

Oldmans Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

OLDMANS TOWNSHIP SCHOOL DISTRICT

PEDRICKTOWN, NEW JERSEY 08067

**Oldmans Township School Board of Education
Pedricktown, New Jersey 08067**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

**Oldmans Township School Board of Education
Pedricktown, New Jersey 08067**

For the Fiscal Year Ended June 30, 2010

Prepared by:

**Oldmans Township School
Board of Education Administration**

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INTRODUCTORY SECTION

Oldmans Township School District

ADMINISTRATIVE OFFICES
(856-)299-4240

10 FREED ROAD
(856)299-4243

PEDRICKTOWN, NJ 08067
FAX: (856)299-8182

Christy Myers
Board President

David T. Lindenmuth
Superintendent

Gary R. Moore
Board Secretary
School Business Administrator

October 22, 2010

Honorable President and
Members of the Board of Education
Oldmans Township School District
County of Salem, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Oldmans Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the State OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and its Services:

Oldmans Township School District is an independent reporting entity within the criteria adopted by the G.A.S.B. as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Oldmans Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an enrollment of 177 students, which is 21 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2009-2010	177	-10.6%
2008-2009	198	-5.3%
2007-2008	209	-5.9%
2006-2007	222	-6.3%
2005-2006	237	

2. Economic Condition and Outlook:

Oldmans Township is a rural farming community with some general businesses and light industry. The Pedricktown Industrial Complex provides the largest source of employment in the community. Currently, there are three residential developments in planning stages which have gained local planning board approvals. When constructed, this will have an impact on daily enrollments once occupied by residents. The Gateway Industrial Park that has been in the planning stages since 2000 has finally began development. Three commercial warehouses as of June 30, 2009 have completed construction of new facilities and began operations. There are now four more additional warehouses in the planning/approval stage.

3. Major Initiatives:

With the start of the FY 2002-03 school year, the \$4,800,000 building project, which provided an additional 31,000 square feet of space that began in February, 2000, was complete with the exception of an expansion to the existing septic system being finished in October, 2004. This addition added eight regular classrooms, two resource center rooms, several small group instruction areas, science lab, art room, library/media center, cafeteria and kitchen along with additional storage areas and a central custodial storage area. The project also included renovations to the existing "middle school" building that included retrofitting the pod to accommodate students in grades K-2, creating rooms for speech, guidance and basic skills and adding a storage area in the music room. It also provided a state of the art HVAC geothermal heating/cooling system. Since November 13, 2001, all students in Oldmans Township now attend school at one location/school known as Oldmans Township School. School building capacity is now rated at 445. The Board is actively pursuing approval for a 525KW renewable energy project which will include a solar panel field and a small wind turbine unit. A referendum is tentatively planned for March 2011.

With the enactment of S1701, in the 2005-06 school year, the Board of Education aggressively pursued to provide shared services to other school districts for both Superintendent and Business Administration services. As of June 30, 2010, a one year contractual agreement was renewed with both the Greenwich School District (Cumberland County) and the Stow Creek School District (Cumberland County) for providing Business Administrator services for the 2010-11 school year.

3. Major Initiatives: (Continued)

In addition to the business services above, Oldmans School District also serves as the LEA for the following Joint Purchase and Shared Service ventures: 1) County Wide bid/purchase for custodial supplies; 2) Transportation of pupils to various remote locations; 3) Purchase of diesel fuel, copy paper, and custodial supplies for the local municipality; and 4) Provide Custodial Services to the Greenwich School District.

4. Internal Accounting Controls:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (G.A.A.P.). The internal control structure 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 financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. Budgetary Controls:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

6. Accounting System and Reports:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. Cash Management:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. Risk Management:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. Other Information:

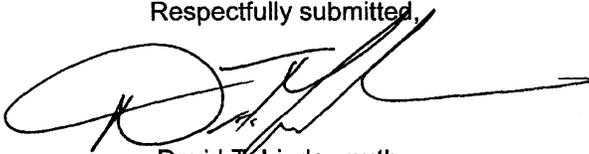
A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards - The District will not apply to the Association of School Business Officials (ASBO) for its Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials.

10. Acknowledgements:

We would like to express our appreciation to the members of the Oldmans 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 business office staff.

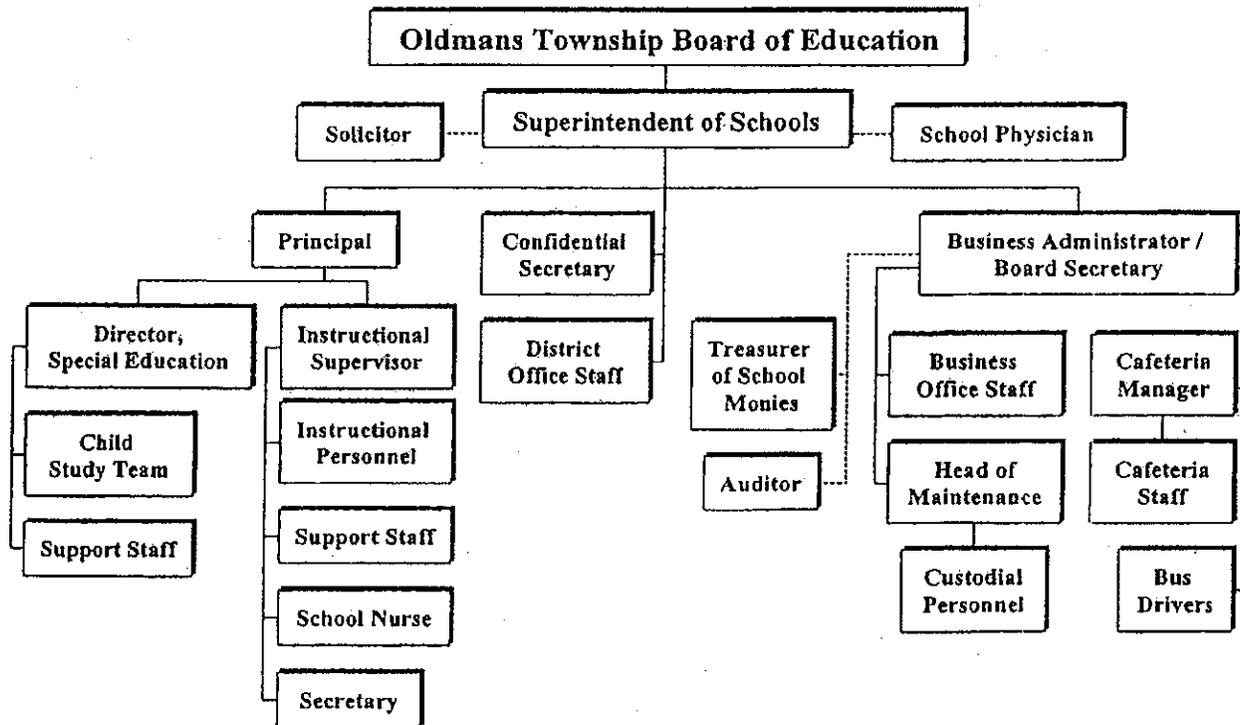
Respectfully submitted,



David T. Lindenmuth
Superintendent



Gary R. Moore
Board Secretary/School Business Administrator



**OLDMANS TOWNSHIP BOARD OF EDUCATION
Pedricktown, New Jersey**

**ROSTER OF OFFICIALS
June 30, 2010**

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Holly Kirk	President	2012
V. Corydon Taylor	Vice President	2012
Christy Myers	Board Member	2011
Gary Green	Board Member	2011
Patricia Gaskill	Board Member	2012
Kathryn Moore	Board Member	2013
Jeffrey Newman	Board Member	2013
Kelley Piel	Board Member	2013
Douglas Strickland	Board Member	2011

OTHER OFFICIALS

David T. Lindenmuth, Superintendent

Gary R. Moore, School Business Administrator/Board Secretary

James R. Hackett, Treasurer

OLDMANS TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Auditor

Petroni & Associates LLC
21 W. High Street
Glassboro, NJ 08028
Contact: Nick Petroni

Attorney and Labor Relations Consultant

John D. Jordon Esquire
111-113 N. Broadway
Pennsville, NJ 08070

Architect

John F. McKerman Jr. Architects and Associates, LLC.
100 Dobbs Lane, Suite 204
Cherry Hill, NJ 08034

Engineer

J & B/ Engel
1196 U.S. Route 40
Pilesgrove, NJ 08098

Depository

The Bank
221 Shell Road
Carneys Point, NJ 08069

Pennsville National Bank
Mill & Railroad Avenue
Pedricktown, NJ 08067

Negotiations Consultant

Bruce Taylor
Taylor, Whalen and Hybbeneth
P.O. Box 622
Howell, NJ 07731

AHERA Consultant

Environmental Remediation & Management, Inc.
P.O. Box 9026
Trenton, NJ 08650

Insurance Broker

Bollinger Insurance
994 West Sherman Avenue, Building No. 2
Vineland, NJ 08360

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Oldmans Township School District
County of Salem
Pedricktown, New Jersey

We have audited the accompanying 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 Oldmans Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Oldmans Township School Board of Education's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit 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 Division of Finance, Department of Education, State of New Jersey. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Oldmans Township School Board of Education, in the County of Salem, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2010 on our consideration of the Oldmans Township School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison be presented to supplement the basic financial statements (see outline of CAFR for page numbers). Such information, although not a part of the basic financial statements, is required by the *Government Auditing Standards* Board, who considers it to be an essential part of 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 inquires 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldmans Township School Board of Education's financial statements as a whole. The introductory section, combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements and long-term debt schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional

procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

October 19, 2010

Required Supplementary Information – Part I

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

As management of the Oldmans Township School District, we offer readers of the Oldmans Township School District's financial statements this narrative overview and analysis of the financial activities of the Oldmans Township School District for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Oldmans Township School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Oldmans Township School District's financial performance.

Financial Highlights

- The assets of the Oldmans Township School District exceeded its liabilities at the close of the most recent fiscal year by \$3,644,844 (net assets).
- The Oldmans Township School District's total net assets increased by \$226,184. This increase is not the result of any one specific occurrence, but a net result of multiple, insignificant changes in the listed balance sheet items reported.
- As of the close of the current fiscal year, the Oldmans Township School District's governmental funds reported combined ending fund balances of \$494,745, an increase of \$77,017 in comparison with the prior year (see Exhibit B-1). Most of the increase was attributable to actual expenditures for the year being less than appropriated for the 2009-2010 school year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$109,370, (see Exhibit B-1) approximately a 1 percent decrease from that of the prior fiscal year of \$111,541, which was attributable in part to additional state aid payment being deferred in the amount of \$7,317.
- The Oldmans Township School District's total debt decreased by \$176,000 as a result of budgeted debt payments and refunding of the Series 2000 bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Oldmans Township School District's basic financial statements. The Oldmans Township School District's basic financial statements comprise three components: (1) District-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

District-wide financial statements - The District-wide financial statements are designed to provide readers with a broad overview of the Oldmans Township School District's finances, in a manner similar to a private-sector business.

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

Both of the District-wide financial statements distinguish functions of the Oldmans Township School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Oldmans Township School District include the education of students in grades K-8 at the Oldmans Township School. The business-type activities of the Oldmans Township School District include a Food Service Program and a School Age Child Care Program.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Oldmans Township School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Oldmans Township School District can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds - Most of the Oldmans Township School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the Oldmans Township School District's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Oldmans Township School District maintains four individual Governmental Funds. Information is presented separately in the Governmental Fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Oldmans Township School District adopts an annual budget for its General Fund, Special Revenue Fund, and Debt Service Fund. Budgetary comparison schedules have been provided for both to demonstrate compliance with the budgets.

Proprietary Funds - The Oldmans Township School District maintains two different types of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, are used to report the same functions presented as business-type activities in the District-wide financial statements. The Oldmans Township School District uses enterprise funds to account for its Food Service Program and its School Age Child Care Program.

Proprietary funds provide the same type of information as the District-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for the Food Service Program and the School Age Child Care Program.

Fiduciary Funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the District-wide financial statements because the resources of those funds are not available to support the Oldmans Township School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Oldmans Township School District, assets exceeded liabilities by \$3,577,543 at the close of fiscal year 2009-2010 (see Exhibit A-1).

The largest portion of the Oldmans Township School District's net assets (88 percent) reflects its investment in capital assets (i.e., land, buildings, equipment); less any related debt used to acquire those assets that are still outstanding. The Oldmans Township School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Oldmans Township School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

OLDMANS TOWNSHIP SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Current and Other Assets	\$ 655,172	\$ 557,535	\$ 32,654	\$ 23,800	\$ 687,826	\$ 581,335
Capital Assets	4,892,307	4,949,687	46,728	56,678	4,939,035	5,006,365
Total Assets	5,547,479	5,507,222	79,382	80,478	5,626,861	5,587,700
Long-term Liabilities Outstanding	1,833,383	1,860,759	1,819	1,774	1,835,202	1,862,533
Other Liabilities	136,553	305,020	10,262	1,487	146,815	306,507
Total Liabilities	1,969,936	2,165,779	12,081	3,261	1,982,017	2,169,040
Net Assets:						
Invested in Capital Assets, Net of Related Debt	3,209,371	3,044,184	46,728	56,678	3,256,099	3,100,862
Restricted	362,717	268,479			362,717	268,479
Unrestricted	5,455	28,780	20,573	20,539	26,028	49,319
Total Net Assets	\$ 3,577,543	\$ 3,341,443	\$ 67,301	\$ 77,217	\$ 3,644,844	\$ 3,418,660

An additional portion of the Oldmans Township School District's net assets (10 percent) represents resources that are subject to external restrictions on how they may be used.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

Governmental Activities - Governmental activities increased the Oldmans Township School District's net assets by \$236,100, thereby accounting for 32 percent of the total increase in net assets of the Oldmans Township School District. Key elements of this are as follows:

OLDMANS TOWNSHIP SCHOOL DISTRICT'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 101,900	\$ 95,152	\$ 57,629	\$ 68,068	\$ 159,529	\$ 163,220
Operating Grants and Contributions	154,694	140,888	36,754	38,644	191,448	179,532
General Revenues:						
Property Taxes	2,701,241	2,806,120			2,701,241	2,806,120
Grants and Contributions not Restricted to Specific Programs	2,067,184	2,046,255			2,067,184	2,046,255
Other	225,214	43,550	53	238	225,267	43,788
Total Revenues	5,250,233	5,131,965	94,436	106,950	5,344,669	5,238,915
Expenses:						
Instruction	1,465,851	1,539,908			1,465,851	1,539,908
Support Services	3,255,609	3,135,323			3,255,609	3,135,323
Interest on long-term debt	122,117	113,049			122,117	113,049
Other	154,738	136,962			154,738	136,962
Food Service			105,420	118,909	105,420	118,909
School Age Child Care			14,750	28,437	14,750	28,437
Total Expenses	4,998,315	4,925,242	120,170	147,346	5,118,485	5,072,588
Increase in Net Assets before Transfers	251,918	206,723	(25,734)	(40,396)	226,184	166,327
Transfers	(15,818)	(28,183)	15,818	28,183	-	-
Increase in Net Assets	236,100	178,540	(9,916)	(12,213)	226,184	166,327
Net Assets, July 1	3,341,443	3,162,903	77,217	89,430	3,418,660	3,252,333
Net Assets, June 30	\$ 3,577,543	\$ 3,341,443	\$ 67,301	\$ 77,217	\$ 3,644,844	\$ 3,418,660

- *Property taxes* decreased by \$104,879 (3 percent) during the year. This decrease is the product of state imposed budget caps over the prior year.

