

**SCHOOL DISTRICT
OF**

OAKLYN

**Oaklyn Board of Education
Oaklyn, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual
Financial Report**

of the

Oaklyn Board of Education

Oaklyn, New Jersey

For the Fiscal Year Ended June 30, 2016

**Prepared by
Oaklyn Board of Education
Finance Department**

OAKLYN SCHOOL DISTRICT

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Introductory Section



OAKLYN PUBLIC SCHOOL DISTRICT

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Superintendent
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Beth Ann Coleman RSBA
Business Administrator/Board Secretary
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Ms. Jennifer Boulden
Principal
856.858.0335 x226

September 30, 2016

Honorable President and
Members of the Board of Education
Oaklyn Public School District
156 Kendall Boulevard
Oaklyn, New Jersey 08107

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Oaklyn Public School District for the fiscal year ended June 30, 2016, is hereby submitted. This CAFR includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. 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 designated to present fairly the financial position and results of operations of the various funds 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:

- The Introductory Section contains a letter of transmittal, an organizational chart of the District, a roster of principal officials, and a list of consultants and advisors;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

Reporting Entity and Its Services

The Oaklyn Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Oaklyn Board of Education and its one school constitute the District's reporting entity.

The District continues to maintain a high quality of education. The District provides a full range of programs and services appropriate to grade levels Pre-K through 9. These include regular education, programs for the very able students (gifted and talented), as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>
2015-16	386
2014-15	384
2013-14	413
2012-13	442
2011-12	469

For fiscal year 2015-16, the district administrative structure included a shared superintendent, a shared business administrator/board secretary, and a principal. The nine member Board of Education is an elected body consisting of nine members from Oaklyn. The Board of Education meets on the third Tuesday of each month for its regular Board meetings (with some exceptions). During its Board meetings, the Board determines district goals and priorities and conducts business of the Board of Education. Board meetings are open to the public and begin at 7:00 pm.

The District is committed to helping every student reach his or her individual potential, capabilities and goals, and in doing so, provides a stimulating physical and social environment which is designed to activate the appetite for learning and motivate the students to excel to their fullest potential. It is the District philosophy that education must be flexible and oriented toward the future and that we must attempt to insure the fulfillment of the student's educational aspirations and their correlated growth characteristics. Our educational process shall continually be improved, expanded, and evaluated to meet the demands of the times. We must provide a physical and social environment which discovers, develops, and nurtures human talents, self-confidence, and critical thinking.

As society moves into the twenty-first century, we must challenge students to become critical, independent thinkers. Additionally, an emphasis has been placed on technology throughout the District through integration and immersion. The District has adopted the goals, objectives and proficiencies outlined in the Technology Plan.

Economic Condition and Outlook

Oaklyn is a fully developed community whose population, ethnicity and economic status have remained relatively stable over the past ten years. Oaklyn's enrollment numbers have declined due to the ending of its send/receive relationship with Hi Nella.

The Oaklyn Board of Education has been approved by the Department of education as Choice district. Unfortunately, the Department of Education has limited the number of choice pupils Oaklyn may accept.

At the request of the Board of Education, a study for the Oaklyn school district was completed by the Camden County Office of Education in the fall of 2014.

In May, 2015 the Board issued an RFP for an Educational Consultant to prepare a feasibility study regarding the educational options available for the Oaklyn Public School district. As of this date, the firm of Porzio, Bromberg & Newman P.C. has been hired by the Board of Education to prepare the study.

The Board received the results of the feasibility study on September 20, 2016. At this time, the Board is reviewing the recommendations and options and soliciting community input regarding the future configuration of the Oaklyn Public School District.

Goals and Reflections:

1. Oaklyn is launching a Chromebook initiative. To support his initiative, we will develop a staff resource guide. There will be a training component to the resource guide.

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining internal controls 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 controls are 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 adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal controls are also subject to periodic evaluation by the District management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal controls, 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.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at year end.

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 fund basis. These funds are explained in "Notes to the Financial Statements", Note 1.

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District is required 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.

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.

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey Circular 04-04, as revised. 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.

Acknowledgements

We would like to express our appreciation to the members of the Oaklyn Board of Education 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 the Oaklyn staff.

