

**Oldmans Township School District  
Board of Education  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

**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, 2013**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Of the

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

**For the Fiscal Year Ended June 30, 2013**

Prepared by:

**Oldmans Township School  
Board of Education Administration**

## OUTLINE OF CAFR

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Organizational Chart	2-5
Roster of Officials	6
Consultants and Advisors	7
	8
<b>FINANCIAL SECTION</b>	
	9
<b>Independent Auditor's Report</b>	10-12
<b>Required Supplementary Information – Part I</b>	13
<b>Management's Discussion and Analysis</b>	14-21
<b>Basic Financial Statements</b>	22
A. District-Wide Financial Statements:	23
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements:	26
Governmental Funds:	
B-1 Balance Sheet	27-28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	34
B-8 Statement of Changes in Fiduciary Net Position	35
<b>Notes to the Financial Statements</b>	36-57
<b>Required Supplementary Information – Part II</b>	58
C. Budgetary Comparison Schedules:	59
C-1 Budgetary Comparison Schedule – General Fund	60-68
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	69
<b>Notes to the Required Supplementary Information</b>	70
C-3 Budget-to-GAAP Reconciliation	71

	<b>Page</b>
<b>Other Supplementary Information</b>	<b>72</b>
D. School Based Budget Schedules <b>(if applicable)</b> :	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	73
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	74-75
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	N/A
G. Proprietary Funds:	76
Enterprise Fund:	
G-1 Combining Schedule of Net Position	77
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	78
G-3 Combining Schedule of Cash Flows	79
Internal Service Fund:	
G-4 Combining Schedule of Net Position	80
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	81
G-6 Combining Schedule of Cash Flows	82
H. Fiduciary Funds:	83
H-1 Combining Statement of Fiduciary Net Position	84
H-2 Combining Statement of Changes in Fiduciary Net Position	85
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	85
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	86
I. Long-Term Debt:	87
I-1 Schedule of Serial Bonds	88
I-2 Schedule of Obligations under Capital Leases	89
I-3 Debt Service Fund Budgetary Comparison Schedule	90

<b>STATISTICAL SECTION (Unaudited)</b>		<b>Page</b>
		91
<b>Introduction to the Statistical Section</b>		92
<b>Financial Trends</b>		
J-1	Net Position by Component	93
J-2	Changes in Net Position	94-96
J-3	Fund Balances – Governmental Funds	97
J-4	Changes in Fund Balances – Governmental Funds	98-99
J-5	General Fund Other Local Revenue by Source	100
<b>Revenue Capacity</b>		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	101
J-7	Direct and Overlapping Property Tax Rates	102
J-8	Principal Property Taxpayers	103
J-9	Property Tax Levies and Collections	104
<b>Debt Capacity</b>		
J-10	Ratios of Outstanding Debt by Type	105
J-11	Ratios of General Bonded Debt Outstanding	106
J-12	Direct and Overlapping Governmental Activities Debt	107
J-13	Legal Debt Margin Information	108
<b>Demographic and Economic Information</b>		
J-14	Demographic and Economic Statistics	109
J-15	Principal Employers	110
<b>Operating Information</b>		
J-16	Full-time Equivalent District Employees by Function/Program	111
J-17	Operating Statistics	112
J-18	School Building Information	113
J-19	Schedule of Required Maintenance Expenditures by School Facility	114
J-20	Insurance Schedule	115
	<b>SINGLE AUDIT SECTION</b>	116
K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	117-118
K-2	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 Letter 04-04	119-121
K-3	Schedule of Expenditures of Federal Awards, Schedule A	122
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	123
K-5	Notes to the Schedules of Awards and Financial Assistance	124-125
K-6	Schedule of Findings and Questioned Costs	126-127
K-7	Summary Schedule of Prior Audit Findings	128

## INTRODUCTORY SECTION

# Oldmans Township School District

ADMINISTRATIVE OFFICES  
(856) 299-4240

10 FREED ROAD  
(856) 299-4243

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

Gary Green  
Board President

Shari Payson  
Superintendent

Gary R. Moore  
Board Secretary/  
School Business Administrator

October 24, 2013

Honorable President and  
Members of the Board of Education  
Oldmans Township School District  
10 Freed Road  
Pedricktown, New Jersey 08067

Dear Board Members:

The comprehensive annual financial report of the Oldmans Township School District for the fiscal year ended June 30, 2013, 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 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 GASB 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 2012-2013 fiscal year with an enrollment of 229 students, which is 1 student more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

## 1. Reporting Entity and its Services (Continued):

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2012-2013	229	0.4%
2011-2012	228	15.7%
2010-2011	197	11.3%
2009-2010	177	-10.6%
2008-2009	198	-5.3%
2007-2008	209	-5.9%

## 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. Of the three residential developments that have gained local planning board approvals, one development of 49 homes is now 100% complete. The Gateway Industrial Park has four commercial warehouses complete and operational as of June 30, 2011. There is room for additional businesses, but nothing currently in progress.

## 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.

Beginning the 2011-12 school year, Oldmans became a CHOICE district and had twenty-five (25) students from neighboring districts apply and be accepted. It is estimated that the number of CHOICE students for the 2013-14 school year will be fifty (50).

A new Tennis and Basketball Court was approved for construction in May 2012 and completed during the summer of 2012. A new Soccer Field was approved for construction in April 2013 with a completion date of late Fall 2013.

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, 2013, 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 2013-14 school year.

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 and custodial supplies for the local municipality; and 4) Provide Custodial Services to the

### **3. Major Initiatives (Continued):**

Greenwich School District. In keeping pace with educational changes and challenges, the school district has budgeted \$100,000 in the 2013-14 school year dedicated to the upgrade/replacement of its computer network and student computers to meet the new PARCC requirements being implemented by the State of New Jersey.

### **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 (GAAP). 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 (GASB). 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

**7. Cash Management (Continued):**

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 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, 2013. 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.

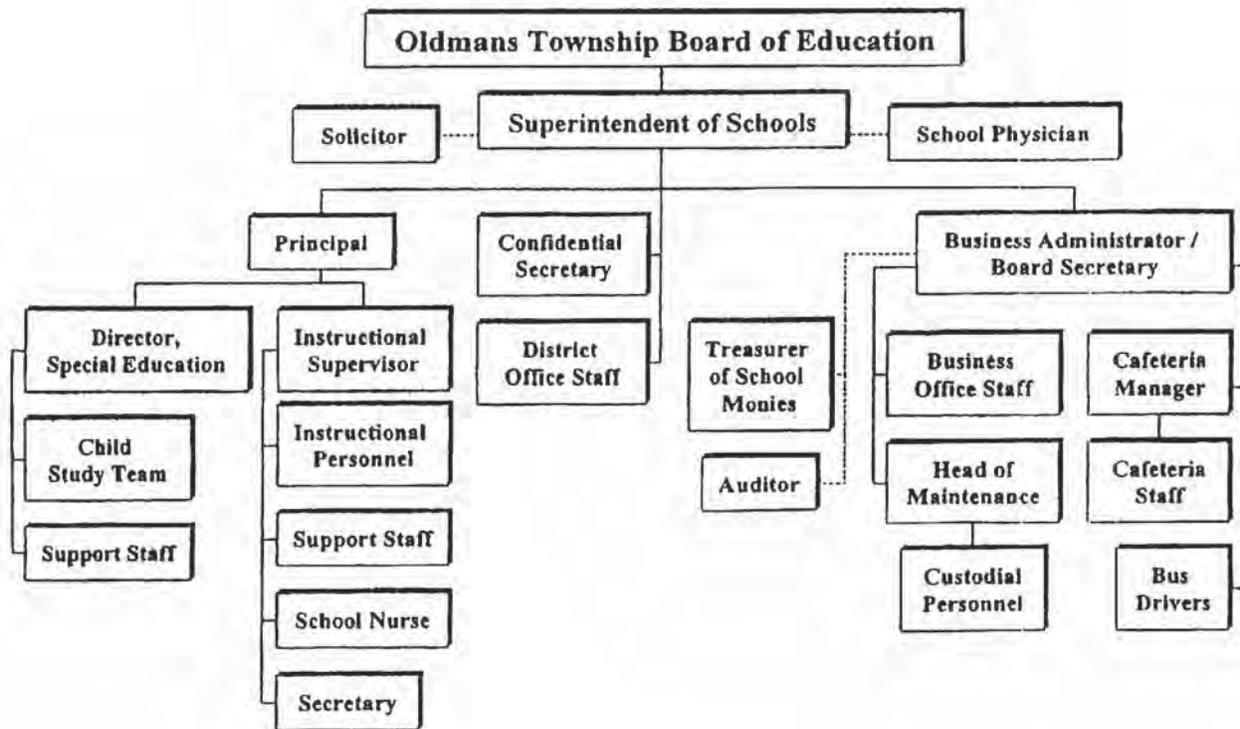
Respectfully submitted,

Shari Payson

Shari Payson  
Superintendent

Gary R. Moore

Gary R. Moore  
Board Secretary/School Business Administrator



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

**ROSTER OF OFFICIALS  
June 30, 2013**

**Board of Education Members**

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Gary Green	President	2014
Kathryn Moore	Vice President	2013
Dan Daly	Board Member	2013
Derek Filippone	Board Member	2013
Patricia Gaskill	Board Member	2016
Lou Guardascione	Board Member	2016
Jeffrey Newman	Board Member	2013
Kelley Piel	Board Member	2013
Randall Tyler	Board Member	2014

**OTHER OFFICIALS**

Stephen Berkowitz Ed. D., Interim 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  
102 West High Street, Suite 100  
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**

Fulton 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  
102 West High Street, Suite 100 • 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

Bunni S. Bouchard, CPA  
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  
10 Freed Road  
Pedricktown, New Jersey 08067

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education, Oldmans, New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldmans Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial

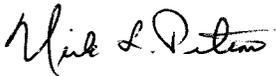
assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2013, 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* in considering Oldmans Township School Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

October 24, 2013

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **OLDMANS TOWNSHIP SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

This section of the Oldmans Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### **Financial Highlights**

- The assets of the Oldmans Township School District exceeded its liabilities at the close of the most recent fiscal year by \$4,368,377 (net position) see exhibit A-1.
- The Oldmans Township School District's total net position increased by \$72,915. 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 \$923,314, a decrease of \$120,878 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 2012-2013 school year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$85,074, (see Exhibit B-1) approximately a 16 percent decrease from that of the prior fiscal year of \$101,213, which was attributable in part to decreased state aid payment being deferred in the amount of \$3,592 (see Exhibit C-3).
- The Oldmans Township School District's total serial bonds decreased by \$165,000 as a result of budgeted debt payments.

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

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

## OLDMANS TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

**District-wide Financial Statements (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 District. 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 Position 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.

## **OLDMANS TOWNSHIP SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

***Proprietary Funds (Continued)*** - 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.

### **District-wide Financial Analysis**

As noted earlier, net position 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 \$4,368,377 at the close of fiscal year 2012-2013 (see Exhibit A-1).

The largest portion of the Oldmans Township School District's net position (80 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**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

**District-wide Financial Analysis (Continued)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT'S NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Current and other assets	1,106,816	1,168,742	43,361	33,421	1,150,177	1,202,163
Capital assets	4,688,383	4,673,164	16,050	32,068	4,704,433	4,705,232
Total assets	<u>5,795,199</u>	<u>5,841,906</u>	<u>59,411</u>	<u>65,489</u>	<u>5,854,610</u>	<u>5,907,395</u>
Long-term liabilities outstanding	1,317,642	1,511,060	1,703	2,062	1,319,345	1,513,122
Other liabilities	160,259	96,139	6,629	2,672	166,888	98,811
Total liabilities	<u>1,477,901</u>	<u>1,607,199</u>	<u>8,332</u>	<u>4,734</u>	<u>1,486,233</u>	<u>1,611,933</u>
Net position:						
Invested in capital assets,						
Net of related debt	3,481,620	3,279,322	16,050	32,068	3,497,670	3,311,390
Restricted	838,240	942,979			838,240	942,979
Unrestricted	(2,562)	12,406	35,029	28,687	32,467	41,093
Total net position	<u>4,317,298</u>	<u>4,234,707</u>	<u>51,079</u>	<u>60,755</u>	<u>4,368,377</u>	<u>4,295,462</u>

An additional portion of the Oldmans Township School District's net position (19 percent) represents resources that are subject to external restrictions on how they may be used.