The overall \$45,897 increase in expenses was attributable to increased costs for benefits for the 2009-2010 school year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

Business-Type Activities - Business-type activities decreased the Oldmans Township School District's net assets by \$9,916. The key element of this decrease is as follows:

- Decrease in participants
- Decrease in funding
- Increase in operational costs

Financial Analysis of the Government's Funds

As stated earlier, the Oldmans Township School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund - The focus of the Oldmans Township School District's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Oldmans Township School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combining ending fund balances of \$495,745, an increase of \$77,017 in comparison with the prior year. This increase is primarily a result of expenditures for the 2009-2010 year being less than budgeted/anticipated.

Of the combined ending fund balances of \$494,745, over 27 percent constitutes unreserved fund balance in the amount of \$137,859. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$22,658, (2) to be appropriated in the following years budget to reduce property tax \$140,498, (3) \$100,000 maintenance reserve, and (4) excess surplus of \$93,730.

The General Fund is the main operating fund of the Oldmans Township School District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$109,370, while total fund balance was \$466,256.

The Debt Service Fund has a total fund balance of \$28,489, all of which is to be utilized for the payment of debt service. The fund balance at the end of current fiscal year increased by \$23,119, compared to the prior fiscal year resulting from the refunding of the Series 2000 bond issue in February 2010.

Proprietary Funds - The Oldmans Township School District's proprietary funds provide the same type of information found in the District-wide financial statements, but in more detail.

Unrestricted net assets consisted of the following: a positive balance of \$15,201 for the Food Service Program and a positive balance of \$5,372 for the School Age Child Care Program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Oldmans Township School District's Business-type activities.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

General Fund Budgetary Highlights

During the course of the 2010 fiscal year, the Oldmans Township School District modified its General Fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and the additional federal aid which was offset by a decrease in the same amount for state aid.

The final budgetary basis revenue appropriation estimate was \$4,374,788 which was the same as the original budgeted estimate.

During fiscal year 2010, the Oldmans Township School District budgeted \$2,532,249 and \$1,807,539 for property taxes (local tax levy) and state aid revenues, respectively. The Oldmans Township School District also received \$117,609 and \$112,675 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditure estimate was \$4,530,496 which includes a transfer to cover deficit in Food Service of \$20,405 and prior year's encumbrances of \$37,708. The original budgeted estimate was \$4,530,496.

The Oldmans Township School District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions of \$117,609 and \$112,675, respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

Capital Asset and Debt Administration

Capital Assets - The Oldmans Township School District's investment in capital assets for its Governmental and Business-type activities as of June 30, 2010 amounts to \$4,939,035 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. The total decrease in the Oldmans Township School District's investment in capital assets for the current fiscal year was 1.3 percent

OLDMANS TOWNSHIP SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Building Improvements	4,649,791	4,768,979			4,649,791	4,768,979
Equipment	204,516	142,708	\$ 46,728	\$ 56,678	251,244	199,386
Total	\$ 4,892,307	\$ 4,949,687	\$ 46,728	\$ 56,678	\$ 4,939,035	\$ 5,006,365

Additional information on the Oldmans Township School District's capital assets can be found as Note 5 to the financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited) (Continued)

Long-term Debt - At the end of the current fiscal year, the Oldmans Township School District had total bonded debt outstanding of \$1,705,000 for the 2009 Series Bonds. The entire Oldmans Township School District's bonded debt is governmental as opposed to business-type. The bonds will mature on February 15, 2020.

Economic Factors and Next Year's Budget

For the 2009-10 school year, the Oldmans Township School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 53 percent of total revenue is from local tax levy, while 44 percent of the Oldmans Township School District's revenue is from federal, state and local aid (restricted and not restricted). One of the most important factors affecting the Oldmans Township School District's budget is its enrollment. The 2009-10 budget was adopted March 2009 based in part on the state education aid the Oldmans Township School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 15, 2009 of 166. Since State Aid was held harmless (not increased for additional enrollment), any future increase in enrollments will put an additional burden on the taxpayers of Oldmans Township.

The Oldmans Township School District anticipates a slight decrease in enrollment to 181 students for the 2010-11 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Oldmans Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gary R. Moore, Board Secretary/School Business Administrator at Oldmans Township School, 10 Freed Road, Pedricktown, New Jersey 08067, or e-mail at gmoore@oldmans.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICTStatement of Net AssetsJune 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>FY 2010</u>
<u>ASSETS</u>			
Cash and cash equivalents	398,911	20,891	419,802
Receivables	54,904	6,168	61,072
Interfunds receivable	494		494
Deferred - debt issuance costs (net)	47,808		47,808
Inventory		5,595	5,595
Restricted assets:			
Restricted cash and cash equivalents	153,055		153,055
Capital assets			
Non-depreciable	38,000		38,000
Assets net of depreciation	4,854,307	46,728	4,901,035
Total Assets	<u>5,547,479</u>	<u>79,382</u>	<u>5,626,861</u>
<u>LIABILITIES</u>			
Accounts payable	78,977	5,918	84,895
Payable to state government	1,215		1,215
Payable to federal government	30,217		30,217
Deferred revenue	400	4,344	4,744
Accrued interest	25,744		25,744
Noncurrent liabilities:			
Due within one year	160,000		160,000
Due beyond one year	1,673,383	1,819	1,675,202
Total Liabilities	<u>1,969,936</u>	<u>12,081</u>	<u>1,982,017</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	3,209,371	46,728	3,256,099
Restricted for:			
Debt service	28,489		28,489
Other purposes	334,228		334,228
Unrestricted	5,455	20,573	26,028
Total Net Assets	<u>3,577,543</u>	<u>67,301</u>	<u>3,644,844</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	1,042,066			(1,042,066)		(1,042,066)
Special education	348,201		49,877	(298,324)		(298,324)
Other special education	59,733			(59,733)		(59,733)
Other instruction	15,851			(15,851)		(15,851)
Support services:						
Tuition	1,054,891			(1,054,891)		(1,054,891)
Student & instructional related services	364,138		76,661	(287,477)		(287,477)
General administrative services	108,446			(108,446)		(108,446)
School administrative services	39,423			(39,423)		(39,423)
Central services	159,199	59,900		(99,299)		(99,299)
Administrative information technology	3,106			(3,106)		(3,106)
Plant operations & maintenance	353,448	42,000		(311,448)		(311,448)
Pupil transportation	296,860			(296,860)		(296,860)
Employee benefits	876,098		795	(875,303)		(875,303)
Interest on long-term debt	122,117			(122,117)		(122,117)
Capital outlay	27,361		27,361			
Unallocated depreciation	127,377			(127,377)		(127,377)
Total governmental activities	4,998,315	101,900	154,694	(4,741,721)		(4,741,721)
Business-type activities:						
Food Service	105,420	41,355	36,754		(27,311)	(27,311)
Other Activities	14,750	16,274			1,524	1,524
Total business-type activities	120,170	57,629	36,754		(25,787)	(25,787)
Total primary government	5,118,485	159,529	191,448	(4,741,721)	(25,787)	(4,767,508)
General revenues:						
Property taxes, levied for general purpose, net				2,532,249		2,532,249
Taxes levied for debt service				168,992		168,992
Federal and state aid not restricted				2,067,184		2,067,184
Tuition from individuals				2,000		2,000
Transportation fees				30,218		30,218
Investment earnings				3,787	53	3,840
Miscellaneous income				94,047		94,047
Transfers				(15,818)	15,818	
Premium on issuance of refunding bonds				110,667		110,667
Loss on Disposal of Fixed Assets				(15,505)		(15,505)
Total general revenues, special items, extraordinary items and transfers				4,977,821	15,871	4,993,692
Change in Net Assets				236,100	(9,916)	226,184
Net Assets - beginning				3,341,443	77,217	3,418,660
Net Assets - end				3,577,543	67,301	3,644,844

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	<u>Major Funds</u>			<u>Totals</u> FY 2010
	<u>General</u> Fund	<u>Special</u> Revenue Fund	<u>Debt</u> Service Fund	
<u>ASSETS</u>				
Cash and cash equivalents	397,101	24,566	28,489	450,156
Interfunds receivable	494			494
Receivables from other governments	37,257	17,647		54,904
Restricted cash and cash equivalents	100,000			100,000
Total Assets	<u>534,852</u>	<u>42,213</u>	<u>28,489</u>	<u>605,554</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Cash overdraft				
Accounts payable	68,596	10,381		78,977
Payable to state government		1,215		1,215
Payable to federal government		30,217		30,217
Deferred revenue		400		400
Total liabilities	<u>68,596</u>	<u>42,213</u>		<u>110,809</u>
Fund Balances:				
Reserved for:				
Encumbrances	22,658			22,658
Designated for subsequent year's expenditures	95,389			95,389
Excess surplus	93,730			93,730
Excess surplus - designated for subsequent year's expenditures	45,109			45,109
Maintenance reserve	100,000			100,000
Unreserved, reported in:				
General Fund				
Undesignated	109,370			109,370
Debt Service Fund			28,489	28,489
Total fund balances	<u>466,256</u>		<u>28,489</u>	<u>494,745</u>
Total liabilities and fund balances	<u>534,852</u>	<u>42,213</u>	<u>28,489</u>	

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. The costs of assets is \$7,131,254 and the accumulated depreciation is \$2,238,947 (See note 5). 4,892,307

Internal Service Funds are used by management to charge the costs of certain activities, such as business and custodial services to other districts. Assets and liabilities of the Internal Service Fund of \$1,810 are included in the governmental activities in the Statement of Net Assets 1,810

Deferred bond issuance costs are expenses in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. 47,808

Interest on long-term debt in the Statement of Activities is accrued, regardless of when due. (25,744)

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds (See note 6). (1,833,383)

3,577,543

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds		Non-Major	FY 2010
	General Fund	Special Revenue Fund	Debt Service Fund	
<u>REVENUES</u>				
Local tax levy	2,532,249		168,992	2,701,241
Tuition from individuals	2,000			2,000
Transportation fees	30,218			30,218
Interest earned on investments	3,787			3,787
Miscellaneous	83,756	400	10,291	94,447
	2,652,010	400	179,283	2,831,693
State sources	1,786,478		77,853	1,864,331
Federal sources	202,853	154,294		357,147
Total revenues	4,641,341	154,694	257,136	5,053,171
<u>EXPENDITURES</u>				
Current:				
Regular instruction	1,035,449			1,035,449
Special education instruction	299,174	49,877		349,051
Other special instruction	59,733			59,733
Other instruction	15,851			15,851
Support services & undistributed costs:				
Tuition	1,054,891			1,054,891
Student & instruction related services	286,336	76,661		362,997
General administrative services	106,666			106,666
School administrative services	38,873			38,873
Central services	97,718			97,718
Administrative information technology	3,106			3,106
Plant operations and maintenance	329,598			329,598
Pupil transportation	280,036			280,036
Employee benefits	875,303	795		876,098
Debt service:				
Principal			165,000	165,000
Interest and other charges			69,017	69,017
Capital outlay	88,891	27,361		116,252
Total expenditures	4,571,625	154,694	234,017	4,960,336
Excess (Deficiency) of revenues over expenditures	69,716		23,119	92,835
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer out for Food Service	(15,818)			(15,818)
Total other financing sources and uses	(15,818)			(15,818)
Net change in fund balances	53,898		23,119	77,017
Fund balance - July 1	412,358		5,370	417,728
Fund balance - June 30	466,256		28,489	494,745

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2)	77,017
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Capital outlay	109,874
Depreciation expense	<u>(151,749)</u>
	(41,875)
<p>In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from disposal decrease financial resources. Thus the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>	
	(15,505)
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.</p>	
Proceeds from issuance of refunding long-term debt	(1,725,000)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.</p>	
Bond principal payments	165,000
Bond principal paid from refunding issue	1,736,000
Cost of issuance on refunding bonds	50,498
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>	
	(18,235)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>	
	14,304
<p>Internal Service Funds are used by management to charge costs of certain activities, such as shared business and custodial services. The operating loss of \$2,480 are included in the governmental activities and Statement of Net Assets (see Exhibit B-5)</p>	
	(2,480)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>	
	<u>(3,624)</u>
Change in net assets of governmental activities	<u><u>236,100</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities
	Food Service	Latchkey Program	Totals FY 2010	Internal Service Fund
ASSETS:				
Current assets:				
Cash and cash equivalents	10,754	10,137	20,891	1,810
Accounts receivable	6,168		6,168	
Inventories	5,595		5,595	
Total current assets	<u>22,517</u>	<u>10,137</u>	<u>32,654</u>	<u>1,810</u>
Noncurrent assets:				
Furniture, machinery & equipment	146,300	6,600	152,900	
Less: accumulated depreciation	(103,037)	(3,135)	(106,172)	
Total noncurrent assets	<u>43,263</u>	<u>3,465</u>	<u>46,728</u>	
Total assets	<u><u>65,780</u></u>	<u><u>13,602</u></u>	<u><u>79,382</u></u>	
LIABILITIES				
Current liabilities:				
Accounts payable	1,153	4,765	5,918	
Deferred revenue:				
Lunches	879		879	
U.S.D.A. commodities	3,465		3,465	
Total current liabilities	<u>5,497</u>	<u>4,765</u>	<u>10,262</u>	
Noncurrent liabilities:				
Compensated absences	<u>1,819</u>		<u>1,819</u>	
NET ASSETS				
Invested in capital assets, net of related debt	43,263	3,465	46,728	
Unrestricted	15,201	5,372	20,573	1,810
Total net assets	<u><u>58,464</u></u>	<u><u>8,837</u></u>	<u><u>67,301</u></u>	<u><u>1,810</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

