

**Oldmans Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

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, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

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

For the Fiscal Year Ended June 30, 2015

Prepared by:

**Oldmans Township School
Board of Education Administration**

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INTRODUCTORY SECTION

Oldmans Township School District

ADMINISTRATIVE OFFICES
(856) 299-4240

10 FREED ROAD
(856) 299-4243

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

Daniel P. Daly
Board President

Shari Payson
Superintendent

Gary R. Moore
Board Secretary/
School Business Administrator

November 24, 2015

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, 2015, 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 Circulars 04-04 and/or 15-08, *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 2014-2015 fiscal year with an enrollment of 268 students, which is 17 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>
2014-2015	268	6.8%
2013-2014	251	9.6%
2012-2013	229	0.4%
2011-2012	228	15.7%
2010-2011	197	11.3%
2009-2010	177	-10.6%

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, with site work just beginning on a new 1,000,000 square foot distribution center. There is room for additional businesses.

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 2015-16 school year will be fifty two (52).

All 9 curricular areas are current and adhere to the CCSS and/or NJ CCCS. Oldmans School District will continue to implement all aspects of the Achieve NJ initiative including the new evaluation process; utilizing the Danielson Framework and Teachscape for teacher evaluation; creating Student Growth Objectives (SGOs) and analyzing Student Growth Percentiles (SGPs).

In preparation for the full implementation of PARCC, Oldmans was a pilot district for the 4th grade End of Year (EOY) ELA PARCC assessment. Teachers will continue to use Measuring Up Live as their online assessment tool, which now features a PARCC prep component. For the 2014-2015 school year we will have 1:1 computing in grades 3-8 and there will be a class set of Netbooks housed in the Pod.

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 and completed in late Fall 2013. Construction of additional parking to accommodate

3. Major Initiatives (Continued)

approximately 75 more vehicles along with addressing storm water drainage issues was approved and a contract awarded in June, 2014. This project was completed by late Fall 2014.

In an effort to enhance security at the facility, a contract was awarded in May, 2014 to renovate the Main Entrance to provide better control of the public into the facility through a series of lockdown zones and check in procedures before access to the school population is permitted.

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, 2015, 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 2015-16 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.

In keeping pace with educational changes and challenges, the school district has budgeted \$150,000 in the 2015-16 school year dedicated to the upgrade/replacement of its computer network and communications infrastructure and student netbooks/tablets to keep pace with today's technology demands and the increased use of technology in the classroom.

All 9 curricular areas are current and adhere to the CCSS and/or NJ CCCS. Oldmans School District will continue to implement all aspects of the Achieve NJ initiative including the new evaluation process; utilizing the Danielson Framework and Teachscape for teacher evaluation; creating Student Growth Objectives (SGOs) and analyzing Student Growth Percentiles (SGPs). We revised our Gifted and Talented Curriculum and will revise our Science Curriculum to align with the new standards. Additional STEM activities will be threaded through our science, math, and computer classes. We are implementing Close Reading to enhance student achievement in all areas.

Teachers will continue to use Measuring Up Live as their online assessment / benchmark tool, which now features a PARCC prep component. For the 2014-2015 school year we had 1:1 computing in grades 3-8 and there will be a class set of Netbooks housed in the Pod. For the 2015-2016 we purchased Chrome books for students in grades 4-8. We will be utilizing Google Apps for Education and Google Classroom to enhance communication and instruction. A new computer teacher was hired.

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

4. Internal Accounting Controls (Continued)

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." The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. Risk Management

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

9. Other Information

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State OMB Circulars 04-04 and/or 15-08. 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.

9. Other Information (Continued)

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, 2015. 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.

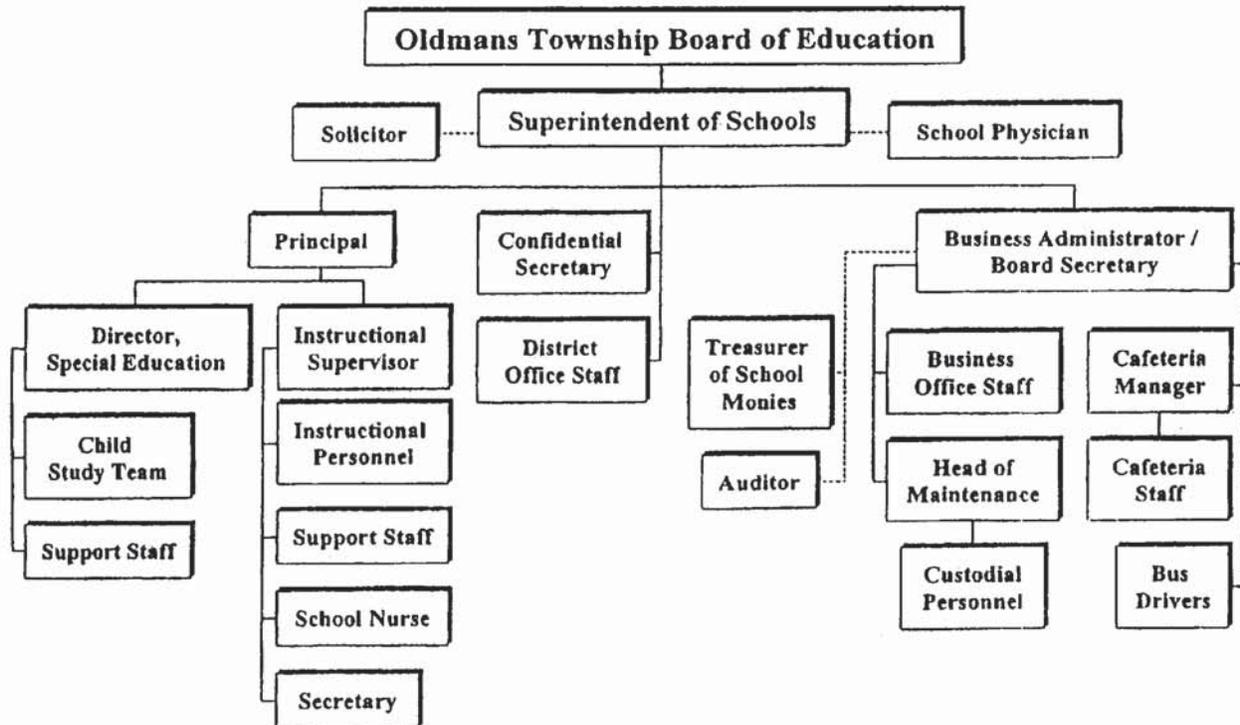
10. Acknowledgements

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, 2015**

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Daniel P. Daly	President	2015
Randall Tyler	Vice President	2017
Derek Filippone	Board Member	2017
Patricia Gaskill	Board Member	2015
Gary Green	Board Member	2017
Lou Guardascione	Board Member	2015
Kathryn Moore	Board Member	2016
Jeffrey Newman	Board Member	2016
Dawn Oliver	Board Member	2016

OTHER OFFICIALS

Shari Payson, 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

Radey Architects
100 Haddontowne Court
Cherry Hill, NJ 08034

Engineer

Tedesco Engineering
811 Landis Avenue
Bridgeton, NJ 08302

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.
200 Princeton South, Suite 160
Ewing, NJ 08628

Insurance Broker

GCSSD JIF
P.O. Box 449
Marlton, NJ 08053

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
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MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Oldmans Township School District
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, 2015, 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, 2015, 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 (MD&A) 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 Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 Circulars 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 November 24, 2015, 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

November 24, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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, 2015. 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 \$3,875,707 (net position) see exhibit A-1.
- The Oldmans Township School District's total net position increased by \$344,422. 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 and capital assets.
- Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$410,000 or 7.5 percent of total revenues of \$5,443,205.
- As of the close of the current fiscal year, the Oldmans Township School District's governmental funds reported combined ending fund balances of \$729,971, a decrease of \$63,303 in comparison with the prior year (see Exhibit B-2).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$55,020, (see Exhibit B-1) approximately a 17 percent decrease from that of the prior fiscal year of \$64,458, which was attributable in part to decreased state aid payment being deferred in the amount of \$10,177 (see Exhibit C-3).

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, 2015
(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, 2015
(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 \$3,875,707 at the close of fiscal year 2014-2015 (see Exhibit A-1).

The largest portion of the Oldmans Township School District's net position (110 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.

An additional portion of the Oldmans Township School District's net position (17.6 percent) represents resources that are subject to external restrictions on how they may be used.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

District-wide Financial Analysis (Continued)

OLDMANS TOWNSHIP SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
ASSETS						
Current and other assets	\$ 833,882	\$ 893,306	\$ 66,609	\$ 61,459	\$ 900,491	\$ 954,765
Capital assets	5,106,750	4,862,384	2,148	7,075	5,108,898	4,869,459
Total assets	<u>5,940,632</u>	<u>5,755,690</u>	<u>68,757</u>	<u>68,534</u>	<u>6,009,389</u>	<u>5,824,224</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>77,747</u>				<u>77,747</u>	
LIABILITIES						
Long-term liabilities outstanding	988,923	1,151,990	1,893	2,320	990,816	1,154,310
Other liabilities	88,989	83,393	8,780	9,516	97,769	92,909
Net pension liability	1,030,086				1,030,086	
Total liabilities	<u>2,107,998</u>	<u>1,235,383</u>	<u>10,673</u>	<u>11,836</u>	<u>2,118,671</u>	<u>1,247,219</u>
DEFERRED INFLOWS OF RESOURCES	<u>92,758</u>				<u>92,758</u>	
NET POSITION						
Invested in capital assets, net of related debt	4,230,078	3,818,129	2,148	7,075	4,232,226	3,825,204
Restricted	674,951	728,816			674,951	728,816
Unrestricted	(1,087,406)	(26,638)	55,936	49,623	(1,031,470)	22,985
Total net position	<u>\$ 3,817,623</u>	<u>\$ 4,520,307</u>	<u>\$ 58,084</u>	<u>\$ 56,698</u>	<u>\$ 3,875,707</u>	<u>\$ 4,577,005</u>

The District's combined net position was \$3,875,707 on June 30, 2015. This was due to an increase from the prior year of \$344,422 offset by a prior period adjustment of pension liability and deferred outflows in the amount of \$1,045,720 required by the adoption of GASB Statement No. 68 (See Note 2 in the Notes to the Financial Statements).

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

District-wide Financial Analysis (Continued)

OLDMANS TOWNSHIP SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
REVENUES:						
Program revenues:						
Charges for services	\$ 126,000	\$ 129,364	\$ 68,398	\$ 76,665	\$ 194,398	\$ 206,029
Operating grants and contributions	157,503	150,263	58,099	55,421	215,602	205,684
General revenues:						
Property taxes	2,615,588	2,597,673			2,615,588	2,597,673
Grants and contributions not restricted to specific programs	2,387,484	2,293,664			2,387,484	2,293,664
Other	30,079	53,875	54	38	30,133	53,913
Total revenues	5,316,654	5,224,839	126,551	132,124	5,443,205	5,356,963
EXPENSES:						
Instruction	1,783,910	1,679,989			1,783,910	1,679,989
Support services	2,953,762	3,251,864			2,953,762	3,251,864
Interest on long-term debt	48,267	54,942			48,267	54,942
Other	187,679	165,709			187,679	165,709
Food service			103,676	103,682	103,676	103,682
School age child care			21,489	22,823	21,489	22,823
Total expenses	4,973,618	5,152,504	125,165	126,505	5,098,783	5,279,009
Increase in net position	343,036	72,335	1,386	5,619	344,422	77,954
Net position, July 1	4,520,307	4,447,972	56,698	51,079	4,577,005	4,499,051
Prior period adjustment of pension liability	(1,045,720)				(1,045,720)	
Net position, June 30	\$ 3,817,623	\$ 4,520,307	\$ 58,084	\$ 56,698	\$ 3,875,707	\$ 4,577,005

Property taxes increased by \$17,915 (.6 percent) during the year. This increase is the result of state imposed budget caps over the prior year.