**Governmental Activities** - Governmental activities increased the Oldmans Township School District's net position by \$197,511, thereby accounting for 17 percent of the total decrease in net position of the Oldmans Township School District. Key elements of this are as follows:

**OLDMANS TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

**Governmental Activities (Continued)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT'S CHANGES  
IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Revenues:						
Program revenues:						
Charges for services	115,000	108,000	66,077	69,624	181,077	177,624
Operating grants and contributions	166,728	124,661	52,878	43,205	219,606	167,866
General revenues:						
Property taxes	2,564,049	2,508,840			2,564,049	2,508,840
Grants and contributions not Restricted to specific programs	2,131,480	2,040,483			2,131,480	2,040,483
Other	192,564	154,226	39	61	192,603	154,287
Total revenues	<u>5,169,821</u>	<u>4,936,210</u>	<u>118,994</u>	<u>112,890</u>	<u>5,288,815</u>	<u>5,049,100</u>
Expenses:						
Instruction	1,541,592	1,453,007			1,541,592	1,453,007
Support services	3,179,558	3,086,189			3,179,558	3,086,189
Interest on long-term debt	61,542	67,018			61,542	67,018
Other	302,336	128,981			302,336	128,981
Food service			112,847	100,238	112,847	100,238
School age child care			18,025	18,792	18,025	18,792
Total expenses	<u>5,085,028</u>	<u>4,735,195</u>	<u>130,872</u>	<u>119,030</u>	<u>5,215,900</u>	<u>4,854,225</u>
Increase in net position before transfers	84,793	201,015	(11,878)	(6,140)	72,915	194,875
Transfers	(2,202)	(3,504)	2,202	3,504		
Increase in net position	82,591	197,511	(9,676)	(2,636)	72,915	194,875
Net position, July 1	4,234,707	4,037,196	60,755	63,391	4,295,462	4,100,587
Net position, June 30	<u>4,317,298</u>	<u>4,234,707</u>	<u>51,079</u>	<u>60,755</u>	<u>4,368,377</u>	<u>4,295,462</u>

Property taxes increased by \$55,209 (2 percent) during the year. This decrease is the product of state imposed budget caps over the prior year.

The overall increase in expenses of \$361,675 was attributable to increases in employee benefits and contractual increases for employees.

**Business-Type Activities** - Business-type activities decreased the Oldmans Township School District's net position by \$9,676. The key element of this decrease is as follows:

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

## OLDMANS TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

### 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 \$923,314, a decrease of \$120,878 in comparison with the prior year.

Of the combined ending fund balances of \$923,314, 9 percent constitutes unassigned fund balance in the amount of \$85,074. The remainder of fund balance is restricted 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 \$208,287, (2) to be appropriated in the following years budget to reduce property tax \$257,552, (3) \$294,659 maintenance reserve, and (4) excess surplus - current year of \$77,742.

The General Fund is the main operating fund of the Oldmans Township School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$85,074, while total fund balance was \$923,314.

The Debt Service Fund has a total fund balance of \$0.

**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 position consisted of the following: a balance of \$31,993 for the Food Service Program and a balance of \$3,036 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.

### General Fund Budgetary Highlights

During the course of the 2013 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.

The final budgetary basis revenue appropriation estimate was \$4,174,703, and fund balance budgeted of \$273,299.

During fiscal year 2013, the Oldmans Township School District budgeted \$2,398,882 and \$1,750,821, for property taxes (local tax levy) and federal and state aid revenues, respectively.

The Oldmans Township School District also received \$119,034 and \$201,960 in reimbursed TPAF Social Security Aid and TPAF Pension Contributions, respectively.

**OLDMANS TOWNSHIP SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

**General Fund Budgetary Highlights (Continued)**

The final budgetary basis expenditure estimate was \$4,948,435 which includes a transfer to cover deficit in Food Service of \$2,817, transfer from maintenance reserve to required maintenance of \$112,738 and prior year's encumbrances of \$274,957. The original budgeted estimate was \$4,722,959.

The Oldmans Township School District's expenditures also include the reimbursed TPAF Social Security Aid and TPAF Pension Contributions of \$119,034 and \$201,960, 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, 2013, amounts to \$4,704,433 (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 \$201.

**OLDMANS TOWNSHIP SCHOOL DISTRICT'S CAPITAL ASSETS  
(NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Land	38,000	38,000			38,000	38,000
Building improvements	4,386,790	4,401,483			4,386,790	4,401,483
Equipment	263,593	233,681	16,050	32,068	279,643	265,749
<b>Total</b>	<b>4,688,383</b>	<b>4,673,164</b>	<b>16,050</b>	<b>32,068</b>	<b>4,704,433</b>	<b>4,705,232</b>

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

**Long-term Debt** - At the end of the current fiscal year, the Oldmans Township School District had total bonded debt outstanding of \$1,220,000 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 2012-2013 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 51.9 percent of total revenue is from local tax levy, while 41.7 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 2012-2013 budget was adopted March 2012, based in part on the state education aid the Oldmans Township School District anticipated receiving.

**OLDMANS TOWNSHIP SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

**Economic Factors and Next Year's Budget (Continued)**

This aid was based on the State's projected enrollment for the District on October 15, 2012, of 232. The District became a Choice District in FY 2012 which brought in additional revenue.

The Oldmans Township School District anticipates a slight increase in enrollment to 255 students for the 2013-2014 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](mailto:gmoore@oldmans.org).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2013

	Governmental Activities	Business-type Activities	FY 2013
<b>ASSETS</b>			
Cash and cash equivalents	696,273	21,716	717,989
Interfunds receivable	30,582	6,591	37,173
Receivables	52,396	7,599	59,995
Deferred - debt issuance costs (net)	32,906		32,906
Inventory		7,455	7,455
Restricted assets:			
Restricted cash and cash equivalents	294,659		294,659
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	4,650,383	16,050	4,666,433
Total assets	<u>5,795,199</u>	<u>59,411</u>	<u>5,854,610</u>
<b>LIABILITIES</b>			
Cash overdraft	27,137		27,137
Interfunds payable	6,591		6,591
Accounts payable	106,438	215	106,653
Deferred revenue	424	6,414	6,838
Accrued interest	19,669		19,669
Noncurrent liabilities:			
Due within one year	165,000		165,000
Due beyond one year	1,152,642	1,703	1,154,345
Total liabilities	<u>1,477,901</u>	<u>8,332</u>	<u>1,486,233</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,481,620	16,050	3,497,670
Restricted for:			
Other purposes	838,240		838,240
Unrestricted	(2,562)	35,029	32,467
Total net position	<u><u>4,317,298</u></u>	<u><u>51,079</u></u>	<u><u>4,368,377</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	1,264,628			(1,264,628)		(1,264,628)
Special education	261,094		70,462	(190,632)		(190,632)
Other special education	1,320			(1,320)		(1,320)
Other instruction	14,550			(14,550)		(14,550)
Support services:						
Tuition	963,789			(963,789)		(963,789)
Student & instructional related services	367,075		86,970	(280,105)		(280,105)
General administrative services	85,018			(85,018)		(85,018)
School administrative services	86,535			(86,535)		(86,535)
Central services	179,755	67,000		(112,755)		(112,755)
Plant operations & maintenance	452,740	48,000		(404,740)		(404,740)
Pupil transportation	161,476			(161,476)		(161,476)
Employee benefits	883,170		9,296	(873,874)		(873,874)
Interest on long-term debt	61,542			(61,542)		(61,542)
Capital outlay	103,059			(103,059)		(103,059)
Unallocated depreciation	199,277			(199,277)		(199,277)
Total governmental activities	5,085,028	115,000	166,728	(4,803,300)		(4,803,300)
Business-type activities:						
Food service	112,847	47,009	52,878		(12,960)	(12,960)
Other activities	18,025	19,068			1,043	1,043
Total business-type activities	130,872	66,077	52,878		(11,917)	(11,917)
Total primary government	5,215,900	181,077	219,606	(4,803,300)	(11,917)	(4,815,217)
General revenues:						
Property taxes, levied for general purpose, net				2,398,882		2,398,882
Taxes levied for debt service				165,167		165,167
Federal and state aid not restricted				2,131,480		2,131,480
Transportation fees				32,249		32,249
Investment earnings				2,605	39	2,644
Miscellaneous income				158,898		158,898
Loss on disposal of fixed assets				(1,188)		(1,188)
Transfers				(2,202)	2,202	
Total general revenues, special items, extraordinary items and transfers				4,885,891	2,241	4,888,132
Change in net position				82,591	(9,676)	72,915
Net position - beginning				4,234,707	60,755	4,295,462
Net position - end				4,317,298	51,079	4,368,377

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2013
<b>ASSETS</b>				
Cash and cash equivalents	686,267			686,267
Interfunds receivable	30,582			30,582
Receivables from other governments	20,605	31,791		52,396
Restricted cash and cash equivalents	294,659			294,659
<b>Total assets</b>	<b><u>1,032,113</u></b>	<b><u>31,791</u></b>		<b><u>1,063,904</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash overdraft		27,137		27,137
Interfunds payable	6,591			6,591
Accounts payable	102,208	4,230		106,438
Deferred revenue - federal grants		24		24
Deferred revenue - local grants		400		400
<b>Total liabilities</b>	<b><u>108,799</u></b>	<b><u>31,791</u></b>		<b><u>140,590</u></b>
Fund balances:				
Restricted for:				
Maintenance reserve	294,659			294,659
Excess surplus - designated for subsequent year's expenditures	66,723			66,723
Excess surplus - current year	77,742			77,742
Assigned to:				
Designated by the BOE for subsequent year's expenditures	190,829			190,829
Other purposes	208,287			208,287
Unassigned:				
General fund	85,074			85,074
<b>Total fund balances</b>	<b><u>923,314</u></b>			<b><u>923,314</u></b>
<b>Total liabilities and fund balances</b>	<b><u>1,032,113</u></b>	<b><u>31,791</u></b>		

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2013

Amounts reported for governmental activities in the Statement of Net Position (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 \$7,242,866 and the accumulated depreciation is \$2,554,483 (See note 6).	4,688,383
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 \$10,006 are included in the governmental activities in the Statement of Net Position.	10,006
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 Position.	32,906
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(19,669)
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 7).	(1,317,642)
	<u>4,317,298</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	Major Funds		Non- Major	FY 2013
	General Fund	Special Revenue Fund	Debt Service Fund	
<b>REVENUES</b>				
Local tax levy	2,398,882		165,167	2,564,049
Transportation fees	32,249			32,249
Interest earned on investments	2,605			2,605
Miscellaneous	158,898	1,000		159,898
	2,592,634	1,000	165,167	2,758,801
State sources	2,072,597		58,883	2,131,480
Federal sources		165,728		165,728
Total revenues	4,665,231	166,728	224,050	5,056,009
<b>EXPENDITURES</b>				
Current:				
Regular instruction	1,258,053			1,258,053
Special education instruction	187,747	70,462		258,209
Other special instruction	1,320			1,320
Other instruction	14,550			14,550
Support services & undistributed costs:				
Tuition	963,789			963,789
Student & instruction related services	288,208	86,970		375,178
General administrative services	85,859			85,859
School administrative services	86,535			86,535
Central services	111,664			111,664
Plant operations and maintenance	402,177			402,177
Pupil transportation	158,597			158,597
Employee benefits	873,874	9,296		883,170
Debt service:				
Principal			165,000	165,000
Interest and other charges			59,050	59,050
Capital outlay	351,534			351,534
Total expenditures	4,783,907	166,728	224,050	5,174,685
Excess (deficiency) of revenues over expenditures	(118,676)			(118,676)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out for food service	(2,202)			(2,202)
Total other financing sources and uses	(2,202)			(2,202)
Net change in fund balances	(120,878)			(120,878)
Fund balance - July 1	1,044,192			1,044,192
Fund balance - June 30	923,314			923,314

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, 2013

Total net change in fund balances - governmental funds (from B-2)		(120,878)
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
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.		
Capital outlay	223,904	
Depreciation expense	(207,497)	16,407
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
Bond principal payments		165,000
Capital lease obligation principal payments		24,571
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.		
		(4,967)
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.		
		2,475
In the Statement of Activities, only the loss on disposal of capital assets is reported, whereas, in the Governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.		
		(1,188)
Internal Service Funds are used by management to charge costs of certain activities, such as shared business and custodial services. The operating loss of \$2,676 are included in the governmental activities and Statement of Net Position (see Exhibit B-5		
		(2,676)
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.		
		3,847
Change in net position of governmental activities		82,591

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2013

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	Totals FY 2013	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	18,465	3,251	21,716	10,006
Interfunds receivable	6,591		6,591	
Accounts receivable	7,599		7,599	
Inventories	7,455		7,455	
Total current assets	<u>40,110</u>	<u>3,251</u>	<u>43,361</u>	<u>10,006</u>
Total assets				
Noncurrent assets:				
Furniture, machinery & equipment	144,300	6,600	150,900	
Less: accumulated depreciation	(130,698)	(4,152)	(134,850)	
Total noncurrent assets	<u>13,602</u>	<u>2,448</u>	<u>16,050</u>	
	<u><u>53,712</u></u>	<u><u>5,699</u></u>	<u><u>59,411</u></u>	
<b>LIABILITIES</b>				
Accounts payable		215	215	
Deferred revenue:				
Lunches	181		181	
USDA commodities	6,233		6,233	
Noncurrent liabilities:				
Compensated absences	1,703		1,703	
Total liabilities	<u>8,117</u>	<u>215</u>	<u>8,332</u>	
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	13,602	2,448	16,050	
Unrestricted	31,993	3,036	35,029	10,006
Total net position	<u><u>45,595</u></u>	<u><u>5,484</u></u>	<u><u>51,079</u></u>	<u><u>10,006</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2013