	Business-type Activities			Governmental Activities Internal Service Fund
	Enterprise Funds - Major Funds			
	Food Service	Latchkey Program	FY 2010	
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	37,829		37,829	
Daily sales non-reimbursable programs	3,526		3,526	
Tuition		16,274	16,274	
Other charges and fees				101,900
Total operating revenue	41,355	16,274	57,629	101,900
OPERATING EXPENSES:				
Salaries	48,138	8,207	56,345	77,428
Employee benefits	3,426	628	4,054	26,952
Supplies and materials	2,544	5,585	8,129	
Depreciation	9,620	330	9,950	
Cost of sales	41,692		41,692	
Total operating expenses	105,420	14,750	120,170	104,380
Operating income (loss)	(64,065)	1,524	(62,541)	(2,480)
NON-OPERATING REVENUES:				
State sources:				
National School Lunch Program - State	1,181		1,181	
School Breakfast Program	478		478	
Federal sources:				
National School Lunch Program	20,098		20,098	
School Breakfast Program	4,385		4,385	
National Snack Program	217		217	
Food Distribution Program	10,395		10,395	
Interest revenue	53		53	
Total non-operating revenues (expenses)	36,807		36,807	
Net income (loss) before transfers	(27,258)	1,524	(25,734)	(2,480)
Board Contribution	15,818		15,818	
Net income (loss)	(11,440)	1,524	(9,916)	(2,480)
Total net assets - beginning	69,904	7,313	77,217	4,290
Total net assets - ending	58,464	8,837	67,301	1,810

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities			Governmental Activities Internal Service Fund
	Enterprise Funds - Major Funds			
	Food Service	Latchkey Program	FY 2010	
Cash flows from operating activities:				
Receipts from customers	40,205	16,274	56,479	101,900
Payments to suppliers	(34,055)	(899)	(34,954)	
Payments to employees	(48,092)	(8,207)	(56,299)	(77,428)
Payments for employee benefits	(3,426)	(628)	(4,054)	(26,952)
Net cash provided (used) by operating activities	(45,368)	6,540	(38,828)	(2,480)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements			25,892	
Net cash provided by non-capital financing activities			25,892	
Cash flows from investing activities:				
Interest on investments	53		53	
Payment to General Fund				
Payments to Payroll Agency				
Payments from General Fund	15,818		15,818	
Net cash provided by investing activities	15,871		15,871	
Net increase in cash and cash equivalents	(3,605)	6,540	2,935	(2,480)
Cash and cash equivalents - July 1	14,359	3,597	17,956	4,290
Cash and cash equivalents - June 30	10,754	10,137	20,891	1,810
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(64,065)	1,524	(62,541)	(2,480)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	9,620	330	9,950	
Food Distribution Program	10,395		10,395	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	(3,430)		(3,430)	
(Increase) decrease in inventory	(2,023)		(2,023)	
Increase (decrease) in accounts payable	1,153	4,686	5,839	
Increase (decrease) in deferred revenue	2,936		2,936	
Increase in compensated absences	46		46	
	(45,368)	6,540	(38,828)	(2,480)

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Proprietary Funds
June 30, 2010

	<u>Unemployment Trust Fund</u>	<u>Agency Funds</u>	<u>Totals FY 2010</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	39,740	106,965	146,705
Intrafund receivable:			
Payroll Agency	67,848		67,848
Total assets	<u>107,588</u>	<u>106,965</u>	<u>214,553</u>
LIABILITIES			
Current liabilities:			
Payroll deductions and withholdings		22,927	22,927
Due to student groups		15,696	15,696
Intrafund payable:			
Unemployment Trust		67,848	67,848
Interfund payable:			
General Fund		494	494
Total current liabilities		<u>106,965</u>	<u>106,965</u>
NET ASSETS			
Unreserved	<u>107,588</u>		<u>107,588</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
June 30, 2010

	<u>Unemployment Trust Fund</u>	<u>FY 2010</u>
ADDITIONS:		
Contributions:		
General Fund budget	50,867	50,867
Employee payroll deductions	3,516	3,516
Total contributions	<u>54,383</u>	<u>54,383</u>
Investment earnings:		
Interest	198	198
Total investment earnings	<u>198</u>	<u>198</u>
Total additions	<u>54,581</u>	<u>54,581</u>
DEDUCTIONS:		
Unemployment claims	19,898	19,898
Change in Net Assets	<u>34,683</u>	<u>34,683</u>
Net Assets - Beginning of year	<u>72,905</u>	<u>72,905</u>
Net Assets - End of year	<u><u>107,588</u></u>	<u><u>107,588</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Oldmans Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education of Oldmans Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

A. Reporting Entity

The Oldmans Township School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K – 8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the G.A.S.B. Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's Board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

B. Government-wide Statements

The School District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects and debt service are classified as governmental activities. The District's food service and childcare programs are classified as business-type activities.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and business-type activities (food service and childcare). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or business-type activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following governmental funds:

GOVERNMENTAL FUNDS

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change 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. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

As required by the New Jersey State Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 Expense by Board resolution.

Special Revenue Fund - 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 to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The focus of the proprietary funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following is a description of the proprietary funds of the District.

Enterprise Funds – The enterprise funds account for all revenues and expenses pertaining to the Board's 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.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

The District's Enterprise Fund are comprised of the Food Service Fund, Before and After School Fund and the Preschool Program Fund.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net assets. Changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The fiduciary funds include Student Activity Fund, Payroll, Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also is related to the timing of the measurement made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For purposes of determining cash equivalents, the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (N.J.S.A. 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 Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. 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 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food - Commodities	3,465
Food	<u>2,130</u>
	<u><u>5,595</u></u>

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) 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.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site Improvements	15-20
Building & Improvements	20-50
Machinery & Equipment	5-20

H. Revenues

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASB No. 33. In applying GASB 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, are met and reported as advances by the provider and deferred revenue by the recipient.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place.

In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

K. Interfund Receivables/Payables

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

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

L. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for 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. 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments 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 budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

N. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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 as of the current fiscal year-end.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

P. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Q. Allocation of Indirect Expenses

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Depository Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2010 and 2009, was \$719,562 and \$624,835. As of June 30, 2010 and 2009, \$0 of the District's bank balance of \$490,754 and \$799,190, respectively, was exposed to custodial credit risk.

NOTE 3: INVESTMENTS

As of June 30, 2010 and 2009, the District did not have any investments.

Interest rate risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statute N.J.S.A. 18A:20-37 limits the length of time for most investments to 397 days.

Credit risk: New Jersey statute N.J.S.A. 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit risk: The District places no limit on the amount the District may invest in any one issuer.

NOTE 4: RECEIVABLES

Receivables at June 30, 2010, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State Aid	37,257	144
Other		3,913
Federal Aid	17,647	2,111
	<u>54,904</u>	<u>6,168</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2010.

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance</u> <u>June 30, 2010</u>
Governmental activities:				
Capital assets not being depreciated				
Sites (Land)	<u>38,000</u>			<u>38,000</u>
Total capital assets not being depreciated	<u>38,000</u>			<u>38,000</u>
Land Improvements	58,640			58,640
Building & Building Improvements	6,416,945			6,416,945
Machinery & Equipment	<u>586,140</u>	<u>109,874</u>	<u>78,345</u>	<u>617,669</u>
Totals at historical cost	<u>7,061,725</u>	<u>109,874</u>	<u>78,345</u>	<u>7,093,254</u>
Less: Accumulated depreciation				
Land Improvements	(58,640)			(58,640)
Building & Building Improvements	(1,647,966)	(119,188)		(1,767,154)
Machinery & Equipment	<u>(443,432)</u>	<u>(32,561)</u>	<u>62,840</u>	<u>(413,153)</u>
Total accumulated depreciation	<u>(2,150,038)</u>	<u>(151,749)</u>	<u>62,840</u>	<u>(2,238,947)</u>
Governmental activities capital assets, net	<u>4,949,687</u>	<u>(41,875)</u>	<u>15,505</u>	<u>4,892,307</u>
Business-type activities:				
Machinery & Equipment	154,900			154,900
Less: Accumulated depreciation	<u>(98,222)</u>	<u>(9,950)</u>		<u>(108,172)</u>
Business-type capital assets, net	<u>56,678</u>	<u>(9,950)</u>		<u>46,728</u>

Depreciation was charged to the following governmental programs:

Instruction - regular	5,524
Support Administration	1,788
Transportation	16,157
Operation and Maintenance	903
Unallocated	<u>127,377</u>
Total	<u>151,749</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: GENERAL LONG-TERM DEBT

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

Advance Refunding

On December 15, 2009, the District issued Refunding School Bonds in the amount of \$1,725,000 with interest rates varying from 3% to 5% to advance refund bonds in the amount of \$1,736,000 with interest rates varying from 5.5% to 5.75%. After paying issuance costs the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments until the bonds are called. The bonds were called on February 15, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$179,188.33. Interest is paid semi-annually and final maturity is through February 15, 2020. The balance remaining as of June 30, 2010 was \$1,705,000.

Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2010, are as follows:

	Balance <u>July 1, 2009</u>	Additions	Deductions	Balance <u>June 30, 2010</u>	Due within <u>one year</u>
Compensated absences	124,759	4,483	859	128,383	
Serial bonds payable	1,881,000	1,725,000	1,901,000	1,705,000	160,000
	<u>2,005,759</u>	<u>1,729,483</u>	<u>1,901,859</u>	<u>1,833,383</u>	<u>160,000</u>

Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	160,000	68,650	228,650
2012	160,000	63,850	223,850
2013	165,000	59,050	224,050
2014	165,000	52,450	217,450
2015	170,000	45,850	215,850
2016-2020	885,000	124,050	1,009,050
	<u>1,705,000</u>	<u>413,900</u>	<u>2,118,900</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6: GENERAL LONG-TERM DEBT (CONTINUED)

Bonds Authorized but Not Issued

As of June 30, 2010, the Board has \$0 of bonds authorized but not issued.

Deferred Bond Issuance Costs and Premiums on Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds. The costs associated with the Series 2009 are detailed below.

The unamortized deferred amount on refunding resulting from the 2009 refunding of the outstanding series of 2000 school bonds is being amortized straight-line over the remaining life of the specific bonds (10 years) and is reflected in the District-wide financial statement as reduction of the related debt.

DEFERRED BOND ISSUANCE COSTS

	Useful Lives	Costs	Amortization			
			Balance 7/1/2009	Issuance Costs	Current Year	Balance 6/30/2010
Series 2000	20	26,649	15,545		15,545	
Series 2009	10	50,498		50,498	2,690	47,808
			<u>15,545</u>	<u>50,498</u>	<u>18,235</u>	<u>47,808</u>

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2010, it is not necessary for the Board to establish a liability for arbitrage rebate.

Compensated absences are recorded as long-term liabilities due in more than one year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (P.E.R.S.), or Teachers' Pension and Annuity Fund (T.P.A.F.) a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm.

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund 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 Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the 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 titles.

Public Employees' Retirement System (P.E.R.S.) - The Public Employees' Retirement System (P.E.R.S.) 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 Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provides for employee contributions of 5.5% of employees' annual compensation, as defined. T.P.A.F. provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S and T.P.A.F. The P.E.R.S. rates in effect for April 2010 are 8.95% of covered payroll, respectively as reported on June 30, 2008. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to P.E.R.S for the years ending June 30, 2010, 2009 and 2008 were \$34,457, \$24,062 and \$19,922 respectively, equal to the required contributions for each year. The School District's contributions to T.P.A.F for the years ending June 30, 2010, 2009 and 2008 were \$112,675, \$110,750 and \$249,128 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7: PENSION FUNDS (CONTINUED)

The Board's total payroll for the year ended June 30, 2010 and 2009 were \$2,126,374, and \$2,112,368, covered payroll was \$1,549,676 and \$1,540,356 for T.P.A.F. and \$436,043 and \$398,430 for P.E.R.S.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

NOTE 8: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating twenty-five years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through T.P.A.F. and P.E.R.S. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed, from a pre-funding basis, to a pay-as-you-go basis, beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with twenty-five years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9: 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 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. The plan administrators are as follows:

Lincoln Investment Planning, Inc.
AFLAC

NOTE 10: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to the total number of vacation days earned per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

School District employees who are employed for ten months are entitled to ten paid sick days per fiscal school year. Employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are also entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for compensated absences in the governmental fund at June 30, 2010 is \$128,383. The liability for compensated absences in the food service fund at June 30, 2010 is \$1,819.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11: RISK MANAGEMENT

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2010, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group – ERIC – South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability
- General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

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 table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	50,867	3,516	19,898	107,588
2008-2009	35,528	3,522	38,810	72,905
2007-2008	28,738	3,579	2,481	42,958

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12: OTHER EMPLOYEE BENEFITS PLAN

Effective January 1, 2000, Oldmans Township School District entered into a pre-tax benefits plan with Flex One. The purpose of the plan is to provide eligible employees with the opportunity to choose from among the fringe benefits under the plan. The plan is intended to qualify as a cafeteria plan under the provisions of Internal Revenue Code Section 125. The Dependent Care Expense Reimbursement Plan is intended to qualify as Internal Revenue Code Section 129 dependent care assistance plan, and the Medical Care Expense Reimbursement Plan it intended to qualify as Internal Revenue Code Section 105 medical reimbursement plan. The maximum amount, which a participant may make as contributions, shall be \$2,000 for medical care expenses and \$5,000 for dependent childcare expenses.

NOTE 13: OPERATING LEASES

The District has a commitment to lease copy machines under non-cancelable operating leases spanning 48 months. The monthly payment is \$712 a month. Total lease payments made during the year ended June 30, 2010 amounted to \$9,037. Future minimum lease payments are as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2011	8,550
2012	8,550
2013	8,550
2014	8,550
	<u>34,200</u>

NOTE 14: FUND BALANCE APPROPRIATED

General Fund – (Exhibit B-1) Of the \$466,256 fund balance at June 30, 2010, \$22,658 is reserved for encumbrances; \$138,839 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$45,109 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$100,000 has been reserved in the maintenance reserve account; \$95,389 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and \$109,370 is unreserved and undesignated.

Debt Service Fund - There was \$28,489 fund balance at June 30, 2010.

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance – Excess surplus is a required calculation pursuant N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$138,839.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16: ECONOMIC DEPENDENCY

The District is heavily reliant on federal and state sources to fund the District operations. Federal and state sources funded approximately 44% of the District's 2009-2010 governmental operations.

NOTE 17: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet at June 30, 2010:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	494	
Unemployment Trust	67,848	
Payroll and Agency Fund		68,342
	<u>68,342</u>	<u>68,342</u>

The General Fund interfund is a result of interest earned during the year. The Unemployment interfund is a result of claims and District's budget being run through the payroll agency account.