The overall decrease in expenses of \$180,226 was attributable to decreases in employee benefits offset by contractual increases for employees.

Business-Type Activities - Business-type activities increased the Oldmans Township School District's net position by \$1,386. The key element of this decrease is as follows:

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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 \$729,971, a decrease of \$63,303 in comparison with the prior year.

Of the combined ending fund balances of \$729,971, 7.3 percent constitutes unassigned fund balance in the amount of \$55,020. 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 \$36,063, (2) to be appropriated in the following years budget to reduce property tax \$357,082, (3) \$213,556 maintenance reserve, and (4) excess surplus - current year of \$68,250.

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 \$53,206, while total fund balance was \$728,157.

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 \$37,052 for the Food Service Program and a balance of \$18,884 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 2015 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 \$4,485,057, and fund balance budgeted of \$286,116.

During fiscal year 2015, the Oldmans Township School District budgeted \$2,456,466 for property taxes (local tax levy) and \$2,003,591, and federal and state aid revenues, respectively.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

General Fund Budgetary Highlights (Continued)

The Oldmans Township School District revenues and expenditures include \$120,307 in reimbursed TPAF Social Security Aid and \$222,132 and TPAF Pension Contributions, respectively.

The final budgetary basis expenditure estimate was \$4,946,808, and prior year's encumbrances of \$175,635. The original budgeted estimate was \$4,771,173.

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, 2015, amounts to \$5,108,898 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. The total increase in the Oldmans Township School District's investment in capital assets for the current fiscal year was \$239,439.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Building improvements	4,603,336	4,324,616			4,603,336	4,324,616
Equipment	465,414	499,768	\$ 2,148	\$ 7,075	467,562	506,843
Total	\$ 5,106,750	\$ 4,862,384	\$ 2,148	\$ 7,075	\$ 5,108,898	\$ 4,869,459

Additional information on the Oldmans Township School District's capital assets can be found as Note 6 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 \$885,000 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 2014-2015 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 50.1 percent of total revenue is from local tax levy, while 48.8 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 2014-2015 budget was adopted May 2014, based in part on the state education aid the Oldmans Township School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 15, 2014, of 260. 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 265 students for the 2015-2016 fiscal year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

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 District, 10 Freed Road, Pedricktown, New Jersey 08067, or via e-mail at gmoore@oldmans.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	FY 2015
ASSETS			
Cash and cash equivalents	\$ 558,867	\$ 56,239	\$ 615,106
Interfunds receivable	22,043	67	22,110
Receivables	16,340	4,140	20,480
Deferred - debt issuance costs (net)	22,972		22,972
Inventory		6,163	6,163
Restricted assets:			
Restricted cash and cash equivalents	213,660		213,660
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	5,068,750	2,148	5,070,898
	<u>5,940,632</u>	<u>68,757</u>	<u>6,009,389</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>77,747</u>		<u>77,747</u>
LIABILITIES			
Interfunds payable	67		67
Accounts payable	73,876	3,131	77,007
Unearned revenue	402	5,649	6,051
Accrued interest	14,644		14,644
Noncurrent liabilities:			
Due within one year	170,000		170,000
Due beyond one year	818,923	1,893	820,816
Net pension liability	1,030,086		1,030,086
	<u>2,107,998</u>	<u>10,673</u>	<u>2,118,671</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	<u>92,758</u>		<u>92,758</u>
NET POSITION			
Invested in capital assets, net of related debt	4,230,078	2,148	4,232,226
Restricted for:			
Other purposes	674,951		674,951
Unrestricted	(1,087,406)	55,936	(1,031,470)
	<u>\$ 3,817,623</u>	<u>\$ 58,084</u>	<u>\$ 3,875,707</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Activities
June 30, 2015

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	\$ 1,480,751			\$ (1,480,751)		\$ (1,480,751)
Special education	254,633		\$ 59,934	(194,699)		(194,699)
Other special education	29,515			(29,515)		(29,515)
Other instruction	19,011			(19,011)		(19,011)
Support services:						
Tuition	501,271			(501,271)		(501,271)
Student & instructional related services	421,671		83,629	(338,042)		(338,042)
General administrative services	150,538			(150,538)		(150,538)
School administrative services	35,925			(35,925)		(35,925)
Central services	183,050	\$ 72,000		(111,050)		(111,050)
Plant operations & maintenance	494,033	54,000		(440,033)		(440,033)
Pupil transportation	198,103			(198,103)		(198,103)
Employee benefits	969,171		13,940	(955,231)		(955,231)
Interest on long-term debt	48,267			(48,267)		(48,267)
Capital outlay	13,793			(13,793)		(13,793)
Unallocated depreciation	173,886			(173,886)		(173,886)
Total governmental activities	4,973,618	126,000	157,503	(4,690,115)		(4,690,115)
Business-type activities:						
Food service	103,676	43,797	58,099		\$ (1,780)	(1,780)
Other activities	21,489	24,601			3,112	3,112
Total business-type activities	125,165	68,398	58,099		1,332	1,332
Total primary government	\$ 5,098,783	\$ 194,398	\$ 215,602	\$ (4,690,115)	\$ 1,332	\$ (4,688,783)
General revenues:						
Property taxes, levied for general purpose, net				\$ 2,456,466		\$ 2,456,466
Taxes levied for debt service				159,122		159,122
Federal and state aid not restricted				2,387,484		2,387,484
Transportation fees				25,395		25,395
Investment earnings				1,581	\$ 54	1,635
Miscellaneous income				28,886		28,886
Loss on disposal of fixed assets				(24,685)		(24,685)
Prior year receivable canceled				(1,098)		(1,098)
Total general revenues, special items, extraordinary items, and transfers				5,033,151	54	5,033,205
Change in net position				343,036	1,386	344,422
Net position - beginning				4,520,307	56,698	4,577,005
Prior period adjustment of pension liability				(1,045,720)		(1,045,720)
Restated net position at the beginning of the period				3,474,587	56,698	3,531,285
Net position - end				\$ 3,817,623	\$ 58,084	\$ 3,875,707

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2015
ASSETS				
Cash and cash equivalents	\$ 552,273	\$ 104		\$ 552,377
Interfunds receivable	22,043			22,043
Receivables from other governments	4,312	12,028		16,340
Restricted cash and cash equivalents	213,556			213,556
Total assets	<u>\$ 792,184</u>	<u>\$ 12,132</u>		<u>\$ 804,316</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfunds payable	\$ 67			\$ 67
Accounts payable	62,146	\$ 11,730		73,876
Deferred revenue - local grants		402		402
Total liabilities	<u>62,213</u>	<u>12,132</u>		<u>74,345</u>
Fund balances:				
Restricted for:				
Maintenance reserve	213,556			213,556
Excess surplus - designated for subsequent year's expenditures	53,509			53,509
Excess surplus - current year	68,250			68,250
Assigned to:				
Designated by the BOE for subsequent year's expenditures	303,573			303,573
Other purposes	36,063			36,063
Unassigned:				
General fund	55,020			55,020
Total fund balances	<u>729,971</u>			<u>729,971</u>
Total liabilities and fund balances	<u>\$ 792,184</u>	<u>\$ 12,132</u>		

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

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 \$7,818,317 and the accumulated depreciation is \$2,711,567 (See note 7).	\$ 5,106,750
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 \$6,594 are included in the governmental activities in the Statement of Net Position.	6,594
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 68 is reported as a prior period adjustment of pension liability and deferred outflows (See Note 2).	(1,045,720)
Net pension liability adjustment.	623
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.	22,972
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(14,644)
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 8).	(988,923)
	<u>\$ 3,817,623</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, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	FY 2015
REVENUES:				
Local tax levy	\$ 2,456,466		\$ 159,122	\$ 2,615,588
Transportation fees	25,395			25,395
Interest earned on investments	1,581			1,581
Miscellaneous	28,886			28,886
	<u>2,512,328</u>		159,122	2,671,450
State sources	2,330,756		56,728	2,387,484
Federal sources		\$ 157,503		157,503
Total revenues	<u>4,843,084</u>	<u>157,503</u>	<u>215,850</u>	<u>5,216,437</u>
EXPENDITURES:				
Current:				
Regular instruction	1,473,371			1,473,371
Special education instruction	197,591	59,934		257,525
Other special instruction	27,555			27,555
Other instruction	19,011			19,011
Support services & undistributed costs:				
Tuition	501,271			501,271
Student & instruction related services	336,987	83,629		420,616
General administrative services	150,795			150,795
School administrative services	33,691			33,691
Central services	116,521			116,521
Plant operations and maintenance	462,049			462,049
Pupil transportation	164,865			164,865
Employee benefits	955,854	13,940		969,794
Debt service:				
Principal			170,000	170,000
Interest and other charges			45,850	45,850
Capital outlay	465,728			465,728
Total expenditures	<u>4,905,289</u>	<u>157,503</u>	<u>215,850</u>	<u>5,278,642</u>
Excess (deficiency) of revenues over expenditures	<u>(62,205)</u>			<u>(62,205)</u>
OTHER FINANCING SOURCES (USES):				
Prior year receivable canceled	(1,098)			(1,098)
Total other financing sources and uses	<u>(1,098)</u>			<u>(1,098)</u>
Net change in fund balances	(63,303)			(63,303)
Fund balance - July 1	793,274			793,274
Fund balance - June 30	<u>\$ 729,971</u>			<u>\$ 729,971</u>

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, 2015

Total net change in fund balances - Governmental Funds (from B-2)		\$ (63,303)
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	\$ 481,250	
Depreciation expense	<u>(212,199)</u>	
		269,051
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		170,000
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.		2,550
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.		(24,685)
Internal service funds are used by management to charge costs of certain activities, such as shared business and custodial services. The operating loss of \$4,112 are included in the governmental activities and statement of net position (see Exhibit B-5).		700
Pension contributions are reported in governmental funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments.		623
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.		(6,933)
Change in net position of governmental activities		<u>\$ 343,036</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities
	Food Service	Latchkey Program	Totals	Internal Service Fund
				FY 2015
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 36,905	\$ 19,334	\$ 56,239	\$ 6,594
Interfunds receivable	67		67	
Accounts receivable	4,140		4,140	
Inventories	6,163		6,163	
Total current assets	<u>47,275</u>	<u>19,334</u>	<u>66,609</u>	<u>6,594</u>
Noncurrent assets:				
Furniture, machinery & equipment	132,400	6,600	139,000	
Less: accumulated depreciation	(132,067)	(4,785)	(136,852)	
Total noncurrent assets	<u>333</u>	<u>1,815</u>	<u>2,148</u>	
	<u>47,608</u>	<u>21,149</u>	<u>68,757</u>	
LIABILITIES				
Accounts payable	2,681	450	3,131	
Unearned revenue:				
Lunches	188		188	
USDA commodities	5,461		5,461	
Noncurrent liabilities:				
Compensated absences	1,893		1,893	
Total liabilities	<u>10,223</u>	<u>450</u>	<u>10,673</u>	
NET POSITION				
Invested in capital assets, net of related debt	333	1,815	2,148	
Unrestricted	<u>37,052</u>	<u>18,884</u>	<u>55,936</u>	<u>6,594</u>
Total net position	<u>\$ 37,385</u>	<u>\$ 20,699</u>	<u>\$ 58,084</u>	<u>\$ 6,594</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, 2015

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2015	
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	\$ 41,974		\$ 41,974	
Daily sales non-reimbursable programs	1,823		1,823	
Tuition		\$ 24,601	24,601	
Other charges and fees				\$ 126,000
Total operating revenue	43,797	24,601	68,398	126,000
OPERATING EXPENSES:				
Salaries	37,925	17,655	55,580	86,455
Employee benefits	2,939	1,351	4,290	38,795
Supplies and materials	2,553	2,153	4,706	
Purchased professional services	8,250		8,250	
Other purchased services				50
Depreciation	4,597	330	4,927	
Cost of sales	47,412		47,412	
Total operating expenses	103,676	21,489	125,165	125,300
Operating income (loss)	(59,879)	3,112	(56,767)	700
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	1,195		1,195	
Federal sources:				
National school lunch program	38,435		38,435	
School breakfast program	6,557		6,557	
National snack program	350		350	
Food distribution program	11,562		11,562	
Interest revenue	54		54	
Total non-operating revenues (expenses)	58,153		58,153	
Net income (loss) before transfers	(1,726)	3,112	1,386	700
Total net position - beginning	39,111	17,587	56,698	5,894
Total net position - ending	\$ 37,385	\$ 20,699	\$ 58,084	\$ 6,594

