$ -	\$ (877,439)	\$ 109,896	\$ (767,543)

**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, 2021

	Major Fund Self Insurance Fund
ASSETS:	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 2,240,153
Accounts receivable - other	345,705
TOTAL ASSETS	2,585,858
LIABILITIES:	
Current liabilities:	
Accounts payable	240,127
Accrued liability for insurance claims	987,948
TOTAL LIABILITIES	1,228,075
NET POSITION:	
Unrestricted	1,357,783
TOTAL NET POSITION	\$ 1,357,783

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, 2021

	Major Fund
	Self
	Insurance
	Fund
OPERATING REVENUES:	
Member contributions	\$ 14,920,263
Total Operating Revenues	14,920,263
OPERATING EXPENSES:	
Insurance claims	12,265,796
Excess liability insurance premiums	2,214,780
Administrative fees	546,058
State and federal surcharges	200,668
Total Operating Expenses	15,227,302
OPERATING INCOME (LOSS)	(307,039)
NON-OPERATING REVENUES:	
Interest income	3,948
Total Non-Operating Revenues	3,948
Change in net position	(303,091)
Total net position - beginning	1,660,874
Total net position - ending	\$ 1,357,783

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Fund
	Self
	Insurance
	Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from member contributions, net	\$ 14,920,262
Payments for insurance claims, net	(12,400,444)
Payments for other goods and services	(2,893,373)
Net cash used in operating activities	(373,555)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	3,948
Net increase (decrease) in cash and cash equivalents	(369,607)
Cash and cash equivalents - beginning of year	2,609,760
Cash and cash equivalents - end of year	\$ 2,240,153
Reconciliation of operating loss to net cash used in operating activities:	
Operating income (loss)	\$ (307,039)
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in accounts receivable, net	85,388
Increase (decrease) in accounts payable, net	62,903
Increase (decrease) in accrued liability	(214,807)
Total adjustments	(66,516)
Net cash used in operating activities	\$ (373,555)

LONG-TERM DEBT SCHEDULES

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2020	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT				
Early Retirement Incentive Program - Refunding Bonds	12/20/11	\$ 1,535,000	-	-	3.38%	\$ 210,000	\$ 210,000	\$ -
Construction of Mt. Olive Middle School / Facilities Expansion	10/29/14	16,740,000	1/15/2022	2,305,000	4.00%	6,945,000	2,210,000	4,735,000
			1/15/2023	2,430,000	5.00%			
Addition/Renovations to Mt. Olive High School - Refunding Bonds	04/20/16	7,540,000	7/15/2025	440,000	5.00%	7,430,000	-	7,430,000
			7/15/2026	1,640,000	5.00%			
			7/15/2027	1,710,000	5.00%			
			7/15/2028	1,785,000	4.00%			
			7/15/2029	1,855,000	5.00%			
Addition/Renovations to Mt. Olive High School - Refunding Bonds	04/20/16	8,095,000	7/15/2021	1,355,000	4.00%	7,985,000	1,300,000	6,685,000
			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%			
						<u>\$ 22,570,000</u>	<u>\$ 3,720,000</u>	<u>\$ 18,850,000</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
			Principal	Interest					
LED Lighting Improvements at Mt. Olive Middle School	12/15/15	5 Years	\$ 370,000	\$ 19,366	1.877%	\$ 38,575	\$ -	\$ 38,575	\$ -
(4) 30-Passenger School Buses	06/01/16	5 Years	466,000	21,815	1.677%	96,946	-	96,946	-
Air Dome at Mt. Olive High School	08/31/17	5 Years	2,400,000	130,075	1.780%	1,356,948	-	535,494	821,454
(6) 54-Passenger School Buses and (1) 19-Passenger Wheelchair Bus	05/10/19	5 Years	698,127	37,933	2.479%	554,088	-	133,476	420,612
(11) 54-Passenger School Buses and (2) 24-Passenger School Buses	07/16/20	5 Years	1,299,354	35,230	1.119%	-	1,299,354	260,899	1,038,455
						<u>\$ 2,046,557</u>	<u>\$ 1,299,354</u>	<u>\$ 1,065,390</u>	<u>\$ 2,280,521</u>

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 4,203,309	\$ -	\$ 4,203,309	\$ 4,203,309	\$ -
Total local sources	4,203,309	-	4,203,309	4,203,309	-
State sources:					
Debt service aid type II	520,655	-	520,655	520,655	-
Total state sources	520,655	-	520,655	520,655	-
TOTAL REVENUES	4,723,964	-	4,723,964	4,723,964	-
EXPENDITURES:					
Regular debt service:					
Interest on early retirement bonds	7,308	-	7,308	7,085	223
Interest on loans and serial bonds	996,900	-	996,900	996,900	-
Redemption of principal - early retirement bonds	210,000	-	210,000	210,000	-
Redemption of principal - loans and serial bonds	3,510,000	-	3,510,000	3,510,000	-
Total Regular Debt Service	4,724,208	-	4,724,208	4,723,985	223
TOTAL EXPENDITURES	4,724,208	-	4,724,208	4,723,985	223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(244)	-	(244)	(21)	223
FUND BALANCE, July 1	488	-	488	488	-
FUND BALANCE, June 30	\$ 244	\$ -	\$ 244	\$ 467	\$ 223
Recapitulation of excess (deficiency) of revenues over (under) expenditures:					
Budgeted Fund Balance	\$ (244)	\$ -	\$ (244)	\$ (21)	\$ 223
Recapitulation of Balances:					
Restricted for:					
Debt service				\$ 467	

STATISTICAL SECTION

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	114-121
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, property taxes.	122-125
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	126-129
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	130-131
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	132-136