NOTE 18: CONTINGENT LIABILITIES

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsels, there exists no litigation or contingent liability that may be pending against the Oldmans Township School District that would have a material or adverse effect on the Board or the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	2,532,249		2,532,249	2,532,249	
Tuition from individuals				2,000	2,000
Transportation fees	25,000		25,000	30,218	5,218
Interest on investments	10,000		10,000	3,787	(6,213)
Miscellaneous				83,756	83,756
Total - local sources	<u>2,567,249</u>		<u>2,567,249</u>	<u>2,652,010</u>	<u>84,761</u>
State sources:					
Equalization aid	1,117,980	(202,853)	915,127	915,127	
Transportation aid	134,515		134,515	134,515	
Special education categorical aid	137,982		137,982	137,982	
Security aid	24,803		24,803	24,803	
Adjustment aid	392,259		392,259	313,827	(78,432)
Extraordinary aid				35,707	35,707
Nonpublic transportation aid				1,550	1,550
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				5,696	5,696
T.P.A.F. post-retirement (on-behalf non-budgeted)				106,979	106,979
Reimbursed T.P.A.F. social security contributions (non-budgeted)				117,609	117,609
Total - state sources	<u>1,807,539</u>	<u>(202,853)</u>	<u>1,604,686</u>	<u>1,793,795</u>	<u>189,109</u>
Federal sources:					
ARRA - ESF		195,293	195,293	195,293	
ARRA - GSF		7,560	7,560	7,560	
Total - federal sources		<u>202,853</u>	<u>202,853</u>	<u>202,853</u>	
Total revenues	<u>4,374,788</u>		<u>4,374,788</u>	<u>4,648,658</u>	<u>273,870</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	172,383	(68,000)	104,383	103,048	1,335
Grades 1-5	595,215	(136,363)	458,852	456,162	2,690
Grades 6-8	323,182	31,000	354,182	350,525	3,657
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000	580	420
Regular programs - undistributed instruction:					
Other salaries for instruction	23,845	(1,537)	22,308	22,271	37
Purchased technical services	9,000		9,000	5,291	3,709
Other purchased services (400-500 series)	31,750	5,400	37,150	35,084	2,066
General supplies	64,888	(9,400)	55,488	46,710	8,778
Textbooks	8,500	7,319	15,819	15,778	41
Total regular programs	1,229,763	(171,581)	1,058,182	1,035,449	22,733
Resource room:					
Salaries of teachers	202,000	58,065	260,065	259,681	384
Other salaries for instruction	19,566	16,289	35,855	35,763	92
General supplies	5,100	(1,500)	3,600	3,541	59
Textbooks	1,000	(800)	200	189	11
Total resource room	227,666	72,054	299,720	299,174	546
Total special education	227,666	72,054	299,720	299,174	546
Basic skills/remedial:					
Salaries of teachers	36,243	25,778	62,021	59,733	2,288
Total basic skills/remedial	36,243	25,778	62,021	59,733	2,288
School sponsored co-curricular activities:					
Salaries	8,450		8,450	8,200	250
Total school sponsored co-curricular activities	8,450		8,450	8,200	250
School sponsored athletics - instruction:					
Salaries	3,400	2,100	5,500	5,472	28
Purchased services (300-500 series)	2,800		2,800	2,116	684
General supplies	500		500	63	437
Total school sponsored athletics - instruction	6,700	2,100	8,800	7,651	1,149
Total other instructional programs	51,393	27,878	79,271	75,584	3,687
Total - instruction	1,508,822	(71,649)	1,437,173	1,410,207	26,966

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state regular	575,229	(70,685)	504,544	504,539	5
Tuition to Other LEA's within state special	226,211	70,680	296,891	296,891	
Tuition to county special services district/ regional day schools	38,563	(16,847)	21,716	21,661	55
Tuition to private schools for the disabled - in state	175,878	36,040	211,918	209,029	2,889
Tuition state facilities	22,771		22,771	22,771	
Total undistributed expenditures - instruction	1,038,652	19,188	1,057,840	1,054,891	2,949
Attendance & social work					
Salaries	14,603		14,603	14,215	388
Total attendance & social work	14,603		14,603	14,215	388
Health services:					
Salaries	66,000	(6,600)	59,400	55,180	4,220
Purchased professional/technical services	3,400		3,400	1,625	1,775
Other purchased services (400-500 series)	100		100		100
Supplies and materials	1,450	600	2,050	1,602	448
Total health services	70,950	(6,000)	64,950	58,407	6,543
Related services:					
Salaries of other professional staff	44,760		44,760	42,522	2,238
General supplies	550		550	520	30
Total related services	45,310		45,310	43,042	2,268
Extraordinary services:					
Purchased professional-education services	20,592		20,592	14,203	6,389
Total extraordinary services	20,592		20,592	14,203	6,389
Guidance services					
Salaries of other professional staff	52,458	(20,000)	32,458	31,220	1,238
Purchased professional-education services		20,000	20,000	20,000	
Total guidance services	52,458		52,458	51,220	1,238
Child study team					
Purchased professional-educational services	3,000	7,000	10,000	5,816	4,184
Total child study team	3,000	7,000	10,000	5,816	4,184

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	86,827		86,827	83,857	2,970
Purchased professional-technical services	1,400		1,400	450	950
Purchased services (400-500 series)	1,400		1,400	1,173	227
Supplies and materials	10,515	(5,135)	5,380	2,551	2,829
Total educational media services/school library	100,142	(5,135)	95,007	88,031	6,976
Instructional staff training:					
Salaries of secretarial and clerical assistants	11,847		11,847	10,837	1,010
Purchased professional-technical services	5,400		5,400		5,400
Purchased services (400-500 series)	1,000		1,000	565	435
Total instructional staff training	18,247		18,247	11,402	6,845
Support services general administration:					
Salaries	63,716	810	64,526	64,522	4
Legal services	3,000		3,000	2,627	373
Audit Fees	17,850	(3,500)	14,350	10,300	4,050
Other purchased professional services	2,300		2,300	1,500	800
Communications/telephone	5,500	(810)	4,690	2,172	2,518
BOE other purchased services	2,000	(500)	1,500	49	1,451
Other purchased services (400-500 series)	13,868	3,500	17,368	17,282	86
Supplies and materials	2,000	1,500	3,500	3,377	123
BOE Member dues/fees	6,500	(1,000)	5,500	4,837	663
Total support services general administration	116,734		116,734	106,666	10,068
Support services school administration:					
Salaries of secretarial and clerical assistants	34,378	1,085	35,463	34,762	701
Supplies and materials	6,100	(1,085)	5,015	4,111	904
Total support services school administration	40,478		40,478	38,873	1,605
Central services:					
Salaries	92,161		92,161	90,604	1,557
Other purchased services (400-500 series)	5,400	(1,150)	4,250	3,849	401
Supplies and materials	1,500	1,000	2,500	2,293	207
Other objects	1,000		1,000	972	28
Total central services	100,061	(150)	99,911	97,718	2,193
Administration information technology:					
Purchased technical services	3,000	150	3,150	3,106	44
Total administration information technology	3,000	150	3,150	3,106	44
Required maintenance:					
Cleaning, repair and maintenance services	60,990	(3,152)	57,838	48,236	9,602
Total required maintenance	60,990	(3,152)	57,838	48,236	9,602

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	115,075		115,075	112,293	2,782
Purchased professional - technical services	18,279	15,000	33,279	9,429	23,850
Cleaning, repair and maintenance services	28,500	(6,000)	22,500	21,997	503
Other purchased property services	1,800		1,800	1,433	367
Insurance	12,000	(2,008)	9,992	9,342	650
Other purchased services (400-500 series)	3,000		3,000	2,327	673
General supplies	9,379	3,008	12,387	10,892	1,495
Energy (heat and electricity)	109,650	5,000	114,650	113,649	1,001
Total other operation & maintenance of plant services	297,683	15,000	312,683	281,362	31,321
Total operation & maintenance of plant services	358,673	11,848	370,521	329,598	40,923
Student transportation services:					
Salaries for pupil transportation - between home and school - regular	48,444	15,300	63,744	61,222	2,522
Salaries for pupil transportation - between home and school - special	5,500	(20)	5,480	4,888	592
Salaries for pupil transportation - other than between home and school	15,435	(8,393)	7,042	6,999	43
Cleaning, repair and maintenance services	25,650	12,500	38,150	37,493	657
Contracted services (other than between home and school) - vendors		1,660	1,660	1,659	1
Contracted services (other than between home and school) - jointures		600	600	594	6
Contracted services (special education students) ESC's and CTSA	123,765	(5,748)	118,017	117,673	344
Aid in lieu	5,484	3,356	8,840	8,810	30
Miscellaneous purchased service - transportation	13,500	945	14,445	13,642	803
Supplies and materials	23,750	4,000	27,750	27,056	694
Total student transportation services	261,528	24,200	285,728	280,036	5,692
Regular programs - instructional - employee benefits					
Social security contributions	11,011	(500)	10,511	4,009	6,502
Other retirement regular	48,090	(13,633)	34,457	34,457	
Unemployment compensation		53,000	53,000	50,867	2,133
Workmen's compensation	13,721	4,000	17,721	17,697	24
Health benefits	297,692	(43,763)	253,929	241,555	12,374
Tuition reimbursement	8,000		8,000	7,742	258
Other employee benefits	20,265	(460)	19,805	18,799	1,006
Total regular programs instructional - employee benefits	398,779	(1,356)	397,423	375,126	22,297
Special programs - instructional - employee benefits					
Social security contributions	4,308		4,308	3,032	1,276
Workmen's compensation	2,217		2,217	2,217	
Health benefits	45,756	18,033	63,789	63,789	
Other employee benefits	4,550	430	4,980	4,980	
Total special programs instructional - employee benefits	56,831	18,463	75,294	74,018	1,276

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance services - employee benefits					
Social security contributions	935		935	935	
Workmen's compensation	105		105	105	
Health benefits	4,858		4,858	4,488	370
Other employee benefits	195	895	1,090	1,090	
Total attendance services - employee benefits	6,093	895	6,988	6,618	370
Health services - employee benefits					
Workmen's compensation	568		568	568	
Health benefits	7,626		7,626	7,482	144
Other employee benefits	1,100	(550)	550	550	
Total health services - employee benefits	9,294	(550)	8,744	8,600	144
Related services - employee benefits					
Workmen's compensation	385		385	385	
Health benefits	19,198		19,198	18,838	360
Other employee benefits	660	(330)	330	330	
Total related services - employee benefits	20,243	(330)	19,913	19,553	360
Educational media services/school library - employee benefits					
Social security contributions	4,300		4,300	4,122	178
Workmen's compensation	2,547		2,547	2,547	
Health benefits	27,820	(9,800)	18,020	17,956	64
Other employee benefits	1,390		1,390	1,390	
Total educational media services/school library - employee benefits	36,057	(9,800)	26,257	26,015	242
Instructional staff training - employee benefits					
Social security contributions	935		935	829	106
Workmen's compensation	105		105	105	
Health benefits	4,858	117	4,975	4,975	
Other employee benefits	195	(15)	180	180	
Total instructional staff training - employee benefits	6,093	102	6,195	6,089	106
Support services general administration - employee benefits					
Social security contributions	456		456	291	165
Workmen's compensation	565		565	565	
Health benefits	12,413		12,413	12,245	168
Other employee benefits	1,620		1,620	1,620	
Total support services general administration - employee benefits	15,054		15,054	14,721	333

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services school administration - employee benefits					
Social security contributions	2,630		2,630	2,629	1
Workmen's compensation	296		296	296	
Health benefits	15,052		15,052	14,600	452
Other employee benefits	560		560	560	
Total support services school administration - employee benefits	18,538		18,538	18,085	453
Central services - employee benefits					
Social security contributions	1,822		1,822	1,734	88
Workmen's compensation	824		824	824	
Health benefits	11,720	1,941	13,661	13,661	
Other employee benefits	2,315		2,315	2,315	
Total central services - employee benefits	16,681	1,941	18,622	18,534	88
Operation and maintenance of plant services - employee benefits					
Social security contributions	8,956		8,956	8,590	366
Workmen's compensation	8,031		8,031	8,031	
Health benefits	24,768	10,653	35,421	35,421	
Other employee benefits	1,800		1,800	1,800	
Total operation and maintenance of plant services - employee benefits	43,555	10,653	54,208	53,842	366
Student transportation services - employee benefits					
Social security contributions	5,116	500	5,616	5,593	23
Workmen's compensation	4,588		4,588	4,588	
Health benefits	12,769		12,769	12,457	312
Other employee benefits	1,150	30	1,180	1,180	
Total student transportation services employee benefits	23,623	530	24,153	23,818	335
Total allocated benefits	650,841	20,548	671,389	645,019	26,370
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				5,696	(5,696)
T.P.A.F. post-retirement (on-behalf non-budgeted)				106,979	(106,979)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				117,609	(117,609)
Total non-budgeted				230,284	(230,284)
Total undistributed expenditures	2,895,269	71,649	2,966,918	3,072,527	(105,609)
Total expenditures - current expense	4,404,091		4,404,091	4,482,734	(78,643)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Operation and maintenance of plant services	11,000		11,000	3,482	7,518
School buses - regular	95,000		95,000	85,409	
Total equipment	106,000		106,000	88,891	7,518
Total capital outlay	106,000		106,000	88,891	7,518
Total expenditures	4,510,091		4,510,091	4,571,625	(71,125)
Excess (deficiency) of revenues over (under) expenditures	(135,303)		135,303	77,033	202,745
Other financing sources (uses):					
Transfer to food service to cover deficit	(20,405)		(20,405)	(15,818)	(4,587)
Total other financing sources (uses)	(20,405)		(20,405)	(15,818)	(4,587)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(155,708)		155,708	61,215	198,158
Fund balances - July 1	582,928		582,928	582,928	
Fund balances - June 30	427,219		738,636	644,143	198,158

Recapitulation:

Reserve for encumbrances	22,658
Reserve for excess surplus - designated for subsequent year's expenditures	45,109
Excess surplus	93,730
Maintenance reserve	100,000
Designated for subsequent year's expenditures	95,389
Unrestricted Fund Balance	287,257
	644,143
Reconciliation to Governmental Fund Statements (G.A.A.P.)	
Last State Aid Payment not recognized on G.A.A.P. Basis	(177,887)
Fund Balance per Governmental Funds (G.A.A.P.)	466,256