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities			Governmental Activities Internal Service Fund
	Enterprise Funds - Major Funds			
	Food Service	Latchkey Program	FY 2015	
Cash flows from operating activities:				
Receipts from customers	\$ 42,584	\$ 24,601	\$ 67,185	\$ 126,000
Payments to suppliers	(44,636)	(1,839)	(46,475)	(50)
Payments to employees	(38,352)	(17,655)	(56,007)	(86,455)
Payments for employee benefits	(2,939)	(1,351)	(4,290)	(38,795)
Net cash provided (used) by operating activities	(43,343)	3,756	(39,587)	700
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	46,330		46,330	
Net cash provided by non-capital financing activities	46,330		46,330	
Cash flows from investing activities:				
Interest on investments	54		54	
Payment to general fund	6,595		6,595	
Net cash provided by investing activities	6,649		6,649	
Net increase in cash and cash equivalents	9,636	3,756	13,392	700
Cash and cash equivalents - July 1	27,269	15,578	42,847	5,894
Cash and cash equivalents - June 30	\$ 36,905	\$ 19,334	\$ 56,239	\$ 6,594
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)		\$ 3,112	\$ (56,767)	\$ 700
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	\$ 4,597	330	4,927	
Food distribution program	11,562		11,562	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	83		83	
(Increase) decrease in inventory	1,771		1,771	
Increase (decrease) in accounts payable	948	314	1,262	
Increase (decrease) in deferred revenue	(1,998)		(1,998)	
Increase in compensated absences	(427)		(427)	
	\$ 16,536	\$ 3,756	\$ (39,587)	\$ 700

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2015

	Scholarship Trust Fund	Unemployment Trust Fund	Agency Funds	Totals FY 2015
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,624	\$ 40,135	\$ 146,042	\$ 187,801
Interfund receivable:				
Payroll agency		63,493		63,493
Total assets	<u>\$ 1,624</u>	<u>\$ 103,628</u>	<u>\$ 146,042</u>	<u>251,294</u>
LIABILITIES				
Current liabilities:				
Payroll deductions and withholdings			\$ 31,547	31,547
Due to student groups			28,959	28,959
Interfund payable:				
Unemployment trust			63,493	63,493
Interfund payable:				
General fund			22,043	22,043
Total current liabilities			<u>\$ 146,042</u>	<u>146,042</u>
NET POSITION				
Held in trust for:				
Scholarship awards	\$ 1,624			1,624
Unemployment claims		\$ 103,628		103,628
Total net position	<u>\$ 1,624</u>	<u>\$ 103,628</u>		<u>\$ 105,252</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2015

	Scholarship Trust Fund	Unemployment Trust Fund	FY 2015
ADDITIONS:			
Contributions:			
Employee payroll deductions		\$ 4,451	\$ 4,451
Other	\$ 75		75
Total contributions	75	4,451	4,526
Investment earnings:			
Interest	2	60	62
Total investment earnings	2	60	62
Total additions	77	4,511	4,588
DEDUCTIONS:			
Unemployment claims		2,257	2,257
Change in net position	77	2,254	2,331
Net position - beginning of year	1,547	101,374	101,374
Net position - end of year	\$ 1,624	\$ 103,628	\$ 103,705

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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). 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, 2015**

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. The government-wide statements do not include fiduciary activity.

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, 2015**

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 provides 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, 2015**

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 within 60 days after year-end. 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.

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**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (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, 2015, consisted of the following:

Food - commodities	\$ 5,461
Food	<u>702</u>
	<u><u>\$ 6,163</u></u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories (Continued)

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

G. Capital Assets

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

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

H. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies 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. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before eligibility 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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 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 Position, 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 approved as long as the District budget within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's the voters have an opportunity to approve or reject the budget at the regular 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

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

N. Encumbrances

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

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

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

O. Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Allocation of Indirect Expenses (Continued)

dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items

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

S. Use of Estimates

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

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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

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, 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 school 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 February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2015, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", whose primary objective is to improve accounting and financial reporting for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for pension. The effect of this change was to decrease fiscal year ended June 30, 2015, net position \$1,088,639 which is the prior period adjustment of net pension liability and offset by deferred outflows – District's contributions made during fiscal year 2014 of \$42,919. Financial statements for the fiscal year ended June 30, 2014, have not been restated, and the cumulative effect of the change totaling \$1,045,720, is shown as a one-time debit to net position liability in the fiscal year ended June 30, 2015, Statement of Activities.

NOTE 3: 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, 2015 and 2014, was \$1,016,567 and \$1,036,893. As of June 30, 2015 and 2014, \$0 of the District's bank balance of \$1,029,343 and \$1,054,049, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of June 30, 2015 and 2014, 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4: INVESTMENTS (CONTINUED)

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 5: RECEIVABLES

Receivables at June 30, 2015, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 4,312	\$ 127
Other		9
Federal aid	12,028	4,004
	<u>\$ 16,340</u>	<u>\$ 4,140</u>

NOTE 6: INTERFUND RECEIVABLE AND PAYABLE

The following interfund balances remain on the balance sheet at June 30, 2015:

	Receivable	Payable
General fund	\$ 22,043	\$ 67
Food service fund	67	
Unemployment trust	63,493	
Payroll fund		171
Agency fund		85,365
	<u>\$ 85,603</u>	<u>\$ 85,603</u>

The General Fund interfund is a result of interest earned during the year and section 125 forfeitures. 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 prior year funds not being transferred.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2015.

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2015</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 improvements	136,100	\$ 293,812		429,912
Building & building improvements	6,428,023	146,166		6,574,189
Machinery & equipment	848,418	41,272	\$ 113,474	776,216
Totals at historical cost	<u>7,412,541</u>	<u>481,250</u>	<u>113,474</u>	<u>7,780,317</u>
Less: accumulated depreciation				
Land improvements	(17,563)	(21,947)		(39,510)
Building & building improvements	(2,221,944)	(139,311)		(2,361,255)
Machinery & equipment	(348,650)	(50,941)	88,789	(310,802)
Total accumulated depreciation	<u>(2,588,157)</u>	<u>(212,199)</u>	<u>88,789</u>	<u>(2,711,567)</u>
Governmental activities capital assets, net	<u>\$ 4,862,384</u>	<u>\$ 269,051</u>	<u>\$ 24,685</u>	<u>\$ 5,106,750</u>
Food service				
Machinery & equipment	\$ 142,300		\$ (9,900)	\$ 132,400
Less: accumulated depreciation	(137,370)	\$ (4,597)	9,900	(132,067)
Business-type capital assets, net	<u>\$ 4,930</u>	<u>\$ (4,597)</u>		<u>\$ 333</u>
Childcare				
Machinery & equipment	\$ 6,600			\$ 6,600
Less: accumulated depreciation	(4,455)	\$ (330)		(4,785)
	<u>\$ 2,145</u>	<u>\$ (330)</u>		<u>\$ 1,815</u>

Depreciation was charged to the following governmental programs:

Instruction	\$ 2,730
Support administration	2,426
Operation and maintenance	1,374
Transportation	31,783
Unallocated	173,886
Total	<u>\$ 212,199</u>

NOTE 8: 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, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Permanently funded debt as of June 30, 2015 consisted of the following:

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, 2015, was \$885,000.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Compensated absences	\$ 96,990	\$ 11,581	\$ 4,648	\$ 103,923	
Bonds payable	1,055,000		170,000	885,000	\$ 170,000
	<u>\$ 1,151,990</u>	<u>\$ 11,581</u>	<u>\$ 174,648</u>	<u>\$ 988,923</u>	<u>\$ 170,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2016	170,000	39,050	209,050
2017	175,000	32,250	207,250
2018	175,000	25,250	200,250
2019	180,000	18,250	198,250
2020	185,000	9,250	194,250
	<u>\$ 885,000</u>	<u>\$ 124,050</u>	<u>\$ 1,009,050</u>

Bonds Authorized but Not Issued

As of June 30, 2015, 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

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

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

For the year ended June 30, 2015, 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 9: 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 and the Teachers' Pension and Annuity Fund. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 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, 2015**

NOTE 9: 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. TPAF and PERS provide for employee contributions of 6.92% of employees' annual compensation, as defined. 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. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013, were \$45,356, \$42,919, and \$43,416, respectively, equal to the required contributions for each year. The School District's share of TPAF for the years ending June 30, 2015, 2014, and 2013, were \$222,132, \$168,925, and \$119,034, respectively, paid by the State of New Jersey on behalf of the Board, which equaled the required contributions for each year.

Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District for the years ending June 30, 2015, 2014, and 2013, \$120,307, \$124,177, and \$119,034, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2015, 2014, and 2013, were \$2,488,229, \$2,417,885, and \$2,275,954, covered payroll was \$1,719,816, \$1,693,862, and \$1,581,910 for TPAF and \$423,865, \$372,589, and \$379,031 for PERS.

For the year ended June 30, 2015, the District recognized pension expense of \$44,733. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 32,391	
Net difference between projected and actual earnings on pension plan investments		\$ 61,388
Changes in proportion and differences between District contributions and proportionate share of contributions		31,370
District contributions subsequent to the measurement date	45,356	
	\$ 77,747	\$ 92,758

\$45,356, reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9: PENSION FUNDS (CONTINUED)

deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2016	\$ (17,235)
2017	(17,235)
2018	(17,235)
2019	(17,235)
2020	5,954
Thereafter	2,621
	\$ (60,365)

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability	\$ 19,111,986,911	18,722,735,003
District's proportion	0.0056961066%	0.0055017945%

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, 2015, 2014, and 2013, were \$2,141, \$930, and \$1,551, for covered employees.

NOTE 10: 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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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 benefits 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 employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11: 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, 2015, is \$103,923. The liability for compensated absences in the Food Service Fund at June 30, 2015, is \$1,893.

NOTE 12: 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:

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Lincoln Investment Planning, Inc.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13: LABOR CONTRACTS

As of June 30, 2015, the District's teachers, school nurses, LDT-C, social workers, guidance counselors and psychologists are organized in the Oldmans Education Association collective bargaining unit, which expired on June 30, 2017.

NOTE 14: 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 15: 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, 2015, 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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance (Continued):

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:

Fiscal Year	Interest Contributions	Employee Contributions	Employer Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ 60	\$ 4,451		\$ 2,257	\$ 103,628
2013-2014	60	4,488	\$ 9,000	57,861	101,374
2012-2013	40	3,812	55,000	12,388	145,687

NOTE 16: OPERATING LEASES

The District had a commitment to lease copy machines under non-cancelable operating leases spanning 48 months, which expired in June 2014. No new lease agreement has been signed. The district is continuing to make payments on a month to month basis. The monthly payment is \$712 a month. Total lease payments made during the year ended June 30, 2015, amounted to \$8,544.

NOTE 17: MAINTENANCE RESERVE FUND

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year-end.

The maintenance reserve balance for July 1, 2014 and June 30, 2015, was \$ 213,556. There were no additions or withdrawals during FY 2015.

NOTE 18: 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18: FUND BALANCE APPROPRIATED (CONTINUED)

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, 2015.

Restricted Fund Balance:

Capital Reserve Account - The District did not have a capital reserve account at June 30, 2015.

Maintenance Reserve Account - The balance in the maintenance reserve account at June 30, 2015, was \$213,556. 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, 2015, excess surplus created in FY 2014 of \$53,509 will be utilized for expenditures in the 2015-2016 budget, while excess surplus created in FY 2015 of \$68,250 is restricted and will be utilized for budget expenditures in 2016-2017.