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2013	
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales-reimbursable programs:	41,201		41,201	
Daily sales non-reimbursable programs	5,808		5,808	
Tuition		19,068	19,068	
Other charges and fees				115,000
Total operating revenue	47,009	19,068	66,077	115,000
<b>OPERATING EXPENSES:</b>				
Salaries	36,526	14,812	51,338	83,560
Employee benefits	2,645	1,132	3,777	33,765
Supplies and materials	2,786	1,724	4,510	351
Purchased professional services	8,000		8,000	
Depreciation	15,661	357	16,018	
Cost of sales	47,229		47,229	
Total operating expenses	112,847	18,025	130,872	117,676
Operating income (loss)	(65,838)	1,043	(64,795)	(2,676)
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National school lunch program - state	1,173		1,173	
Federal sources:				
National school lunch program	33,326		33,326	
School breakfast program	4,530		4,530	
National snack program	278		278	
Food distribution program	13,571		13,571	
Interest revenue	39		39	
Total non-operating revenues (expenses)	52,917		52,917	
Net income (loss) before transfers	(12,921)	1,043	(11,878)	(2,676)
Board contribution	2,202		2,202	
Net income (loss)	(10,719)	1,043	(9,676)	(2,676)
Total net position - beginning	56,314	4,441	60,755	12,682
Total net position - ending	45,595	5,484	51,079	10,006

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013

	Business-type Activities			Governmental Activities Internal Service Fund
	Enterprise Funds - Major Funds			
	Food Service	Latchkey Program	FY 2013	
Cash flows from operating activities:				
Receipts from customers	46,261	19,068	65,329	115,000
Payments to suppliers	(44,396)	(1,556)	(45,952)	(5,320)
Payments to employees	(36,885)	(14,812)	(51,697)	(83,560)
Payments for employee benefits	(2,645)	(1,132)	(3,777)	(33,765)
Net cash provided (used) by operating activities	(37,665)	1,568	(36,097)	(7,645)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	34,089		34,089	
Net cash provided by non-capital financing activities	34,089		34,089	
Cash flows from investing activities:				
Interest on investments	39		39	
Payment to general fund	(102)		(102)	
Board contribution	2,202		2,202	
Net cash provided by investing activities	2,139		2,139	
Net increase in cash and cash equivalents	(1,437)	1,568	131	(7,645)
Cash and cash equivalents - July 1	19,902	1,683	21,585	17,651
Cash and cash equivalents - June 30	18,465	3,251	21,716	10,006
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(65,838)	1,043	(64,795)	(2,676)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	15,661	357	16,018	
Food distribution program	13,571		13,571	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	206		206	
(Increase) decrease in inventory	(4,695)		(4,695)	
Increase (decrease) in accounts payable	(500)	168	(332)	(4,969)
Increase (decrease) in deferred revenue	4,289		4,289	
Increase in compensated absences	(359)		(359)	
	(37,665)	1,568	(36,097)	(7,645)

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Proprietary Funds  
June 30, 2013

	Trust Funds		Agency Funds	Totals FY 2013
	Scholarship Trust Fund	Unemployment Trust Fund		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	1,545	40,014	174,249	215,808
Intrafund receivable:				
Payroll agency		105,673		105,673
Total assets	<u>1,545</u>	<u>145,687</u>	<u>174,249</u>	<u>321,481</u>
<b>LIABILITIES</b>				
Current liabilities:				
Payroll deductions and withholdings			16,951	16,951
Due to student groups			21,043	21,043
Intrafund payable:				
Unemployment trust			105,673	105,673
Interfund payable:				
General fund			30,582	30,582
Total current liabilities			<u>174,249</u>	<u>174,249</u>
<b>NET POSITION</b>				
Held in trust for:				
Scholarship awards	1,545			1,545
Unemployment claims		145,687		145,687
Total net position	<u>1,545</u>	<u>145,687</u>		<u>147,232</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
June 30, 2013

	Scholarship Trust Fund	Unemployment Trust Fund	FY 2013
ADDITIONS:			
Contributions:			
General fund budget		55,000	55,000
Employee payroll deductions		3,812	3,812
Other	50		50
Total contributions	50	58,812	58,862
Investment earnings:			
Interest	2	40	42
Total investment earnings	2	40	42
Total additions	52	58,852	58,904
DEDUCTIONS:			
Scholarships awarded	25		25
Unemployment claims		12,388	12,388
Change in net position	27	46,464	46,516
Net position - beginning of year	1,518	99,223	99,223
Net position - end of year	1,545	145,687	145,739

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (GASB) pronouncements. Although the District has the option to apply (FASB) 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 (GAAP) 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 each. 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 GASB 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, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide Statements (Continued)**

In the Government-wide Statement of Net Position, 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 position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. 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 not allocate indirect costs such as employee benefits, on-behalf Teacher's Pension and Annuity Fund (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 position 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 non-instructional equipment which are classified in the Capital Outlay subfund.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

**General Fund (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 position, 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.

The District's Enterprise Fund is comprised of the Food Service Fund and Childcare 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Financial Statements (Continued)**

**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 position. Changes in net position 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. Non-major 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 non-major 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, Scholarship Fund, Unemployment 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 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 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 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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. (NJSA 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 (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.

NJSA 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.

**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, 2013, consisted of the following:

Food - commodities	6,233
Food	<u>1,222</u>
	<u><u>7,455</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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Inventories (Continued)**

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 No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**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 expenditures and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Compensated Absences (Continued)**

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.

**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 election in November. 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 NJAC 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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Budgets/Budgetary Control (Continued)**

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.

**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, which 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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Allocation of Indirect Expenses (Continued)**

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.

**T. Net Position**

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

**U. Fund Balance Reserves**

**Fund Balance** - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

**Non-spendable** - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education,

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**U. Fund Balance Reserves (Continued)**

memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**V. Recent Accounting Pronouncements Not Yet Effective**

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities." This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62." This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27." This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations." This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This statement is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the District's financial reporting.

**W. Accounting Changes**

The District has implemented GASB 63, which modified the terminology of net assets to net position. This change did not result in any monetary restatement, but the district has restated prior years to reflect net position instead of net assets.

**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 Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2013 and 2012, was \$1,201,319 and \$1,268,451. As of June 30, 2013 and 2012, \$0 of the District's bank balance of \$1,225,096 and \$1,283,545, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2013 and 2012, 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, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 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, 2013, (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:

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4: RECEIVABLES (CONTINUED)**

	Governmental Activities	Business- Type Activities
State aid	4,374	270
Other	16,231	242
Federal aid	31,791	7,087
	<u>52,396</u>	<u>7,599</u>

**NOTE 5: INTERFUND RECEIVABLE AND PAYABLE**

The following interfund balances remain on the balance sheet at June 30, 2013:

	Receivable	Payable
General fund	30,582	6,591
Food service fund	6,591	
Unemployment trust	105,673	
Payroll fund		119
Agency fund		136,136
	<u>142,846</u>	<u>142,846</u>

The General Fund interfund is a result of interest earned during the year, section 125 forfeitures and prior year employee withholdings. The Unemployment interfund is a result of claims and District's budget being run through the payroll agency account. The Food Service interfund is the result of funds not being transferred.

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2013.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

	Balance <u>July 1, 2012</u>	<u>Additions</u>	Disposals/ <u>Adjustments</u>	Balance <u>June 30, 2013</u>
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	38,000			38,000
Total capital assets not being depreciated	<u>38,000</u>			<u>38,000</u>
Land improvemens	58,640	165,783	38,540	185,883
Building & building improvements	6,416,945			6,416,945
Machinery & equipment	717,638	58,121	173,721	602,038
Totals at historical cost	<u>7,193,223</u>	<u>223,904</u>	<u>212,261</u>	<u>7,204,866</u>
Less: accumulated depreciation				
Land improvemens	(58,640)	(6,908)	(38,540)	(27,008)
Building & building improvements	(2,015,462)	(173,568)		(2,189,030)
Machinery & equipment	(483,957)	(27,021)	172,533	(338,445)
Total accumulated depreciation	<u>(2,558,059)</u>	<u>(207,497)</u>	<u>133,993</u>	<u>(2,554,483)</u>
Governmental activities capital assets, net	<u>4,673,164</u>	<u>16,407</u>	<u>78,268</u>	<u>4,688,383</u>
Food Service				
Machinery & equipment	153,955		9,655	144,300
Less: accumulated depreciation	(121,887)	(9,620)	809	(130,698)
Business-type capital assets, net	<u>32,068</u>	<u>(9,620)</u>	<u>10,464</u>	<u>13,602</u>
Childcare				
Machinery & equipment	6,600			6,600
Less: accumulated depreciation	(3,795)	(357)		(4,152)
	<u>2,805</u>	<u>(357)</u>		<u>2,448</u>

Depreciation was charged to the following governmental programs:

Instruction	3,315
Support administration	1,512
Operation and maintenance	982
Transportation	2,411
Unallocated	199,277
Total	<u>207,497</u>

**NOTE 7: 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

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, 2013, was \$1,220,000.

**Long-term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2013, are as follows:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Due within one year
Compensated absences	101,489	6,914	10,761	97,642	
Capital lease	24,571		24,571		
Bonds payable	1,385,000		165,000	1,220,000	165,000
	<u>1,511,060</u>	<u>6,914</u>	<u>200,332</u>	<u>1,317,642</u>	<u>165,000</u>

**Bonds Payable**

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

Year Ended June 30	Principal	Interest	Total
2014	165,000	52,450	217,450
2015	170,000	45,850	215,850
2016	170,000	39,050	209,050
2017	175,000	32,250	207,250
2018	175,000	25,250	200,250
2019-2020	365,000	27,500	392,500
	<u>1,220,000</u>	<u>222,350</u>	<u>1,442,350</u>

**Bonds Authorized but Not Issued**

As of June 30, 2013, the Board has \$0 of bonds authorized but not issued.

**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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Other (Continued)**

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, 2013, 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.

**NOTE 8: PENSION FUNDS**

**Description of Plans** - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) 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/actuarial-rpts.shtml>.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 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 (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for PERS and TPAF, increased from 5.5% of employees' annual compensation, as defined to 6.5%. Subsequent increased will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS and TPAF. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2013, 2012 and 2011, were \$43,416, \$45,813 and \$44,479, respectively, equal to the required contributions for each year. The School District's share of TPAF for the years ending June 30, 2013, 2012 and 2011, were \$119,034, \$142,780 and \$107,820, respectively, paid by the State of New Jersey on behalf of the Board, which equaled the required contributions for each year.

The Board's total payroll for the years ending June 30, 2013, 2012 and 2011, were \$2,275,954, \$2,130,704 and \$1,957,766, covered payroll was \$1,581,910, \$1,422,572 and \$1,383,530 for TPAF and \$379,031, \$389,290 and \$386,750 for PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) 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 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 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. The School District's contribution for the years ending June 30, 2013, 2012 and 2011, were \$1,551, \$410 and \$86 for covered employees.

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)**

97,661 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 PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**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 (GASB 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. The District's policy permits Association employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave if the employee has a minimum of 100 days in accordance with District's agreements with the various employee unions. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Position* 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, 2013, is \$97,642. The liability for compensated absences in the food service fund at June 30, 2013, is \$2,374.

**NOTE 11: 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:

ING

Lincoln Investment Planning, Inc.

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2013, the District's teachers are organized in the Oldmans Education Association collective bargaining unit which expires on June 30, 2014.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 13: OTHER EMPLOYEE BENEFITS PLAN**

The district established and maintains a cafeteria plan for health benefits required by *NJSA 18A:16-19.1* as amended by P.L. 2011, c. 78, s. 51. 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 14: 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, 2013, the District did not incur claims in excess of their coverage.

The District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSD). 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:

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 14: RISK MANAGEMENT (CONTINUED)**

Fiscal Year	Interest Contributions	Employee Contributions	Employer Contributions	Amount Reimbursed	Ending Balance
2012-2013	40	3,812	55,000	12,388	145,687
2011-2012	82	3,748		9,382	99,223
2010-2011	198	3,311	30,153	36,277	104,775

**NOTE 15: 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, 2013, amounted to \$8,550. Future minimum lease payments are as follows:

Year Ended June 30	Amount
2014	<u>8,550</u>

**NOTE 16: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**Non-Spendable Fund Balance** - The District had no non-spendable fund balance at June 30, 2013.