Respectfully submitted,



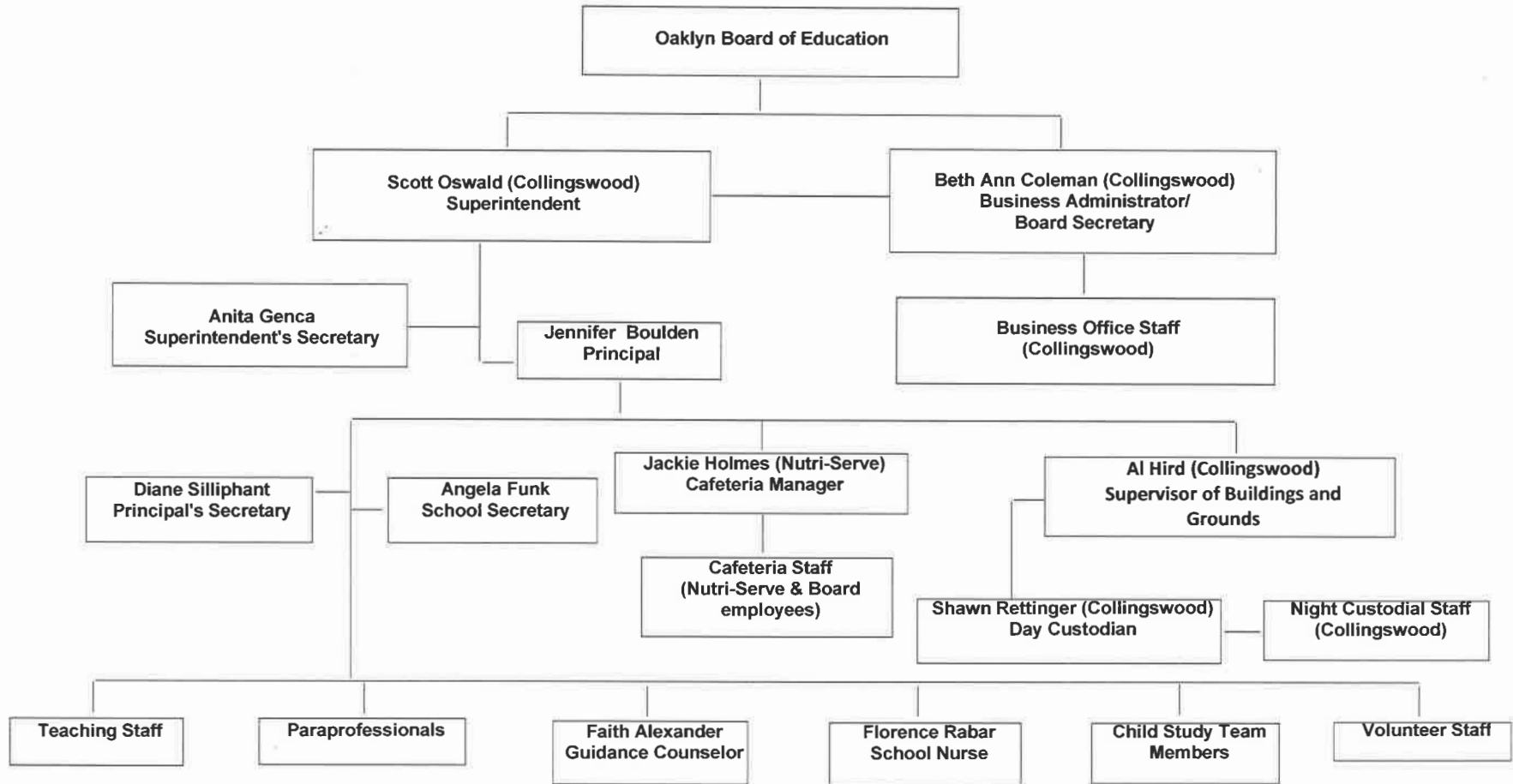
Dr. Scott Oswald
Superintendent



Beth Ann Coleman
Business Administrator/Board Secretary

OAKLYN PUBLIC SCHOOL DISTRICT

Organizational Chart



OAKLYN SCHOOL DISTRICT

Roster of Officials

June 30, 2016

Members of the Board of Education:

Term Expires

William Stauts, President	2016
Jennifer Cassel, Vice President	2017
Krista Egan	2018
Colleen Faupel	2017
Matthew Hale	2018
Christine Reily	2016
Todd Schaefer	2016
Robert Skowronek	2018
Gina Wilson	2017

Other Officials:

Scott A. Oswald, Superintendent
Beth Ann Coleman, Business Administrator/Board Secretary
Jennifer Boulden, Principal
Robert A. Muccilli, Esq. Solicitor

**OAKLYN SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
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Attorney

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Robert A. Muccilli, Esq.
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Architect

Garrison Architects
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Official Depository

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Oaklyn School District
County of Camden
Oaklyn, New Jersey

Report on the Financial Statements

I 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 Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Oaklyn School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oaklyn School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey Treasury Circular OMB 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 15, 2016 on my consideration of the Oaklyn School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 an audit performed in accordance with *Government Auditing Standards* in considering the Oaklyn School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

INVERSO & STEWART, LLC
 Certified Public Accountants

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 New Jersey Society of CPAs

**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
 Oaklyn School District
 County of Camden
 Oaklyn, New Jersey

I 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated September 15, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Oaklyn School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Oaklyn School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Oaklyn School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Oaklyn School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