Debt Service Fund - At June 30, 2015, there was \$0 fund balance.

Committed Fund Balance - The District had no fund balance at June 30, 2015.

Assigned Fund Balance - At June 30, 2015, the Board has assigned \$303,573 of General Fund balance to expenditures in the 2015-2016 budget. \$36,063 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, 2015, the District has \$55,020 of unassigned fund balance in the general fund.

NOTE 19: 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, 2015, is \$121,759.

NOTE 20: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 45.8% and taxes funded 50.1% of the District's 2014-2015 governmental operations excluding capital projects.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 21: 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 non-compliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsels, that 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.

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 and November 24, 2015, 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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,456,466		\$ 2,456,466	\$ 2,456,466	
Transportation fees	20,000		20,000	25,395	\$ 5,395
Interest on investments				1,581	1,581
Miscellaneous	5,000		5,000	28,886	23,886
Total - local sources	2,481,466		2,481,466	2,512,328	30,862
State sources:					
Transportation aid	137,100		137,100	137,100	
Equalization aid	944,733		944,733	944,733	
Special education categorical aid	142,782		142,782	142,782	
Security aid	27,487		27,487	27,487	
Adjustment aid	255,921		255,921	255,921	
School choice aid	489,268	\$ (9,409)	479,859	479,859	
PARCC readiness aid	3,150		3,150	3,150	
Per pupil enrollment growth aid	3,150		3,150	3,150	
Nonpublic transportation aid				4,312	4,312
Teachers' pension and annuity fund (on-behalf non-budgeted)				85,848	85,848
TPAF post-retirement (on-behalf non-budgeted)				136,284	136,284
Reimbursed TPAF social security contributions (non-budgeted)				120,307	120,307
Total - state sources	2,003,591	(9,409)	1,994,182	2,340,933	346,751
Total revenues	\$ 4,485,057	\$ (9,409)	\$ 4,475,648	\$ 4,853,261	\$ 377,613

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 164,291		\$ 164,291	\$ 162,176	\$ 2,115
Grades 1-5	635,071	\$ 78,000	713,071	712,109	962
Grades 6-8	480,713	(112,300)	368,413	365,564	2,849
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000		1,000
Regular programs - undistributed instruction:					
Other salaries for instruction	40,540	10,500	51,040	50,794	246
Other purchased services (400-500 series)	39,119	31,600	70,719	64,818	5,901
General supplies	121,757	(5,000)	116,757	113,126	3,631
Textbooks	10,000	(3,000)	7,000	4,784	2,216
Total regular programs	1,492,491	(200)	1,492,291	1,473,371	18,920
Resource room:					
Salaries of teachers	152,000	7,200	159,200	151,237	7,963
Other salaries for instruction	46,162	3,000	49,162	45,824	3,338
General supplies	7,000	(5,000)	2,000	530	1,470
Textbooks	1,000		1,000		1,000
Total resource room	206,162	5,200	211,362	197,591	13,771
Total special education	206,162	5,200	211,362	197,591	13,771
Basic skills/remedial:					
Salaries of teachers	9,100	16,000	25,100	20,171	4,929
Other salaries for instruction	26,322	(15,000)	11,322	7,384	3,938
Total basic skills/remedial	35,422	1,000	36,422	27,555	8,867
School sponsored co-curricular activities:					
Salaries	8,450	2,500	10,950	9,962	988
Total school sponsored co-curricular activities	8,450	2,500	10,950	9,962	988
School sponsored athletics - instruction:					
Salaries	3,400	4,000	7,400	6,318	1,082
Purchased services (300-500 series)	2,800		2,800	2,731	69
General supplies	500		500		500
Total school sponsored athletics - instruction	6,700	4,000	10,700	9,049	1,651
Total other instructional programs	50,572	7,500	58,072	46,566	11,506
Total - instruction	1,749,225	12,500	1,761,725	1,717,528	44,197

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state - regular	507,399	(57,720)	449,679	361,124	88,555
Tuition to Other LEA's within state - special	83,964	5,000	88,964	85,671	3,293
Tuition to county voc. school district - regular	51,000	12,861	63,861	53,250	10,611
Tuition to county special services district/ regional day schools	42,850	(34,500)	8,350	1,226	7,124
Total undistributed expenditures - instruction	685,213	(74,359)	610,854	501,271	109,583
Attendance & social work					
Salaries	21,737		21,737	20,623	1,114
Total attendance & social work	21,737		21,737	20,623	1,114
Health services:					
Salaries	58,868	800	59,668	59,577	91
Purchased professional/technical services	2,750		2,750	2,522	228
Supplies and materials	1,450		1,450	1,424	26
Total health services	63,068	800	63,868	63,523	345
Related services:					
Salaries of other professional staff	33,930	(6,986)	26,944	22,749	4,195
General supplies	550	1,600	2,150	1,931	219
Total related services	34,480	(5,386)	29,094	24,680	4,414
Extraordinary services:					
Purchased professional-education services	8,338	3,000	11,338	9,704	1,634
Total extraordinary services	8,338	3,000	11,338	9,704	1,634
Guidance services:					
Salaries of other professional staff	33,793	3,386	37,179	35,967	1,212
Supplies and materials		1,250	1,250	1,067	183
Total guidance services	33,793	4,636	38,429	37,034	1,395
Child study team:					
Purchased professional-educational services	1,500	6,600	8,100	7,369	731
Total child study team	1,500	6,600	8,100	7,369	731

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	63,821	(200)	63,621	60,424	3,197
Purchased professional-technical services	1,400	200	1,600	1,595	5
Supplies and materials	4,965		4,965	4,407	558
Total educational media services/school library	70,186		70,186	66,426	3,760
Instructional staff training:					
Salaries of supervisor of instruction	92,826	2,000	94,826	91,003	3,823
Salaries of secretarial and clerical assistants	13,388		13,388	12,340	1,048
Purchased professional - educational services		2,300	2,300	2,027	273
Purchased professional - technical services	6,400	(2,300)	4,100	35	4,065
Purchased services (400-500 series)	1,000	1,000	2,000	1,662	338
Supplies and materials	3,000	(1,000)	2,000	561	1,439
Total instructional staff training	116,614	2,000	118,614	107,628	10,986
Support services general administration:					
Salaries	116,746	7,800	124,546	109,750	14,796
Legal services	3,000	1,270	4,270	1,701	2,569
Audit Fees	12,000	1,100	13,100	11,000	2,100
Other purchased professional services	3,000	(580)	2,420	394	2,026
Communications/telephone	3,500	2,125	5,625	5,352	273
BOE other purchased services	300		300		300
Other purchased services (400-500 series)	14,500	1,025	15,525	15,304	221
Supplies and materials	1,700	1,000	2,700	2,580	120
BOE Member dues/fees	5,000	100	5,100	4,714	386
Total support services general administration	159,746	13,840	173,586	150,795	22,791
Support services school administration:					
Salaries of secretarial and clerical assistants	31,867	2,800	34,667	31,740	2,927
Other purchased services (400-500 series)	2,000	150	2,150	86	2,064
Supplies and materials	2,600	200	2,800	1,865	935
Total support services school administration	36,467	3,150	39,617	33,691	5,926
Central services:					
Salaries	112,952	10,000	122,952	106,933	16,019
Other purchased services (400-500 series)	14,155	1,250	15,405	6,826	8,579
Supplies and materials	1,500	100	1,600	1,557	43
Other objects	1,200	100	1,300	1,205	95
Total central services	129,807	11,450	141,257	116,521	24,736
Required maintenance:					
Cleaning, repair, and maintenance services	169,984	(8,450)	161,534	146,302	15,232
Total required maintenance	169,984	(8,450)	161,534	146,302	15,232

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	103,230		103,230	100,047	3,183
Purchased professional - technical services	29,638	(9,134)	20,504	18,427	2,077
Cleaning, repair and maintenance services	18,580	3,500	22,080	21,620	460
Other purchased property services	1,800	1,900	3,700	2,626	1,074
Insurance	13,000	(1,366)	11,634	11,634	
Other purchased services (400-500 series)	950	800	1,750	1,541	209
General supplies	14,725	12,550	27,275	27,255	20
Energy (heat and electricity)	114,650	18,500	133,150	132,597	553
Total other operation & maintenance of plant services	296,573	26,750	323,323	315,747	7,576
Total operation & maintenance of plant services	466,557	18,300	484,857	462,049	22,808
Student transportation services:					
Salaries for pupil transportation - between home and school - regular	62,954	2,000	64,954	64,462	492
Salaries for pupil transportation - between home and school - special	5,000	7,000	12,000	8,714	3,286
Salaries for pupil transportation - other than between home and school	5,725		5,725	1,921	3,804
Cleaning, repair and maintenance services	22,282		22,282	22,231	51
Contracted services (special education students) - joint agreements	4,000	(800)	3,200		3,200
Contracted services (regular students) ESC's and CTSA	32,500	800	33,300	33,222	78
Aid in lieu	10,608		10,608	9,724	884
Miscellaneous purchased service - transportation	6,000		6,000	4,904	1,096
Supplies and materials	37,363	(2,000)	35,363	19,687	15,676
Total student transportation services	186,432	7,000	193,432	164,865	28,567
Regular programs - instructional - employee benefits:					
Social security contributions	11,801	12,000	23,801	22,262	1,539
Other retirement - PERS	289		289		289
Other retirement regular	13,017	500	13,517	8,475	5,042
Workmen's compensation	15,629		15,629	9,307	6,322
Health benefits	284,412	(28,440)	255,972	249,885	6,087
Tuition reimbursement	8,000		8,000	8,000	
Other employee benefits	27,834	3,000	30,834	26,507	4,327
Total regular programs instructional - employee benefits	360,982	(12,940)	348,042	324,436	23,606
Special programs - instructional - employee benefits:					
Social security contributions	3,570		3,570	3,570	
Workmen's compensation	1,814		1,814	1,814	
Health benefits	38,779		38,779	38,779	
Other employee benefits	3,150		3,150	3,150	
Total special programs instructional - employee benefits	47,313		47,313	47,313	

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance services - employee benefits:					
Social security contributions	1,240		1,240	1,240	
Workmen's compensation	146		146	146	
Health benefits	3,208		3,208	3,208	
Other employee benefits	229		229	229	
Total attendance services - employee benefits	4,823		4,823	4,823	
Health services - employee benefits:					
Workmen's compensation	530		530	530	
Health benefits	10,694		10,694	10,694	
Other employee benefits	1,200		1,200	1,200	
Total health services - employee benefits	12,424		12,424	12,424	
Related services - employee benefits:					
Workmen's compensation	305		305	305	
Health benefits	28,338		28,338		28,338
Other employee benefits	960		960	960	
Total related services - employee benefits	29,603		29,603	1,265	28,338
Educational media services/school library - employee benefits:					
Social security contributions	2,902		2,902	2,902	
Workmen's compensation	1,002		1,002	1,002	
Health benefits	21,004		21,004	21,004	
Other employee benefits	1,280		1,280	1,280	
Total educational media services/school library - employee benefits	26,188		26,188	26,188	
Instructional staff training - employee benefits:					
Social security contributions	1,241		1,241	944	297
Workmen's compensation	146		146	146	
Health benefits	3,208		3,208	3,208	
Other employee benefits	229		229	229	
Total instructional staff training - employee benefits	4,824		4,824	4,527	297