**Restricted Fund Balance:**

**Capital Reserve Account** - The District did not have a capital reserve account at June 30, 2013.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)**

**Maintenance Reserve Account** - Of the \$294,659 balance in the maintenance reserve account at June 30, 2013. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA), (NJSA 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Excess Surplus** - At June 30, 2013, excess surplus created in FY 2012 of \$66,723 will be utilized for expenditures in the 2013-2014 budget, while excess surplus created in FY 2013 of \$77,742 is restricted and will be utilized for budget expenditures in 2014-2015.

**Debt Service Fund** - At June 30, 2013, there was \$0 fund balance.

**Committed Fund Balance** - The District had no fund balance at June 30, 2013.

**Assigned Fund Balance** - At June 30, 2013, the Board has assigned \$208,287 of general fund balance to expenditures in the 2013-2014 budget. \$190,829 was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Unassigned Fund Balance** - At June 30, 2013, the District has \$85,074 of unassigned fund balance in the general fund.

**NOTE 17: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 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, 2013, is \$144,465.

**NOTE 18: ECONOMIC DEPENDENCY**

The District is heavily reliant on state sources to fund the District operations. State sources funded approximately 42.1% of the District's 2012-2013 governmental operations excluding capital projects.

**NOTE 19: CONTINGENT LIABILITIES**

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 20: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2013 and October 24, 2013, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	2,398,882		2,398,882	2,398,882	
Transportation fees	20,000		20,000	32,249	12,249
Interest on investments	5,000		5,000	2,605	(2,395)
Miscellaneous				158,898	158,898
Total - local sources	<u>2,423,882</u>		<u>2,423,882</u>	<u>2,592,634</u>	<u>168,752</u>
State sources:					
Transportation aid	136,628		136,628	136,628	
Equalization aid	948,456		948,456	948,456	
Special education categorical aid	137,774		137,774	137,774	
Security aid	27,692		27,692	27,692	
Adjustment aid	255,921		255,921	255,921	
School choice aid	244,350		244,350	244,350	
Nonpublic transportation aid				4,374	4,374
Teachers' pension and annuity fund (on-behalf non-budgeted)				94,784	94,784
TPAF post-retirement (on-behalf non-budgeted)				107,176	107,176
Reimbursed TPAF social security contributions (non-budgeted)				119,034	119,034
Total - state sources	<u>1,750,821</u>		<u>1,750,821</u>	<u>2,076,189</u>	<u>325,368</u>
Total revenues	<u>4,174,703</u>		<u>4,174,703</u>	<u>4,668,823</u>	<u>494,120</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	159,910	(5,000)	154,910	154,365	545
Grades 1-5	575,439	52,500	627,939	627,859	80
Grades 6-8	317,232	35,000	352,232	351,927	305
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000	724	276
Regular programs - undistributed instruction:					
Other salaries for instruction	6,447	4,700	11,147	10,280	867
Other purchased services (400-500 series)	23,000	12,500	35,500	35,274	226
General supplies	47,611	2,200	49,811	49,261	550
Textbooks	4,500	29,300	33,800	28,363	5,437
Total regular programs	1,135,139	131,200	1,266,339	1,258,053	8,286
Resource room:					
Salaries of teachers	136,314	(4,850)	131,464	131,414	50
Other salaries for instruction	30,140	26,100	56,240	55,550	690
General supplies	2,500	(1,500)	1,000	783	217
Textbooks	1,000		1,000		1,000
Total resource room	169,954	19,750	189,704	187,747	1,957
Total special education	169,954	19,750	189,704	187,747	1,957
Basic skills/remedial:					
Salaries of teachers	75,967	(62,450)	13,517	942	12,575
Other salaries for instruction	10,591	(8,591)	2,000	378	1,622
Total basic skills/remedial	86,558	(71,041)	15,517	1,320	14,197
School sponsored co-curricular activities:					
Salaries	8,450		8,450	7,876	574
Total school sponsored co-curricular activities	8,450		8,450	7,876	574
School sponsored athletics - instruction:					
Salaries	3,400	1,100	4,500	4,429	71
Purchased services (300-500 series)	2,800	(400)	2,400	2,245	155
General supplies	500	(500)			
Total school sponsored athletics - instruction	6,700	200	6,900	6,674	226
Total other instructional programs	101,708	(70,841)	30,867	15,870	14,997
Total - instruction	1,406,801	80,109	1,486,910	1,461,670	25,240

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state regular	722,133	(32,616)	689,517	689,507	10
Tuition to Other LEA's within state special	156,869	36,066	192,935	192,395	540
Tuition to county voc. school district - regular	14,000	5,000	19,000	19,000	
Tuition to county special services district/ regional day schools	85,976	(53,095)	32,881	32,791	90
Tuition to private schools for the disabled - in state	89,315	(76,918)	12,397	12,397	
Tuition state facilities		17,699	17,699	17,699	
Total undistributed expenditures - instruction	1,068,293	(103,864)	964,429	963,789	640
Attendance & social work					
Salaries	18,434	1,680	20,114	20,000	114
Total attendance & social work	18,434	1,680	20,114	20,000	114
Health services:					
Salaries	55,082	(1,200)	53,882	53,792	90
Purchased professional/technical services	2,400	(755)	1,645	1,521	124
Other purchased services (400-500 series)		55	55	55	
Supplies and materials	1,450	600	2,050	1,733	317
Total health services	58,932	(1,300)	57,632	57,101	531
Related services:					
Salaries of other professional staff	32,461	200	32,661	32,652	9
General supplies	550	(200)	350	288	62
Total related services	33,011		33,011	32,940	71
Extraordinary services:					
Purchased professional-education services	10,000		10,000	6,570	3,430
Total extraordinary services	10,000		10,000	6,570	3,430
Guidance services					
Salaries of other professional staff	38,059	300	38,359	38,179	180
Total guidance services	38,059	300	38,359	38,179	180
Child study team					
Purchased professional-educational services	1,500	(300)	1,200	650	550
Total child study team	1,500	(300)	1,200	650	550

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	38,008	8,900	46,908	45,618	1,290
Purchased professional-technical services	1,400	(735)	665	135	530
Purchased services (400-500 series)	1,100	1,500	2,600	2,595	5
Supplies and materials	4,965	(4,000)	965	964	1
Total educational media services/school library	45,473	5,665	51,138	49,312	1,826
Instructional staff training:					
Salaries of supervisor of instruction	61,024	4,143	65,167	65,099	68
Salaries of secretarial and clerical assistants	12,871	(550)	12,321	11,784	537
Purchased professional-educational services		1,100	1,100	632	468
Purchased professional-technical services	9,850	(4,433)	5,417	4,962	455
Purchased services (400-500 series)	1,000		1,000	979	21
Total instructional staff training	84,745	260	85,005	83,456	1,549
Support services general administration:					
Salaries	44,693	4,700	49,393	47,865	1,528
Legal services	3,000		3,000	2,993	7
Audit Fees	12,000	(900)	11,100	11,100	
Other purchased professional services	2,000	(2,000)			
Communications/telephone	3,500	(1,260)	2,240	2,154	86
BOE other purchased services	300	624	924	924	
Other purchased services (400-500 series)	17,980	(2,864)	15,116	14,663	453
Supplies and materials	1,700	1,000	2,700	2,671	29
BOE Member dues/fees	5,000	(1,300)	3,700	3,489	211
Total support services general administration	90,173	(2,000)	88,173	85,859	2,314
Support services school administration:					
Salaries of principals/assistant principals	51,000	2,120	53,120	53,119	1
Salaries of secretarial and clerical assistants	30,191		30,191	29,938	253
Other purchased services (400-500 series)	1,000	390	1,390	1,390	
Supplies and materials	2,600	(510)	2,090	2,088	2
Total support services school administration	84,791	2,000	86,791	86,535	256
Central services:					
Salaries	97,824	975	98,799	98,619	180
Other purchased services (400-500 series)	11,205	(2,675)	8,530	8,379	151
Supplies and materials	2,305	1,140	3,445	3,154	291
Other objects	1,000	560	1,560	1,512	48
Total central services	112,334		112,334	111,664	670
Required maintenance:					
Cleaning, repair and maintenance services	122,700	107,532	230,232	106,803	123,429
Total required maintenance	122,700	107,532	230,232	106,803	123,429

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	119,909	3,600	123,509	123,082	427
Purchased professional - technical services	10,490	(1,100)	9,390	9,065	325
Cleaning, repair and maintenance services	17,831	(1,500)	16,331	15,406	925
Other purchased property services	1,800	1,000	2,800	2,456	344
Insurance	13,000	(1,000)	12,000	11,700	300
Other purchased services (400-500 series)	2,100	1,700	3,800	3,535	265
General supplies	12,500	3,000	15,500	15,460	40
Energy (heat and electricity)	114,650	10,606	125,256	114,670	10,586
Total other operation & maintenance of plant services	292,280	16,306	308,586	295,374	13,212
Total operation & maintenance of plant services	414,980	123,838	538,818	402,177	136,641
Student transportation services:					
Salaries for pupil transportation - between home and school - regular	59,038		59,038	57,401	1,637
Salaries for pupil transportation - between home and school - special	11,000		11,000	3,195	7,805
Salaries for pupil transportation - other than between home and school	5,500		5,500	3,916	1,584
Cleaning, repair and maintenance services	19,141	3,000	22,141	13,259	8,882
Contracted services - between home and school - vendor	70,662	(47,784)	22,878		22,878
Contracted services - other than between home and school - vendor		1,000	1,000	975	25
Contracted services (regular students) ESC's and CTSA	27,000	5,600	32,600	31,422	1,178
Contracted services (special education students) ESC's and CTSA		1,650	1,650	1,584	66
Aid in lieu	8,840	884	9,724	9,724	
Miscellaneous purchased service - transportation	8,500		8,500	5,171	3,329
Supplies and materials	33,270		33,270	31,950	1,320
Total student transportation services	242,951	(35,650)	207,301	158,597	48,704
Regular programs - instructional - employee benefits					
Social security contributions	8,881	4,700	13,581	13,004	577
Other retirement - PERS	49,897	(5,000)	44,897	43,416	1,481
Other retirement regular	22,750	(7,700)	15,050	8,079	6,971
Unemployment compensation		55,000	55,000	55,000	
Workmen's compensation	14,402	(4,900)	9,502	9,416	86
Health benefits	195,149	8,000	203,149	179,135	24,014
Tuition reimbursement	8,000		8,000	2,100	5,900
Other employee benefits	21,133		21,133	20,216	917
Total regular programs instructional - employee benefits	320,212	50,100	370,312	330,366	39,946
Special programs - instructional - employee benefits					
Social security contributions	3,154		3,154	3,154	
Workmen's compensation	2,300		2,300	1,495	805
Health benefits	46,854		46,854	46,854	
Other employee benefits	4,491		4,491	4,300	191
Total special programs instructional - employee benefits	56,799		56,799	55,803	996

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance services - employee benefits					
Social security contributions	1,121		1,121	1,121	
Workmen's compensation	139		139	90	49
Health benefits	2,705		2,705	2,705	
Other employee benefits	229		229	229	
Total attendance services - employee benefits	4,194		4,194	4,145	49
Health services - employee benefits					
Workmen's compensation	523		523	340	183
Health benefits	9,013		9,013	9,013	
Other employee benefits	1,200		1,200	1,200	
Total health services - employee benefits	10,736		10,736	10,553	183
Related services - employee benefits					
Workmen's compensation	308		308	200	108
Health benefits	22,535		22,535	22,535	
Other employee benefits	960		960	960	
Total related services - employee benefits	23,803		23,803	23,695	108
Educational media services/school library - employee benefits					
Social security contributions	2,908		2,908	2,908	
Workmen's compensation	1,367		1,367	889	478
Health benefits	27,041		27,041	27,041	
Other employee benefits	1,025		1,025	1,025	
Total educational media services/school library - employee benefits	32,341		32,341	31,863	478
Instructional staff training - employee benefits					
Social security contributions	1,121		1,121	901	220
Workmen's compensation	139		139	90	49
Health benefits	2,704		2,704	2,704	
Other employee benefits	229		229	229	
Total instructional staff training - employee benefits	4,193		4,193	3,924	269