As management of the Board of Education of the Borough of Oaklyn, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,307,740 (*net position*).
- Governmental activities have an unrestricted deficit balance of \$865,994. The accounting treatments in the governmental funds for compensated absences payable, the June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68 are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$496,389, or a 61% increase from the prior fiscal year-end balance. This increase is due a tuition adjustment owed to Oaklyn from Collingswood and operations in the general fund.
- Fund balance of the School District's governmental funds increased by \$490,600 resulting in an ending fund balance of \$1,130,669. The increase is a direct result of the School District reducing its level of spending from prior year, additional efficiencies through shared services with the Collingswood Public School District and a tuition adjustment owed to Oaklyn from Collingswood.
- Business-type activities have an unrestricted balance of \$76,258, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$431,079 which is the result of changes in net pension liability.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on

near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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 School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the

School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016.

The assets of the primary government activities exceeded liabilities by \$1,307,740 with an unrestricted deficit balance of \$789,736. The net position of the primary government does not include internal balances. As mentioned earlier, deficit unrestricted balance is primarily due to the accounting treatment for compensated absences payable the delayed June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68.

A net investment of \$983,455 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 75% of the School District's net position. The change is due to the adoption of GASB 68. The balance of \$has been restricted as follows:

Restricted for year-end encumbrances	\$13,250
Restricted for subsequent year's budget	\$280,009
Reserved for future budget appropriations	\$262,762
Maintenance reserve	\$258,000
Capital reserve	<u>\$300,000</u>
Total	\$1,114,021

Comparative Summary of Net Position
As of June 30, 2016 and 2015

	Governmental Activities		Business Type Activities		District Wide	
	2016	2015	2016	2015	2016	2015
Assets						
Current Assets	\$ 1,199,044	\$ 709,586	\$ 82,807	\$ 77,928	\$ 1,281,851	\$ 787,514
Capital Assets	\$ 958,984	\$ 1,000,072	\$ 24,471	\$ 30,347	\$ 983,455	\$ 1,030,419
Total Assets	\$ 2,158,028	\$ 1,709,658	\$ 107,278	\$ 108,275	\$ 2,265,306	\$ 1,817,933
Deferred Outflow	\$ 41,116	\$ 53,417	\$ -	\$ -	\$ 41,116	\$ 53,417
Liabilities						
Current Liabilities	\$ 68,375	\$ 76,517	\$ 6,549	\$ 3,241	\$ 74,924	\$ 79,758
Noncurrent liabilities	\$ 374,173	\$ 798,252	\$ -	\$ -	\$ 374,173	\$ 798,252
Total Liabilities	\$ 442,548	\$ 874,769	\$ 6,549	\$ 3,241	\$ 449,097	\$ 878,010
Deferred Inflows	\$ 549,585	\$ 181,989	\$ -	\$ -	\$ 549,585	\$ 181,989
Net Position	\$ 1,207,011	\$ 706,317	\$ 100,729	\$ 105,034	\$ 1,307,740	\$ 811,351
Net position consists of						
Invested in Capital Assets	\$ 958,984	\$ 1,000,072	\$ 24,471	\$ 30,347	\$ 983,455	\$ 1,030,419
Restricted Assets	\$ 1,114,021	\$ 606,250	\$ -	\$ -	\$ 1,114,021	\$ 606,250
Unrestricted Assets	\$ (865,994)	\$ (900,005)	\$ 76,258	\$ 74,687	\$ (789,736)	\$ (825,318)
Net Position	\$ 1,207,011	\$ 706,317	\$ 100,729	\$ 105,034	\$ 1,307,740	\$ 811,351

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Revenues:						
Charges for services	\$ 17,237	\$ 27,733	\$ 140,270	\$ 136,218	\$ 157,507	\$ 163,951
Operating grants and contributions	834,128	782,289	97,465	93,845	931,593	876,134
Property taxes	4,786,706	4,664,481			4,786,706	4,664,481
State aid - unrestricted	2,624,865	2,643,199			2,624,865	2,643,199
Other revenues	12,760	95,993	164	132	12,924	96,125
Total Revenues	8,275,696	8,213,695	237,899	230,195	8,513,595	8,443,890
Expenses:						
Governmental Activities:						
Instruction	2,635,676	2,675,719			2,635,676	2,675,719
Tuition	1,589,400	2,102,218			1,589,400	2,102,218
Related services	987,706	793,141			987,706	793,141
Administrative services	531,899	457,310			531,899	457,310
Operations and Maintenance	474,837	473,347			474,837	473,347
Transportation	172,123	170,406			172,123	170,406
Employee benefits	1,327,448	1,337,229			1,327,448	1,337,229
Other	55,913	38,808			55,913	38,808
Loss (Gain) on disposal of capital assets					-	-
Business-Type Activities:						
Food Service			242,204	219,021	242,204	219,021
Total Expenses	7,775,002	8,048,178	242,204	219,021	8,017,206	8,267,199
Increase (Decrease) in Net Position before transfers	500,694	165,517	(4,305)	11,174	496,389	176,691
Transfers	-					
Change in Net Position	500,694	165,517	(4,305)	11,174	496,389	176,691
Net Position, July 1	706,317	540,800	105,034	93,860	811,351	634,660
Net Position, June 30	\$ 1,207,011	\$ 706,317	\$ 100,729	\$ 105,034	\$ 1,307,740	\$ 811,351