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
American Recovery and Reinvestment Act - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources					
ARRA - ESF		195,293	195,293	195,293	
ARRA - GSF		7,560	7,560	7,560	
Total Revenues		<u>202,853</u>	<u>202,853</u>	<u>202,853</u>	
EXPENDITURES:					
Equalization stabilization fund					
Salaries of teachers					
Grades 1-5		48,940	48,940	48,940	
Resource room		54,900	54,900	54,900	
Basic skills		36,268	36,268	36,268	
Other salaries for instruction					
Resource room		19,589	19,589	19,589	
Regular programs - instructional - employee benefits					
Health benefits		20,103	20,103	20,103	
Special programs - instructional - employee benefits					
Health benefits		15,493	15,493	15,493	
Total Instruction		<u>195,293</u>	<u>195,293</u>	<u>195,293</u>	
Government services recovery act					
Salaries of teachers					
Grades 1-5		7,560	7,560	7,560	
Total Support Services		<u>7,560</u>	<u>7,560</u>	<u>7,560</u>	
Total Expenditures		<u>202,853</u>	<u>202,853</u>	<u>202,853</u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	112,775	86,721	199,496	154,294	45,202
Local Sources		500	500	400	100
Total Revenues	<u>112,775</u>	<u>87,221</u>	<u>199,996</u>	<u>154,694</u>	<u>45,302</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers		6,336	6,336	4,637	1,699
Other salaries for instruction	18,537	5,455	23,992	20,072	3,920
General Supplies	2,936	45,340	48,276	25,168	23,108
Total Instruction	<u>21,473</u>	<u>57,131</u>	<u>78,604</u>	<u>49,877</u>	<u>28,727</u>
Support Services:					
Personal Services - Employee Benefits	320	2,619	2,939	795	2,144
Purchased Professional - Educational Services	82,619	(7,738)	74,881	74,881	
Other purchased services (400-500 series)	8,363	309	8,672	1,780	6,892
Total Support Services	<u>91,302</u>	<u>(4,810)</u>	<u>86,492</u>	<u>77,456</u>	<u>9,036</u>
Facilities acquisition and const. services					
Instructional equipment		34,900	34,900	27,361	7,539
Total facilities acquisition and const. services		<u>34,900</u>	<u>34,900</u>	<u>27,361</u>	<u>7,539</u>
Total Expenditures	<u>112,775</u>	<u>87,221</u>	<u>199,996</u>	<u>154,694</u>	<u>45,302</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

OLDMANS TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budget-to-G.A.A.P. Reconciliation
Note to RSI
For the Fiscal Year Ended June 30, 2010

Note A: Explanation of Differences between Budgetary Inflows and Outflows and G.A.A.P. Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] 4,648,658	[C-2] 154,694
Difference - budget to G.A.A.P.		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for budgetary purposes, not recognized for G.A.A.P. statements.	(177,887)	
State aid payment recognized for G.A.A.P. statements in the current year, previously recognized for budgetary purposes.	170,570	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 4,641,341	[B-2] 154,694
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] 4,571,625	[C-2] 154,694
Difference - budget to G.A.A.P.		
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.		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 4,571,625	[B-2] 154,694

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward Ex. E-1a	Rural Education Achievement Program		Atlantic City Electric Mini-Grant	Totals	
		2008-2009	2009-2010		FY 2010	FY 2009
REVENUES:						
Federal sources	137,193	6,336	10,765		154,294	140,388
Local sources				400	400	500
Total revenues	137,193	6,336	10,765	400	154,694	140,888
EXPENDITURES:						
Instruction:						
Salaries of teachers		4,637			4,637	37,667
Other salaries for instruction	20,072				20,072	1,212
Other purchased services (400-500 series)						7,067
General supplies	12,304	1,699	10,765	400	25,168	6,504
Total instruction	32,376	6,336	10,765	400	49,877	52,450
Support services:						
Personal services - employee benefits	795				795	2,882
Purchased professional - educational services	74,881				74,881	74,291
Other purchased services (400-500 series)	1,780				1,780	10,625
Total support services	77,456				77,456	87,798
Facilities acquisition and const. services						
Instructional equipment	27,361				27,361	
Total facilities acquisition and const. services	27,361				27,361	
Total expenditures	137,193	6,336	10,765	400	154,694	140,248

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward Ex. E-1b	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part D Enhancing Education through Technology	Title IV Safe & Drug Free Schools and Communities	Total Carried Forward
REVENUES:						
Federal sources	117,825	17,078	1,281	819	190	137,193
Total revenues	117,825	17,078	1,281	819	190	137,193
EXPENDITURES:						
Instruction:						
Other salaries for instruction	3,520	16,552				20,072
General supplies	11,794			320	190	12,304
Total instruction	15,314	16,552		320	190	32,376
Support services:						
Personal services - employee benefits	269	526				795
Purchased professional - educational services	74,881					74,881
Other purchased services (400-500 series)			1,281	499		1,780
Total support services	75,150	526	1,281	499		77,456
Facilities acquisition and const. services						
Instructional equipment	27,361					27,361
Total facilities acquisition and const. services	27,361					27,361
Total expenditures	117,825	17,078	1,281	819	190	137,193

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	I.D.E.A.-Part B - Basic Reg. Prog.	ARRA I.D.E.A.-Part B - Basic	ARRA Title I Part A	I.D.E.A. Preschool	Total Carried Forward
REVENUES:					
Federal sources	73,620	39,155	3,789	1,261	117,825
Total revenues	<u>73,620</u>	<u>39,155</u>	<u>3,789</u>	<u>1,261</u>	<u>117,825</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction			3,520		3,520
General supplies		11,794			11,794
Total instruction		<u>11,794</u>	<u>3,520</u>		<u>15,314</u>
Support services:					
Personal services - employee benefits			269		269
Purchased professional - educational services	73,620			1,261	74,881
Total support services	<u>73,620</u>		<u>269</u>	<u>1,261</u>	<u>75,150</u>
Facilities acquisition and const. services					
Instructional equipment		27,361			27,361
Total facilities acquisition and const. services		<u>27,361</u>			<u>27,361</u>
Total expenditures	<u>73,620</u>	<u>39,155</u>	<u>3,789</u>	<u>1,261</u>	<u>117,825</u>

PROPRIETARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	10,754	10,137	20,891	17,956
Accounts Receivable:				
State	144		144	136
Federal	2,110		2,110	1,652
Other	3,914		3,914	484
Inventory	5,595		5,595	3,572
Total current assets	<u>22,517</u>	<u>10,137</u>	<u>32,654</u>	<u>23,800</u>
Noncurrent assets:				
Machinery and equipment	146,300	6,600	152,900	154,900
Less: accumulated depreciation	(103,037)	(3,135)	(106,172)	(98,222)
Total noncurrent assets	<u>43,263</u>	<u>3,465</u>	<u>46,728</u>	<u>56,678</u>
Total assets	<u>65,780</u>	<u>13,602</u>	<u>79,382</u>	<u>80,478</u>
LIABILITIES AND FUND EQUITY:				
Current liabilities:				
Accounts payable	1,153	4,765	5,918	79
Deferred revenue:				
Lunches	879		879	905
U.S.D.A. Commodities	3,465		3,465	503
Compensated absences	1,819		1,819	1,774
Total current liabilities	<u>7,316</u>	<u>4,765</u>	<u>12,081</u>	<u>3,261</u>
Fund equity:				
Invested in capital assets, net of related debt	43,263	3,465	46,728	56,678
Unrestricted	15,201	5,372	20,573	20,539
Total net assets	<u>58,464</u>	<u>8,837</u>	<u>67,301</u>	<u>77,217</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	37,829		37,829	33,633
Daily sales non-reimbursable programs	3,526		3,526	9,292
Tuition		16,274	16,274	25,143
Total operating revenue	<u>41,355</u>	<u>16,274</u>	<u>57,629</u>	<u>68,068</u>
OPERATING EXPENSES:				
Salaries	48,138	8,207	56,345	72,424
Employee benefits	3,426	628	4,054	5,097
Supplies and materials	2,544	5,585	8,129	6,917
Purchased professional services				3,635
Depreciation	9,620	330	9,950	9,950
Cost of sales	41,692		41,692	49,323
Total operating expenses	<u>105,420</u>	<u>14,750</u>	<u>120,170</u>	<u>147,346</u>
Operating income (loss)	<u>(64,065)</u>	<u>1,524</u>	<u>(62,541)</u>	<u>(79,278)</u>
NON-OPERATING REVENUES:				
State sources:				
National School Lunch Program - State	1,181		1,181	1,211
School Breakfast Program	478		478	775
Federal sources:				
National School Lunch Program	20,098		20,098	18,328
School Breakfast Program	4,385		4,385	5,605
National Snack Program	217		217	401
Food Distribution Program	10,395		10,395	12,324
Interest revenue	53		53	238
Total non-operating revenues (expenses)	<u>36,807</u>		<u>36,807</u>	<u>38,882</u>
Net income (loss) before transfers	<u>(27,258)</u>	1,524	<u>(25,734)</u>	<u>(40,396)</u>
Board Contribution	15,818		15,818	28,183
Net income (loss)	<u>(11,440)</u>	1,524	<u>(9,916)</u>	<u>(12,213)</u>
Total Net Assets - July 1	<u>69,904</u>	<u>7,313</u>	<u>77,217</u>	<u>89,430</u>
Total Net Assets - June 30	<u>58,464</u>	<u>8,837</u>	<u>67,301</u>	<u>77,217</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2010</u>	<u>FY 2009</u>
Cash flows from operating activities:				
Receipts from customers	40,205	16,274	56,479	67,393
Payments to suppliers	(34,055)	(899)	(34,954)	(47,668)
Payments to employees	(48,092)	(8,207)	(56,299)	(72,128)
Payments for employee benefits	(3,426)	(628)	(4,054)	(5,097)
Net cash provided (used) by operating activities	<u>(45,368)</u>	<u>6,540</u>	<u>(38,828)</u>	<u>(57,500)</u>
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	<u>25,892</u>		<u>25,892</u>	<u>25,928</u>
Net cash provided by non-capital financing activities	<u>25,892</u>		<u>25,892</u>	<u>25,928</u>
Cash flows from investing activities:				
Interest income	53		53	238
Payments to General Fund				(1,396)
Payments to Payroll Agency				(199)
Payments from General Fund	<u>15,818</u>		<u>15,818</u>	<u>28,183</u>
Net cash provided by investing activities	<u>15,871</u>		<u>15,871</u>	<u>26,826</u>
Net increase in cash and cash equivalents	<u>(3,605)</u>	<u>6,540</u>	<u>2,935</u>	<u>(4,746)</u>
Cash and cash equivalents - July 1	<u>14,359</u>	<u>3,597</u>	<u>17,956</u>	<u>22,702</u>
Cash and cash equivalents - June 30	<u><u>10,754</u></u>	<u><u>10,137</u></u>	<u><u>20,891</u></u>	<u><u>17,956</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(64,065)	1,524	(62,541)	(79,278)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	9,620	330	9,950	9,950
Food Distribution Program	10,395		10,395	12,324
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	(3,430)		(3,430)	162
(Increase) decrease in inventory	(2,023)		(2,023)	(196)
Increase (decrease) in accounts payable	1,153	4,686	5,839	79
Increase (decrease) in deferred revenue	2,936		2,936	(837)
Increase (decrease) in compensated absences	46		46	296
	<u>(45,368)</u>	<u>6,540</u>	<u>(38,828)</u>	<u>(57,500)</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2010</u>	<u>FY 2009</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	1,810		1,810	4,290
Total assets	1,810		1,810	4,290
NET ASSETS				
Unrestricted	1,810		1,810	4,290
Total net assets	1,810		1,810	4,290

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2010</u>	<u>FY 2009</u>
OPERATING REVENUES:				
Local sources:				
Other charges and fees	59,900	42,000	101,900	95,152
Total operating revenue	59,900	42,000	101,900	95,152
OPERATING EXPENSES:				
Salaries	51,010	26,418	77,428	73,842
Employee Benefits	10,191	16,761	26,952	29,021
Total operating expenses	61,201	43,179	104,380	102,863
Operating income (loss)	(1,301)	(1,179)	(2,480)	(7,711)
Total Net Assets - July 1	3,111	1,179	4,290	12,001
Total Net Assets - June 30	1,810		1,810	4,290

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2010

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2010</u>	<u>FY 2009</u>
Cash flows from operating activities:				
Receipts from customers	59,900	42,000	101,900	95,152
Payments to employees	(51,010)	(26,418)	(77,428)	(73,842)
Payments for employee benefits	(10,191)	(16,761)	(26,952)	(29,021)
Net cash provided (used) by operating activities	(1,301)	(1,179)	(2,480)	(7,711)
Net increase in cash and cash equivalents	(1,301)	(1,179)	(2,480)	(7,711)
Cash and cash equivalents - July 1	3,111	1,179	4,290	12,001
Cash and cash equivalents - June 30	1,810		1,810	4,290
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(1,301)	(1,179)	(2,480)	(7,711)
	(1,301)	(1,179)	(2,480)	(7,711)

FIDUCIARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2010

	Unemployment Trust Fund	Agency Funds	Totals	
			FY 2010	FY 2009
ASSETS:				
Cash and cash equivalents	39,740	106,965	146,705	119,804
Intrafund receivable:				
Agency	67,848		67,848	33,363
Total assets	<u>107,588</u>	<u>106,965</u>	<u>214,553</u>	<u>153,167</u>
LIABILITIES:				
Payroll deductions and withholdings		22,927	22,927	24,977
Due to student groups		15,696	15,696	13,529
Intrafund payable:				
Unemployment Trust		67,848	67,848	33,363
Interfund payables:				
General Fund		494	494	8,393
Total liabilities		<u>106,965</u>	<u>106,965</u>	<u>80,262</u>
NET ASSETS:				
Unreserved	<u>107,588</u>		<u>107,588</u>	<u>72,905</u>
Total net assets	<u><u>107,588</u></u>		<u><u>107,588</u></u>	<u><u>72,905</u></u>

EXHIBIT H-2

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2010

	Unemployment Trust Fund	Totals	
		FY 2010	FY 2009
ADDITIONS:			
Contributions:			
General Fund budget	50,867	50,867	35,528
Employee payroll deductions	3,516	3,516	3,522
Total contributions	<u>54,383</u>	<u>54,383</u>	<u>39,050</u>
Investment earnings:			
Interest	198	198	263
Total investment earnings	<u>198</u>	<u>198</u>	<u>263</u>
Total additions	<u>54,581</u>	<u>54,581</u>	<u>39,313</u>
DEDUCTIONS:			
Unemployment Claims	19,898	19,898	38,810
Change in Net Assets	<u>34,683</u>	<u>34,683</u>	<u>503</u>
Net Assets - Beginning of year	<u>72,905</u>	<u>72,905</u>	<u>72,402</u>
Net Assets - End of year	<u><u>107,588</u></u>	<u><u>107,588</u></u>	<u><u>72,905</u></u>

EXHIBIT H-3

OLDMANS TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
ACTIVITIES:				
Oldmans School	13,529	32,336	30,169	15,696
	<u>13,529</u>	<u>32,336</u>	<u>30,169</u>	<u>15,696</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	66,733	2,821,960	2,797,424	91,269
Total assets	<u>66,733</u>	<u>2,821,960</u>	<u>2,797,424</u>	<u>91,269</u>
LIABILITIES:				
Employees' net pay		1,207,628	1,207,628	
Payroll deductions and withholdings	24,977	1,559,621	1,561,671	22,927
Intrafund payable:				
Unemployment Trust	33,363	54,383	19,898	67,848
Interfund payable				
General Fund	8,393	328	8,227	494
Total liabilities	<u>66,733</u>	<u>2,821,960</u>	<u>2,797,424</u>	<u>91,269</u>