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration - employee benefits:					
Social security contributions	708		708	650	58
Workmen's compensation	1,006		1,006	1,006	
Health benefits	5,000		5,000	5,000	
Other employee benefits	1,200		1,200	1,200	
Total support services general administration - employee benefits	7,914		7,914	7,856	58
Support services school administration - employee benefits:					
Social security contributions	2,430		2,430	2,428	2
Workmen's compensation	286		286	286	
Health benefits	14,971		14,971	14,971	
Other employee benefits	493		493	493	
Total support services school administration - employee benefits	18,180		18,180	18,178	2
Central services - employee benefits:					
Social security contributions	2,740		2,740	2,655	85
Workmen's compensation	1,049		1,049	1,049	
Health benefits	19,260		19,260	19,260	
Other employee benefits	3,642		3,642	3,642	
Total central services - employee benefits	26,691		26,691	26,606	85
Operation and maintenance of plant services - employee benefits:					
Social security contributions	7,818		7,818	7,644	174
Workmen's compensation	2,810		2,810	2,810	
Health benefits	60,419		60,419	60,419	
Other employee benefits	1,950		1,950	1,950	
Total operation and maintenance of plant services - employee benefits	72,997		72,997	72,823	174
Student transportation services - employee benefits:					
Social security contributions	5,122		5,122	5,122	
Workmen's compensation	1,841		1,841	1,841	
Health benefits	13,369		13,369	13,369	
Other employee benefits	1,288		1,288	1,288	
Total student transportation services - employee benefits	21,620		21,620	21,620	
Total allocated benefits	633,559	(12,940)	620,619	568,059	52,560
Unallocated benefits:					
Other retirement - PERS	47,761		47,761	45,356	2,405
Total unallocated benefits	47,761		47,761	45,356	2,405

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				85,848	(85,848)
TPAF post-retirement (on-behalf non-budgeted)				136,284	(136,284)
Reimbursed TPAF social security contributions (non-budgeted)				120,307	(120,307)
Total non-budgeted				342,439	(342,439)
Total undistributed expenditures	2,695,258	(21,909)	2,673,349	2,722,033	(48,684)
Total expenditures - current expense	4,444,483	(9,409)	4,435,074	4,439,561	(4,487)
CAPITAL OUTLAY:					
Equipment: - undistributed expenditures:					
School sponsored - co-curricular					
Instruction		9,400	9,400	4,667	4,733
Operation and maintenance	5,000	20,000	25,000	24,517	483
School buses - regular	50,000	(8,000)	42,000	34,900	7,100
Total equipment	55,000	21,400	76,400	64,084	12,316
Facilities acquisition and construction services:					
Architect and engineering	41,350		41,350	31,913	9,437
Construction services	230,975	(21,900)	209,075	194,234	14,841
Land and improvements	175,000	500	175,500	175,497	3
Total facilities acquisition and construction services	447,325	(21,400)	425,925	401,644	24,281
Total capital outlay	502,325		502,325	465,728	36,597
Total expenditures	\$ 4,946,808	(9,409)	\$ 4,937,399	\$ 4,905,289	\$ 32,110
Excess (deficiency) of revenues over (under) expenditures			\$ 461,751	\$ (52,028)	\$ 409,723
Other financing sources (uses):					
Prior year receivables canceled				(1,098)	1,098
Total other financing sources (uses)				(1,098)	1,098
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(461,751)		461,751	(53,126)	410,821
Fund balances - July 1	982,389		982,389	982,389	
Fund balances - June 30	\$ 520,637		\$ 1,444,140	\$ 929,263	\$ 410,821

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 213,556	
Excess surplus - designated for subsequent year's expenditures				53,509	
Excess surplus - current year				68,250	
Assigned Fund Balance:					
Year-end encumbrances				36,063	
Designated for subsequent year's expenditures				303,573	
Unassigned Fund Balance				<u>254,312</u>	
				929,263	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(199,292)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 729,971</u></u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule -
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 155,588	\$ 12,783	\$ 168,371	\$ 157,503	\$ 10,868
Total revenues	<u>\$ 155,588</u>	<u>\$ 12,783</u>	<u>\$ 168,371</u>	<u>\$ 157,503</u>	<u>\$ 10,868</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 18,599		\$ 18,599	\$ 18,599	
Other salaries for instruction	14,513		14,513	14,513	
General supplies	21,705	\$ 5,686	27,391	26,822	\$ 569
Total Instruction	<u>54,817</u>	<u>5,686</u>	<u>60,503</u>	<u>59,934</u>	<u>569</u>
Support services:					
Personal services - employee benefits	14,801	273	15,074	13,940	1,134
Purchased professional - educational services	79,401	4,800	84,201	79,401	4,800
Other purchased services (400-500 series)	6,569	2,024	8,593	4,228	4,365
Total support services	<u>100,771</u>	<u>7,097</u>	<u>107,868</u>	<u>97,569</u>	<u>10,299</u>
Total expenditures	<u>\$ 155,588</u>	<u>\$ 12,783</u>	<u>\$ 168,371</u>	<u>\$ 157,503</u>	<u>\$ 10,868</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

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

	General Fund		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 4,853,261	[C-2]	\$ 157,503
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(199,292)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	189,115		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 4,843,084	[B-2]	\$ 157,503
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 4,905,289	[C-2]	\$ 157,503
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 4,905,289	[B-2]	\$ 157,503

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's proportion of the net pension liability (asset)	0.0055017945%	0.0056961066%
District's proportionate share of the net pension liability (asset)	\$ 1,030,086	\$ 1,088,639
District's covered-employee payroll	372,589	379,031
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	276.47%	287.22%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Two Fiscal Year

	Fiscal Year Ended	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contribution	\$ 45,356	\$ 42,919
Contributions in relation to the contractually required contribution	<u>45,356</u>	<u>42,919</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 372,589	\$ 379,031
Contributions as a percentage of covered-employee payroll	12.17%	11.32%

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Two Fiscal Years

	Fiscal Year Ended	
	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0151275225%	0.0146688586%
District's proportionate share of the net pension liability (asset)	\$ 8,085,168	\$ 7,413,526
District's covered-employee payroll	1,693,862	1,581,910
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	477.32%	468.64%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

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, 2015

	Total Brought Forward Ex. E-1a	Rural Education Achievement Program		Totals	
		FY 2015	FY 2014	FY 2015	FY 2014
REVENUES:					
Federal sources	\$ 130,681	\$ 21,705	\$ 5,117	\$ 157,503	\$ 149,763
Local sources					500
Total revenues	130,681	21,705	5,117	157,503	150,263
EXPENDITURES:					
Instruction:					
Salaries of teachers	18,599			18,599	23,957
Other salaries for instruction	14,513			14,513	13,909
General supplies		21,705	5,117	26,822	21,074
Total instruction	33,112	21,705	5,117	59,934	58,940
Support services:					
Personal services - employee benefits	13,940			13,940	7,022
Purchased professional - educational services	79,401			79,401	82,820
Other purchased services (400-500 series)	4,228			4,228	1,481
Total support services	97,569			97,569	91,323
Total expenditures	\$ 130,681	\$ 21,705	\$ 5,117	\$ 157,503	\$ 150,263

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title I Part A	IDEA - Part B - Basic	IDEA Preschool	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:					
Federal sources	\$ 47,052	\$ 78,155	\$ 1,246	\$ 4,228	\$ 130,681
Total revenues	<u>47,052</u>	<u>78,155</u>	<u>1,246</u>	<u>4,228</u>	<u>130,681</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	18,599				18,599
Other salaries for instruction	14,513				14,513
Total instruction	<u>33,112</u>				<u>33,112</u>
Support services:					
Personal services - employee benefits	13,940				13,940
Purchased professional - educational services		78,155	1,246		79,401
Other purchased services (400-500 series)				4,228	4,228
Total support services	<u>13,940</u>	<u>78,155</u>	<u>1,246</u>	<u>4,228</u>	<u>97,569</u>
Total expenditures	<u>\$ 47,052</u>	<u>\$ 78,155</u>	<u>\$ 1,246</u>	<u>\$ 4,228</u>	<u>\$ 130,681</u>

PROPRIETARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2015	FY 2014
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 36,905	\$ 19,334	\$ 56,239	\$ 42,847
Accounts receivable:				
State	127		127	155
Federal	4,005		4,005	3,768
Intergovernmental	67		67	6,663
Other	8		8	91
Inventory	6,163		6,163	7,935
Total current assets	47,275	19,334	66,609	61,459
Noncurrent assets:				
Machinery and equipment	132,400	6,600	139,000	148,900
Less: accumulated depreciation	(132,067)	(4,785)	(136,852)	(141,825)
Total noncurrent assets	333	1,815	2,148	7,075
Total assets	47,608	21,149	68,757	68,534
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	2,681	450	3,131	1,869
Unearned revenue:				
Lunches	188		188	1,484
USDA commodities	5,461		5,461	6,163
Compensated absences	1,893		1,893	2,320
Total current liabilities	10,223	450	10,673	11,836
Fund equity:				
Invested in capital assets, net of related debt	333	1,815	2,148	7,075
Unrestricted	37,052	18,884	55,936	49,623
Total net position	\$ 37,385	\$ 20,699	\$ 58,084	\$ 56,698

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service	Latchkey Program	FY 2015	FY 2014
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	\$ 41,974		\$ 41,974	\$ 38,962
Daily sales non-reimbursable programs	1,823		1,823	2,777
Tuition		\$ 24,601	24,601	34,926
Total operating revenue	43,797	24,601	68,398	76,665
OPERATING EXPENSES:				
Salaries	37,925	17,655	55,580	57,367
Employee benefits	2,939	1,351	4,290	4,340
Supplies and materials	2,553	2,153	4,706	4,639
Purchased professional services	8,250		8,250	8,000
Depreciation	4,597	330	4,927	8,975
Cost of sales	47,412		47,412	43,184
Total operating expenses	103,676	21,489	125,165	126,505
Operating income (loss)	(59,879)	3,112	(56,767)	(49,840)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	1,195		1,195	1,218
Federal sources:				
National school lunch program	38,435		38,435	38,508
School breakfast program	6,557		6,557	4,751
National snack program	350		350	680
Food distribution program	11,562		11,562	10,264
Interest revenue	54		54	38
Total non-operating revenues (expenses)	58,153		58,153	55,459
Net income (loss)	(1,726)	3,112	1,386	5,619
Total net position - July 1	39,111	17,587	56,698	51,079
Total net position - June 30	\$ 37,385	\$ 20,699	\$ 58,084	\$ 56,698

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2015	FY 2014
Cash flows from operating activities:				
Receipts from customers	\$ 42,584	\$ 24,601	\$ 67,185	\$ 78,300
Payments to suppliers	(44,636)	(1,839)	(46,475)	(44,636)
Payments to employees	(38,352)	(17,655)	(56,007)	(56,750)
Payments for employee benefits	(2,939)	(1,351)	(4,290)	(4,340)
Net cash provided (used) by operating activities	(43,343)	3,756	(39,587)	(27,426)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	46,330		46,330	48,591
Net cash provided by non-capital financing activities	46,330		46,330	48,591
Cash flows from investing activities:				
Interest income	54		54	38
Payments to/from general fund	6,595		6,595	(72)
Net cash provided by investing activities	6,649		6,649	(34)
Net increase in cash and cash equivalents	9,636	3,756	13,392	21,131
Cash and cash equivalents - July 1	27,269	15,578	42,847	21,716
Cash and cash equivalents - June 30	\$ 36,905	\$ 19,334	\$ 56,239	\$ 42,847
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (59,879)	\$ 3,112	\$ (56,767)	\$ (49,840)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	4,597	330	4,927	8,975
Food distribution program	11,562		11,562	10,264
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	83		83	151
(Increase) decrease in inventory	1,771		1,771	1,292
Increase (decrease) in accounts payable	948	314	1,262	(79)
Increase (decrease) in deferred revenue	(1,998)		(1,998)	1,194
Increase (decrease) in compensated absences	(427)		(427)	617
	\$ (43,343)	\$ 3,756	\$ (39,587)	\$ (27,426)

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2015

		<u>Business-type Activities</u>		<u>Totals</u>	
		<u>Business</u>	<u>Custodial</u>	<u>FY 2015</u>	<u>FY 2014</u>
		<u>Services</u>	<u>Services</u>		
ASSETS					
Current assets:					
	Cash and cash equivalents	\$ 6,594		\$ 6,594	\$ 5,894
	Total assets	<u>\$ 6,594</u>		<u>\$ 6,594</u>	<u>\$ 5,894</u>
NET POSITON					
	Unrestricted	\$ 6,594		\$ 6,594	\$ 5,894
	Total net position	<u>\$ 6,594</u>		<u>\$ 6,594</u>	<u>\$ 5,894</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, 2015