Governmental Activities

Governmental activities increased the net position of the School District by \$500,694 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Reduction of expenses
- Reduction in tuition expense for Collingswood High School and Out of District special education placements

Business-type Activities

Business-type activities decreased the School District's net position by \$4,305. Key elements of the decrease in net position for Business Type activities are as follows:

- Results of operation of the food service program.
- Purchase of equipment

Financial Analysis of the Governmental Funds

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

Governmental Funds - The focus of the 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 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 School District's governmental funds reported a combined ending fund balance of \$1,130,669, an increase of \$490,600 in comparison with the prior year. This increase is due to an effort to reduce spending and the sale of the Administration building.

The unassigned fund balance for the School District at the end of the fiscal year is \$16,648. The remainder of the fund balance is assigned to indicate that it is not available for new spending because it has already been committed: 1) appropriated as a revenue source in the subsequent year's budget (\$280,009) 2) reserved for year-end encumbrances (\$13,250) 3) Maintenance reserve (\$258,000) 4) reserved for future budget appropriation in accordance with State statute (\$262,762) and 5) capital reserve (\$300,000).

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$263,939 while total fund balance (budgetary basis) was \$1,377,960. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$7,535,858. Unassigned fund balance (budgetary basis) represents 3.5% of expenditures while total fund balance (budgetary basis) represents 18% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 totaled \$983,455 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$46,964 or a 4.5% decrease.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$57,720
- Capital additions for the current fiscal year was \$10,756
- Capital deletions for the current fiscal year was \$0

Capital Asset (net of accumulated depreciation) June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		District-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 272,182	\$ 272,182			\$ 272,182	\$ 272,182
Const. in Progress					-	-
Site Improvements	19,227	12,230			19,227	12,230
Building and Building Improvements	555,670	575,989			555,670	575,989
Equipment	111,905	139,671	\$ 24,471	\$ 30,347	136,376	170,018
Net Assets	\$ 958,984	\$ 1,000,072	\$ 24,471	\$ 30,347	\$ 983,455	\$ 1,030,419

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2016, the School District had \$135,628 in compensated absences payable and \$238,545 in net pension liability.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2016-2017 fiscal year.

- The district has taken steps to mitigate the effects of its financial situation, including but not limited to becoming a choice district, utilizing shared service opportunities with Collingswood School District and reducing spending where appropriate.

- The Board of Education has engaged educational consultants to perform a feasibility study to determine possible next steps. The report was presented to the board on September 20, 2016. The Board is continuing to discuss its options and involve the community.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Collingswood School District Business Administrator, 200 Lees Avenue, Collingswood, New Jersey, 08108, telephone number (856) 962-5720.

Basic Financial Statements

District-Wide Financial Statements

OAKLYN SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,109,236	\$ 73,785	\$ 1,183,021
Receivables, net	89,808	5,281	95,089
Inventory		3,741	3,741
Capital Assets, net (Note 5)	958,984	24,471	983,455
Total Assets	2,158,028	107,278	2,265,306
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	41,116		41,116
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,199,144	107,278	2,306,422
LIABILITIES:			
Accounts Payable	61,252	5,762	67,014
Intergovernmental Payable	1,786		1,786
Unearned revenue	5,337	787	6,124
Noncurrent Liabilities:			
Due within one year			
Due beyond one year	374,173		374,173
Total Liabilities	442,548	6,549	449,097
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	549,585		549,585
TOTAL LIABILITIES AND DEFERRED INTFLOWS OF RESOURCES	992,133	6,549	998,682
NET POSITION:			
Net Investment in Capital Assets	958,984	24,471	983,455
Restricted for:			
Other Purposes	1,114,021		1,114,021
Unrestricted (Deficit)	(865,994)	76,258	(789,736)
Total Net Position	\$ 1,207,011	\$ 100,729	\$ 1,307,740