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration - employee benefits					
Social security contributions	303		303	303	
Workmen's compensation	919		919	597	322
Health benefits	2,704		2,704	2,704	
Other employee benefits	720		720	720	
<b>Total support services general administration - employee benefits</b>	<b>4,646</b>		<b>4,646</b>	<b>4,324</b>	<b>322</b>
Support services school administration - employee benefits					
Social security contributions	2,310		2,310	2,306	4
Workmen's compensation	287		287	187	100
Health benefits	12,621		12,621	12,621	
Other employee benefits	493		493	493	
<b>Total support services school administration - employee benefits</b>	<b>15,711</b>		<b>15,711</b>	<b>15,607</b>	<b>104</b>
Central services - employee benefits					
Social security contributions	1,912		1,912	1,912	
Workmen's compensation	964		964	626	338
Health benefits	9,922		9,922	9,922	
Other employee benefits	3,412		3,412	3,412	
<b>Total central services - employee benefits</b>	<b>16,210</b>		<b>16,210</b>	<b>15,872</b>	<b>338</b>
Operation and maintenance of plant services - employee benefits					
Social security contributions	9,250		9,250	9,214	36
Workmen's compensation	5,743	(2,000)	3,743	3,733	10
Health benefits	27,041	(5,000)	22,041	21,783	258
Other employee benefits	1,950		1,950	1,950	
<b>Total operation and maintenance of plant services - employee benefits</b>	<b>43,984</b>	<b>(7,000)</b>	<b>36,984</b>	<b>36,680</b>	<b>304</b>
Student transportation services - employee benefits					
Social security contributions	5,167		5,167	5,016	151
Workmen's compensation	3,208	(1,100)	2,108	2,085	23
Health benefits	11,719		11,719	11,719	
Other employee benefits	1,288		1,288	1,228	60
<b>Total student transportation services employee benefits</b>	<b>21,382</b>	<b>(1,100)</b>	<b>20,282</b>	<b>20,048</b>	<b>234</b>
<b>Total allocated benefits</b>	<b>554,211</b>	<b>42,000</b>	<b>596,211</b>	<b>552,880</b>	<b>43,331</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				94,784	(94,784)
TPAF post-retirement (on-behalf non-budgeted)				107,176	(107,176)
Reimbursed TPAF social security contributions (non-budgeted)				119,034	(119,034)
Total non-budgeted				320,994	(320,994)
Total undistributed expenditures	2,857,887	32,629	2,890,516	2,970,703	(80,187)
Total expenditures - current expense	4,264,688	112,738	4,377,426	4,432,373	(54,947)
<b>CAPITAL OUTLAY:</b>					
Equipment: - undistributed expenditures:					
School sponsored- co-curricular	165,783		165,783	165,783	
Instruction		6,800	6,800	6,786	14
General administration	3,000	(3,000)			
Operation and maintenance	3,550	3,615	7,165	7,165	
School buses - regular	93,121		93,121	83,697	9,424
Total equipment	265,454	7,415	272,869	263,431	9,438
Facilities acquisition and construction services:					
Legal services		2,975	2,975	2,975	
Architect and engineering	35,000	(3,590)	31,410	23,233	8,177
Land and improvements	155,000	(6,800)	148,200	61,895	86,305
Total facilities acquisition and construction services	190,000	(7,415)	182,585	88,103	94,482
Total capital outlay	455,454		455,454	351,534	103,920
Total expenditures	4,720,142	112,738	4,832,880	4,783,907	48,973
Excess (deficiency) of revenues over (under) expenditures	(545,439)	(112,738)	432,701	(115,084)	543,093
Other financing sources (uses):					
Maintenance reserve to required maintenance		(112,738)	(112,738)		(112,738)
Transfer to food service to cover deficit	(2,817)		(2,817)	(2,202)	(615)
Total other financing sources (uses)	(2,817)	(112,738)	(115,555)	(2,202)	(113,353)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(548,256)		548,256	(117,286)	429,740
Fund balances - July 1	1,209,900		1,209,900	1,209,900	
Fund balances - June 30	661,643		1,758,156	1,092,614	429,740

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				294,659	
Excess surplus - designated for subsequent year's expenditures				66,723	
Excess surplus - current year				77,742	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				190,829	
Designated for subsequent year's expenditures				208,287	
<b>Unassigned Fund Balance</b>				254,374	
				<u>1,092,614</u>	
Reconciliation to Governmental Fund Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				(169,300)	
Fund Balance per Governmental Funds (GAAP)				<u><u>923,314</u></u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	146,295	21,287	167,582	155,306	12,276
Local sources		1,000	1,000	1,000	
<b>Total revenues</b>	<b>146,295</b>	<b>22,287</b>	<b>168,582</b>	<b>156,306</b>	<b>12,276</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	11,678	5,243	16,921	16,921	
Other salaries for instruction	17,047	2,261	19,308	17,767	1,541
Other purchased services (400-500 series)	2,634		2,634	2,634	
General supplies	20,466	8,888	29,354	22,718	6,636
<b>Total Instruction</b>	<b>51,825</b>	<b>16,392</b>	<b>68,217</b>	<b>60,040</b>	<b>8,177</b>
Support services:					
Personal services - employee benefits	7,502	1,794	9,296	9,296	
Purchased professional - educational services	86,968	4,101	91,069	86,970	4,099
<b>Total support services</b>	<b>94,470</b>	<b>5,895</b>	<b>100,365</b>	<b>96,266</b>	<b>4,099</b>
<b>Total expenditures</b>	<b>146,295</b>	<b>22,287</b>	<b>168,582</b>	<b>156,306</b>	<b>12,276</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2013

Note A: Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources:</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1]	4,668,823	[C-2]	156,306
<b>Difference - budget to GAAP</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				10,422
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(169,300)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		165,708		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	4,665,231	[B-2]	166,728
<b>Uses/outflows of resources:</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	4,783,907	[C-2]	156,306
<b>Difference - budget to GAAP</b>				
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.				10,422
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	4,783,907	[B-2]	166,728

## **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, 2013

	Total Brought Forward Ex. E-1a	SJ Energy Grant for the Arts	Rural Education Achievement Program		Totals	
			2011-2012	2012-2013	FY 2013	FY 2012
<b>REVENUES:</b>						
Federal sources	135,262		1,575	18,469	155,306	135,083
Local sources		1,000			1,000	
<b>Total revenues</b>	<b>135,262</b>	<b>1,000</b>	<b>1,575</b>	<b>18,469</b>	<b>156,306</b>	<b>135,083</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	16,921				16,921	488
Other salaries for instruction	17,767				17,767	22,257
Other purchased services (400-500 series)	2,634				2,634	
General supplies	1,674	1,000	1,575	18,469	22,718	26,552
<b>Total instruction</b>	<b>38,996</b>	<b>1,000</b>	<b>1,575</b>	<b>18,469</b>	<b>60,040</b>	<b>49,297</b>
Support services:						
Personal services - employee benefits	9,296				9,296	7,245
Purchased professional - educational services	86,970				86,970	76,612
Other purchased services (400-500 series)						1,929
<b>Total support services</b>	<b>96,266</b>				<b>96,266</b>	<b>85,786</b>
<b>Total expenditures</b>	<b>135,262</b>	<b>1,000</b>	<b>1,575</b>	<b>18,469</b>	<b>156,306</b>	<b>135,083</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

	Title I Part A	IDEA - Part B - Basic	Title II, Part A Teacher & Principal Training & Recruiting	IDEA Preschool FY 2013	IDEA Preschool FY 2012	Total Carried Forward
REVENUES:						
Federal sources	45,658	81,611	6,560	1,431	2	135,262
Total revenues	45,658	81,611	6,560	1,431	2	135,262
EXPENDITURES:						
Instruction:						
Salaries of teachers	16,921					16,921
Other salaries for instruction	17,767					17,767
Other purchased services (400-500 series)		2,634				2,634
General supplies	1,674					1,674
Total instruction	36,362	2,634				38,996
Support services:						
Personal services - employee benefits	9,296					9,296
Purchased professional - educational services		78,977	6,560	1,431	2	86,970
Total support services	9,296	78,977	6,560	1,431	2	96,266
Total expenditures	45,658	81,611	6,560	1,431	2	135,262

## **PROPRIETARY FUNDS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2013

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2013	FY 2012
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	18,465	3,251	21,716	21,585
Accounts receivable:				
State	270		270	43
Federal	7,087		7,087	2,096
Intergovernmental	6,591		6,591	6,489
Other	242		242	448
Inventory	7,455		7,455	2,760
Total current assets	<u>40,110</u>	<u>3,251</u>	<u>43,361</u>	<u>33,421</u>
Noncurrent assets:				
Machinery and equipment	144,300	6,600	150,900	153,955
Less: accumulated depreciation	(130,698)	(4,152)	(134,850)	(121,887)
Total noncurrent assets	<u>13,602</u>	<u>2,448</u>	<u>16,050</u>	<u>32,068</u>
Total assets	<u>53,712</u>	<u>5,699</u>	<u>59,411</u>	<u>65,489</u>
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities:				
Accounts payable		215	215	547
Deferred revenue:				
Lunches	181		181	1,135
USDA commodities	6,233		6,233	990
Compensated absences	1,703		1,703	2,062
Total current liabilities	<u>8,117</u>	<u>215</u>	<u>8,332</u>	<u>4,734</u>
Fund equity:				
Invested in capital assets, net of related debt	13,602	2,448	16,050	32,068
Unrestricted	31,993	3,036	35,029	28,687
Total net position	<u>45,595</u>	<u>5,484</u>	<u>51,079</u>	<u>60,755</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2013

	Business-type Activities		Totals	
	Food Service	Latchkey Program	FY 2013	FY 2012
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales-reimbursable programs:	41,201		41,201	45,811
Daily sales non-reimbursable programs	5,808		5,808	4,446
Tuition		19,068	19,068	19,367
<b>Total operating revenue</b>	<b>47,009</b>	<b>19,068</b>	<b>66,077</b>	<b>69,624</b>
<b>OPERATING EXPENSES:</b>				
Salaries	36,526	14,812	51,338	53,783
Employee benefits	2,645	1,132	3,777	3,802
Supplies and materials	2,786	1,724	4,510	4,039
Purchased professional services	8,000		8,000	7,500
Depreciation	15,661	357	16,018	9,690
Cost of sales	47,229		47,229	40,216
<b>Total operating expenses</b>	<b>112,847</b>	<b>18,025</b>	<b>130,872</b>	<b>119,030</b>
<b>Operating income (loss)</b>	<b>(65,838)</b>	<b>1,043</b>	<b>(64,795)</b>	<b>(49,406)</b>
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National school lunch program - state	1,173		1,173	1,168
Federal sources:				
National school lunch program	33,326		33,326	31,173
School breakfast program	4,530		4,530	6,214
National snack program	278		278	284
Food distribution program	13,571		13,571	4,366
Interest revenue	39		39	61
<b>Total non-operating revenues (expenses)</b>	<b>52,917</b>		<b>52,917</b>	<b>43,266</b>
<b>Net income (loss) before transfers</b>	<b>(12,921)</b>	<b>1,043</b>	<b>(11,878)</b>	<b>(6,140)</b>
Board contribution	2,202		2,202	3,504
<b>Net income (loss)</b>	<b>(10,719)</b>	<b>1,043</b>	<b>(9,676)</b>	<b>(2,636)</b>
<b>Total net position - July 1</b>	<b>56,314</b>	<b>4,441</b>	<b>60,755</b>	<b>63,391</b>
<b>Total net position - June 30</b>	<b>45,595</b>	<b>5,484</b>	<b>51,079</b>	<b>60,755</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2013

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2013	FY 2012
Cash flows from operating activities:				
Receipts from customers	46,261	19,068	65,329	69,486
Payments to suppliers	(44,396)	(1,556)	(45,952)	(46,976)
Payments to employees	(36,885)	(14,812)	(51,697)	(53,471)
Payments for employee benefits	(2,645)	(1,132)	(3,777)	(3,802)
Net cash provided (used) by operating activities	(37,665)	1,568	(36,097)	(34,763)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	34,089		34,089	36,699
Net cash provided by non-capital financing activities	34,089		34,089	36,699
Cash flows from investing activities:				
Interest income	39		39	61
Payments to general fund	(102)		(102)	(1,890)
Capital expenditures				
Board contribution	2,202		2,202	3,504
Net cash provided by investing activities	2,139		2,139	1,675
Net increase in cash and cash equivalents	(1,437)	1,568	131	3,611
Cash and cash equivalents - July 1	19,902	1,683	21,585	17,974
Cash and cash equivalents - June 30	18,465	3,251	21,716	21,585
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(65,838)	1,043	(64,795)	(49,406)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	15,661	357	16,018	9,690
Food distribution program	13,571		13,571	4,366
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	206		206	(143)
(Increase) decrease in inventory	(4,695)		(4,695)	2,698
Increase (decrease) in accounts payable	(500)	168	(332)	413
Increase (decrease) in deferred revenue	4,289		4,289	(2,693)
Increase (decrease) in compensated absences	(359)		(359)	312
	(37,665)	1,568	(36,097)	(34,763)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2013