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2015</u>	<u>FY 2014</u>
OPERATING REVENUES:				
Local sources:				
Other charges and fees	\$ 72,000	\$ 54,000	\$ 126,000	\$ 129,364
Total operating revenue	<u>72,000</u>	<u>54,000</u>	<u>126,000</u>	<u>129,364</u>
OPERATING EXPENSES:				
Salaries	55,703	30,752	86,455	85,522
Employee benefits	9,494	29,301	38,795	37,592
Other purchased services	50		50	8,320
Supplies and materials				2,042
Total operating expenses	<u>65,247</u>	<u>60,053</u>	<u>125,300</u>	<u>133,476</u>
Operating income (loss)	<u>6,753</u>	<u>(6,053)</u>	<u>700</u>	<u>(4,112)</u>
Transfer	<u>(6,053)</u>	<u>6,053</u>		
Net income	700			
Total net position - July 1	<u>5,894</u>		<u>5,894</u>	<u>10,006</u>
Total net position - June 30	<u>\$ 6,594</u>		<u>\$ 6,594</u>	<u>\$ 5,894</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2015</u>	<u>FY 2014</u>
Cash flows from operating activities:				
Receipts from customers	\$ 72,000	\$ 54,000	\$ 126,000	\$ 129,364
Payments to suppliers	(50)		(50)	(10,362)
Payments to employees	(55,703)	(30,752)	(86,455)	(85,522)
Payments for employee benefits	(9,494)	(29,301)	(38,795)	(37,592)
Net cash provided (used) by operating activities	<u>6,753</u>	<u>(6,053)</u>	<u>700</u>	<u>(4,112)</u>
Cash flows from investing activities:				
Transfer	(6,053)	6,053		
Net increase in cash and cash equivalents	<u>700</u>		<u>700</u>	<u>(4,112)</u>
Cash and cash equivalents - July 1	<u>5,894</u>		<u>5,894</u>	<u>10,006</u>
Cash and cash equivalents - June 30	<u>\$ 6,594</u>		<u>\$ 6,594</u>	<u>\$ 5,894</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 6,753	(6,053)	\$ 700	\$ (4,112)
	<u>\$ 6,753</u>	<u>\$ (6,053)</u>	<u>\$ 700</u>	<u>\$ (4,112)</u>

FIDUCIARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015

	Trust Funds		Agency Funds	Totals	
	Scholarship Trust Fund	Unemployment Trust Fund		FY 2015	FY 2014
ASSETS					
Cash and cash equivalents	\$ 1,624	\$ 40,135	\$ 146,042	\$ 187,801	\$ 189,387
interfund receivable:					
Agency		63,493		63,493	61,300
Total assets	<u>1,624</u>	<u>103,628</u>	<u>146,042</u>	<u>251,294</u>	<u>250,687</u>
LIABILITIES					
Payroll deductions and withholdings			31,547	31,547	31,145
Due to student groups			28,959	28,959	24,468
interfund payable:					
Unemployment trust			63,493	63,493	61,300
Interfund payables:					
General fund			22,043	22,043	30,853
Total liabilities			<u>\$ 146,042</u>	<u>146,042</u>	<u>147,766</u>
NET POSITION					
Held in Trust for:					
Scholarship awards	1,624			1,624	1,547
Unemployment claims		103,628		103,628	101,374
Total net position	<u>\$ 1,624</u>	<u>\$ 103,628</u>		<u>\$ 105,252</u>	<u>\$ 102,921</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2015	FY 2014
ADDITIONS:				
Contributions:				
General fund budget			\$	9,000
Employee payroll deductions		\$ 4,451	\$ 4,451	4,488
Other	\$ 75		75	
Total contributions	75	4,451	4,526	13,488
Investment earnings:				
Interest	2	60	62	62
Total investment earnings	2	60	62	62
Total additions	77	4,511	4,588	13,550
DEDUCTIONS:				
Scholarships awarded				
Unemployment claims		2,257	2,257	57,861
Total deductions		2,257	2,257	57,861
Change in net position	77	2,254	2,331	(44,311)
Net position - beginning of year	1,547	101,374	102,921	147,232
Net position - end of year	\$ 1,624	\$ 103,628	\$ 105,252	\$ 102,921

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
ACTIVITIES:				
Oldmans School	\$ 24,468	\$ 50,083	\$ 45,592	\$ 28,959

OLDMANS TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 123,298	\$ 3,194,014	\$ 3,200,229	\$ 117,083
Total assets	<u>\$ 123,298</u>	<u>\$ 3,194,014</u>	<u>\$ 3,200,229</u>	<u>\$ 117,083</u>
LIABILITIES				
Employees' net pay		\$ 1,365,650	\$ 1,365,650	
Payroll deductions and withholdings	\$ 31,145	1,802,013	1,801,611	\$ 31,547
interfund payable:				
Unemployment trust	61,300	4,450	2,257	63,493
Interfund payable				
General fund	30,853	21,901	30,711	22,043
Total liabilities	<u>\$ 123,298</u>	<u>\$ 3,194,014</u>	<u>\$ 3,200,229</u>	<u>\$ 117,083</u>

LONG-TERM DEBT

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Refunded/ Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	\$ 1,725,000	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%				
					\$ 1,055,000	None	\$ 170,000	\$ 885,000	

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 159,122		\$ 159,122	\$ 159,122	
State sources:					
Debt service aid type II	56,728		56,728	56,728	
Total revenues	<u>\$ 215,850</u>		<u>\$ 215,850</u>	<u>\$ 215,850</u>	
EXPENDITURES:					
Regular debt service:					
Interest	\$ 45,850		\$ 45,850	\$ 45,850	
Redemption of principal	170,000		170,000	170,000	
Total regular debt service	<u>215,850</u>		<u>215,850</u>	<u>215,850</u>	
Total expenditures	<u>\$ 215,850</u>		<u>\$ 215,850</u>	<u>\$ 215,850</u>	

**STATISTICAL SECTION
(UNAUDITED)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	101-108
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	109-112
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	113-116
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	117-118
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	119-123

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Net Position By Component
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Invested in capital assets, net of related debt	\$ 2,903,670	\$ 2,912,756	\$ 2,852,157	\$ 3,044,184	\$ 3,209,371	\$ 3,243,327	\$ 3,279,322	\$ 3,481,620	\$ 3,818,129	\$ 4,230,078
Restricted	210,975	190,289	99,669	268,479	362,717	563,236	942,979	838,240	728,816	674,951
Unrestricted	(6,961)	76,099	211,077	28,780	5,455	230,633	12,406	(2,562)	(26,638)	(1,087,406)
Total governmental activities net position	<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>	<u>\$ 4,520,307</u>	<u>\$ 3,817,623</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 86,528	\$ 76,578	\$ 66,628	\$ 56,678	\$ 46,728	\$ 41,758	\$ 32,068	\$ 16,050	\$ 7,075	\$ 2,148
Unrestricted	12,569	17,268	22,802	20,539	20,573	21,633	28,687	35,029	49,623	55,936
Total business-type activities net position	<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>	<u>\$ 56,698</u>	<u>\$ 58,084</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 2,990,198	\$ 2,989,334	\$ 2,918,786	\$ 3,100,862	\$ 3,256,099	\$ 3,285,085	\$ 3,311,390	\$ 3,497,670	\$ 3,825,204	\$ 4,232,226
Restricted	210,975	190,289	99,669	268,479	362,717	563,236	942,979	838,240	728,816	674,951
Unrestricted	5,608	93,367	233,879	49,319	26,028	252,266	41,093	32,467	22,985	(1,031,470)
	<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>	<u>\$ 4,577,005</u>	<u>\$ 3,875,707</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,231,719	\$ 1,272,280	\$ 1,285,847	\$ 1,211,994	\$ 1,042,066	\$ 948,214	\$ 1,144,606	\$ 1,264,628	\$ 1,393,883	\$ 1,480,751
Special education	218,152	234,869	256,001	283,455	348,201	227,493	222,596	261,094	250,304	254,633
Other special education	41,807	32,854	29,018	32,026	59,733	69,045	69,358	1,320	17,218	29,515
Other instruction	10,564	10,660	9,926	12,433	15,851	13,670	16,447	14,550	18,584	19,011
Support services:										
Tuition	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467	918,100	963,789	890,593	501,271
Student & instruction and related services	290,133	276,235	278,249	304,057	364,138	346,161	360,233	367,075	417,184	421,671
General administration		120,150	104,775	116,552	108,446	102,771	96,075	86,535	150,485	150,538
School administrative services	32,217	42,953	58,461	41,116	39,423	33,588	40,864	85,018	33,154	35,925
Central services		184,900	188,333	159,339	159,199	176,146	165,199	179,755	195,157	183,050
Administrative information technology	261,331			4,000	3,106					
Plant operations and maintenance	283,846	294,448	304,163	364,242	353,448	419,274	554,972	452,740	521,471	494,033
Pupil transportation	181,754	197,100	196,908	260,379	296,860	235,537	219,504	161,476	150,701	198,103
Employee benefits	739,636	841,614	900,862	818,873	876,098	777,928	731,242	883,170	893,119	969,171
Interest on long-term debt	132,981	126,814	119,416	113,049	122,117	71,817	67,018	61,542	54,942	48,267
Capital outlay				2,154	27,361	6,455	1,998	103,059	4,777	13,793
Unallocated depreciation	130,268	158,088	192,782	134,808	127,377	129,200	126,983	199,277	160,932	173,886
Disposal of capital assets		3,300	1,484							
Amortization of debt issuance costs	1,332	1,332	1,332							
Total governmental activities expenses	4,481,817	5,011,467	5,212,585	4,925,242	4,998,315	4,476,766	4,735,195	5,085,028	5,152,504	4,973,618