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

	Fiscal Year Ended June 30,									
	2021	2020	(Restated) 2019	(Restated) 2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 54,354,023	\$ 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
Restricted	7,032,821	4,196,083	2,159,376	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776	2,563,951
Unrestricted (Deficit)	<u>(22,654,782)</u>	<u>(24,972,079)</u>	<u>(25,503,870)</u>	<u>(26,399,461)</u>	<u>(27,795,826)</u>	<u>(26,704,489)</u>	<u>(24,606,865)</u>	<u>(21,296,812)</u>	<u>2,414,935</u>	<u>1,488,319</u>
Total governmental activities net position	<u>\$ 38,732,062</u>	<u>\$ 32,143,142</u>	<u>\$ 26,506,398</u>	<u>\$ 22,687,101</u>	<u>\$ 18,900,048</u>	<u>\$ 15,744,245</u>	<u>\$ 12,572,484</u>	<u>\$ 5,762,538</u>	<u>\$ 26,546,225</u>	<u>\$ 22,286,738</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 833,869	\$ 701,861	\$ 582,151	\$ 289,566	\$ 143,288	\$ (6,107)	\$ 23,029	\$ 34,263	\$ 40,823	\$ 52,592
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	167,120	239,262	497,256	493,623	429,144	390,244	164,949	109,048	100,029	192,031
Total business-type activities net position	<u>\$ 1,000,989</u>	<u>\$ 941,123</u>	<u>\$ 1,079,407</u>	<u>\$ 783,189</u>	<u>\$ 572,432</u>	<u>\$ 384,137</u>	<u>\$ 187,978</u>	<u>\$ 143,311</u>	<u>\$ 140,852</u>	<u>\$ 244,623</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 55,187,892	\$ 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
Restricted	7,032,821	4,196,083	2,159,376	5,512,261	9,196,464	10,301,504	9,865,271	6,755,089	3,241,776	2,563,951
Unrestricted (Deficit)	<u>(22,487,662)</u>	<u>(24,732,817)</u>	<u>(25,006,614)</u>	<u>(25,905,838)</u>	<u>(27,366,682)</u>	<u>(26,314,245)</u>	<u>(24,441,916)</u>	<u>(21,187,764)</u>	<u>2,514,964</u>	<u>1,680,350</u>
Total district net position	<u>\$ 39,733,051</u>	<u>\$ 33,084,265</u>	<u>\$ 27,585,805</u>	<u>\$ 23,470,290</u>	<u>\$ 19,472,480</u>	<u>\$ 16,128,382</u>	<u>\$ 12,760,462</u>	<u>\$ 5,905,849</u>	<u>\$ 26,687,077</u>	<u>\$ 22,531,361</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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 47,360,469	\$ 40,363,686	\$ 41,862,042	\$ 44,217,503	\$ 44,124,968	\$ 39,955,470	\$ 34,496,285	\$ 30,374,097	\$ 31,494,232	\$ 30,440,311
Special education programs	13,335,784	12,316,453	12,331,915	12,801,445	12,790,046	11,266,201	9,951,711	9,095,697	9,002,194	8,480,211
Other instructional programs	2,173,600	1,942,689	2,158,086	2,319,502	2,479,822	2,214,619	2,250,135	2,033,353	1,796,657	1,661,105
School sponsored programs	2,773,025	2,731,722	2,643,222	2,584,821	1,842,419	1,625,029	1,537,598	1,413,971	1,128,260	1,138,941
Community services programs	-	-	-	-	-	34,540	37,655	40,784	29,698	46,610
Support Services:										
Tuition	2,516,924	2,864,114	2,538,835	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876	2,862,242
Student & instruction related services	17,928,300	15,534,687	15,812,693	16,156,474	15,462,791	13,779,605	13,018,212	11,795,770	11,742,227	11,246,504
School administrative services	7,281,227	5,746,044	6,309,349	6,565,270	6,604,221	5,866,902	4,982,172	4,534,163	4,532,706	4,780,646
Other administrative services	4,863,527	4,566,864	4,130,845	4,316,030	4,294,786	3,742,696	3,629,252	3,475,143	3,272,978	3,312,477
Plant operations and maintenance	16,569,719	15,577,275	16,646,590	17,006,640	14,845,383	13,818,421	12,084,724	12,148,221	11,366,854	11,842,279
Pupil transportation	6,083,641	6,139,641	6,609,150	6,813,857	6,386,281	5,616,420	5,188,897	5,079,433	5,033,828	5,138,677
Charter schools	76,510	100,788	136,468	91,473	95,706	77,188	98,784	155,488	134,935	95,957
Interest and other debt related charges	754,867	910,091	1,004,189	1,101,186	1,200,544	1,395,096	1,714,681	2,176,498	2,344,683	2,955,477
Unallocated depreciation	-	-	51,644	54,932	52,672	55,632	56,360	50,568	52,755	55,909
Total governmental activities expenses	<u>121,717,593</u>	<u>108,794,054</u>	<u>112,235,028</u>	<u>116,395,865</u>	<u>112,705,623</u>	<u>101,883,415</u>	<u>91,802,726</u>	<u>85,104,126</u>	<u>84,643,883</u>	<u>84,057,346</u>
Business-type activities:										
Food service	1,073,019	1,082,555	1,056,425	1,058,506	988,099	987,989	1,027,741	1,198,103	1,221,314	1,272,852
Community school	-	-	-	-	-	-	-	-	-	40,056
Summer programs	394	142,165	169,715	169,991	145,409	147,656	129,906	34,965	42,822	40,410
Property rentals	234,729	373,854	222,219	238,458	244,638	223,046	-	-	-	-
Total business-type activities expenses	<u>1,308,142</u>	<u>1,598,574</u>	<u>1,448,359</u>	<u>1,466,955</u>	<u>1,378,146</u>	<u>1,358,691</u>	<u>1,157,647</u>	<u>1,233,068</u>	<u>1,264,136</u>	<u>1,353,318</u>
Total district expenses	<u>\$ 123,025,735</u>	<u>\$ 110,392,628</u>	<u>\$ 113,683,387</u>	<u>\$ 117,862,820</u>	<u>\$ 114,083,769</u>	<u>\$103,242,106</u>	<u>\$ 92,960,373</u>	<u>\$ 86,337,194</u>	<u>\$ 85,908,019</u>	<u>\$ 85,410,664</u>