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2013</u>	<u>FY 2012</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	10,006		10,006	17,651
Total assets	<u>10,006</u>		<u>10,006</u>	<u>17,651</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Current liabilities:				
Cash deficit				
Accounts payable				4,969
Total current liabilities				<u>4,969</u>
<b>NET POSITON</b>				
Unrestricted	10,006		10,006	12,682
Total net position	<u>10,006</u>		<u>10,006</u>	<u>12,682</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Internal Service Fund  
 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2013

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2013</u>	<u>FY 2012</u>
OPERATING REVENUES:				
Local sources:				
Other charges and fees	67,000	48,000	115,000	108,000
Total operating revenue	<u>67,000</u>	<u>48,000</u>	<u>115,000</u>	<u>108,000</u>
OPERATING EXPENSES:				
Salaries	53,998	29,562	83,560	75,463
Employee benefits	13,441	20,324	33,765	23,959
Other purchased services				4,950
Supplies and materials	351		351	170
Other objects				19
Total operating expenses	<u>67,790</u>	<u>49,886</u>	<u>117,676</u>	<u>104,561</u>
Operating income (loss)	<u>(790)</u>	<u>(1,886)</u>	<u>(2,676)</u>	<u>3,439</u>
Total net position - July 1	<u>10,796</u>	<u>1,886</u>	<u>12,682</u>	<u>9,243</u>
Total net position - June 30	<u><u>10,006</u></u>		<u><u>10,006</u></u>	<u><u>12,682</u></u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Internal Service Fund  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2013

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2013</u>	<u>FY 2012</u>
Cash flows from operating activities:				
Receipts from customers	67,000	48,000	115,000	108,000
Payments to suppliers	(5,320)		(5,320)	(170)
Payments to employees	(53,998)	(29,562)	(83,560)	(75,463)
Payments for employee benefits	(13,441)	(20,324)	(33,765)	(23,959)
Net cash provided (used) by operating activities	<u>(5,759)</u>	<u>(1,886)</u>	<u>(7,645)</u>	<u>8,408</u>
Net increase in cash and cash equivalents	(5,759)	(1,886)	(7,645)	8,408
Cash and cash equivalents - July 1	15,765	1,886	17,651	9,243
Cash and cash equivalents - June 30	<u>10,006</u>		<u>10,006</u>	<u>17,651</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(790)	(1,886)	(2,676)	3,439
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Change in assets and liabilities:				
Increase (decrease) in accounts payable	(4,969)		(4,969)	4,969
	<u>(5,759)</u>	<u>(1,886)</u>	<u>(7,645)</u>	<u>8,408</u>

## **FIDUCIARY FUNDS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2013

	Trust Funds			Totals	
	Scholarship Trust Fund	Unemployment Trust Fund	Agency Funds	FY 2013	FY 2012
<b>ASSETS</b>					
Cash and cash equivalents	1,545	40,014	174,249	215,808	169,592
Intrafund receivable:					
Agency		105,673		105,673	59,249
Total assets	<u>1,545</u>	<u>145,687</u>	<u>174,249</u>	<u>321,481</u>	<u>228,841</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings			16,951	16,951	20,069
Due to student groups			21,043	21,043	24,290
Intrafund payable:					
Unemployment trust			105,673	105,673	59,249
Interfund payables:					
General fund			30,582	30,582	26,010
Total liabilities			<u>174,249</u>	<u>174,249</u>	<u>129,618</u>
<b>NET POSITION</b>					
Held in Trust for:					
Scholarship awards	1,545			1,545	
Unemployment claims		145,687		145,687	99,223
Total net position	<u>1,545</u>	<u>145,687</u>		<u>147,232</u>	<u>99,223</u>

## EXHIBIT H-2

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2013

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2013	FY 2012
<b>ADDITIONS:</b>				
Contributions:				
General fund budget		55,000	55,000	
Employee payroll deductions		3,812	3,812	3,748
Other	50		50	
Total contributions	50	58,812	58,862	3,748
Investment earnings:				
Interest	2	40	42	82
Total investment earnings	2	40	42	82
Total additions	52	58,852	58,904	3,830
<b>DEDUCTIONS:</b>				
Scholarships awarded	25		25	
Unemployment claims		12,388	12,388	9,382
Total deductions	25	12,388	12,413	
Change in net position	27	46,464	46,491	(5,552)
Net position - beginning of year	1,518	99,223	100,741	104,775
Net position - end of year	1,545	145,687	147,232	99,223

## EXHIBIT H-3

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
<b>ACTIVITIES:</b>				
Oldmans School	24,290	44,775	48,022	21,043

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
<b>ASSETS</b>				
Cash and cash equivalents	105,328	2,908,123	2,860,245	153,206
Total assets	<u>105,328</u>	<u>2,908,123</u>	<u>2,860,245</u>	<u>153,206</u>
<b>LIABILITIES</b>				
Employees' net pay		1,271,393	1,271,393	
Payroll deductions and withholdings	20,069	1,573,346	1,576,464	16,951
Intrafund payable:				
Unemployment trust	59,249	58,812	12,388	105,673
Interfund payable				
General fund	26,010	4,572		30,582
Total liabilities	<u>105,328</u>	<u>2,908,123</u>	<u>2,860,245</u>	<u>153,206</u>

## **LONG-TERM DEBT**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 General Long-Term Debt Account Group  
 Schedule of Serial Bonds  
 June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2012	Refunded/ Issued	Retired	Balance June 30, 2013
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	1,725,000	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%				
					1,385,000	None	165,000	1,220,000	

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Schedule of Obligations Under Capital Leases  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2013

Purpose	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Amount	Issued	Retired
			Principal	Interest		Outstanding June 30, 2012		
Bus	05/02/11	2 years	83,149	3,061	4.13%	24,571	None	24,571

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	165,167		165,167	165,167	
State sources:					
Debt service aid type II	58,883		58,883	58,883	
Total revenues	<u>224,050</u>		<u>224,050</u>	<u>224,050</u>	
EXPENDITURES:					
Regular debt service:					
Interest	59,050		59,050	59,050	
Redemption of principal	165,000		165,000	165,000	
Total regular debt service	<u>224,050</u>		<u>224,050</u>	<u>224,050</u>	
Total expenditures	<u>224,050</u>		<u>224,050</u>	<u>224,050</u>	

**STATISTICAL SECTION  
(UNAUDITED)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	93-100
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</p>	
<b>Revenue Capacity</b>	101-104
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	105-108
<p>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.</p>	
<b>Demographic and Economic Information</b>	109-110
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<b>Operating Information</b>	111-115
<p>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.</p>	

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Net Position By Component  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	3,243,327	3,279,322	3,481,620
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717	563,236	942,979	838,240
Unrestricted	(29,326)	(27,432)	(6,961)	76,099	211,077	28,780	5,455	230,633	12,406	(2,562)
Total governmental activities net position	<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>	<u>4,037,196</u>	<u>4,234,707</u>	<u>4,317,298</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	41,758	32,068	16,050
Unrestricted	5,683	2,456	12,569	17,268	22,802	20,539	20,573	21,633	28,687	35,029
Total business-type activities net position	<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>	<u>63,391</u>	<u>60,755</u>	<u>51,079</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	3,285,085	3,311,390	3,497,670
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717	563,236	942,979	838,240
Unrestricted	(23,643)	(24,977)	5,608	93,367	233,879	49,319	26,028	252,266	41,093	32,467
	<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>	<u>4,100,587</u>	<u>4,295,462</u>	<u>4,368,377</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Changes In Net Position  
 Last Ten Years  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
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	948,214	1,144,606	1,264,628
Special education	222,129	232,872	218,152	234,869	256,001	283,455	348,201	227,493	222,596	261,094
Other special education	45,766	52,348	41,807	32,854	29,018	32,026	59,733	69,045	69,358	1,320
Other instruction	6,496	11,214	10,564	10,660	9,926	12,433	15,851	13,670	16,447	14,550
Support services:										
Tuition	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467	918,100	963,789
Student & instruction and related services	185,224	239,049	290,133	276,235	278,249	304,057	364,138	346,161	360,233	367,075
School administrative services	52,244	156,809	32,217	42,953	58,461	41,116	39,423	33,588	40,864	85,018
General administration				120,150	104,775	116,552	108,446	102,771	96,075	86,535
Central services				184,900	188,333	159,339	159,199	176,146	165,199	179,755
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	419,274	554,972	452,740
Pupil transportation	146,941	167,165	181,754	197,100	196,908	260,379	296,860	235,537	219,504	161,476
Employee benefits		664,567	739,636	841,614	900,862	818,873	876,098	777,928	731,242	883,170
Unallocated benefits	713,542									
Interest on long-term debt	144,721	141,404	132,981	126,814	119,416	113,049	122,117	71,817	67,018	61,542
Capital outlay						2,154	27,361	6,455	1,998	103,059
Unallocated depreciation	128,624	128,624	130,268	158,088	192,782	134,808	127,377	129,200	126,983	199,277
Disposal of capital assets				3,300	1,484					
Amortization of debt issuance costs	1,332	1,332	1,332	1,332	1,332					
<b>Total governmental activities expenses</b>	<b>4,260,224</b>	<b>4,399,247</b>	<b>4,481,817</b>	<b>5,011,467</b>	<b>5,212,585</b>	<b>4,925,242</b>	<b>4,998,315</b>	<b>4,476,766</b>	<b>4,735,195</b>	<b>5,085,028</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Changes In Net Position  
Last Ten Years  
For the Fiscal Year Ended June 30, 2013  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Food service	12,088	110,777	109,379	116,511	119,301	118,909	105,420	91,193	100,238	112,847
Childcare	373	27,002	24,992	24,221	27,959	28,437	14,750	14,508	18,792	18,025
Total business-type activities expense	12,461	137,779	134,371	140,732	147,260	147,346	120,170	105,701	119,030	130,872
Total district expenses	4,272,685	4,537,026	4,616,188	5,152,199	5,359,845	5,072,588	5,118,485	4,582,467	4,854,225	5,215,900
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
Pupil transportation, shared services	24,769	22,835	40,799	117,457	107,984	95,152	101,900	107,000	108,000	115,000
Operating grants and contributions	141,203	137,281	121,036	172,091	136,504	140,888	154,694	134,333	124,661	166,728
Total governmental activities program revenues	165,972	160,116	161,835	289,548	244,488	236,040	256,594	241,333	232,661	281,728
Business-type activities:										
Charges for services:										
Food service	47,983	50,949	49,697	47,976	46,988	42,925	41,355	46,376	50,257	47,009
Childcare	31,528	28,934	22,323	24,893	30,657	25,143	16,274	9,537	19,367	19,068
Operating grants and contributions	37,831	34,115	33,258	39,059	39,068	38,644	36,754	37,330	43,205	52,878
Total business-type activities program revenues	117,341	113,998	105,278	111,928	116,712	106,712	94,383	93,243	112,829	118,955
Total district program revenue	283,313	274,114	267,113	401,476	361,200	342,752	350,977	334,576	345,490	400,683
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)	(4,235,433)	(4,502,534)	(4,803,300)
Business-type activities	104,880	(23,781)	(29,093)	(28,804)	(30,548)	(40,634)	(25,787)	(12,458)	(6,201)	(11,917)
Total district-wide net expense	(3,989,372)	(4,262,912)	(4,349,075)	(4,750,724)	(4,998,645)	(4,729,836)	(4,767,508)	(4,247,891)	(4,508,735)	(4,815,217)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Changes In Net Position  
Last Ten Years  
For the Fiscal Year Ended June 30, 2013  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General revenues and other changes in net position:										
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	2,493,989	2,357,014	2,398,882
Taxes levied for debt service	162,719	178,959	177,709	174,541	175,918	171,351	168,992	157,935	151,826	165,167
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	1,905,490	2,040,483	2,131,480
Tuition charges							2,000	87,602		
Transportation charges						20,204	30,218	29,485	27,280	32,249
Investment earnings						9,992	3,787	3,508	3,293	2,605
Miscellaneous income	11,121	50,014	30,436	51,821	58,004	15,216	94,047	20,373	123,653	158,898
Loss on disposal of assets						(1,862)	(15,505)			(1,188)
Premium on issuance of refunding bonds							110,667			
Transfers	(12,500)	(8,500)	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)
Total governmental activities	4,189,930	4,188,167	4,465,853	4,793,380	4,951,856	4,867,742	4,977,821	4,695,086	4,700,045	4,885,891
Business-type activities:										
Miscellaneous income		558	257	511	639	238	53	57	61	39
Transfers	12,500	8,500	29,000	23,042	25,492	28,183	15,818	3,296	3,504	2,202
Investment in fixed assets								6,455		
Loss on disposal of assets								(1,260)		
Total business-type activities	12,500	9,058	29,257	23,553	26,132	28,421	15,871	8,548	3,565	2,241
Total district-wide	4,202,430	4,197,225	4,495,110	4,816,933	4,977,987	4,896,163	4,993,692	4,703,634	4,703,610	4,888,132
Change in net position										
Governmental activities	95,678	(50,964)	145,871	71,461	(16,241)	178,540	236,100	459,653	197,511	82,591
Business-type activities	117,380	(14,723)	163	(5,251)	(4,416)	(12,213)	(9,916)	(3,910)	(2,636)	(9,676)
Total district	213,058	(65,687)	146,034	66,210	(20,658)	166,327	226,184	455,743	194,875	72,915