LONG-TERM DEBT

OLDMANS TOWNSHIP SCHOOL DISTRICT
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Refunded/ Issued</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>					
Various Renovations and the Construction of an Addition Equipment and Furniture Necessary for Such Additions and Renovations	2/15/2000	2,961,000	02/15/11	150,000	5.625%				
			02/15/12	155,000	5.625%				
			02/15/13	160,000	5.625%				
			02/15/14	165,000	5.650%				
			02/15/15	170,000	5.650%				
			02/15/16	175,000	5.650%				
			02/15/17	180,000	5.700%				
			02/15/18	185,000	5.750%				
			02/15/19	196,000	5.750%				
			02/15/20	200,000	5.750%	1,881,000		1,881,000	
Refunding School Bonds, Series 2009	12/15/2009	1,725,000	02/15/11	160,000	3.000%				
			02/15/12	160,000	3.000%				
			02/15/13	165,000	4.000%				
			02/15/14	165,000	4.000%				
			02/15/15	170,000	4.000%				
			02/15/16	170,000	4.000%				
			02/15/17	175,000	4.000%				
			02/15/18	175,000	4.000%				
			02/15/19	180,000	5.000%				
			02/15/20	185,000	5.000%				
						1,725,000	20,000	1,705,000	
					<u>1,881,000</u>	<u>1,725,000</u>	<u>1,901,000</u>	<u>1,705,000</u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	168,992		168,992	168,992	
Miscellaneous				10,291	(10,291)
State sources:					
Debt service aid type II	<u>77,853</u>		<u>77,853</u>	<u>77,853</u>	
Total revenues	<u>246,845</u>		<u>246,845</u>	<u>257,136</u>	<u>(10,291)</u>
EXPENDITURES:					
Regular debt service:					
Interest	106,795	(20,000)	86,795	69,017	17,778
Redemption of principal	<u>145,000</u>	<u>20,000</u>	<u>165,000</u>	<u>165,000</u>	
Total regular debt service	<u>251,795</u>		<u>251,795</u>	<u>234,017</u>	<u>17,778</u>
Total expenditures	<u>251,795</u>		<u>251,795</u>	<u>234,017</u>	<u>17,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,950)</u>		<u>(4,950)</u>	<u>23,119</u>	<u>7,487</u>
Net changes in fund balance	<u>(4,950)</u>		<u>(4,950)</u>	<u>23,119</u>	<u>7,487</u>
Fund balance - July 1	<u>5,370</u>		<u>5,370</u>	<u>5,370</u>	
Fund balance - June 30	<u>420</u>		<u>420</u>	<u>28,489</u>	<u>7,487</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted fund balance	<u>4,950</u>		<u>4,950</u>	<u>(23,119)</u>	<u>(7,487)</u>

STATISTICAL SECTION
(UNAUDITED)

**OLDMANS TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

<u>Contents</u>	<u>Page</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.	89-96
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	97-100
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.	101-104
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.	105-106
Operating Information These schedules contain service and infrasture 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.	107-111

OLDMANS TOWNSHIP SCHOOL DISTRICT
Net Assets By Component
Last Seven Fiscal Years
For the Fiscal Year Ended June 30, 2010
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities							
Invested in capital assets, net of related debt	3,036,808	3,027,311	2,903,670	2,912,756	2,852,157	3,044,184	3,209,371
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717
Unrestricted	(29,326)	(27,432)	(6,961)	76,099	211,077	28,780	5,455
Total governmental activities net assets	<u>3,149,732</u>	<u>3,098,768</u>	<u>3,107,684</u>	<u>3,179,145</u>	<u>3,162,903</u>	<u>3,341,443</u>	<u>3,577,543</u>
Business-type activities							
Invested in capital assets, net of related debt	124,628	113,132	86,528	76,578	66,628	56,678	46,728
Unrestricted	5,683	2,456	12,569	17,268	22,802	20,539	20,573
Total business-type activities net assets	<u>130,310</u>	<u>115,587</u>	<u>99,097</u>	<u>93,846</u>	<u>89,430</u>	<u>77,217</u>	<u>67,301</u>
District-wide							
Invested in capital assets, net of related debt	3,161,436	3,140,443	2,990,198	2,989,334	2,918,786	3,100,862	3,256,099
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717
Unrestricted	(23,643)	(24,977)	5,608	93,367	233,879	49,319	26,028
	<u>3,280,042</u>	<u>3,214,356</u>	<u>3,206,781</u>	<u>3,272,991</u>	<u>3,252,333</u>	<u>3,418,660</u>	<u>3,644,844</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets
Last Seven Fiscal Years
For the Fiscal Year Ended June 30, 2010
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses							
Governmental activities							
Instruction							
Regular	1,081,223	1,190,837	1,231,719	1,272,280	1,285,847	1,211,994	1,042,066
Special education	222,129	232,872	218,152	234,869	256,001	283,455	348,201
Other special education	45,766	52,348	41,807	32,854	29,018	32,026	59,733
Other instruction	6,496	11,214	10,564	10,660	9,926	12,433	15,851
Support Services							
Tuition	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891
Student and instruction and related services	185,224	239,049	290,133	276,235	278,249	304,057	364,138
School administrative services	52,244	156,809	32,217	42,953	58,461	41,116	39,423
General administration				120,150	104,775	116,552	108,446
Central services				184,900	188,333	159,339	159,199
Administrative information technology	174,060	185,695	261,331			4,000	3,106
Plant operations and maintenance	260,888	266,534	283,846	294,448	304,163	364,242	353,448
Pupil transportation	146,941	167,165	181,754	197,100	196,908	260,379	296,860
Employee benefits		664,567	739,636	841,614	900,862	818,873	876,098
Unallocated benefits	713,542						
Interest on long-term debt	144,721	141,404	132,981	126,814	119,416	113,049	122,117
Capital outlay						2,154	27,361
Unallocated depreciation	128,624	128,624	130,268	158,088	192,782	134,808	127,377
Disposal of capital assets				3,300	1,484		
Amortization of debt issuance costs	1,332	1,332	1,332	1,332	1,332		
Total Governmental activities expenses	<u>4,260,224</u>	<u>4,399,247</u>	<u>4,481,817</u>	<u>5,011,467</u>	<u>5,212,585</u>	<u>4,925,242</u>	<u>4,998,315</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets
Last Seven Fiscal Years
For the Fiscal Year Ended June 30, 2010
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business-type activities:							
Food service	12,088	110,777	109,379	116,511	119,301	118,909	105,420
Childcare	373	27,002	24,992	24,221	27,959	28,437	14,750
Total Business-type activities expense	<u>12,461</u>	<u>137,779</u>	<u>134,371</u>	<u>140,732</u>	<u>147,260</u>	<u>147,346</u>	<u>120,170</u>
Total District expenses	<u>4,272,685</u>	<u>4,537,026</u>	<u>4,616,188</u>	<u>5,152,199</u>	<u>5,359,845</u>	<u>5,072,588</u>	<u>5,118,485</u>
Program revenues							
Governmental activities							
Charges for services:							
Pupil Transportation, Shared Services	24,769	22,835	40,799	117,457	107,984	95,152	101,900
Operating Grants and Contributions	141,203	137,281	121,036	172,091	136,504	140,888	154,694
Total Governmental activities program revenues	<u>165,972</u>	<u>160,116</u>	<u>161,835</u>	<u>289,548</u>	<u>244,488</u>	<u>236,040</u>	<u>256,594</u>
Business-type activities:							
Charges for services:							
Food service	47,983	50,949	49,697	47,976	46,988	42,925	41,355
Childcare	31,528	28,934	22,323	24,893	30,657	25,143	16,274
Operating grants and contributions	37,831	34,115	33,258	39,059	39,068	38,644	36,754
Total Business-type activities program revenues	<u>117,341</u>	<u>113,998</u>	<u>105,278</u>	<u>111,928</u>	<u>116,712</u>	<u>106,712</u>	<u>94,383</u>
Total District program revenue	<u>283,313</u>	<u>274,114</u>	<u>267,113</u>	<u>401,476</u>	<u>361,200</u>	<u>342,752</u>	<u>350,977</u>
Net (expense) revenue							
Governmental activities	(4,094,252)	(4,239,131)	(4,319,982)	(4,721,920)	(4,968,097)	(4,689,202)	(4,741,721)
Business-type activities	104,880	(23,781)	(29,093)	(28,804)	(30,548)	(40,634)	(25,787)
Total District-wide net expense	<u>(3,989,372)</u>	<u>(4,262,912)</u>	<u>(4,349,075)</u>	<u>(4,750,724)</u>	<u>(4,998,645)</u>	<u>(4,729,836)</u>	<u>(4,767,508)</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets
Last Seven Fiscal Years
For the Fiscal Year Ended June 30, 2010
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General revenues and other changes in net assets							
Governmental activities							
Property taxes levied for government purposes	2,230,597	2,106,674	2,383,444	2,569,891	2,602,464	2,634,769	2,532,249
Taxes levied for debt service	162,719	178,959	177,709	174,541	175,918	171,351	168,992
Unrestricted grants and contributions	1,797,993	1,861,020	1,903,264	2,020,170	2,140,962	2,046,255	2,067,184
Tuition charges							2,000
Transportation charges						20,204	30,218
Investment earnings						9,992	3,787
Miscellaneous income	11,121	50,014	30,436	51,821	58,004	15,216	94,047
Loss on disposal of assets						(1,862)	(15,505)
Premium on issuance of refunding bonds							110,667
Transfers	(12,500)	(8,500)	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)
Total Governmental activities	<u>4,189,930</u>	<u>4,188,167</u>	<u>4,465,853</u>	<u>4,793,380</u>	<u>4,951,856</u>	<u>4,867,742</u>	<u>4,977,821</u>
Business-type activities							
Miscellaneous Income		558	257	511	639	238	53
Transfers	12,500	8,500	29,000	23,042	25,492	28,183	15,818
Total Business-type activities	<u>12,500</u>	<u>9,058</u>	<u>29,257</u>	<u>23,553</u>	<u>26,132</u>	<u>28,421</u>	<u>15,871</u>
Total District-wide	<u><u>4,202,430</u></u>	<u><u>4,197,225</u></u>	<u><u>4,495,110</u></u>	<u><u>4,816,933</u></u>	<u><u>4,977,987</u></u>	<u><u>4,896,163</u></u>	<u><u>4,993,692</u></u>
Change in net assets							
Governmental activities	95,678	(50,964)	145,871	71,461	(16,241)	178,540	236,100
Business-type activities	117,380	(14,723)	163	(5,251)	(4,416)	(12,213)	(9,916)
Total District	<u><u>213,058</u></u>	<u><u>(65,687)</u></u>	<u><u>146,034</u></u>	<u><u>66,210</u></u>	<u><u>(20,658)</u></u>	<u><u>166,327</u></u>	<u><u>226,184</u></u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Seven Fiscal Years
For the Fiscal Year Ended June 30, 2010
Unaudited

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund							
Reserved	22,926	72,790	164,871	127,531	121,141	300,817	356,886
Unreserved	99,511	57,926	94,077	183,386	316,849	111,541	109,370
Total General Fund	<u>122,437</u>	<u>130,717</u>	<u>258,948</u>	<u>310,918</u>	<u>437,990</u>	<u>412,358</u>	<u>466,256</u>
All other governmental funds							
Reserved	53,674						
Unreserved, reported in:							
Special Revenue Fund		(2)					
Capital Projects Fund	70,842	93,690	88,127	88,127			
Debt Service Fund	5,619	5,201	6,556	6,379	9,527	5,370	28,489
Total all other governmental funds	<u>130,135</u>	<u>98,889</u>	<u>94,683</u>	<u>94,506</u>	<u>9,527</u>	<u>5,370</u>	<u>28,489</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax Levy	1,797,430	1,995,698	2,029,845	2,393,316	2,285,633	2,561,153	2,744,432	2,778,382	2,806,120	2,701,241
Tuition charges	19,646	4,000		24,769	22,835	25,799	19,157	19,892		2,000
Transportation charges	6,536	10,037	34,307						20,204	30,218
Interest earnings	47,059	43,010	5,003	3,252	4,289	19,875	29,671	31,317	9,992	3,787
Miscellaneous	36,732	4,978	13,909	7,869	15,825	10,561	22,150	24,779	15,716	94,447
State sources	1,758,686	1,645,032	1,743,381	1,806,583	1,872,119	1,909,874	2,024,895	2,145,747	2,046,255	1,864,331
Federal sources	99,626	111,492	134,991	132,613	126,182	114,426	167,366	131,719	140,388	357,147
Total revenue	<u>3,765,715</u>	<u>3,814,247</u>	<u>3,961,436</u>	<u>4,368,402</u>	<u>4,326,883</u>	<u>4,641,688</u>	<u>5,007,670</u>	<u>5,131,836</u>	<u>5,038,675</u>	<u>5,053,171</u>
Expenditures										
Instruction:										
Regular	935,117	937,266	969,055	1,111,150	1,136,146	1,228,319	1,272,280	1,285,847	1,198,004	1,035,449
Special	246,811	230,669	259,387	222,129	232,872	218,152	234,869	256,001	281,312	349,051
Other	32,440	38,783	25,099	45,766	52,348	41,807	32,854	29,018	32,026	59,733
School Sponsored/Other Instructional	5,364	4,566	5,399	6,496	11,214	10,564	10,660	9,926	12,433	15,851
Community Service		1,500	1,691							
Undistributed:										
Tuition	869,126	1,023,281	1,129,830	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891
Student & Instruction Related Services	244,946	237,735	248,843	261,925	239,049	290,133	276,235	278,249	300,526	362,997
General Administration	154,259	170,253	171,184	169,562	285,022	245,447	120,150	104,775	114,138	106,666
School Administration	57,228	50,119	51,638	52,243	52,984	32,217	42,953	58,461	40,412	38,873
Central Services							96,603	92,232	95,433	97,718
Administration Information Technology							4,098	4,000	4,000	3,106
Allowable Maintenance for School Facilities	65,284	64,652	35,211	34,812	21,300	33,812	31,297	38,700	66,182	48,236
Operations and Maintenance of Plant Services	117,114	183,087	223,936	225,263	244,421	249,474	263,151	265,463	265,683	281,362
Student Transportation	115,570	109,439	127,913	134,950	130,405	149,756	197,100	196,908	239,954	280,036
Business and Other Support Services	102,306	102,922	105,878							
On-Behalf TPAF Pension Contributions	34,214		44,800	75,259	90,326	124,010	234,791	249,128	110,750	112,675
Reimbursed TPAF Soc. Sec. Contributions	94,907	97,145	102,365	112,037	112,676	118,006	119,588	125,611	117,856	117,609
Employee Benefits	348,164	362,347	342,950	526,246	461,564	487,066	480,986	527,639	590,267	645,814
Capital Outlay	429,590	154,896	24,806	96,882	77,107	72,403	41,807		249,870	116,252
Debt Service Expenditures										
Principal	100,000	105,000	110,000	115,000	120,000	125,000	130,000	135,000	140,000	165,000
Interest	162,578	161,169	155,394	149,344	143,019	136,419	129,544	122,264	114,670	69,017
Total Expenditures	<u>4,115,018</u>	<u>4,034,829</u>	<u>4,135,379</u>	<u>4,436,096</u>	<u>4,371,249</u>	<u>4,488,663</u>	<u>4,932,835</u>	<u>5,064,250</u>	<u>5,040,281</u>	<u>4,960,336</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Excess (Deficiency of revenues over (under) expenditures	(349,303)	(220,582)	(173,943)	(67,694)	(44,366)	153,025	74,835	67,587	(1,606)	92,835
Other financing sources (uses)										
Sale of capital assets					29,900					
Transfers out	(20,000)	(14,000)	(14,000)	(12,500)	(8,500)	(29,000)	(23,042)	(145,617)	(28,183)	(15,818)
Transfers in								120,125		
Total other financing sources (uses)	(20,000)	(14,000)	(14,000)	(12,500)	21,400	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)
Net change in fund balance	<u>(369,303)</u>	<u>(234,582)</u>	<u>(187,943)</u>	<u>(80,194)</u>	<u>(22,966)</u>	<u>124,025</u>	<u>51,792</u>	<u>42,094</u>	<u>(29,789)</u>	<u>77,017</u>
Debt service as a percentage of noncapital expenditures	7.12%	6.86%	6.46%	6.09%	6.13%	5.92%	5.31%	5.08%	5.32%	4.83%

Source: District records.