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Governmental activities:										
Charges for services:										
Regular programs	\$ 1,330,044	\$ 1,408,360	\$ 1,237,545	\$ 1,424,544	\$ 107,649	\$ 4,100	\$ -	\$ 4,164	\$ -	\$ -
Special education programs	797,988	818,041	801,226	557,530	478,299	375,088	234,015	166,822	47,494	56,178
Other instructional programs	51,048	54,817	50,989	52,352	9,000	7,600	11,700	11,400	5,400	7,053
School sponsored programs	274,026	356,437	347,111	405,793	-	-	-	-	-	81,658
Student & instruction related services	470,067	463,572	391,082	387,884						
School administrative services	205,454	188,753	171,823	169,964						
Other administrative services	101,983	102,027	81,543	82,991						
Plant operations and maintenance	446,021	527,313	603,763	567,500	118,204	124,822	124,822	109,545	101,755	158,787
Pupil transportation	146,422	167,158	168,485	168,288	27,238	6,227	7,180	5,597	57,357	229,595
Operating grants and contributions	36,569,948	25,010,952	29,046,409	34,536,558	34,035,893	26,314,500	20,954,270	13,170,198	14,069,996	12,135,738
Capital grants and contributions	-	-	-	-	-	90,547	1,356,982	-	247,696	266,917
Total governmental activities program revenues	<u>40,393,001</u>	<u>29,097,430</u>	<u>32,899,976</u>	<u>38,353,404</u>	<u>34,776,283</u>	<u>26,922,884</u>	<u>22,688,969</u>	<u>13,467,726</u>	<u>14,529,698</u>	<u>12,935,926</u>
Business-type activities:										
Charges for services:										
Food service	10,813	595,976	771,618	786,157	729,382	703,531	693,762	724,307	774,919	922,334
Community school	-	-	-	-	-	-	-	-	-	20,271
Summer programs	-	110,711	230,897	173,910	129,236	144,040	133,103	30,466	42,904	50,372
Property rentals	355,309	362,216	373,685	367,966	374,478	346,462	-	-	-	-
Operating grants and contributions	1,030,865	372,980	335,237	342,541	331,009	359,641	380,496	365,754	340,497	364,214
Total business-type activities program revenues	<u>1,396,987</u>	<u>1,441,883</u>	<u>1,711,437</u>	<u>1,670,574</u>	<u>1,564,105</u>	<u>1,553,674</u>	<u>1,207,361</u>	<u>1,120,527</u>	<u>1,158,320</u>	<u>1,357,191</u>
Total district program revenues	<u>\$ 41,789,988</u>	<u>\$ 30,539,313</u>	<u>\$ 34,611,413</u>	<u>\$ 40,023,978</u>	<u>\$ 36,340,388</u>	<u>\$ 28,476,558</u>	<u>\$ 23,896,330</u>	<u>\$ 14,588,253</u>	<u>\$ 15,688,018</u>	<u>\$ 14,293,117</u>
Net (Expense)/Revenue										
Governmental activities	\$ (81,324,592)	\$ (79,696,624)	\$ (79,335,052)	\$ (78,042,461)	\$ (77,929,340)	\$ (74,960,531)	\$ (69,113,757)	\$ (71,636,400)	\$ (70,114,185)	\$ (71,121,420)
Business-type activities	88,845	(156,691)	263,078	203,619	185,959	194,983	49,714	(112,541)	(105,816)	3,873
Total district-wide net (expense)/revenue	<u>\$ (81,235,747)</u>	<u>\$ (79,853,315)</u>	<u>\$ (79,071,974)</u>	<u>\$ (77,838,842)</u>	<u>\$ (77,743,381)</u>	<u>\$ (74,765,548)</u>	<u>\$ (69,064,043)</u>	<u>\$ (71,748,941)</u>	<u>\$ (70,220,001)</u>	<u>\$ (71,117,547)</u>

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

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 69,356,619	\$ 67,912,108	\$ 66,580,498	\$ 65,274,998	\$ 63,322,510	\$ 62,080,892	\$ 60,863,620	\$ 59,670,216	\$ 58,500,212	\$ 57,353,149
Taxes levied for debt service	4,203,309	4,167,548	4,244,903	4,234,063	4,234,072	4,285,754	4,587,826	4,592,970	4,576,028	4,611,674
Unrestricted grants and contributions	13,350,541	12,764,831	11,852,906	11,893,389	11,648,609	11,680,396	11,672,926	11,616,865	11,638,067	11,351,096
Extraordinary items	(37,361)	(5,454)	(168)	37,239	1,514,154	(66,165)	(1,278,015)	624,852	21,398	(220,988)
Investment earnings	70,394	276,600	363,145	257,534	92,985	70,942	43,546	10,892	7,604	8,685
Miscellaneous income	92,849	226,735	126,065	133,391	275,229	80,774	33,800	69,929	68,690	126,251
Transfers	31,717	(9,000)	(13,000)	(1,100)	(2,416)	(301)	-	(115,000)	-	(6,201)
Total governmental activities	87,068,068	85,333,368	83,154,349	81,829,514	81,085,143	78,132,292	75,923,703	76,470,724	74,811,999	73,223,666
Business-type activities:										
Investment earnings	581	9,407	10,991	6,038	1,903	875	486	-	1,345	57
Miscellaneous income	2,157	-	9,149	-	433	-	384	-	-	-
Extraordinary items	-	-	-	-	-	-	(5,917)	-	700	-
Transfers	(31,717)	9,000	13,000	1,100	-	301	-	115,000	-	6,201
Total business-type activities	(28,979)	18,407	33,140	7,138	2,336	1,176	(5,047)	115,000	2,045	6,258
Total district-wide	\$ 87,039,089	\$ 85,351,775	\$ 83,187,489	\$ 81,836,652	\$ 81,087,479	\$ 78,133,468	\$ 75,918,656	\$ 76,585,724	\$ 74,814,044	\$ 73,229,924
Change in Net Position										
Governmental activities	\$ 5,743,476	\$ 5,636,744	\$ 3,819,297	\$ 3,787,053	\$ 3,155,803	\$ 3,171,761	\$ 6,809,946	\$ 4,834,324	\$ 4,697,814	\$ 2,102,246
Business-type activities	59,866	(138,284)	296,218	210,757	188,295	196,159	44,667	2,459	(103,771)	10,131
Total district	\$ 5,803,342	\$ 5,498,460	\$ 4,115,515	\$ 3,997,810	\$ 3,344,098	\$ 3,367,920	\$ 6,854,613	\$ 4,836,783	\$ 4,594,043	\$ 2,112,377