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

OAKLYN SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,845,935	\$ 17,237	\$ 99,635	\$ -	\$ (1,729,063)	\$ -	\$ (1,729,063)
Special education	555,701		108,736		(446,965)		(446,965)
Other instruction	232,312				(232,312)		(232,312)
Support Services:							
Tuition	1,589,400				(1,589,400)		(1,589,400)
Student & instruction related services	987,706		40,867		(946,839)		(946,839)
General administrative services	216,362				(216,362)		(216,362)
School administrative services	178,365				(178,365)		(178,365)
Central services	137,172				(137,172)		(137,172)
Plant operations and maintenance	474,837				(474,837)		(474,837)
Pupil transportation	172,123				(172,123)		(172,123)
Employee benefits	1,327,448		584,890		(742,558)		(742,558)
Summer School	1,728				(1,728)		(1,728)
Transfer of funds to charter school	54,648				(54,648)		(54,648)
Unallocated depreciation and amortization	1,265				(1,265)		(1,265)
Total Governmental Activities	<u>7,775,002</u>	<u>17,237</u>	<u>834,128</u>		<u>(6,923,637)</u>		<u>(6,923,637)</u>
Business-Type Activities:							
Food service	242,204	140,270	97,465			(4,469)	(4,469)
Total Business-Type Activities	<u>242,204</u>	<u>140,270</u>	<u>97,465</u>			<u>(4,469)</u>	<u>(4,469)</u>
Total Primary Government	<u>\$ 8,017,206</u>	<u>\$ 157,507</u>	<u>\$ 931,593</u>	<u>\$ -</u>	<u>(6,923,637)</u>	<u>(4,469)</u>	<u>(6,928,106)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					4,786,706		4,786,706
Federal and State aid not restricted					2,624,865		2,624,865
Miscellaneous income					12,760	164	12,924
Total general revenues, special items, extraordinary items and transfers					<u>7,424,331</u>	<u>164</u>	<u>7,424,495</u>
Change in Net Position					500,694	(4,305)	496,389
Net Position - July 1, 2015					706,317	105,034	811,351
Net Position - June 30, 2016					<u>\$ 1,207,011</u>	<u>\$ 100,729</u>	<u>\$ 1,307,740</u>

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

Fund Financial Statements

**OAKLYN SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016**

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,109,236	\$ -	\$ -	\$ -	\$ 1,109,236
Receivables, net					
Intergovernmental	22,096	64,762			86,858
Interfunds	38,915				38,915
Other	2,950				2,950
Total Assets	1,173,197	64,762	-	-	1,237,959
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	37,191	24,061			61,252
Intergovernmental payable		1,786			1,786
Interfund payable		38,915			38,915
Unearned revenue	5,337				5,337
Total Liabilities	42,528	64,762	-	-	107,290
 Fund Balances:					
Assigned to:					
Year end encumbrances	13,250				13,250
Capital Reserve	300,000				300,000
Maintenance reserve	258,000				258,000
Subsequent year's budget	26,552				26,552
Excess Surplus - Designated for subsequent year's budget	253,457				253,457
Excess Surplus	262,762				262,762
Unassigned	16,648				16,648
Total Fund Balances	1,130,669	-	-	-	1,130,669
Total Liabilities and Fund Balances	\$ 1,173,197	\$ 64,762	\$ -	\$ -	

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 are not reported in the funds. The cost of the assets is \$3,526,393 and the accumulated depreciation is \$2,567,409.	958,984
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The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of resources from Pensions	41,116
Net Pension Liability	(238,545)
Deferred Inflows of resources from Pensions	(549,585)
	(747,014)

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:	
Compensated Absences	(135,628)

Net position of governmental activities	\$ 1,207,011
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 4,786,706	\$ -	\$ -	\$ -	\$ 4,786,706
Tuition	17,237				17,237
Miscellaneous	12,760				12,760
Total local sources	4,816,703				4,816,703
State sources	3,197,215				3,197,215
Federal sources	12,540	249,238			261,778
Total Revenues	8,026,458	249,238			8,275,696
EXPENDITURES:					
Current expense:					
Regular instruction	1,675,318	99,635			1,774,953
Special education instruction	446,965	108,736			555,701
Other instruction	232,312				232,312
Support services and undistributed costs:					
Tuition	1,589,400				1,589,400
Student & instruction related services	946,839	40,867			987,706
General administrative services	212,568				212,568
School administrative services	178,365				178,365
Central services	137,172				137,172
Plant operations and maintenance	469,930				469,930
Pupil transportation	172,123				172,123
Employee benefits	1,416,730				1,416,730
Summer School	1,728				1,728
Capital Outlay	1,760				1,760
Transfer of Funds to Charter School	54,648				54,648
Total Expenditures	7,535,858	249,238			7,785,096
Excess (Deficiency) of Revenues over (under) Expenditures	490,600				490,600
Net Change in Fund Balances	490,600				490,600
Fund Balances - July 1, 2015	640,069				640,069
Fund Balances - June 30, 2016	\$ 1,130,669	\$ -	\$ -	\$ -	\$ 1,130,669

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

**OAKLYN SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 490,600

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

Capital outlays are reported in the governmental funds as expenditures. However, on 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 current fiscal year.