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Food service	109,379	116,511	119,301	118,909	105,420	91,193	100,238	112,847	103,682	103,676
Childcare	24,992	24,221	27,959	28,437	14,750	14,508	18,792	18,025	22,823	21,489
Total business-type activities expense	134,371	140,732	147,260	147,346	120,170	105,701	119,030	130,872	126,505	125,165
Total district expenses	\$ 4,616,188	\$ 5,152,199	\$ 5,359,845	\$ 5,072,588	\$ 5,118,485	\$ 4,582,467	\$ 4,854,225	\$ 5,215,900	\$ 5,279,009	\$ 5,098,783
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Pupil transportation, shared services	\$ 40,799	\$ 117,457	\$ 107,984	\$ 95,152	\$ 101,900	\$ 107,000	\$ 108,000	\$ 115,000	\$ 129,364	\$ 126,000
Operating grants and contributions	121,036	172,091	136,504	140,888	154,694	134,333	124,661	166,728	150,263	157,503
Total governmental activities program revenues	161,835	289,548	244,488	236,040	256,594	241,333	232,661	281,728	279,627	283,503
Business-type activities:										
Charges for services:										
Food service	49,697	47,976	46,988	42,925	41,355	46,376	50,257	47,009	41,739	43,797
Childcare	22,323	24,893	30,657	25,143	16,274	9,537	19,367	19,068	34,926	24,601
Operating grants and contributions	33,258	39,059	39,068	38,644	36,754	37,330	43,205	52,878	55,421	58,099
Total business-type activities program revenues	105,278	111,928	116,712	106,712	94,383	93,243	112,829	118,955	132,086	126,497
Total district program revenue	\$ 267,113	\$ 401,476	\$ 361,200	\$ 342,752	\$ 350,977	\$ 334,576	\$ 345,490	\$ 400,683	\$ 411,713	\$ 410,000
Net (expense) revenue:										
Governmental activities	\$ (4,319,982)	\$ (4,721,920)	\$ (4,968,097)	\$ (4,689,202)	\$ (4,741,721)	\$ (4,235,433)	\$ (4,502,534)	\$ (4,803,300)	\$ (4,872,877)	\$ (4,690,115)
Business-type activities	(29,093)	(28,804)	(30,548)	(40,634)	(25,787)	(12,458)	(6,201)	(11,917)	5,581	1,332
Total district-wide net expense	\$ (4,349,075)	\$ (4,750,724)	\$ (4,998,645)	\$ (4,729,836)	\$ (4,767,508)	\$ (4,247,891)	\$ (4,508,735)	\$ (4,815,217)	\$ (4,867,296)	\$ (4,688,783)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2015
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 2,383,444	\$ 2,569,891	\$ 2,602,464	\$ 2,634,769	\$ 2,532,249	\$ 2,493,989	\$ 2,357,014	\$ 2,398,882	\$ 2,437,372	\$ 2,456,466
Taxes levied for debt service	177,709	174,541	175,918	171,351	168,992	157,935	151,826	165,167	160,301	159,122
Unrestricted grants and contributions	1,903,264	2,020,170	2,140,962	2,046,255	2,067,184	1,905,490	2,040,483	2,131,480	2,293,664	2,387,484
Tuition charges					2,000	87,602				
Transportation charges				20,204	30,218	29,485	27,280	32,249	22,560	25,395
Investment earnings				9,992	3,787	3,508	3,293	2,605	1,877	1,581
Miscellaneous income	30,436	51,821	58,004	15,216	94,047	20,373	123,653	158,898	29,438	28,886
Loss on disposal of assets				(1,862)	(15,505)			(1,188)		(24,685)
Premium on issuance of refunding bonds					110,667					
Other										(1,098)
Transfers	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)		
Total governmental activities	4,465,853	4,793,380	4,951,856	4,867,742	4,977,821	4,695,086	4,700,045	4,885,891	4,945,212	5,033,151
Business-type activities:										
Miscellaneous income	257	511	639	238	53	57	61	39	38	54
Transfers	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	29,257	23,553	26,132	28,421	15,871	8,548	3,565	2,241	38	54
Total district-wide	\$ 4,495,110	\$ 4,816,933	\$ 4,977,987	\$ 4,896,163	\$ 4,993,692	\$ 4,703,634	\$ 4,703,610	\$ 4,888,132	\$ 4,945,250	\$ 5,033,205
Change in net position										
Governmental activities	\$ 145,871	\$ 71,461	\$ (16,241)	\$ 178,540	\$ 236,100	\$ 459,653	\$ 197,511	\$ 82,591	\$ 72,335	\$ 343,036
Business-type activities	163	(5,251)	(4,416)	(12,213)	(9,916)	(3,910)	(2,636)	(9,676)	5,619	1,386
Total district	\$ 146,034	\$ 66,210	\$ (20,658)	\$ 166,327	\$ 226,184	\$ 455,743	\$ 194,875	\$ 72,915	\$ 77,954	\$ 344,422

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2015
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 164,871	\$ 127,531	\$ 121,141	\$ 300,817	\$ 356,886					
Unreserved	94,077	183,386	316,849	111,541	109,370					
Restricted						\$ 461,900	\$ 462,893	\$ 439,124	\$ 344,807	\$ 335,315
Assigned						282,395	480,086	399,116	384,009	339,636
Unrestricted						113,197	101,213	85,074	64,458	55,020
Total general fund	<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>	<u>\$ 793,274</u>	<u>\$ 729,971</u>
All other governmental funds:										
Unreserved, reported in:										
Special revenue fund	\$ 88,127	\$ 88,127								
Capital projects fund	6,556	6,379	\$ 9,527	\$ 5,370	\$ 28,489	\$ 23,119				
Debt service fund	6,556	6,379	\$ 9,527	\$ 5,370	\$ 28,489	\$ 23,119				
Total all other governmental funds	<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>	<u>None</u>	<u>None</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Tax levy	\$ 2,561,153	\$ 2,744,432	\$ 2,778,382	\$ 2,806,120	\$ 2,701,241	\$ 2,651,924	\$ 2,508,840	\$ 2,564,049	\$ 2,597,673	\$ 2,615,588
Tuition charges	25,799	19,157	19,892		2,000	87,602				
Transportation charges				20,204	30,218	29,485	27,280	32,249	22,560	25,395
Interest earnings	19,875	29,671	31,317	9,992	3,787	3,508	3,293	2,605	1,877	1,581
Miscellaneous	10,561	22,150	24,779	15,716	94,447	20,373	123,653	159,898	29,938	28,886
State sources	1,909,874	2,024,895	2,145,747	2,046,255	1,864,331	1,905,490	1,980,303	2,131,480	2,293,664	2,387,484
Federal sources	114,426	167,366	131,719	140,388	357,147	134,333	184,841	165,728	149,763	157,503
Total revenue	4,641,688	5,007,670	5,131,836	5,038,675	5,053,171	4,832,715	4,828,210	5,056,009	5,095,475	5,216,437
EXPENDITURES:										
Instruction:										
Regular	1,228,319	1,272,280	1,285,847	1,198,004	1,035,449	975,562	1,132,426	1,258,053	1,397,932	1,473,371
Special	218,152	234,869	256,001	281,312	349,051	228,270	232,265	258,209	249,514	257,525
Other	41,807	32,854	29,018	32,026	59,733	69,045	69,358	1,320	17,218	27,555
School sponsored/other instructional	10,564	10,660	9,926	12,433	15,851	13,670	16,447	14,550	18,584	19,011
Undistributed:										
Tuition	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467	918,100	963,789	890,593	501,271
Student & instruction related services	290,133	276,235	278,249	300,526	362,997	345,358	349,827	375,178	412,494	420,616
General administration	245,447	120,150	104,775	114,138	106,666	102,801	97,105	85,859	148,625	150,795
School administration	32,217	42,953	58,461	40,412	38,873	33,091	41,981	86,535	32,666	33,691
Central services		96,603	92,232	95,433	97,718	100,584	109,080	111,664	115,916	116,521
Administration information technology		4,098	4,000	4,000	3,106					
Allowable maintenance for school facilities	33,812	31,297	38,700	66,182	48,236	68,803	172,107	106,803	171,300	146,302
Operations and maintenance of plant services	249,474	263,151	265,463	265,683	281,362	325,631	332,200	295,374	294,438	315,747
Student transportation	149,756	197,100	196,908	239,954	280,036	213,238	192,741	158,597	147,514	164,865
On-behalf TPAF pension contributions	124,010	234,791	249,128	110,750	112,675	107,820	142,780	201,960	168,925	222,132
Reimbursed TPAF social security contributions	118,006	119,588	125,611	117,856	117,609	108,072	111,116	119,034	124,177	120,307
Employee benefits	487,066	480,986	527,639	590,267	645,814	562,036	477,346	562,176	600,017	627,355
Capital outlay	72,403	41,807		249,870	116,252	124,604	42,396	351,534	218,152	465,728
Debt service expenditures										
Principal	125,000	130,000	135,000	140,000	165,000	160,000	160,000	165,000	165,000	170,000
Interest	136,419	129,544	122,264	114,670	69,017	68,650	63,850	59,050	52,450	45,850
Total expenditures	4,488,663	4,932,835	5,064,250	5,040,281	4,960,336	4,526,702	4,661,125	5,174,685	5,225,515	5,278,642

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess deficiency of revenues over (under) expenditures	153,025	74,835	(44,366)	(1,606)	92,835	306,013	167,085	(118,676)	(130,040)	(62,205)
Other financing sources (uses)										
Prior year receivable canceled										(1,098)
Capital leases						83,149				
Transfers out	(29,000)	(23,042)	(145,617)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)	(2,202)	
Transfers in			120,125							
Total other financing sources (uses)	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	79,853	(3,504)	(2,202)	(2,202)	(1,098)
Net change in fund balance	<u>\$ 124,025</u>	<u>\$ 51,792</u>	<u>\$ (69,858)</u>	<u>\$ (29,789)</u>	<u>\$ 77,017</u>	<u>\$ 385,866</u>	<u>\$ 163,581</u>	<u>\$ (120,878)</u>	<u>\$ (132,242)</u>	<u>\$ (63,303)</u>
Debt service as a percentage of noncapital expenditures	5.92%	5.31%	5.08%	5.32%	4.83%	5.19%	4.85%	4.65%	4.34%	4.48%

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
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
2014	15,208	1,000	13,230		29,438
2015	3,281	1,000	2,950	21,655	28,886
	<u>\$ 404,520</u>	<u>\$ 17,107</u>	<u>\$ 29,498</u>	<u>\$ 57,057</u>	<u>\$ 508,182</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
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	262,702,584	1.1730
2014	8,665,800	121,725,500	22,016,900	3,290,400	11,160,000	54,628,100	0	221,486,700	48,785,000	508,079	221,994,779	243,840,964	1.1740
2015	8,453,300	121,370,000	21,630,500	3,224,100	10,130,800	67,783,200	0	232,591,900	62,177,900	524,568	233,116,468	243,417,867	1.1650

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	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
		Obligation Debt Service		Township of Oldmans	Salem County	
2006	2.210	0.160	2.370	0.120	1.210	3.700
2007	2.309	0.157	2.466	0.120	1.310	3.896
2008	2.277	0.154	2.431	0.140	1.450	4.021
2009	1.176	0.077	1.253	0.150	1.470	2.873
2010	1.186	0.079	1.265	0.200	1.410	2.875
2011	1.160	0.073	1.233	0.230	1.580	3.043
2012	1.143	0.074	1.217	0.140	0.811	2.168
2013	1.097	0.076	1.173	0.183	1.153	2.509
2014	1.102	0.072	1.174	0.192	1.048	2.414
2015	1.094	0.071	1.165	0.182	1.042	2.389

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

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Polyone	\$ 22,000,000	9.44%	\$ 16,106,900	14.42%
Garden State Freezers	11,113,600	4.77%		
Goya Foods Inc.	10,630,100	4.56%		
J.E. Berkowitz	8,643,000	3.71%		
Oxy Vinyls	4,500,000	1.93%	5,513,100	4.93%
Pedricktown Cogen	3,000,000	1.29%	5,890,000	5.27%
Noveon Inc.	2,500,000	1.07%	3,000,000	2.69%
Ndev LLC	2,347,700	1.01%		
BOC Group Inc.	1,950,000	0.84%	980,600	0.88%
Paverstone LLC	1,940,700	0.83%		
Sun Refining & Marketing Company			2,665,470	2.39%
Exit 7 Realty Corp.			1,229,000	1.10%
Air Reduction Co., Inc.			590,200	0.53%
Delaware River Land Com.			572,600	0.51%
NJ Bell Atlantic Room 3137			411,821	0.37%
	<u>\$ 68,625,100</u>	<u>29.44%</u>	<u>\$ 36,959,691</u>	<u>33.08%</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	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
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%	-
2014	2,597,673	2,597,673	100.00%	-
2015	2,615,588	2,615,588	100.00%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases	Bond Anticipation Notes			
2006	\$ 2,286,000					\$ 2,286,000	3.82%
2007	2,156,000					2,156,000	3.53%
2008	2,021,000					2,021,000	3.15%
2009	1,881,000					1,881,000	2.81%
2010	1,705,000					1,705,000	2.41%
2011	1,545,000		\$ 48,149			1,593,149	2.25%
2012	1,385,000		24,571			1,409,571	2.00%
2013	1,220,000					1,220,000	1.68%
2014	1,055,000					1,055,000	1.36%
2015	885,000					885,000	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		
2006	\$ 2,286,000		\$ 2,286,000	2.05%	1,271
2007	2,156,000		2,156,000	1.93%	1,193
2008	2,021,000		2,021,000	1.76%	1,118
2009	1,881,000		1,881,000	0.86%	1,044
2010	1,705,000		1,705,000	0.81%	946
2011	1,545,000		1,545,000	0.74%	855
2012	1,385,000		1,385,000	0.67%	782
2013	1,220,000		1,220,000	0.56%	690
2014	1,055,000		1,055,000	0.48%	574
2015	885,000		885,000	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, 2014
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Oldmans	\$ 1,280,000	100.00%	\$ 1,280,000
Salem County General Obligation Debt	45,996,464	4.82%	2,215,653
Subtotal, overlapping debt			3,495,653
Oldmans Township School District			885,000
Total direct and overlapping debt			<u>\$ 4,380,653</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							
	2014		\$ 229,543,683							
	2013		231,772,439							
	2012		233,089,579							
			<u>\$ 694,405,701</u>							
Average equalized valuation of taxable property			\$ 231,468,567							
Debt limit (3% of average equalized value)			6,944,057							
Total net debt applicable to limit			885,000							
Legal debt margin			<u>\$ 6,059,057</u>							
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 4,617,479	\$ 4,848,582	\$ 5,178,661	\$ 5,515,389	\$ 6,019,070	\$ 6,325,875	\$ 6,440,672	\$ 6,607,372	\$ 6,729,011	\$ 6,944,057
Total net debt applicable to limit	2,286,000	2,156,000	2,021,000	1,881,000	1,705,000	1,545,000	1,385,000	1,220,000	1,055,000	885,000
Legal debt margin	<u>\$ 2,331,479</u>	<u>\$ 2,692,582</u>	<u>\$ 3,157,661</u>	<u>\$ 3,634,389</u>	<u>\$ 4,314,070</u>	<u>\$ 4,780,875</u>	<u>\$ 5,055,672</u>	<u>\$ 5,387,372</u>	<u>\$ 5,674,011</u>	<u>\$ 6,059,057</u>
Total net debt applicable to the limit as a percentage of debt limit	49.51%	44.47%	39.03%	34.10%	28.33%	24.42%	21.50%	18.46%	15.68%	12.74%