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 6,072,655	\$ 4,195,595	\$ 2,159,132	\$ 5,505,766	\$ 9,189,969	\$ 9,696,004	\$ 9,429,497	\$ 6,937,450	\$ 3,235,107	\$ 2,208,841
Committed	789,157	1,045,354	2,119,074	1,858,255	849,781	95,229	555,996	1,276,855	1,105,729	980,583
Assigned	2,664,480	3,692,789	3,305,697	2,805,828	2,260,692	1,559,697	3,354,681	4,180,921	4,726,347	3,641,657
Unassigned	3,901,659	1,455,123	1,449,719	1,687,670	1,363,844	1,306,648	1,732,824	1,907,453	1,889,251	2,119,323
Total general fund	<u>\$ 13,427,951</u>	<u>\$ 10,388,861</u>	<u>\$ 9,033,622</u>	<u>\$ 11,857,519</u>	<u>\$ 13,664,286</u>	<u>\$ 12,657,578</u>	<u>\$ 15,072,998</u>	<u>\$ 14,302,679</u>	<u>\$ 10,956,434</u>	<u>\$ 8,950,404</u>
All Other Governmental Funds										
Restricted for:										
Capital projects	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 600,912	\$ 142,439	\$ -	\$ -	\$ 350,454
Debt service	467	488	244	6,495	6,495	4,588	149,121	1,113	3,683	2,986
Student activities	459,699	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	4,588	149,121	144,214	3,683	2,986	1,670
Unassigned	-	-	-	-	-	-	-	(187,157)	-	-
Total all other governmental funds	<u>\$ 960,166</u>	<u>\$ 488</u>	<u>\$ 244</u>	<u>\$ 6,495</u>	<u>\$ 11,083</u>	<u>\$ 754,621</u>	<u>\$ 435,774</u>	<u>\$ (182,361)</u>	<u>\$ 6,669</u>	<u>\$ 355,110</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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax levy	\$ 73,559,928	\$ 72,079,656	\$ 70,825,401	\$ 69,509,061	\$ 67,556,582	\$ 66,366,646	\$ 65,451,446	\$ 64,263,186	\$ 63,076,240	\$ 61,964,823
Tuition charges	520,338	886,601	903,878	837,046	585,948	375,088	234,015	170,986	47,494	56,178
Interest earnings	65,001	263,449	345,946	244,681	92,985	70,942	43,546	10,892	7,604	8,685
Transportation fees	-	7,966	21,466	21,146	27,238	6,227	7,180	5,597	57,357	229,595
Miscellaneous	476,746	489,107	493,342	478,291	1,062,433	212,311	235,322	815,726	197,243	373,749
State sources	36,347,007	31,424,463	29,943,014	27,920,961	25,782,199	24,689,601	25,392,851	23,286,891	24,651,784	22,171,339
Federal sources	2,158,465	1,289,874	1,417,197	1,416,714	1,460,709	1,465,683	1,425,899	1,500,172	1,303,975	1,582,412
Total revenue	113,127,485	106,441,116	103,950,244	100,427,900	96,568,094	93,186,498	92,790,259	90,053,450	89,341,697	86,386,781
Expenditures										
Instruction:										
Regular Instruction	25,763,393	23,952,073	23,430,638	22,856,800	22,611,055	23,014,678	21,663,620	21,605,660	22,034,273	21,865,872
Special education instruction	7,288,719	7,453,692	7,045,785	6,787,654	6,696,905	6,594,041	6,287,558	6,453,080	6,123,026	6,029,745
Other instructional programs	1,187,796	1,140,136	1,223,402	1,216,888	1,263,566	1,278,794	1,404,332	1,476,002	1,232,256	1,186,752
School sponsored programs	2,307,964	2,387,193	2,273,848	1,694,433	1,258,420	1,179,989	1,168,238	1,069,470	850,449	868,773
Community services programs	-	-	-	-	-	34,540	37,655	40,784	29,698	43,857
Support Services:										
Tuition	2,516,924	2,864,114	2,538,835	2,366,732	2,525,984	2,435,596	2,756,260	2,730,940	2,711,876	2,862,242
Student & inst. related services	10,469,624	9,796,819	9,504,294	8,945,270	8,561,308	8,319,561	8,484,087	8,528,782	8,351,729	8,131,635
School administrative services	3,945,711	3,479,480	3,562,762	3,456,160	3,420,218	3,394,550	3,156,541	3,166,897	3,126,636	3,216,347
Other administrative services	3,474,674	3,375,685	2,973,865	3,080,416	3,098,526	2,831,023	2,872,144	2,745,813	2,582,402	2,599,568
Plant operations and maintenance	9,248,216	8,982,085	9,975,741	10,146,895	8,561,682	7,607,741	7,042,310	7,095,980	6,571,630	7,054,440
Pupil transportation	4,540,368	4,722,803	4,993,707	4,953,581	4,789,921	4,501,053	4,104,999	3,950,618	3,944,166	3,984,861
Employee benefits	32,260,221	28,119,339	27,588,784	25,038,784	23,487,854	21,638,981	19,726,960	20,031,310	21,147,769	19,306,765
Charter Schools	76,510	100,788	136,468	91,473	95,706	77,188	98,784	155,488	134,935	95,957
Capital outlay	3,501,127	4,016,602	7,449,565	9,248,199	5,495,453	8,395,312	8,271,043	2,549,967	3,686,049	2,613,856
Debt service:										
Principal	3,720,000	3,540,000	3,485,000	3,345,000	3,575,000	3,260,000	3,220,000	3,105,668	3,040,869	2,807,152
Interest and other charges	1,003,985	1,145,824	1,282,825	1,409,870	1,326,910	1,632,677	1,663,068	2,074,776	2,116,345	2,387,198
Total expenditures	111,305,232	105,076,633	107,465,519	104,638,155	96,768,508	96,195,724	91,957,599	86,781,235	87,684,108	85,055,020
Excess (Deficiency) of revenues over (under) expenditures	1,822,253	1,364,483	(3,515,275)	(4,210,255)	(200,414)	(3,009,226)	832,660	3,272,215	1,657,589	1,331,761

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Financing sources (uses)										
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	1,299,354	-	698,127	2,400,000	466,000	910,000	552,000	-	-	-
Transfers in	531,717	1,072,984	2,911,637	2,909,500	3,533,275	3,050,288	2,190,388	3,021	47,176	337,355
Transfers out	(500,000)	(1,081,984)	(2,924,637)	(2,910,600)	(3,533,275)	(3,050,589)	(2,190,388)	(118,021)	(47,176)	(343,556)
Cancellation of prior year receivable	-	-	-	-	(2,416)	-	-	-	-	-
Total other financing sources (uses)	1,331,071	(9,000)	685,127	2,398,900	463,584	912,653	555,794	(115,000)	-	(6,201)
Net change in fund balances	<u>\$ 3,153,324</u>	<u>\$ 1,355,483</u>	<u>\$ (2,830,148)</u>	<u>\$ (1,811,355)</u>	<u>\$ 263,170</u>	<u>\$ (2,096,573)</u>	<u>\$ 1,388,454</u>	<u>\$ 3,157,215</u>	<u>\$ 1,657,589</u>	<u>\$ 1,325,560</u>
Debt service as a percentage of noncapital expenditures	4.38%	4.64%	4.77%	4.98%	5.37%	5.57%	5.83%	6.15%	6.14%	6.30%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

Fiscal Year Ended June 30,	Insurance Proceeds	Prior Year Tuition Adjustments	Student Fines/Fees	Parking Permit Fees	Use of Facilities	Prior Year Refunds	Cancellation of Prior Year Checks and Payables	Sports and Activity Participation Fees	Sale or Lease of Assets	Sunset Academy Fees	Legal Settlement/ Restitution	Before and After Care Program	Other	Annual Totals
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
2021	-	-	480	750	183,673	24,337	29,980	-	25,956	-	-	8,153	3,943	277,272

Source: District records

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
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
2020	50,469,200	2,212,856,900	11,611,900	944,200	370,965,300	286,538,100	296,350,000	3,229,735,600	-	3,229,735,600	245,262,400	3,453,153,580	2.28

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.