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2013  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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			
Restricted								461,900	462,893	439,124
Assigned								282,395	480,086	399,116
Unrestricted								113,197	101,213	85,074
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>	<u>857,492</u>	<u>1,044,192</u>	<u>923,314</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	23,119		
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>	<u>23,119</u>	<u>None</u>	<u>None</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	2,393,316	2,285,633	2,561,153	2,744,432	2,778,382	2,806,120	2,701,241	2,651,924	2,508,840	2,564,049
Tuition charges	24,769	22,835	25,799	19,157	19,892		2,000	87,602		
Transportation charges						20,204	30,218	29,485	27,280	32,249
Interest earnings	3,252	4,289	19,875	29,671	31,317	9,992	3,787	3,508	3,293	2,605
Miscellaneous	7,869	15,825	10,561	22,150	24,779	15,716	94,447	20,373	123,653	159,898
State sources	1,806,583	1,872,119	1,909,874	2,024,895	2,145,747	2,046,255	1,864,331	1,905,490	1,980,303	2,131,480
Federal sources	132,613	126,182	114,426	167,366	131,719	140,388	357,147	134,333	184,841	165,728
<b>Total revenue</b>	<b>4,368,402</b>	<b>4,326,883</b>	<b>4,641,688</b>	<b>5,007,670</b>	<b>5,131,836</b>	<b>5,038,675</b>	<b>5,053,171</b>	<b>4,832,715</b>	<b>4,828,210</b>	<b>5,056,009</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular	1,111,150	1,136,146	1,228,319	1,272,280	1,285,847	1,198,004	1,035,449	975,562	1,132,426	1,258,053
Special	222,129	232,872	218,152	234,869	256,001	281,312	349,051	228,270	232,265	258,209
Other	45,766	52,348	41,807	32,854	29,018	32,026	59,733	69,045	69,358	1,320
School sponsored/other instructional	6,496	11,214	10,564	10,660	9,926	12,433	15,851	13,670	16,447	14,550
<b>Community service</b>										
<b>Undistributed:</b>										
Tuition	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467	918,100	963,789
Student & instruction related services	261,925	239,049	290,133	276,235	278,249	300,526	362,997	345,358	349,827	375,178
General administration	169,562	285,022	245,447	120,150	104,775	114,138	106,666	102,801	97,105	85,859
School administration	52,243	52,984	32,217	42,953	58,461	40,412	38,873	33,091	41,981	86,535
Central services				96,603	92,232	95,433	97,718	100,584	109,080	111,664
Administration information technology				4,098	4,000	4,000	3,106			
Allowable maintenance for school facilities	34,812	21,300	33,812	31,297	38,700	66,182	48,236	68,803	172,107	106,803
Operations and maintenance of plant services	225,263	244,421	249,474	263,151	265,463	265,683	281,362	325,631	332,200	295,374
Student transportation	134,950	130,405	149,756	197,100	196,908	239,954	280,036	213,238	192,741	158,597
Business and other support services										
On-behalf TPAF pension contributions	75,259	90,326	124,010	234,791	249,128	110,750	112,675	107,820	142,780	201,960
Reimbursed TPAF social security contributions	112,037	112,676	118,006	119,588	125,611	117,856	117,609	108,072	111,116	119,034
Employee benefits	526,246	461,564	487,066	480,986	527,639	590,267	645,814	562,036	477,346	562,176
Capital outlay	96,882	77,107	72,403	41,807		249,870	116,252	124,604	42,396	351,534
<b>Debt service expenditures</b>										
Principal	115,000	120,000	125,000	130,000	135,000	140,000	165,000	160,000	160,000	165,000
Interest	149,344	143,019	136,419	129,544	122,264	114,670	69,017	68,650	63,850	59,050
<b>Total expenditures</b>	<b>4,436,096</b>	<b>4,371,249</b>	<b>4,488,663</b>	<b>4,932,835</b>	<b>5,064,250</b>	<b>5,040,281</b>	<b>4,960,336</b>	<b>4,526,702</b>	<b>4,661,125</b>	<b>5,174,685</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess (deficiency of revenues over (under) expenditures	(67,694)	(44,366)	(44,366)	74,835	67,587	(1,606)	92,835	306,013	167,085	(118,676)
Other financing sources (uses)										
Sale of capital assets		29,900								
Capital leases								83,149		
Transfers out	(12,500)	(8,500)	(29,000)	(23,042)	(145,617)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)
Transfers in					120,125					
Total other financing sources (uses)	(12,500)	21,400	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	79,853	(3,504)	(2,202)
Net change in fund balance	<u>(80,194)</u>	<u>(22,966)</u>	<u>(73,366)</u>	<u>51,792</u>	<u>42,094</u>	<u>(29,789)</u>	<u>77,017</u>	<u>385,866</u>	<u>163,581</u>	<u>(120,878)</u>
Debt service as a percentage of noncapital expenditures	6.09%	6.13%	5.92%	5.31%	5.08%	5.32%	4.83%	5.19%	4.85%	4.65%

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
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
2011	12,725	3		7,645	20,373
2012	112,438	1,000		10,215	123,653
2013	150,423	209		8,266	158,898
	<u>394,649</u>	<u>17,988</u>	<u>15,318</u>	<u>43,278</u>	<u>471,234</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
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	216,473,060	1.2650
2011	12,813,000	108,360,400	22,586,200	3,308,600	12,155,400	50,230,100	0	209,453,700	72,254,400	575,607	210,029,307	183,317,715	1.2330
2012	12,437,500	113,503,700	21,986,700	3,310,000	12,155,400	43,730,100	0	207,123,400	72,838,000	611,783	207,735,183	223,406,889	1.2170
2013	10,491,900	118,596,300	21,900,200	3,297,800	12,155,400	53,046,900	0	219,488,500	66,159,200	577,861	220,066,361	n/a	1.1730

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	
2004	1.960	0.160	2.120	0.120	1.260	3.500
2005	2.020	0.160	2.180	0.120	1.210	3.510
2006	2.210	0.160	2.370	0.120	1.310	3.800
2007	2.309	0.157	2.466	0.140	1.450	4.056
2008	2.277	0.154	2.431	0.150	1.470	4.051
2009	1.176	0.077	1.253	0.200	1.410	2.863
2010	1.186	0.079	1.265	0.230	1.580	3.075
2011	1.160	0.073	1.233	0.140	0.811	2.184
2012	1.143	0.074	1.217	0.140	0.808	2.165
2013	1.097	0.076	1.173	0.183	1.153	2.509

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

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

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Polyone	27,000,000	12.27%	16,106,900	14.74%
J.E. Berkowitz	8,643,000	3.93%		
Oxy Vinyls	6,000,000	2.73%	5,513,100	5.04%
Sun Refining & Marketing Company	4,226,000	1.92%	2,665,470	2.44%
Pedricktown Cogen	3,000,000	1.36%	5,890,000	5.39%
Noveon Inc.	2,500,000	1.14%	3,000,000	2.74%
Branchville Road, LLC.	2,090,800	0.95%		
BOC Group Inc.	1,950,000	0.89%	980,600	0.90%
Perkintown Road Associates	1,940,700	0.88%		
Garden State Freezers	1,497,300	0.68%		
Exit 7 Realty Corp.			1,229,000	1.12%
Air Reduction Co., Inc.			590,200	0.54%
Delaware River Land Com.			572,600	0.52%
NJ Bell Atlantic Room 3137			553,049	0.51%
	<u>58,847,800</u>	<u>26.74%</u>	<u>37,100,919</u>	<u>33.94%</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	
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%	-
2011	2,651,924	2,651,924	100.00%	-
2012	2,508,840	2,508,840	100.00%	-
2013	2,564,049	2,564,049	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			Bond Anticipation Notes	Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases				
2004	2,531,000					2,531,000	4.57%
2005	2,411,000					2,411,000	4.12%
2006	2,286,000					2,286,000	3.83%
2007	2,156,000					2,156,000	3.44%
2008	2,021,000					2,021,000	3.08%
2009	1,881,000					1,881,000	2.66%
2010	1,705,000					1,705,000	2.45%
2011	1,545,000				48,149	1,593,149	2.27%
2012	1,385,000				24,571	1,409,571	N/A
2013	1,220,000					1,220,000	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 CAFR.

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	2,531,000		2,531,000	2.31%	1,413
2005	2,411,000		2,411,000	2.18%	1,340
2006	2,286,000		2,286,000	2.05%	1,265
2007	2,156,000		2,156,000	1.93%	1,193
2008	2,021,000		2,021,000	1.76%	1,122
2009	1,881,000		1,881,000	0.86%	1,043
2010	1,705,000		1,705,000	0.81%	943
2011	1,545,000		1,545,000	0.74%	873
2012	1,385,000		1,385,000	0.67%	783
2013	1,220,000		1,220,000	N/A	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 CAFR.

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, 2012  
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Governmental Unit</b>			
Debt repaid with property taxes			
Township of Oldmans	1,600,000	100.00%	1,600,000
Salem County General Obligation Debt	48,368,964	4.00%	1,934,736
Subtotal, overlapping debt			<u>3,534,736</u>
Oldmans Township School District			<u>1,220,000</u>
Total direct and overlapping debt			<u><u>4,754,736</u></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							
	2012	2011	2010	2009						
	\$233,089,579	\$208,039,035	\$219,608,601	\$660,737,215						
			Average equalized valuation of taxable property	220,245,738						
			Debt limit (3% of average equalized value)	6,607,372						
			Total net debt applicable to limit	1,220,000						
			Legal debt margin	5,387,372						
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	4,094,543	4,303,942	4,617,479	4,848,582	5,178,661	5,515,389	6,019,070	6,325,875	6,440,672	6,607,372
Municipal borrowing capacity utilized	2,531,000	2,411,000	2,286,000	2,156,000	2,021,000	1,881,000	1,705,000	1,545,000	1,385,000	1,220,000
Total net debt applicable to limit	1,563,543	1,892,942	2,331,479	2,692,582	3,157,661	3,634,389	4,314,070	4,780,875	5,055,672	5,387,372
Legal debt margin	61.81%	56.02%	49.51%	44.47%	39.03%	34.10%	28.33%	24.42%	21.50%	18.46%
Total net debt applicable to the limit as a percentage of debt limit										

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
2004	1,791	55,375,929	30,919	3.90%
2005	1,799	58,507,078	32,522	4.30%
2006	1,807	59,649,070	33,010	4.40%
2007	1,807	62,720,970	34,710	4.40%
2008	1,802	65,652,266	36,433	5.60%
2009	1,803	70,652,358	39,186	9.60%
2010	1,808	69,696,592	38,549	10.2%
2011	1,770	70,276,080	39,704	9.6%
2012	1,768	72,217,496	40,847	9.8%
2013	1,837	N/A	N/A	N/A

Source: Population information and unemployment information provided by the NJ Department of Labor and Workforce Development. Per capita 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 CAFR.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Principal Employers  
Current and Nine Years Ago  
Unaudited

Employer	2013		2004	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
JE Berkowitz Glass	225	23.56%		
Polyone	125	13.09%		
Walt's Bus Service	123	12.88%		
Goya Foods	97	10.16%		
Oldmans Township School	63	6.60%		
Mullica Hill Cold Storage	57	5.97%		
Lubrizol	41	4.29%		
Lacy's Express	39	4.08%		
Oxyvinyls	31	3.25%		
Unico	20	2.09%		
Oldmans Township	8	0.84%		
Ferrell's Oil Service	2	0.21%		
	<u>831</u>	<u>87.02%</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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	19	19	19	20	19	18	17	14	15	17
Special	4	3	4	4	3	3	3	2	2	2
Other special education	1	1	1	1	1	1	1	1	3	3
Other instruction		13	4	4	5	5	5	3	1	1
Support services:										
Student & instruction related services	5	4	4	4	4	4	4	4	4	5
General administration	2	2	2	2	2	2	2	2	2	2
School administration	1	1	1	1	1	1	1	1	1	1
Business administrative services	2	2	2	3	3	3	3	3	3	3
Plants operations and maintenance	3	3	3	3	3	3	3	3	3	3
Pupil transportation	5	5	5	5	5	5	5	5	4	4
Food service	4	4	4	4	4	4	4	3	3	3
Childcare	6	6	6	6	6	6	6	3	3	3
<b>Total</b>	<b>52</b>	<b>63</b>	<b>55</b>	<b>57</b>	<b>56</b>	<b>55</b>	<b>54</b>	<b>44</b>	<b>44</b>	<b>47</b>

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 (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2004	235	4,074,870	17,340	3.65%	25	18.0	224.4	217.7	14.49%	97.01%
2005	255	4,031,123	15,808	-8.83%	24	18.0	245.6	232.9	9.45%	94.83%
2006	244	4,154,841	17,028	7.72%	24	17.7	237.2	225.5	-3.42%	95.07%
2007	219	4,631,485	21,148	24.20%	26	17.7	222.3	211.5	-6.28%	95.14%
2008	209	4,806,986	23,000	8.76%	25	17.5	209.3	206.5	-5.85%	98.66%
2009	203	4,535,741	22,344	-2.85%	23	13.9	197.5	187.6	-5.64%	94.99%
2010	185	4,610,067	24,919	11.53%	22	16.5	177.2	168.9	-10.28%	95.32%
2011	193	4,173,448	21,624	-13.22%	21	16.1	196.8	190.6	11.06%	96.85%
2012	230	4,394,879	19,108	-11.63%	18	16.4	228.4	218.8	16.06%	95.80%
2013	231	4,599,101	19,910	4.19%	20	13.6	229.7	220.2	0.57%	95.86%

Source: District records.