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
2006	1,799	\$ 59,910,298	\$ 33,302	4.40%
2007	1,807	61,119,968	33,824	4.40%
2008	1,807	64,161,149	35,507	5.60%
2009	1,802	66,958,716	37,158	9.60%
2010	1,803	70,774,962	39,254	10.2%
2011	1,808	70,761,504	39,138	9.6%
2012	1,770	70,603,530	39,889	9.8%
2013	1,768	72,827,456	41,192	5.4%
2014	1,837	77,796,950	42,350	5.4%
2015	1,861	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	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
JE Berkowitz Glass	225	21.93%		
Polyone	125	12.18%		
Walt's Bus Service	123	11.99%		
Goya Foods	97	9.45%		
Oldmans Township School	63	6.14%		
Mullica Hill Cold Storage	57	5.56%		
Lubrizol	41	4.00%		
Lacy's Express	39	3.80%		
Oxyvinyls	31	3.02%		
Unico	20	1.95%		
Oldmans Township	8	0.78%		
	<u>829</u>	<u>80.80%</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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	19	20	19	18	17	14	15	17	18	19
Special	4	4	3	3	3	2	2	2	2	2
Other special education	1	1	1	1	1	1	3	3	3	3
Other instruction	4	4	5	5	5	3	1	1	1	2
Support services:										
Student & instruction related services	4	4	4	4	4	4	4	5	6	6
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	3	3	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	4	4	4	4
Food service	4	4	4	4	4	3	3	3	3	3
Childcare	6	6	6	6	6	3	3	3	4	4
Total	55	57	56	55	54	44	44	47	50	52

Source: District personnel records

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				
2006	244	\$ 4,154,841	\$ 17,028	1.78%	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%
2014	253	4,789,913	18,932	-4.91%	21	13.9	250.7	240.0	9.14%	95.73%
2015	268	4,597,064	17,153	-9.40%	22	17.9	265.8	255.7	6.02%	96.20%

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

Elementary/Middle School	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	244	219	219	203	177	197	228	229	251	268
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, 2015:
 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, 2015

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

	Gross Square Footage	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
* School Facilities												
Oldmans Middle School	56,000	\$ 33,812	\$ 20,306	\$ 38,700	\$ 66,182	\$ 48,236	\$ 68,803	\$ 172,107	\$ 106,803	\$ 171,300	\$ 146,302	\$ 872,551

* 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, 2015
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:	15,000,000
1. GCSSDJIF Self Insured Retention (SIR):	250,000
2. Member District Deductible:	None

V. Workmen's 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:	15,000,000
1. GCSSDJIF Self Insured Retention:	175,000
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

VIII. Cyber Liability

A. Limits of Liability:	1,000,000
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

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

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, 2015, 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 November 24, 2015.

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 an instance 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 and which are described in the schedule of findings and questioned costs as item 2015-001.

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

November 24, 2015

PETRONI & ASSOCIATES LLC

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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 CIRCULARS 04-04 AND/OR 15-08

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, 2015. 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 Circulars 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2015.

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 Circulars 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 Circulars 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of State Financial Assistance Required by NJ OMB Circulars 04-04 and/or 15-08

We have audited the financial statements Oldmans Township School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 24, 2015, 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 schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circulars 04-04 and/or 15-08 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

November 24, 2015

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

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, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2015			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	NCLB386015	\$ 48,186	07/01/14	- 06/30/15			\$ 43,226	\$ (47,052)			\$ (3,826)			\$ 47,052
Title I - Part A	84.010	NCLB386014	46,507	07/01/13	- 06/30/14	\$ (5,732)		5,732							45,658
Title I - Part A	84.010	NCLB386011	32,563	09/01/10	- 08/31/11	(1,649)		1,346		\$ 303					26,195
Title II A, Teacher & Principal Training	84.367	NCLB386015	13,393	07/01/14	- 06/30/15			3,930	(4,228)			(298)			4,228
Title II A, Teacher & Principal Training	84.367	NCLB386009	10,789	09/01/08	- 08/31/09	(249)				249					4,566
IDEA Part B, Basic Regular	84.027A	IDEA386015	78,155	07/01/14	- 06/30/15			78,155	(78,155)						78,155
IDEA Part B, Preschool	84.173	IDEA386015	1,246	07/01/14	- 06/30/15			1,246	(1,246)						1,246
Rural Education Achievement Program	84.358A	S358A143594	21,705	07/01/14	- 09/30/15			13,801	(21,705)			(7,904)			21,705
Rural Education Achievement Program	84.358A	S358A133594	22,399	07/01/13	- 09/30/14	(545)		5,686	(5,165)	24					22,399
Race to the Top	84.395	n/a	2,065	09/01/11	- 11/30/15	(1,636)		1,638					\$ 2		1,636
Total Special Revenue Fund						(9,811)		154,760	(157,551)	576		(12,028)	2		252,840
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	11,562	07/01/14	- 06/30/15			11,562	(6,101)				5,461		6,101
Food Distribution Program	10.550	n/a	10,264	07/01/13	- 06/30/14	6,163			(6,163)						10,264
National School Lunch Program	10.555	n/a	38,435	07/01/14	- 06/30/15			35,420	(38,435)			(3,015)			38,435
National School Lunch Program	10.555	n/a	38,508	07/01/13	- 06/30/14	(2,962)		2,962							38,508
School Breakfast Program	10.553	n/a	6,557	07/01/14	- 06/30/15			5,972	(6,557)			(585)			6,557
School Breakfast Program	10.553	n/a	4,751	07/01/13	- 06/30/14	(766)		374				(392)			4,751
After School Snack Program	10.558	n/a	350	07/01/14	- 06/30/15			337	(350)			(13)			350
After School Snack Program	10.558	n/a	680	07/01/13	- 06/30/14	(40)		40							680
Total Enterprise Fund						2,395		56,667	(57,606)			(4,005)	5,461		105,646
Total Federal Financial Awards						\$ (7,416)		\$ 211,427	\$ (215,157)	\$ 576		\$ (16,033)	\$ 5,463		\$ 358,486

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, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2014				Budgetary Expenditures	Adjustments/Repayment of Prior Year's Expenditures	Balance at June 30, 2015			MEMO	
					Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received			(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	15-495-034-5120-078	\$ 944,733	07/01/14 - 06/30/15					\$ 944,733	\$ (944,733)					\$ 94,414	\$ 944,733
Special Education Categorical Aid	15-495-034-5120-089	142,782	07/01/14 - 06/30/15					142,782	(142,782)					14,269	142,782
Security Aid	15-495-034-5120-084	27,487	07/01/14 - 06/30/15					27,487	(27,487)					2,747	27,487
School Choice Aid	15-495-034-5120-068	479,859	07/01/14 - 06/30/15					479,859	(479,859)					47,956	479,859
Adjustment Aid	15-495-034-5120-085	255,921	07/01/14 - 06/30/15					255,921	(255,921)					25,576	255,921
PARCC Readiness Aid	15-495-034-5120-098	3,150	07/01/14 - 06/30/15					3,150	(3,150)					315	3,150
Per Pupil Growth Aid	15-495-034-5120-097	3,150	07/01/14 - 06/30/15					3,150	(3,150)					315	3,150
Transportation Aid	15-495-034-5120-014	137,100	07/01/14 - 06/30/15					137,100	(137,100)					13,700	137,100
Reimbursement for Nonpublic Transportation	n/a	4,312	07/01/14 - 06/30/15						(4,312)		\$ (4,312)				4,312
Reimbursement for Nonpublic Transportation	n/a	3,573	07/01/13 - 06/30/14			\$ (3,573)		3,573							3,573
Reimbursed TPAF Social Security Contrib.	15-495-034-5094-003	120,307	07/01/14 - 06/30/15					120,307	(120,307)						120,307
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	136,284	07/01/14 - 06/30/15					136,284	(136,284)						136,284
On-Behalf TPAF Post Retirement Medical	15-495-034-5094-001	85,848	07/01/14 - 06/30/15					85,848	(85,848)						85,848
Total General Fund						(3,573)		2,340,194	(2,340,933)		(4,312)			199,292	2,344,506
Debt Service Fund:															
Debt Service Aid Type II	15-495-034-5120-075	56,728	07/01/14 - 06/30/15					56,728	(56,728)						56,728
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	1,195	07/01/14 - 06/30/15					1,068	(1,195)		(127)				1,195
National School Lunch Program (State Share)	14-100-010-3350-023	1,218	07/01/13 - 06/30/14			(155)		155							1,218
Total Enterprise Fund						(155)		1,223	(1,195)		(127)				2,413
Total State Financial Assistance						\$ (3,728)		\$ 2,398,145	\$ (2,398,856)		\$ (4,439)			\$ 199,292	\$ 2,403,647

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, 2015

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 OMB Circulars 04-04 and/or 15-08. 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:22-4-.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,177) for the General Fund and \$0 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,330,756	\$ 2,330,756
Special Revenue Fund	\$ 157,503		157,503
Debt Service Fund		56,728	56,728
Food Service Fund	56,904	1,195	58,099
Total Financial Assistance	<u>\$ 214,407</u>	<u>\$ 2,388,679</u>	<u>\$ 2,603,086</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, 2015, Oldmans Township School District has food commodities totaling \$5,461 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, 2015. 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, 2015.

NOTE 7: ADJUSTMENTS

The amounts reported as adjustments on Schedule B are the result of cancelation of prior year receivables and expenditure reclassifications.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 Circulars 04-04 and/or 15-08? Yes No

Identification of major programs:

State Grant/Project Numbers	Name of State Program
495-034-5094-003	Social Security Tax
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-068	School Choice Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

Finding 2015-001

Criteria – NJSA 18A:18A-37 requires the solicitation of quotes when the cost of an item is less than the bid threshold (\$36,000 for the year under audit), but in excess of 15 percent of the threshold.

Condition – The district purchased a used school bus for \$34,900. There was no documentation that quotes were solicited.

Questioned Cost – \$34,900.

Effect – Noncompliance with NJSA 18A:18A-37.

Cause – The Business Administrator contacted vendors to determine the availability of used buses of a certain age, but did not prepare a formal quotation request form.

Recommendation - The Business Administrator solicit and document that at least two competitive quotations were obtained when the cost is less than the bid threshold (\$36,000 for the year under audit), but in excess of 15 percent of the threshold.

**Section III – Federal Awards 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, 2015

No matters were reported.