^a Taxable Value of Machinery Implements Equipment of Telephone Messenger System

^b Tax rates are per \$100

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

Fiscal Year Ended December 31,	Mount Olive Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Mount Olive Township	Morris County	
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
2020	2.15	0.13	2.28	0.66	0.28	3.22

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

Note: Tax rates are per \$100

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

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

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

Taxpayer	Top Ten Taxpayers December 31, 2020			Top Ten Taxpayers December 31, 2010		
	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	3.72%	\$ 99,500,000	1	3.27%
SDK Village Green LLC	109,012,200	2	3.38%	89,700,000	2	2.95%
SM Logistics Mount Olive LLC	54,450,000	3	1.69%			
Giraffe Properties, LLC (Toys R Us Inc.)				54,000,000	3	1.78%
Big Box Property Owner East LLC	47,735,000	4	1.48%			
Mt. Olive Industrial Realty Co., LLC				45,605,000	4	1.50%
ATC Realty Sixteen Inc. (formerly BASF Corporation)				33,600,000	5	1.11%
Eagle Rock Village Inc.	35,991,700	5	1.11%	32,041,700	6	1.05%
SCI ITC South Fund, LLC (Lowes, Babies R Us)	30,600,000	6	0.95%			
Siemens Healthcare Diagnostics Inc.	29,910,900	7	0.93%			
SCI ITC North Fund, LLC (Sam's Club, Staples)				23,150,000	7	0.76%
Kings Village LLC	23,000,000	8	0.71%	20,400,000	10	0.67%
SCI ITC South Fund, LLC (Old Navy, Michael's)	20,458,600	9	0.63%			
CRG 1725 LLC	20,000,000	10	0.62%			
National Shopping Center Associates, LLC				21,739,100	8	0.72%
Armstrong Sutton Plaza, LLC				21,350,000	9	0.70%
Total	\$ 491,178,900		15.21%	\$ 441,085,800		14.51%

Source: Municipal Tax Assessor

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2020	73,559,928	73,559,928	100.00%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Sewer Connection Project Loan	Bond Anticipation Notes (BANs)			
2012	\$ 52,715,000	\$ 291,537	\$ -	\$ 53,006,537	2.33%	\$ 1,862
2013	49,745,000	220,668	-	49,965,668	2.16%	1,747
2014	46,720,000	140,000	-	46,860,000	1.94%	1,633
2015	42,040,000	95,000	-	42,135,000	1.65%	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	1.04%	1,021
2019	26,110,000	-	-	26,110,000	0.89%	903
2020	22,570,000	-	-	22,570,000	N/A	783
2021	18,850,000	-	-	18,850,000	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.

^a 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 2019 and population data was not available beyond 2020.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	1,458
2016	36,465,000	-	36,465,000	1.21%	1,262
2017	32,940,000	-	32,940,000	1.08%	1,138
2018	29,595,000	-	29,595,000	0.95%	1,021
2019	26,110,000	-	26,110,000	0.83%	903
2020	22,570,000	-	22,570,000	0.71%	783
2021	18,850,000	-	18,850,000	0.58%	N/A

Source: District records

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

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

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2021
 UNAUDITED

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Mt. Olive ^b	\$ 25,214,335	100.00%	\$ 25,214,335
County of Morris ^c	250,902,245	3.56%	<u>8,934,320</u>
Subtotal, overlapping debt			34,148,655
Mt. Olive Township School District Direct Debt ^d			<u>18,850,000</u>
Total direct and overlapping debt			<u><u>\$ 52,998,655</u></u>

Source: 2020 Annual Debt Statements provided by the County of Morris and Mt. Olive Township
 2020 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.

^a 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 2020 Abstract of Ratables for Morris County.

^b Net debt at December 31, 2020 as per the Township's Annual Debt Statement.

^c Net debt at December 31, 2020 as per the County's Annual Debt Statement.

^d School District debt includes all bonds, notes and loans issued as of June 30, 2021 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, 2020

	Equalized valuation basis	
	2020	\$ 3,521,299,171
	2019	3,394,577,930
	2018	3,340,163,172
	[A]	<u>\$ 10,256,040,273</u>
Average equalized valuation of taxable property	[A/3]	\$ 3,418,680,091
Debt limit (4% of average equalized valuation)	[B]	\$ 136,747,204 ^a
Total net debt applicable to limit	[C]	18,850,000
Legal debt margin	[B-C]	<u>\$ 117,897,204</u>

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 136,747,204
Total net debt applicable to limit ^b	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	18,850,000
Legal debt margin	<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>	<u>\$ 117,897,204</u>
Total net debt applicable to the limit as a percentage of debt limit	37.37%	37.21%	36.57%	34.23%	30.02%	27.05%	23.50%	24.08%	16.96%	13.78%

Source: Mount Olive Township Annual Debt Statement.

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

^b Net general bonded debt outstanding as of June 30 per Schedule J-11.

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

Year Ended December 31,	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	28,346	\$ 2,174,988,580	\$ 76,730	8.2%
2012	28,469	2,271,114,475	79,775	8.3%
2013	28,596	2,310,985,740	80,815	7.0%
2014	28,688	2,417,767,264	84,278	5.2%
2015	28,826	2,546,344,710	88,335	4.4%
2016	28,888	2,633,083,424	91,148	4.1%
2017	28,945	2,710,207,185	93,633	3.8%
2018	28,990	2,835,772,810	97,819	3.5%
2019	28,913	2,938,890,798	101,646	3.0%
2020	28,815	N/A	N/A	8.4%

Source:

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR
UNAUDITED

Employer	Employees	Rank	Percentage of Total Municipal Employment ^a
Siemens Medical Solutions	1,000	1	6.58%
Mt. Olive Township School District	877	2	5.77%
Benjamin Moore Paints	270	3	1.78%
Amazon	250	4	1.65%
Mount Olive Township	219	5	1.44%
Givaudan Fragrances Corp.	205	6	1.35%
Lowe's Home Centers Inc.	204	7	1.34%
Wal-Mart Stores Inc.	203	8	1.34%
Shop Rite of Flanders	195	9	1.28%
Weis Markets	135	10	0.89%
	<u>3,558</u>		<u>23.42%</u>

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

^a Based on 2020 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>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>	<u>2021</u>
Instruction:										
Regular	270.0	279.8	285.0	290.3	301.0	297.2	287.1	290.6	303.6	303.1
Special education	125.0	106.4	131.4	141.7	149.0	142.7	142.3	150.2	138.2	140.5
Other instruction	16.0	15.2	19.0	16.6	18.6	18.2	16.0	18.0	16.0	14.6
School sponsored programs	-	-	1.0	1.0	1.0	1.0	8.6	7.8	4.4	2.0
Community services programs	0.3	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	130.3	134.8	143.6	116.6	111.3	128.8	133.8	142.9	156.3	185.2
General administration	5.0	5.0	5.0	4.5	4.6	4.6	5.1	3.6	3.6	2.6
School administrative services	40.0	39.0	40.0	37.0	37.0	37.0	38.0	36.0	44.6	43.8
Business and other support services	9.5	9.5	9.5	9.0	9.0	9.0	9.0	10.0	10.5	10.0
Administrative information technology	5.0	6.0	8.0	8.0	8.0	8.0	8.0	8.5	9.5	9.5
Plant operations and maintenance	85.0	85.0	112.0	85.7	92.3	92.7	96.0	94.9	94.5	94.3
Pupil transportation	66.0	69.0	70.5	65.7	70.9	73.1	71.7	72.1	72.8	71.2
Total	<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>	<u>876.8</u>