Depreciation expense	\$ (50,588)	
Capital outlays capitalized in accordance with District's policies	9,500	(41,088)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities. 89,282

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 (+)

(38,100)

Change in Net Position of Governmental Activities

\$ 500,694

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

OAKLYN SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities Enterprise Funds
	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 73,785
Intergovernmental receivables:	
State	125
Federal	5,156
Other	
Inventories	3,741
Total current assets	82,807
Noncurrent assets:	
Equipment	122,227
Less - accumulated depreciation	(97,756)
Total noncurrent assets	24,471
Total Assets	\$ 107,278
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 5,762
Unearned revenue	787
Total current liabilities	6,549
NET POSITION:	
Net investment in capital assets	24,471
Unrestricted	76,258
Total Net Position	\$ 100,729

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

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 47,910
Other governmental entities	67,928
Non-reimbursable programs	24,432
	140,270
Operating Expenses:	
Salaries and fringe benefits	91,562
Supplies and materials	8,535
Other costs	27,747
Depreciation	7,132
Cost of sales	107,228
	242,204
Operating Income (Loss)	(101,934)
Non-Operating Revenues:	
State sources:	
State school lunch program	1,888
Federal sources:	
National school lunch program	68,611
National school breakfast program	10,288
Food distribution program	16,678
Local sources:	
Interest earned	164
	97,629
Change in Net Position	(4,305)
Net Position - July 1, 2015	105,034
Net Position - June 30, 2016	\$ 100,729

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

OAKLYN SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 141,824
Cash payments to employees for services	(91,562)
Cash payments to suppliers for goods and services	(123,546)
Net Cash Provided by (used for) Operating Activities	<u>(73,284)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,946
Cash received from federal sources	79,132
Net Cash Provided by (used for) Noncapital Financing Activities	<u>81,078</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of Equipment	<u>(1,256)</u>
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	<u>164</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,702
Cash and Cash Equivalents - July 1, 2015	<u>67,083</u>
Cash and Cash Equivalents - June 30, 2016	<u>\$ 73,785</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (101,934)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for)	
Operating Activities:	
Depreciation	7,132
Commodities	16,678
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	1,067
(Increase) Decrease in Inventories	465
Increase (Decrease) in Accounts Payables	2,822
Increase (Decrease) in Unearned Revenue	<u>486</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (73,284)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$16,678 of food commodities from the U.S. Department of Agriculture.	

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

**OAKLYN SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016**

	Trust Funds	Agency Funds
	Unemployment Compensation Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 9,640	\$ 37,195
 Total Assets	 \$ 9,640	 \$ 37,195
 LIABILITIES:		
Payroll deductions and withholdings	\$ 4	\$ 21,062
Accounts payable		16,133
Due to student groups		16,133
 Total Liabilities	 4	 \$ 37,195
 NET POSITION:		
Held in trust for unemployment claims and other purposes	\$ 9,636	

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

OAKLYN SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee	\$ 4,594
Employer	-
Total contributions	<u>4,594</u>
Investment earnings:	
Interest	
Net investment earnings	<u> </u>
Total Additions	<u>4,594</u>
DEDUCTIONS:	
Unemployment claims	<u>582</u>
Total Deductions	<u>582</u>
Change in Net Position	4,012
Net Position - July 1, 2015	<u>5,624</u>
Net Position - June 30, 2016	<u>\$ 9,636</u>

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Oaklyn School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 9. Students in grades 10 through 12 attend the Collingswood High School District on a tuition basis. The Oaklyn School District has an approximate enrollment at June 30, 2016 of 384 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the 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. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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 classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; an unemployment compensation trust fund, a payroll fund and student activities.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as 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 School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and 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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41et 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 public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent 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.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is 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 law or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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:

Nonspendable - The nonspendable 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" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2016.

Restricted - This 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 (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This 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. 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 imposing the commitment.

Assigned - This 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 - This fund balance classification is the residual classification for the General Fund. It 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 governmental 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, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements - In June 2015, the GASB issued Statement 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 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In December 2015, the GASB issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. Furthermore, this Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. Also, this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$1,331,846 as of June 30, 2016, \$250,000 was insured under FDIC and the remaining balance of \$1,081,846 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

3. CAPITAL RESERVE ACCOUNT (Continued)

A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Balance – July 1, 2015		\$	100,000
Increased by:			
Board resolution			200,000
Decreased by:			
Budget withdrawal			-
Balance – June 30, 2016			\$300,000

The June 30, 2016 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District's LRFP.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2016 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2016 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 22,096	\$ -	\$ 125	\$ 22,221
Federal	-	64,762	5,156	69,918
Other	2,950		-	2,950
Total	\$ 25,046	\$ 64,762	\$ 5,281	\$ 95,089