OLDMANS TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Prior year Refunds	Miscellaneous	Sale of Equipment	Forfeiture of 125 Plan Exp.	Annual Totals
2001	35,442	1,290			36,732
2002	4,021	957			4,978
2003	10,148	3,761			13,909
2004	2,988	2,881	2,000		7,869
2005	5,631			7,876	13,507
2006	10,032	530			10,561
2007	7,172	10,401			17,573
2008	18,137	1,691			19,828
2009	1,749	149	13,318		15,216
2010	73,355	1,125		9,276	83,756
	<u>168,674</u>	<u>22,784</u>	<u>15,318</u>	<u>17,152</u>	<u>223,929</u>

Source: District records.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2001	3,384,300	50,677,550	10,122,300	2,980,850	5,979,700	34,569,670	0	107,714,370	21,515,400	532,696	108,247,066	132,861,227	1.7500
2002	3,148,300	51,709,350	10,039,300	3,143,250	5,984,700	34,752,670	0	108,777,570	22,155,900	512,070	109,289,640	136,954,436	1.8400
2003	3,031,900	52,058,100	10,149,700	3,159,650	6,010,600	35,125,870	0	109,535,820	22,157,900	553,049	110,088,869	134,641,054	2.0100
2004	2,995,200	52,106,700	10,178,900	3,179,070	6,010,600	35,125,870	0	109,596,340	22,857,900	475,710	110,072,050	145,018,150	2.1200
2005	2,976,000	52,674,200	10,581,500	3,175,570	6,020,500	35,155,870	0	110,583,640	22,778,300	411,821	110,995,461	159,283,727	2.1800
2006	2,930,200	53,538,700	11,237,200	3,174,170	5,334,600	35,155,870	0	111,370,740	22,778,300	357,955	111,728,695	165,991,547	2.3700
2007	3,506,700	53,707,900	10,864,800	3,164,670	5,218,400	35,137,370	0	111,599,840	22,778,300	363,147	111,962,987	166,934,527	2.4660
2008	4,577,310	54,299,400	10,813,600	3,032,070	6,695,000	35,137,370	0	114,554,750	27,958,100	339,607	114,894,357	195,809,144	2.4310
2009	10,909,200	106,258,000	22,848,700	3,337,600	12,187,000	63,519,400	0	219,059,900	63,927,700	637,641	219,697,541	200,598,845	1.2530
2010	13,201,000	106,720,400	22,707,200	3,298,000	12,155,400	52,830,100	0	210,912,100	74,210,700	718,240	211,630,340	n/a	1.2650

Source: Salem County Board of Taxation - Abstract of Ratables.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
				Township of Oldmans	Salem County	
2001	1.580	0.170	1.750	0.120	1.180	3.050
2002	1.680	0.160	1.840	0.120	1.260	3.220
2003	1.850	0.160	2.010	0.120	1.210	3.340
2004	1.960	0.160	2.120	0.120	1.310	3.550
2005	2.020	0.160	2.180	0.140	1.450	3.770
2006	2.210	0.160	2.370	0.150	1.470	3.990
2007	2.309	0.157	2.466	0.200	1.410	4.076
2008	2.277	0.154	2.431	0.230	1.580	4.241
2009	1.176	0.077	1.253	0.140	0.811	2.204
2010	1.186	0.079	1.265	0.140	0.808	2.213

Source: Salem County Board of Taxation - Abstract of Ratables.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2010		2001	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Polyone	30,500,000	14.41%	16,106,900	14.74%
Oxy Vinyls	7,000,000	3.31%	5,513,100	5.04%
Pedricktown Cogen	5,000,000	2.36%	5,890,000	5.39%
Sun Refining & Marketing Company	4,226,000	2.00%	2,665,470	2.44%
Lubrizol Advanced Materials (Formerly Noveon, Inc.)	5,100,000	2.41%		
PMD Group, Inc.			3,000,000	2.74%
Branchville Road, LLC.	2,090,800	0.99%		
BOC Group Inc.	1,950,000	0.92%	980,600	0.90%
Perkintown Road Associates	1,940,700	0.92%		
J.E. Berkowitz	1,567,300	0.74%		
Garden State Freezers	1,497,300	0.71%		
Exit 7 Realty Corp.			1,229,000	1.12%
Air Reduction Co., Inc.			590,200	0.54%
NJ Bell Atlantic Room 3137			512,070	0.47%
Taxpayer #1			380,100	0.35%
	<u>60,872,100</u>	<u>28.76%</u>	<u>36,867,440</u>	<u>33.73%</u>

Source: Municipal Tax Assessor.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year</u>		Collections in Subsequent Year
		Amount	Percent of Levy	
2001	1,797,430	1,797,430	100.00%	-
2002	1,995,698	1,995,698	100.00%	-
2003	2,029,845	2,029,845	100.00%	-
2004	2,393,316	2,393,316	100.00%	-
2005	2,285,633	2,285,633	100.00%	-
2006	2,561,153	2,561,153	100.00%	-
2007	2,744,432	2,744,432	100.00%	-
2008	2,778,382	2,778,382	100.00%	-
2009	2,806,120	2,806,120	100.00%	-
2010	2,701,241	2,701,241	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form).

OLDMANS TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Governmental Activities				Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases	Bond Anticipation Notes	Activities Capital Leases		
2001	2,861,000					2,861,000	5.45%
2002	2,756,000					2,756,000	5.07%
2003	2,646,000					2,646,000	4.73%
2004	2,531,000					2,531,000	4.29%
2005	2,411,000					2,411,000	4.01%
2006	2,286,000					2,286,000	3.60%
2007	2,156,000					2,156,000	3.29%
2008	2,021,000					2,021,000	2.94%
2009	1,881,000					1,881,000	N/A
2010	1,705,000					1,705,000	N/A

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

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

N/A information not available at the completion of the C.A.F.R.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2001	2,861,000		2,861,000	2.66%	1,595
2002	2,756,000		2,756,000	2.53%	1,531
2003	2,646,000		2,646,000	2.42%	1,477
2004	2,531,000		2,531,000	2.31%	1,407
2005	2,411,000		2,411,000	2.18%	1,334
2006	2,286,000		2,286,000	2.05%	1,265
2007	2,156,000		2,156,000	1.93%	1,196
2008	2,021,000		2,021,000	1.76%	1,121
2009	1,881,000		1,881,000	0.86%	1,040
2010	1,705,000		1,705,000	0.81%	N/A

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

N/A information not available at the completion of the C.A.F.R.

See J-6 for property tax data.

Population data can be found in J-14.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2009
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Township of Oldmans	30,000	100.00%	30,000
Salem County General Obligation Debt	36,858,500	3.46%	1,277,131
Subtotal, overlapping debt			1,307,131
Oldmans Township School District			1,705,000
Total direct and overlapping debt			<u>3,012,131</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Salem County Board of Taxation. Debt outstanding provided by each government unit.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

	Year		Equalized Valuation Basis							
	2009		\$216,419,581							
	2008		\$196,559,283							
	2007		\$188,928,119							
			<u>\$601,906,983</u>							
	Average equalized valuation of taxable property		200,635,661							
	Debt limit (3% of average equalized value)		6,019,070							
	Total net debt applicable to limit		<u>1,705,000</u>							
	Legal debt margin		<u>4,314,070</u>							
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	3,982,108	3,938,084	3,958,344	4,094,543	4,303,942	4,617,479	4,848,582	5,178,661	5,515,389	6,019,070
Municipal borrowing capacity utilized										
Total net debt applicable to limit	<u>2,861,000</u>	<u>2,756,000</u>	<u>2,646,000</u>	<u>2,531,000</u>	<u>2,411,000</u>	<u>2,286,000</u>	<u>2,156,000</u>	<u>2,021,000</u>	<u>1,881,000</u>	<u>1,705,000</u>
Legal debt margin	<u>1,121,108</u>	<u>1,182,084</u>	<u>1,312,344</u>	<u>1,563,543</u>	<u>1,892,942</u>	<u>2,331,479</u>	<u>2,692,582</u>	<u>3,157,661</u>	<u>3,634,389</u>	<u>4,314,070</u>
Total net debt applicable to the limit as a percentage of debt limit	71.85%	69.98%	66.85%	61.81%	56.02%	49.51%	44.47%	39.03%	34.10%	28.33%

OLDMANS TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	1,794	52,460,148	29,242	3.10%
2002	1,800	54,306,000	30,170	4.90%
2003	1,791	55,993,824	31,264	4.90%
2004	1,799	59,012,597	32,803	3.90%
2005	1,807	60,124,311	33,273	4.30%
2006	1,807	63,479,910	35,130	4.40%
2007	1,802	65,594,602	36,401	4.40%
2008	1,803	68,699,709	38,103	5.60%
2009	1,808	n/a	n/a	9.60%
2010	n/a	n/a	n/a	n/a

Source: Population information and unemployment information provided by the N.J. Department of Labor and Workforce Development.
Per capit income by municipality based upon information published by the U.S. Bureau of Economic Analysis.

n/a information not available at the completion of the C.A.F.R.

OLDMANS TOWNSHIP SCHOOL DISTRICT

Principal Employers
Current and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
J.E. Berkowitz	275	28.12%		
Goya	100	10.22%		
Polyone	91	9.30%		
Walt's Bus Service	115	11.76%		
Oldmans Township	N/A			
Oldmans Township School	59	6.03%		
Mullica Hill Cold Storage	50	5.11%		
Lubrizol	41	4.19%		
Lacy's Express	35	3.58%		
Oxyvinyls	31	3.17%		
Unico	20	2.04%		
Ferrell's Oil Service	2	0.20%		
	<u>819</u>	<u>83.74%</u>	<u>N/A</u>	<u>0.00%</u>

Source: Salem County Economic Development Office and responses to School District survey.

N/A Not available

OLDMANS TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction										
Regular	19	19	19	19	19	19	20	19	18	17
Special	3	3	4	4	3	4	4	3	3	3
Other special education	1	1	1	1	1	1	1	1	1	1
Other instruction	1	1	1		13	4	4	5	5	5
Support services:										
Student & instruction related services				5	4	4	4	4	4	4
General administration				2	2	2	2	2	2	2
School administration				1	1	1	1	1	1	1
Business administrative services				2	2	2	3	3	3	3
Plants operations and maintenance				3	3	3	3	3	3	3
Pupil transportation				5	5	5	5	5	5	5
Food Service	3	3	3	4	4	4	4	4	4	4
Childcare				6	6	6	6	6	6	6
Total	<u>27</u>	<u>27</u>	<u>28</u>	<u>52</u>	<u>63</u>	<u>55</u>	<u>57</u>	<u>56</u>	<u>55</u>	<u>54</u>

Source: District personnel records.

N/A Not available

OLDMANS TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (A.D.E.)	Average Daily Attendance (A.D.A.)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle				
2001	215	3,422,850	15,920	5.69%	26	14.0	17.0	214.8	205.5	-0.60%	95.67%
2002	216	3,613,764	16,730	5.09%	26	18.0		216.0	205.1	0.56%	94.95%
2003	200	3,845,179	19,226	14.92%	25	18.0		196.0	189.0	-9.26%	96.43%
2004	235	4,074,870	17,340	-9.81%	24	18.0		224.4	217.7	14.49%	97.01%
2005	255	4,031,123	15,808	-8.83%	24	17.7		245.6	232.9	9.45%	94.83%
2006	244	4,154,841	17,028	7.72%	26	17.7		237.2	225.5	-3.42%	95.07%
2007	219	4,631,485	21,148	24.20%	25	17.5		222.3	211.5	-6.28%	95.14%
2008	209	4,806,986	23,000	8.76%	23	13.9		209.3	206.5	-5.85%	98.66%
2009	203	4,535,741	22,344	-2.85%	22	16.5		197.5	187.6	-5.64%	94.99%
2010	185	4,610,067	24,919	11.53%	21	16.1		177.2	168.9	-10.28%	95.32%

Source: District records.

Note: Enrollment based on annual October district count.
Teaching staff information from Report of Certificated Staff

N/A Not available

OLDMANS TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Elementary</u>										
Pedricktown Elementary School										
Capacity (students)										
Enrollment										
Square feet	15,000									
<u>Elementary/Middle School</u>										
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	215	216	200	235	255	244	219	219	203	177
Square feet	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000

Source: District records per Long Range Facilities Plan.

Number of Schools at June 30, 2010
 Elementary/Middle (K-8) = 1

OLDMANS TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance Expenditures by School Facility
For the Fiscal Year Ended June 30, 2010

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

* School Facilities	Gross Square Footage	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Oldmans Middle School	56,000	51,075	35,211	34,812	21,300	33,812	20,306	38,700	66,182	48,236	349,635
Pedricktown Elementary School	15,000	13,577									13,577
		<u>64,652</u>	<u>35,211</u>	<u>34,812</u>	<u>21,300</u>	<u>33,812</u>	<u>20,306</u>	<u>38,700</u>	<u>66,182</u>	<u>48,236</u>	<u>363,212</u>

* School facilities as defined under E.F.C.A.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2010
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Way Insurance		
Property - blanket buildings & contents	8,035,128	500
Commercial General Liability	2,000,000	
Commercial Automobile Liability	1,000,000	250 Comp. 500 Collision
Abuse/Molestation	1,000,000/	2,000,000 Aggregate
Business Computers Media - Selective Way Insurance		
Equipment: Building #1	120,000	500
Building #2	100,000	500
Media: Building #1	35,000	250
Boiler and Machinery - Selective Insurance		
Comprehensive Coverage	Included in School Package Policy	
School Boards Liability - N.J. School Boards Association		
School Leaders Errors & Omissions Liability Policy Declarations - NJ School Boards Assoc. Insurance Group Policy #E853AA, Term 7-1-09 to 7-1-10		
Coverage A Limit of Liability	1,000,000	15,000
Coverage B Limit of Liability	300,000	15,000
Workers' Comp. and Employers' Liability Declarations - NJ School Boards Assoc. Insurance Group Policy # W853ZAA, Term 7-1-09 to 7-1-10		
Bodily Injury by Accident	2,000,000	
Bodily Injury by Disease	2,000,000	
Public employees' faithful performance bonds - Selective Insurance		
Employee Theft	10,000	100
Position bond - James R. Hackett, Treasurer	160,000	
Position bond - Gary Moore, Bus. Admin./Board Secretary	15,000	

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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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

The Honorable President and
Members of the Board of Education
Oldmans Township School District
County of Salem
Pedricktown, New Jersey 08067

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Oldmans Township School District's basic financial statements and have issued our report thereon dated October 21, 2010. We conducted our audit 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency 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.