Source: District Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil	Percentage Change	Teaching Staff ^c	Average Class Size			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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%
2021	4,612.0	103,080,120	22,350	7.75%	488	21	18	25	4,624	4,344	-0.94%	93.9%

Source: District records

- ^a Enrollment is based on the annual October district count. The 2021 count represents student enrollment as of October 15, 2020.
- ^b Operating expenditures equal total expenditures per Schedule J-4 less debt service and capital outlay.
- ^c Teaching staff includes only full-time equivalents of certificated staff members.
- ^d 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>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<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) ^a	887	887	887	887	887	887	887	887	624	624
Enrollment ^b	692	648	648	681	678	684	704	674	660	657
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) ^a	866	866	866	866	866	866	866	866	462	462
Enrollment ^b	579	526	508	489	475	444	432	488	489	477
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) ^a	589	589	589	589	589	589	589	589	429	429
Enrollment ^b	384	374	376	373	387	403	427	443	454	462
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) ^a	688	688	688	688	688	688	688	688	439	439
Enrollment ^b	494	456	460	460	453	458	471	457	464	425
<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) ^a	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,153	1,153
Enrollment ^b	1,150	1,157	1,205	1,213	1,125	1,101	1,061	1,062	1,089	1,116
<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) ^a	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,533	1,533
Enrollment ^b	1,456	1,444	1,452	1,473	1,455	1,486	1,523	1,501	1,511	1,495
<u>Other (2)</u>										
Administrative Office Complex (2015)										
Building One - Square Feet	-	-	-	-	19,198	19,198	19,198	19,198	19,198	19,198
Building Two - Square Feet	-	-	-	-	19,198	19,198	19,198	19,198	19,198	19,198
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.

^a 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 years 2020 and 2021 is based on the Demographic Report dated December 2019.

^b Enrollment is based on the annual October district count. The 2021 count represents the number of on roll full-time and shared-time students as of October 15, 2020.

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

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

	School Facilities *						Other Facilities/ Unallocated ^a	Total
	Mt. Olive High School	Mt. Olive Middle School	Chester Stephens Elementary School	Tinc Road Elementary School	Sandshore Elementary School	Mt. View Elementary School		
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
2021	216,640	87,460	45,931	45,669	58,645	45,412	767,699	1,267,456
Total School Facilities	\$ 2,874,777	\$ 2,067,610	\$ 638,005	\$ 607,462	\$ 675,117	\$ 835,195	\$ 4,733,368	\$ 12,431,534

Source: District records

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

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

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED

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

Source: Insurance Agent

SINGLE AUDIT SECTION



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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, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 2, 2022.

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 February 2, 2022.

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

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

Wielkotz & Company, LLC

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

February 2, 2022





WIELKOTZ & COMPANY LLC
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K-2
Page 1 of 3

**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, 2021. 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.

Basis for Qualified Opinion on Extraordinary Aid State Grant

As described in the accompanying schedule of findings and questioned costs, the Township of Mount Olive School District did not comply with requirements of the Extraordinary Aid grant compliance as described in finding number 2021-001 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the Township of Mount Olive School District to comply with requirements applicable to that program.

Qualified Opinion on Extraordinary Aid State Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Township of Mount Olive School District complied, in all material respects with the types of compliance requirements referred to above that could have been a direct and material effect on the Extraordinary Aid program for the year end June 30, 2021.

Unmodified Opinion of Each of the Other Major Federal and State Programs

In our opinion, the Township of Mount Olive School District complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

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

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

Wielkotz & Company, LLC

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

February 2, 2022

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance July 1, 2020		Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2021		MEMO GAAP Receivable
				From	To	Accounts Receivable	Due to Grantor				Due to Grantor	Accounts Receivable	
U.S. Department of Health and Human Services													
Passed-through State Department of Education													
General Fund:													
Medicaid Administrative Claiming (MAC)	93.778	2005NJ5MAP	\$ 14,044	09/01/19	08/31/20	\$ -	\$ -	\$ 12,245	\$ (12,245)	\$ -	\$ -	\$ -	\$ -
Special Education Medicaid Initiative (SEMI)	93.778	2005NJ5MAP	43,761	09/01/19	08/31/20	-	-	99,592	(99,592)	-	-	-	-
Total General Fund						-	-	111,837	(111,837)	-	-	-	-
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I Part A, Grants to Local Educational Agencies	84.010A	S010A190030	277,368	07/01/19	06/30/20	(61,448)	-	61,448	-	-	-	-	-
Title I Part A, Grants to Local Educational Agencies	84.010A	S010A200030	358,917	07/01/20	06/30/21	-	-	225,830	(330,660)	-	-	(104,830)	(104,830)
						(61,448)	-	287,278	(330,660)	-	-	(104,830)	(104,830)
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A190029	103,570	07/01/19	06/30/20	(2,808)	-	2,808	-	-	-	-	-
Title IIA Part A, Improving Teacher Quality State Grants	84.367A	S367A200029	129,077	07/01/20	06/30/21	-	-	76,169	(121,477)	-	-	(45,308)	(43,823)
						(2,808)	-	78,977	(121,477)	-	-	(45,308)	(43,823)
Title III, English Language Acquisition	84.365A	S365A200030	61,786	07/01/20	06/30/21	-	-	12,095	(40,990)	-	-	(28,895)	(28,895)
Title III, English Language Acquisition (Immigrant)	84.365A	S365A190030	17,790	07/01/19	06/30/20	-	1,562	-	-	(1,560)	2	-	-
Title III, English Language Acquisition (Immigrant)	84.365A	S365A200030	25,551	07/01/20	06/30/21	-	-	-	(1,560)	1,560	-	-	-
						-	1,562	12,095	(42,550)	-	2	(28,895)	(28,895)
Title IV Part A, Student Support and Academic Enrichment (SSAE) Program	84.358B	S358B200030	35,310	07/01/20	06/30/21	-	-	18,700	(21,850)	-	-	(3,150)	(3,150)
						-	-	18,700	(21,850)	-	-	(3,150)	(3,150)
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027A	H027A190100	1,025,726	07/01/19	06/30/20	(250,099)	-	250,066	-	33	-	-	-
I.D.E.A. Part B, Individuals with Disabilities - State Grant	84.027A	H027A200100	1,111,282	07/01/20	06/30/21	-	-	765,742	(1,052,515)	-	-	(286,773)	(261,354)
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173A	H173A190114	43,555	07/01/19	06/30/20	(7,813)	-	5,879	-	1,934	-	-	-
I.D.E.A. Part B, Preschool Grants for Children with Disabilities	84.173A	H173A200114	55,359	07/01/20	06/30/21	-	-	28,550	(55,143)	-	-	(26,593)	(26,593)
						(257,912)	-	1,050,237	(1,107,658)	1,967	-	(313,366)	(287,947)
Career and Technical Education - Basic Grants (Perkins)	84.048A	V048A200030	24,264	07/01/20	06/30/21	-	-	15,913	(18,535)	-	-	(2,622)	(2,622)
						-	-	15,913	(18,535)	-	-	(2,622)	(2,622)
Coronavirus Relief Fund	21.019		192,519	03/01/20	12/30/20	-	-	192,519	(192,519)	-	-	-	-
						-	-	192,519	(192,519)	-	-	-	-
Coronavirus Aid Relief and Economic Security Act (CARES)	84.425D	S425D200027	234,983	03/13/20	09/30/22	-	-	228,515	(234,983)	-	-	(6,468)	(6,468)
						-	-	228,515	(234,983)	-	-	(6,468)	(6,468)
Total Special Revenue Fund						(322,168)	1,562	1,884,234	(2,070,232)	1,967	2	(504,639)	(477,735)