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Governmental Activities:				
Land	\$ 272,182	\$ -	\$ -	\$ 272,182
Construction in Progress				
Total Capital Assets not being				
Depreciation	272,182			272,182
Land Improvements	119,782	9,500		129,282
Building and Improvements	2,272,637			2,272,637
Equipment	852,292			852,292
Total Historical Cost	<u>3,516,893</u>	<u>9,500</u>	<u>-</u>	<u>3,526,393</u>
Less Accumulated Depreciation:				
Land Improvements	107,552	2,503		110,055
Building and Improvements	1,696,648	20,319		1,716,967
Equipment	712,621	27,766		740,387
Total Accumulated Depreciation	<u>2,516,821</u>	<u>50,588</u>	<u>-</u>	<u>2,567,409</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,000,072</u>	<u>\$ (41,088)</u>	<u>\$ -</u>	<u>\$ 958,984</u>
Business-Type Activities:				
Equipment	\$ 120,971	\$ 1,256	\$ -	\$ 122,227
Less - Accumulated Depreciation	<u>(90,624)</u>	<u>(7,132)</u>	<u>-</u>	<u>(97,756)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 30,347</u>	<u>\$ (5,876)</u>	<u>\$ -</u>	<u>\$ 24,471</u>

Depreciation expense in the amount of \$50,588 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 32,882
Administration	3,794
Plant operations & maintenance	12,647
Unallocated	1,265
	<u>50,588</u>
Total depreciation expense	<u>\$ 50,588</u>

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$	2,879
Supplies		<u>862</u>
		<u>\$ 3,741</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 97,528	\$ 38,100	\$ -	\$ 135,628	\$ -
Net Pension Liability	<u>707,724</u>		<u>469,179</u>	<u>238,545</u>	
	<u>\$ 805,252</u>	<u>\$ 38,100</u>	<u>\$ 469,179</u>	<u>\$ 374,173</u>	<u>\$ -</u>

Bonds and Notes Authorized but not Issued

As of June 30, 2016 the School District had no authorizations to issue additional bonded debt.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

8. OPERATING LEASES

At June 30, 2016, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$16,570 for the fiscal year ended June 30, 2016. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 13,510
2018	13,510
2019	13,510
2020	<u>5,490</u>
	<u>\$ 46,020</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2016, the District recognized pension expense of \$979,601 and revenue of \$979,601 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/15	06/30/14
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861
Collective deferred inflows of resources	554,399,005	1,763,205,593
Collective net pension liability (Non-Employer – State of New Jersey)	63,577,864,440	53,446,745,367
State's portion of the net pension liability that was associated with the district	16,043,515	14,994,301
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0253835940%	0280546567%

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	0.53%
Government Bonds	01.75%	1.39%
Credit Bonds	13.50%	2.72%
Mortgages	02.10%	2.54%
Inflation-Indexed Bonds	01.50%	1.47%
High Yield Bonds	02.00%	4.57%
Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	06.40%	8.46%
Private Real Estate Property	04.25%	3.97%
Timber	01.00%	4.09%
Farmland	01.00%	4.61%
Private Equity	09.25%	9.15%
Commodities	01.00%	3.58%
Hedge Funds – MultiStrategy	04.00%	4.59%
Hedge Funds – Equity Hedge	04.00%	5.68%
Hedge Funds - Distressed	04.00%	4.30%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contributions	Adjustment	Accrued Liability	Non Contributory Life	Total Liability Paid by District
2016	\$ 1,547	-	\$ 7,125	\$ 464	\$ 9,136
2015	5,188	-	23,997	1,977	31,162
2014	10,352	(3,973)	28,043	585	35,007

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2016, the District recognized pension expense of (\$101,501). At June 30, 2016, the District reported a liability of \$238,545 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,691	-
Changes of assumptions	25,618	
Net Difference between projected and actual earnings on pension plan investments		3,835
Changes in proportion		545,750
District contributions subsequent to the measurement date	9,807	
Total	\$ 41,116	\$ 549,585

\$9,807 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net liability in the year ended June 30, 2016.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended:	Net Deferred Inflows of Resources
2016	\$ 141,895
2017	141,895
2018	141,895
2019	96,397
2020	(3,806)
Total	\$ 518,276

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	.0010626570%	0037800273%

Actuarial assumptions – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.04%
- 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) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	05.00%	01.04%
U.S. Treasuries	01.75%	01.64%
Investment Grade Credit	10.00%	01.79%
Mortgages	02.10%	01.62%
High Yield Bonds	02.00%	04.03%
Inflation Indexed Bonds	01.50%	03.25%
Broad US Equities	27.25%	08.52%
Developed Foreign Equities	12.00%	06.88%
Emerging Market Equities	06.40%	10.00%
Private Equity	09.25%	12.41%
Hedge Funds/Absolute Ret	12.00%	04.72%
Real Estate (Property)	02.00%	06.83%
Commodities	01.00%	05.32%
Global Debt ex US	03.50%	-0.40%
REIT	04.25%	5.12%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.8% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
District's proportionate share of the net pension liability	\$ 296,482	\$ 238,545	\$ 189,971