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

Compliance and Other Matters

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

October 21, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
Oldmans Township School District
County of Salem
Pedricktown, New Jersey 08067

Compliance

We have audited the compliance of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Oldmans Township 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Oldmans Township School District's management. Our responsibility is to express an opinion on the Oldmans Township School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Oldmans Township 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. Our audit does not provide a legal determination of Oldmans Township School District's compliance with those requirements. In our opinion, the Oldmans Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control over Compliance

The management of the Oldmans Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Oldmans Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

October 21, 2010

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2010			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
ARRA- SFSF - ESF	84.394	n/a	195,293	07/1/09	06/30/10			195,293	(195,293)						195,293
ARRA- SFSF - GSF	84.397	n/a	7,560	07/1/09	06/30/10			7,590	(7,590)						7,590
Total General Fund								202,883	(202,883)						202,883
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB386010	22,167	09/1/09	08/31/10			16,311	(17,078)			(767)			17,078
Title I - Part A	84.010	NCLB386009	23,170	09/1/08	08/31/09	(7,107)		7,106		1					20,375
Title I - Part A	84.010	NCLB386008	29,477	09/1/07	08/31/08	759					(759)				28,718
Title I - Part A	84.010	NCLB386007	41,972	09/1/06	08/31/07	2,163								2,163	39,809
Title I - Part A	84.010	NCLB386006	25,185	09/1/05	08/31/06	14,944								14,944	10,241
Title I - Part A	84.010	NCLB386005	502	09/1/05	08/31/06	502								502	
Title II A, Teacher & Principal Training	84.367	NCLB386010	9,074	09/1/09	08/31/10			1,050	(1,281)			(231)			1,281
Title II A, Teacher & Principal Training	84.367	NCLB386009	10,789	09/1/08	08/31/09	(4,566)		2,490				(2,076)			4,566
Title II A, Teacher & Principal Training	84.367	NCLB386007	3,755	09/1/06	08/31/07	3,365								3,365	390
Title II A, Teacher & Principal Training	84.367	NCLB386007	9,323	09/1/06	08/31/07	1,515								1,515	7,808
Title II A, Teacher & Principal Training	84.367	NCLB386006	3,019	09/1/06	08/31/07	1,505								1,505	1,514
Title II A, Teacher & Principal Training	84.367	NCLB386005	5,550	09/1/05	08/31/06	2								2	5,548
Title II A, Teacher & Principal Training	84.367	NCLB386003	6,859	09/1/03	08/31/04	1,769								1,769	5,090
Title II D, Enhancing Education through Tech.	84.318	NCLB386010	2,880	09/1/09	08/31/10			819	(819)						819
Title II D, Enhancing Education through Tech.	84.318	NCLB386009	191	09/1/08	08/31/09	(35)		16				(19)			35
Title II D, Enhancing Education through Tech.	84.318	NCLB386008	97	09/1/07	08/31/08										97
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386010	554	09/1/09	08/31/10			190	(190)						190
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386009	613	09/1/08	08/31/09	(471)		471							613
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386006	1,125	09/1/06	08/31/07	117								117	1,008
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386005	164	09/1/05	08/31/06	164								164	
Title V, Innovative Programs	84.298	NCLB386007	326	09/1/06	08/31/07	326								326	
Title V, Innovative Programs	84.298	NCLB386006	519	09/1/06	08/31/07	519								519	
Title V, Innovative Programs	84.298	NCLB386005	727	09/1/05	08/31/06	727								727	
Title V, Innovative Programs	84.298	NCLB386003	14	09/1/03	08/31/04	14								14	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386010	73,620	09/1/09	08/31/10			73,620	(73,620)						73,620
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386009	80,018	09/1/08	08/31/09	(2,162)		2,162							77,856
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386005	2,453	09/1/05	08/31/06	2,453								2,453	
I.D.E.A. Part B, Preschool	84.173	IDEA386010	1,261	09/1/09	08/31/10			1,261	(1,261)			(3,789)			1,261
ARRA - Title I	84.389	ARRA386010	6,181	07/1/09	08/31/11				(3,789)			(3,789)			3,789
ARRA - I.D.E.A. Part B	84.391	ARRA386010	55,161	07/1/09	08/31/11			39,155	(39,155)						39,155
ARRA - I.D.E.A. Part B, Preschool	84.392	ARRA386010	1,997	07/1/09	08/31/11										
Rural Education Achievement Program	84.358A	S358A093594	22,921	07/01/09	9/30/10				(10,765)			(10,765)			10,765
Rural Education Achievement Program	84.358A	S358A083594	24,352	07/01/08	9/30/09	6,336			(6,336)						22,192
Rural Education Achievement Program	84.358A	S358A053594	26,991	09/1/05	08/31/06	132								132	26,859
Total Special Revenue Fund						22,971		144,651	(154,294)	1	(759)	(17,647)		30,217	400,677

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2010			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	12,324	07/1/08	06/30/09	503			(503)						12,324
Food Distribution Program	10.550	n/a	10,395	07/1/09	06/30/10			10,395	(6,930)				3,465		10,395
National School Lunch Program	10.555	n/a	18,328	07/1/08	06/30/09	(1,281)		1,281							18,328
National School Lunch Program	10.555	n/a	20,098	07/1/09	06/30/10			18,317	(20,098)			(1,781)			20,098
School Breakfast Program	10.553	n/a	5,605	07/1/08	06/30/09	(351)		351							5,605
School Breakfast Program	10.553	n/a	4,385	07/1/09	06/30/10			4,078	(4,385)			(307)			4,385
After School Snack Program	10.558	n/a	401	07/1/08	06/30/09	(20)		20							401
After School Snack Program	10.558	n/a	217	07/1/09	06/30/10			194	(217)			(23)			217
Total Enterprise Fund						(1,149)		34,442	(31,916)			(2,088)	3,465		71,753
Total Federal Financial Awards						21,822		381,976	(389,093)	1	(759)	(19,735)	3,465	30,217	675,313

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2009					Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2010			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Equalization Aid	10-495-034-5120-078	915,127	07/1/09	06/30/10				915,127	(915,127)					110,025		915,127
Transportation Aid	10-495-034-5120-014	134,515	07/1/09	06/30/10				134,515	(134,515)					13,238		134,515
Special Education Aid	10-495-034-5120-089	137,982	07/1/09	06/30/10				137,982	(137,982)					13,579		137,982
Security Aid	10-495-034-5120-030	24,803	07/1/09	06/30/10				24,803	(24,803)					2,441		24,803
Adjustment Aid	10-495-034-5120-085	313,827	07/1/09	06/30/10				313,827	(313,827)					38,604		313,827
Extraordinary Aid	10-495-034-5120-044	35,707	07/1/09	06/30/10								(35,707)				35,707
Extraordinary Aid	09-495-034-5120-044	31,415	07/1/08	06/30/09	(31,415)			31,415								31,415
Reimbursement for Nonpublic Transportation	n/a	1,550	07/1/09	06/30/10					(1,550)			(1,550)				1,550
Reimbursement for Nonpublic Transportation	n/a	696	07/1/08	06/30/09	(696)			696								696
Reimbursed T.P.A.F. Social Security Contrib.	10-495-034-5095-002	117,609	07/1/09	06/30/10				117,609	(117,609)							117,609
On-Behalf T.P.A.F. Pension Contribution	10-495-034-5095-006	5,696	07/1/09	06/30/10				5,696	(5,696)							5,696
On-Behalf T.P.A.F. Postretirement Contribution	10-495-034-5095-001	106,979	07/1/09	06/30/10				106,979	(106,979)							106,979
Total General Fund					(32,111)			1,788,649	(1,793,795)			(37,257)		177,887		1,825,906
Special Revenue Fund:																
Reaching everyone by exposing lies	n/a	3,000	07/1/07	06/30/08				1,215						1,215		1,785
Total Special Revenue Fund								1,215						1,215		1,785
Debt Service Fund:																
Debt Service Aid Type II	10-495-034-5120-017	77,853	07/1/09	06/30/10				77,853	(77,853)							77,853
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program (State Share)	10-100-010-3350-023	1,181	07/1/09	06/30/10				1,071	(1,181)			(110)				1,181
National School Lunch Program (State Share)	09-100-010-3350-023	1,211	07/1/08	06/30/09	(86)			86								1,211
State School Breakfast	10-100-010-3350-021	478	07/1/09	06/30/10				444	(478)			(34)				478
State School Breakfast	09-100-010-3350-021	775	07/1/08	06/30/09	(50)			50								775
Total Enterprise Fund					(136)			1,651	(1,659)			(144)				3,645
Total State Financial Assistance					(32,247)	1,215		1,868,153	(1,873,307)			(37,401)	1,215	177,887		1,909,189

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this schedule.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Oldmans Township 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 awards and state financial assistance passed through other government agencies, is included on the Schedule 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 Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. 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 June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-.2. For G.A.A.P. purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4-.2.

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is \$(7,317) for the General Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	202,853	1,786,478	1,989,331
Special Revenue Fund	154,294		154,294
Debt Service Fund		77,853	77,853
Food Service Fund	35,095	1,659	36,754
Total Financial Assistance	<u>392,242</u>	<u>1,865,990</u>	<u>2,258,232</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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2010, Oldmans Township School District has food commodities totaling \$3,465 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2010. T.P.A.F. Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2010.

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? Yes No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

N/A

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? Yes No

Identification of major programs:

State Grant/Project Numbers
 495-034-5120-078
 495-034-5120-085

Name of State Program
 Equalization Aid
 Adjustment Aid

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section II – Financial Statement Findings

Classification of Expenditures

Finding 2010-1

Criteria or Specific Requirement

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition, and other available reference materials, such as the Budget Guidelines, be referenced for the proper classification as required by N.J.A.C. 6A:23-2.2(f).

Condition

During our test of transactions it was noted that the District misclassified operations and maintenance insurance as a miscellaneous purchased service instead insurance. The expenditure and related appropriation was reclassified for financial statement presentation.

Questioned Cost

\$8,251

Effect

The District is not following the Uniform Minimum Chart of Accounts for New Jersey Public Schools as required by N.J.A.C. 6A:23-2.2(f).

Cause

Funds for the insurance bill were incorrectly posted to the wrong line-item.

Recommendation

The District should reference the *Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2003 Edition*, and other available reference materials, such as the Budget Guidelines, for the proper classification as required by N.J.A.C. 6A:23-2.2(f).

Secondary Market Disclosure

Finding 2010-2

Criteria or Specific Requirement

Securities and Exchange Commission Rule 15c2-12 is required to be complied with as a condition for having bonds outstanding.

Condition

The District did not file its annual report for the year ended June 30, 2009.

Questioned Cost

Unknown

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Effect

The District has not complied with Securities and Exchange Commission Rule 15c2-12.

Cause

The Business Administrator was not aware that filings were to be completed online.

Recommendation

The Business Administrator makes the required filings to be in compliance with Securities and Exchange Commission Rule 15c2-12.

View of officials

The Business Administrator made an application to be the agent on behalf of the Board to submit the filings online.

Section III – State Financial Assistance Findings and Questioned Costs

State of New Jersey
Department of Education

Equalization Aid 495-034-5120-078, June 30, 2010, Adjustment Aid 495-034-5120-085,
June 30, 2010

Finding 2010-3

Criteria or Specific Requirement

Pursuant to N.J.S.A. 18A:17-10, all Districts must submit the Annual Report to the Board and County Superintendent by August 1.

Condition

The District did not file its annual report with the County until August 13, 2010.

Questioned Costs

None

Effect

The District was not in compliance with N.J.S.A. 18A:17-10.

Cause

The Treasurer's report was not available until the middle of August.

Recommendation

The District file the annual report with the County by the August 1 due date pursuant to N.J.S.A. 18A:17-10.

OLDMANS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Finding 2009-1

Condition:

The capital assets records were not updated for the additions and disposal of capital assets made during the year.

Current year status: Corrective action has been taken.

Finding 2009-2

Condition:

Internal Revenue Service form 1099, were not prepared for some professional service organizations as required.

Current year status: Corrective action has been taken.

Finding 2009-3

Condition:

The District transferred funds to Capital Outlay other than equipment without County Superintendent approval.

Current year status: Corrective action has been taken.

Finding 2009-4

Condition:

The District appropriated revenue from the sale of equipment and subsequently appropriated additional funds without department approval. Proceeds from the sale of equipment, is not one of the revenue sources pursuant to N.J.A.C. 6A:23A-13.3(d) for which department approval is not required.

Current year status: Corrective action has been taken.

Finding 2009-5

Condition:

The District did not properly file its annual report with the Municipal and State repositories to be in compliance with the Securities and Exchange Commission Rule 15c2-12.

Current year status: Corrective action has not been taken.

Planned action: The Business Administrator has submitted the required paperwork to complete the annual report filing online.

OLDMANS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Finding 2009-6

Condition:

The Treasurer's records were examined and were found not to be in agreement with the records maintained by the Board Secretary. Also, the Treasurer's cash balance for the general operating account was not in agreement with the reconciled cash balance as determined during the audit.

Current year status: Corrective action has been taken.

Finding 2009-7

Condition:

Due to Grantor balances were not returned in accordance with the grant agreement.

Current year status: Corrective action has not been taken.

Planned action: The Business Administrator will be returning due to grantor balances after completing the necessary paperwork to submit the funds due.

Finding 2009-8

Condition:

The District did not file its annual report with the County by August 1, 2009 as required by N.J.S.A. 18A:17-10.

Current year status: Corrective action has not been taken.

Planned action: The Business Administrator will stress to the Treasurer the importance of submitting the Treasurer's report in a timely manner.

Finding 2009-9

Condition:

There are not sufficient controls in place for the collection and recording of a la carte funds. This is a weakness in internal control.

Current year status: Corrective action has been taken.