See Notes to Schedule of Expenditures of Federal and State Awards

MOUNT OLIVE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance July 1, 2020		Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2021		MEMO GAAP Receivable
				From	To	Accounts Receivable	Due to Grantor				Due to Grantor	Accounts Receivable	
U.S. Department of Agriculture													
Passed-through State Department of Education													
Enterprise Fund:													
Food Donation	10.550	211NJ304N1099	77,645	09/01/20	08/31/21	-	-	77,645	(77,645)	-	-	-	-
School Breakfast Program	10.553	201NJ304N1099	46,632	09/01/19	08/31/20	(12,218)	-	12,218	-	-	-	-	-
School Breakfast Program	10.553	211NJ304N1099	195,629	09/01/20	08/31/21	-	-	173,800	(195,629)	-	-	(21,829)	(21,829)
National School Lunch Program	10.555	201NJ304N1099	242,136	09/01/19	08/31/20	(23,107)	-	23,107	-	-	-	-	-
National School Lunch Program	10.555	211NJ304N1099	698,834	09/01/20	08/31/21	-	-	589,995	(698,834)	-	-	(108,839)	(108,839)
After School Snack Program	10.555	211NJ304N1099	2,152	09/01/20	08/31/21	-	-	1,909	(2,152)	-	-	(243)	(243)
P-EBT Administrative Cost Reimbursement Program	10.649	2021215900941	614	09/01/20	08/31/21	-	-	-	(614)	-	-	(614)	(614)
Emergency Operational Cost Program - Schools	10.555	202121H170341	16,765	09/01/20	08/31/21	-	-	-	(16,765)	-	-	(16,765)	(16,765)
Total Enterprise Fund						<u>(35,325)</u>	<u>-</u>	<u>878,674</u>	<u>(991,639)</u>	<u>-</u>	<u>-</u>	<u>(148,290)</u>	<u>(148,290)</u>
Total Federal Financial Awards						<u>\$(357,493)</u>	<u>\$1,562</u>	<u>\$ 2,874,745</u>	<u>\$(3,173,708)</u>	<u>\$ 1,967</u>	<u>\$ 2</u>	<u>\$(652,929)</u>	<u>\$(626,025)</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, 2021

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2020	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2021	MEMO	
			From	To					Budgetary Receivable	Cumulative Total Expenditures
State Department of Education										
General Fund:										
Special Education Aid, Carryover	20-495-034-5120-089	2,959,145	07/01/19	06/30/20	\$ (295,914)	\$ 295,914	\$ -	\$ -	\$ -	\$ -
Special Education Aid	21-495-034-5120-089	2,959,145	07/01/20	06/30/21	-	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	20-495-034-5120-014	1,067,482	07/01/19	06/30/20	(106,748)	106,748	-	-	-	-
Transportation Aid	21-495-034-5120-014	1,067,482	07/01/20	06/30/21	-	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	20-495-034-5120-044	2,074,073	07/01/19	06/30/20	(1,885,241)	2,074,073	(188,832)	-	-	188,832
Extraordinary Special Education Costs Aid	21-495-034-5120-044	2,743,565	07/01/20	06/30/21	-	-	(2,743,565)	(2,743,565)	-	2,743,565
					<u>(1,885,241)</u>	<u>2,074,073</u>	<u>(2,932,397)</u>	<u>(2,743,565)</u>	<u>-</u>	<u>2,932,397</u>
Nonpublic School Transportation Aid, Carryover	20-495-034-5120-014	3,131	07/01/19	06/30/20	(3,131)	3,131	-	-	-	-
Nonpublic School Transportation Aid	21-495-034-5120-014	28,331	07/01/20	06/30/21	-	-	(28,331)	(28,331)	-	28,331
					<u>(3,131)</u>	<u>3,131</u>	<u>(28,331)</u>	<u>(28,331)</u>	<u>-</u>	<u>28,331</u>
Homeless Tuition Reimbursement	20-495-034-5120-005	5,778	07/01/19	06/30/20	(5,778)	5,778	-	-	-	-
					<u>(5,778)</u>	<u>5,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equalization Aid, Carryover	20-495-034-5120-078	12,858,723	07/01/19	06/30/20	(1,258,334)	1,258,334	-	-	-	-
Equalization Aid	21-495-034-5120-078	13,395,987	07/01/20	06/30/21	-	12,092,207	(13,395,987)	-	(1,303,780)	13,395,987
					<u>(1,258,334)</u>	<u>13,350,541</u>	<u>(13,395,987)</u>	<u>-</u>	<u>(1,303,780)</u>	<u>13,395,987</u>
Security Aid, Carryover	20-495-034-5120-084	106,585	07/01/19	06/30/20	(10,659)	10,659	-	-	-	-
Security Aid	21-495-034-5120-084	106,585	07/01/20	06/30/21	-	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>
Securing Our Children's Future Bond Act		263,065	07/01/20	06/30/22	-	-	(263,065)	(263,065)	-	263,065
					<u>-</u>	<u>-</u>	<u>(263,065)</u>	<u>(263,065)</u>	<u>-</u>	<u>263,065</u>
Reimbursed T.P.A.F. Social Security Tax	21-495-034-5094-003	2,696,819	07/01/20	06/30/21	(135,454)	2,832,273	(2,696,819)	-	-	2,696,819
On-behalf T.P.A.F. Pension Contribution	21-495-034-5094-002	9,277,222	07/01/20	06/30/21	-	9,277,222	(9,277,222)	-	-	9,277,222
On-behalf T.P.A.F. Non-Contributory Insurance	21-495-034-5094-004	176,511	07/01/20	06/30/21	-	176,511	(176,511)	-	-	176,511
On-behalf T.P.A.F. Post Retirement Medical	21-495-034-5094-001	2,962,653	07/01/20	06/30/21	-	2,962,653	(2,962,653)	-	-	2,962,653
On-behalf T.P.A.F. Long Term Disability	21-495-034-5094-004	5,601	07/01/20	06/30/21	-	5,601	(5,601)	-	-	5,601
					<u>(135,454)</u>	<u>15,254,260</u>	<u>(15,118,806)</u>	<u>-</u>	<u>-</u>	<u>15,118,806</u>
Total General Fund					<u>(3,701,259)</u>	<u>34,820,995</u>	<u>(35,871,798)</u>	<u>(3,034,961)</u>	<u>(1,717,101)</u>	<u>35,871,798</u>
State Department of Education										
Debt Service Fund:										
Debt Service Aid - State Support	21-495-034-5120-075	520,655	07/01/20	06/30/21	-	520,655	(520,655)	-	-	520,655
Total Debt Service Fund					<u>-</u>	<u>520,655</u>	<u>(520,655)</u>	<u>-</u>	<u>-</u>	<u>520,655</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, 2021