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

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

<b>Elementary/Middle School</b>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	235	255	244	219	219	203	177	197	228	229
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, 2013

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, 2013

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

* School Facilities	Gross Square Footage	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Oldmans Middle School	56,000	34,812	21,300	33,812	20,306	38,700	66,182	48,236	68,803	172,107	106,803	611,062

\* School facilities as defined under EFCA  
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2013  
Unaudited

Gloucester Cumberland Salem School Districts JIF

I. Property, Inland Marine and Automobile Physical Damages	
A. Limit of Liability: .....	\$150,000,000 Per Occurrence
1. GCSSDJIF Self Insured Retention .....	\$250,000 Per Occurrence
2. Member District Deductible .....	\$500 Per Occurrence
3. Perils Included .....	"All Risk"
B. Property Valuation	
1. Buildings and Contents .....	Replacement Cost
2. Contractors Equipment .....	Actual Cash Value
3. Automobiles.....	Actual Cash Value
II. Boiler and Machinery	
A. Limit of Liability: .....	\$125,000,000
1. GCSSDJIF Self Insured Retention .....	None
2. Member District Deductible .....	\$1,000
III. Crime	
A. Limits of Liability: .....	\$500,000
1. GCSSDJIF Self-Insured Retention: .....	\$250,000
2. Member District Deductible: .....	\$500
IV. General and Automobile Liability	
A. Limit of Liability: .....	\$10,000,000
1. GCSSDJIF Self Insured Retention (SIR): .....	\$250,000
2. Member District Deductible: .....	None
V. Workers' Compensation	
A. Limits of Liability: .....	Statutory
1. GCSSDJIF Self Insured Retention: .....	\$250,000
2. Member District Deductible .....	None
VI. Educator's Legal Liability	
A. Limits of Liability: .....	\$10,000,000
1. GCSSDJIF Self Insured Retention: .....	\$100,000
2. Member District Deductible: .....	None
VII. Pollution Legal Liability (Refer to attached Certificate of Coverage for Covered Districts)	
A. Limits of Liability: .....	\$3,000,000
1. GCSSDJIF Self Insured Retention .....	None
2. Member District Deductible .....	\$25,000

Public Employees' Faithful Performance Bonds -

Selective Insurance

Employee theft	10,000
Position bond - James R. Hackett, Treasurer	160,000
Position bond - Gary R. Moore, Bus. Admin./Board Secretary	15,000

Source: District records.

## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • 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

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

## 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

### Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Oldmans Township School District  
10 Freed Road  
Pedricktown, New Jersey 08067

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Oldmans Township School District's basic financial statements, and have issued our report thereon dated October 24, 2013.

#### ***Internal Control over Financial Reporting***

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 Office of School Finance, Department of Education, State of New Jersey.

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

PETRONI & ASSOCIATES LLC



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

October 24, 2013

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • 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

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

## **REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Oldmans Township School District  
10 Freed Road  
Pedricktown, New Jersey 08067

#### ***Report on Compliance for Each Major State Program***

We have audited the Oldmans Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Oldmans Township School District's major state programs for the year ended June 30, 2013. The Oldmans Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Oldmans Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, and the *New Jersey State Aid/Grant Compliance Supplement, Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School 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 and 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 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 on compliance for each major state program. However, our audit does not provide a legal determination of the Oldmans Township School District's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Oldmans Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

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

Management of the Oldmans Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Oldmans Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 Oldmans Township School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

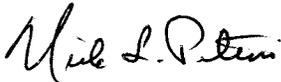
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedules of Expenditures of State Financial Assistance Required by NJ OMB 04-04***

We have audited the financial statements Oldmans Township School District as of and for the year ended June 30, 2013, and have issued our report thereon dated October 24, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying

schedules of expenditures of Federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditure of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

October 24, 2013

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2013

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, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of prior Years' Balances	Balance at June 30, 2013			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB386013	53,413	09/1/12	- 08/31/13			21,780	(45,658)			(23,878)			45,658
Title I - Part A	84.010	NCLB386012	30,027	09/1/11	- 08/31/12	(1,756)		1,756							29,502
Title I - Part A	84.010	NCLB386011	32,563	09/1/10	- 08/31/11	(1,649)						(1,649)			26,195
Title I - Part A	84.010	NCLB386010	22,167	09/1/09	- 08/31/10										20,375
Title II A, Teacher & Principal Training	84.367	NCLB386013	10,661	09/1/12	- 08/31/13			6,468	(6,560)			(92)			6,560
Title II A, Teacher & Principal Training	84.367	NCLB386009	10,789	09/1/08	- 08/31/09	(249)						(249)			4,566
IDEA Part B, Basic Regular	84.027A	IDEA386013	81,611	09/1/12	- 08/31/13			81,611	(81,611)						81,611
IDEA Part B, Preschool	84.173	IDEA386013	1,431	09/1/12	- 08/31/13			1,431	(1,431)						1,431
IDEA Part B, Preschool	84.173	IDEA386012	1,325	09/1/11	- 08/31/12	2			(2)						1,325
Rural Education Achievement Program	84.358A	S358A123594	20,466	07/01/12	- 9/30/13			12,546	(18,469)			(5,923)			18,469
Rural Education Achievement Program	84.358A	S358A113594	19,568	07/01/11	- 9/30/12	(12,366)		13,941	(1,575)	24 *			24		19,568
Rural Education Achievement Program	84.358A	S358A053594	26,991	09/01/05	- 08/31/06	132					(132)				26,859
Race to the Top	84.395	n/a	2,065	07/1/12	- 06/30/15										
<b>Total Special Revenue Fund</b>						<b>(15,886)</b>		<b>139,533</b>	<b>(155,306)</b>	<b>24</b>	<b>(132)</b>	<b>(31,791)</b>	<b>24</b>		<b>282,119</b>
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	13,571	07/1/12	- 06/30/13			13,571	(7,338)				6,233		7,338
Food Distribution Program	10.550	n/a	4,366	07/1/11	- 06/30/12	990			(990)						4,366
National School Lunch Program	10.555	n/a	33,326	07/1/12	- 06/30/13			27,333	(33,326)			(5,993)			33,326
National School Lunch Program	10.555	n/a	31,173	07/1/11	- 06/30/12	(1,884)		1,884							31,173
School Breakfast Program	10.553	n/a	4,530	07/1/12	- 06/30/13			3,491	(4,530)			(1,039)			4,530
School Breakfast Program	10.553	n/a	6,214	07/1/11	- 06/30/12	(201)		201							6,214
After School Snack Program	10.558	n/a	278	07/1/12	- 06/30/13			223	(278)			(55)			278
After School Snack Program	10.558	n/a	284	07/1/11	- 06/30/12	(11)		11							284
<b>Total Enterprise Fund</b>						<b>(1,106)</b>		<b>46,714</b>	<b>(46,462)</b>			<b>(7,087)</b>	<b>6,233</b>		<b>87,509</b>
<b>Total Federal Financial Awards</b>						<b>(16,992)</b>		<b>186,247</b>	<b>(201,768)</b>	<b>24</b>	<b>(132)</b>	<b>(38,878)</b>	<b>6,257</b>		<b>369,628</b>

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, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012				Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2013			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:															
State Aid Public:															
Equalization Aid	13-495-034-5120-078	948,456	07/1/12	06/30/13				948,456	(948,456)				91,713	948,456	
Special Education Categorical Aid	13-495-034-5120-089	137,774	07/1/12	06/30/13				137,774	(137,774)				13,322	137,774	
Security Aid	13-495-034-5120-084	27,692	07/1/12	06/30/13				27,692	(27,692)				2,678	27,692	
School Choice Aid	13-495-034-5120-068	244,350	07/1/12	06/30/13				244,350	(244,350)				23,628	244,350	
Adjustment Aid	13-495-034-5120-085	255,921	07/1/12	06/30/13				255,921	(255,921)				24,747	255,921	
Transportation Aid	13-495-034-5120-014	136,628	07/1/12	06/30/13				136,628	(136,628)				13,212	136,628	
Extraordinary Aid	12-495-034-5120-044	15,877	07/1/11	06/30/12	(15,877)			15,877						15,877	
Reimbursement for Nonpublic Transportation	n/a	4,374	07/1/12	06/30/13					(4,374)	(4,374)				4,374	
Reimbursed for Nonpublic Transportation	n/a	1,044	07/1/11	06/30/12	(1,044)			1,044						1,044	
Reimbursed TPAF Social Security Contrib.	13-495-034-5095-002	119,034	07/1/12	06/30/13				119,034	(119,034)					119,034	
On-Behalf TPAF Pension Contribution	13-495-034-5095-006	94,784	07/1/12	06/30/13				94,784	(94,784)					94,784	
On-Behalf TPAF Postretirement Contribution	13-495-034-5095-001	107,176	07/1/12	06/30/13				107,176	(107,176)					107,176	
<b>Total General Fund</b>					<b>(16,921)</b>			<b>2,088,736</b>	<b>(2,076,189)</b>			<b>(4,374)</b>	<b>169,300</b>	<b>2,093,110</b>	
Debt Service Fund:															
Debt Service Aid Type II	13-495-034-5120-017	58,883	07/1/12	06/30/13				58,883	(58,883)					58,883	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	13-100-010-3350-023	1,173	07/1/12	06/30/13				903	(1,173)	(270)				1,173	
National School Lunch Program (State Share)	12-100-010-3350-023	1,168	07/1/11	06/30/12	(43)			43						1,168	
<b>Total Enterprise Fund</b>					<b>(43)</b>			<b>946</b>	<b>(1,173)</b>	<b>(270)</b>				<b>2,341</b>	
<b>Total State Financial Assistance</b>					<b>(16,964)</b>			<b>2,148,565</b>	<b>(2,136,245)</b>	<b>(4,644)</b>			<b>169,300</b>	<b>2,154,334</b>	

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, 2013

**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 OMB 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 GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP 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 GAAP basis does not. The Special Revenue Fund also recognizes the June state aid payments in the current budget year, consistent with NJSA 18A:22-44-.2.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2013

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		2,072,597	2,072,597
Special Revenue Fund	165,728		165,728
Debt Service Fund		58,883	58,883
Food Service Fund	<u>51,705</u>	<u>1,173</u>	<u>52,878</u>
Total Financial Assistance	<u><u>217,433</u></u>	<u><u>2,132,653</u></u>	<u><u>2,350,086</u></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, 2013, Oldmans Township School District has food commodities totaling \$6,233 in inventory.

**NOTE 6: OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013. The adjustment on Schedule A – K-3 is due to a prior year payable being canceled.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**Section I – Summary of Auditor’s Results**

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified?  Yes  No
- 2. Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

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: Unmodified

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

Identification of major programs:

**State Grant/Project Numbers**

**Name of State Program**

495-034-5120-078  
 495-034-5120-089  
 495-034-5120-030  
 495-034-5120-085  
 495-034-5120-068

State Aid Public:  
 Equalization Aid  
 Special Education Aid  
 Security Aid  
 Adjustment Aid  
 School Choice Aid

OLDMANS TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings**

**None**

**Section III – Federal and State Financial Assistance Findings  
and Questioned Costs**

**FEDERAL AWARDS – N/A**

**STATE AWARDS**

**None**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

2012-01 Finding: The capital assets were not updated for additions, deletions and depreciation charges.

Corrective action taken.

2012-02 Finding: Approved budgetary line accounts should not be over-expended pursuant to the administrative code.

Corrective action taken.

2012-03 Finding: Bids were not solicited for the purchase of diesel fuel as required by NJSA 18:18A-21.

Corrective action taken.