K-4
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State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable July 1, 2020	Cash Received	Budgetary Expenditures	Accounts Receivable June 30, 2021	MEMO	
			From	To					Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program - State Share, Carryover	20-100-010-3350-023	10,393	07/01/19	06/30/20	(2,943)	2,943	-	-	-	-
National School Lunch Program - State Share	21-100-010-3350-023	39,226	07/01/20	06/30/21	-	28,439	(39,226)	(10,787)	-	39,226
Total Enterprise Fund					<u>(2,943)</u>	<u>31,382</u>	<u>(39,226)</u>	<u>(10,787)</u>	<u>-</u>	<u>39,226</u>
Total State Financial Assistance					<u>(3,704,202)</u>	<u>35,373,032</u>	<u>(36,431,679)</u>	<u>(3,045,748)</u>	<u>(1,717,101)</u>	<u>36,431,679</u>
Less: On-Behalf Pension and Annuity Aid										
On-behalf T.P.A.F. Pension Contribution	21-495-034-5094-002	9,277,222	07/01/20	06/30/21	-	9,277,222	(9,277,222)	-	-	9,277,222
On-behalf T.P.A.F. Non-Contributory Insurance	21-495-034-5094-004	176,511	07/01/20	06/30/21	-	176,511	(176,511)	-	-	176,511
On-behalf T.P.A.F. Post Retirement Medical	21-495-034-5094-001	2,962,653	07/01/20	06/30/21	-	2,962,653	(2,962,653)	-	-	2,962,653
On-behalf T.P.A.F. Long Term Disability	21-495-034-5094-004	5,601	07/01/20	06/30/21	-	5,601	(5,601)	-	-	5,601
					<u>-</u>	<u>12,421,987</u>	<u>(12,421,987)</u>	<u>-</u>	<u>-</u>	<u>12,421,987</u>
Total For State Financial Assistance Major Program Determination					<u>\$ (3,704,202)</u>	<u>\$ 22,951,045</u>	<u>\$ (24,009,692)</u>	<u>\$ (3,045,748)</u>	<u>\$ (1,717,101)</u>	<u>\$ 24,009,692</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 \$(45,446) for the general fund and \$(23,604) 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 2021 fiscal year was \$12,421,987.

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	\$111,837	\$35,826,352	\$35,938,189
Special Revenue Fund	2,046,628		2,046,628
Debt Service		520,655	520,655
Food Service Fund	<u>991,639</u>	<u>39,226</u>	<u>1,030,865</u>
Total Awards and Financial Assistance	<u>\$3,150,104</u>	<u>\$36,386,233</u>	<u>\$39,536,337</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, 2021. 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, 2021.

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, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Fein Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster:</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>84.010</u>	<u>S010A190030</u>	<u>Title I - Grant to LEAs</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, 2021
(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: Qualified

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? X yes no

Identification of major state programs:

State Grant/Project Number(s)

Name of State Program

 21-495-034-5120-044
 21-495-034-5094-003
 21-495-034-5120-075

 Extraordinary Aid
 Reimbursed T.P.A.F. Social Security
 Debt Service Aid

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III – State Financial Assistance Findings and Questioned Costs

STATE AWARDS

Finding 2021-001

Information on the state program:

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

Criteria or specific requirement:

Each year the District prepares an EXAID application for each eligible student. The application includes, amongst other items, documentation of the services to be provided to each EXAID student, the associated direct instructional costs for such services and proper school classification on the District's register. These services must be called for in the individual student's IEP. The associated costs to provide these services, i.e. direct instructional costs, must also be supported by verifiable cost documentation.

Condition:

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

Questioned costs:

Unable to be determined.

Context:

Each student's EXAID application must contain services which are required by the individual student's IEP.

Effect:

By submitting EXAID applications with services that are not explicitly required by an IEP the District is not in compliance with the Extraordinary Special Education Aid requirements.

Cause:

In order to maintain social distancing requirements and to provide additional supports necessary for a free and appropriate public education ("FAPE") during the COVID-19 pandemic, special needs students were provided with aides which were not explicitly required by their IEP. Based on state and federal guidance, these services were encouraged to meet the educational needs of students with disabilities.

Recommendation:

The District should ensure that all information being reported on each student's EXAID application is called for in the individual student IEPs.

Management's response:

Management disputes this finding based on the March 21, 2020 USDOE Supplemental Fact Sheet entitled "Addressing the Risk of COVID-19 in Preschool, Elementary and Secondary Schools While Serving Children with Disabilities", which states:

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section III –State Financial Assistance Findings and Questioned Costs (continued)

"It is important to emphasize that federal disability law allows for flexibility in determining how to meet the individual needs of students with disabilities. The determination of how FAPE is to be provided may need to be different in this time of unprecedented national emergency. As mentioned above, FAPE may be provided consistent with the need to protect the health and safety of students with disabilities and those providing special education and related services to students."

In order to protect the health and safety of students, and to maintain social distancing protocols during the COVID-19 pandemic, the district provided 1-to-1 aides to special needs students who were unable to comply with the regulations without such support. The aides were not part of the students' 2020-2021 IEPs since it was out of an abundance of caution, not an educational need, to meet the health and safety requirements necessary to provide equal access to in-person instruction during the global pandemic.

**TOWNSHIP OF MOUNT OLIVE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Status of Prior Year Findings

There were no prior audit findings.