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. 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 provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted 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 contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2016	\$ -	\$ -
2015	720	720
2014	1,526	1,526

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2016 was \$223,968, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

10. POST-RETIREMENT BENEFITS (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures \$188,095 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$172,827 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool - The School District is a member of the New Jersey Burlington County Joint Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ 4,594	\$ -	\$ 582	\$ 9,636
2015	-	4,397	3	2,110	5,624
2014		5,131	28	30,166	3,334

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (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 attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2016, the liability for compensated absences in the governmental activities fund was \$135,628.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2016:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 38,915	\$ -
Special Revenue		38,915
	<u>\$ 38,915</u>	<u>38,915</u>
Total	<u>\$ 38,915</u>	<u>\$ 38,915</u>

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2016, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2016, a deficit of \$865,994 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2016:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 16,648
Liabilities:	
Net Pension Differences	(747,014)
Compensated Absences	(135,628)
	(865,994)
Unrestricted Net Position (Deficit)	<u>\$ (865,994)</u>

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

18. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2016 is \$262,762 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$253,457 of excess fund balance generated during the 2014-2015 fiscal year has been restricted and designated for utilization in the 2016-2017 budget.

Capital Reserve Account – As of June 30, 2016, the balance in the maintenance reserve account is \$300,000. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2016, the balance in the maintenance reserve account is \$258,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

ASSIGNED

As stated in Note 1, 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. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – At June 30, 2016 the School District has \$13,250 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$26,552 of general fund balance at June 30, 2016.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2016, the fund balance of the general fund was \$16,648, thus resulting in the fund balance classification of unassigned.

19. LITIGATION

The District is involved in a legal proceeding. The outcome or potential liability exposure from this litigation is unknown at this time.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 4,786,706	\$ -	\$ 4,786,706	\$ 4,786,706	\$ -
Tuition - from individuals	10,000	-	10,000	17,237	7,237
Unrestricted misc. revenues	3,200	-	3,200	12,760	9,560
Total local sources	4,799,906	-	4,799,906	4,816,703	16,797
State sources:					
School Choice Aid	124,449	-	124,449	124,449	
Categorical special education aid	271,990	-	271,990	271,990	
Equalization aid	2,142,965	-	2,142,965	2,142,965	
Categorical security aid	20,660	-	20,660	20,660	
Categorical transportation aid	6,655	-	6,655	6,655	
Under Adequacy aid	16,232	-	16,232	16,232	
PARCC Readiness Aid	5,210	-	5,210	5,210	
Per Pupil Growth Aid	5,210	-	5,210	5,210	
Additional Adjustment Aid	9,573	-	9,573	9,573	
Extraordinary Aid				13,939	13,939
On-behalf TPAF pension contrib. (non-budgeted)				188,095	188,095
On-behalf TPAF post retirement medical. (non-budgeted)				223,968	223,968
Reimbursed TPAF social security contribution (non-budgeted)				172,827	172,827
Total state sources	2,602,944	-	2,602,944	3,201,773	598,829
Federal Sources:					
Medicaid Reimbursement	9,516	-	9,516	12,540	3,024
Total federal sources	9,516	-	9,516	12,540	3,024
TOTAL REVENUES	7,412,366	-	7,412,366	8,031,016	618,650
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/kindergarten	174,374	(12,263)	162,111	137,355	24,756
Grades 1-5	746,866	19,582	766,448	699,747	66,701
Grades 6-8	532,142	(1,981)	530,161	518,542	11,619
Grades 9-12	165,138	(3,095)	162,043	158,913	3,130
Regular Programs - Home Instruction:					
Salaries of teachers	3,000	-	3,000	2,232	768
Purchased professional - educational services	3,000	-	3,000	1,332	1,668
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	10,500	(2,743)	7,757	5,041	2,716
Purchased technical services	34,322	(800)	33,522	27,492	6,030
Other purchased services	26,433	800	27,233	27,218	15
General supplies	96,523	(450)	96,073	90,446	5,627
Textbooks	7,655	-	7,655	7,000	655
Other objects	800	-	800	800	800
Total - regular programs - instruction	1,800,753	(950)	1,799,803	1,675,318	124,485

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 103,846	\$ (101,346)	\$ 2,500	\$ -	\$ 2,500
General supplies	1,000	-	1,000	-	1,000
Total learning and/or language disabilities	104,846	(101,346)	3,500	-	3,500
Multiple Disabilities:					
Salaries of teachers	57,567	98,546	156,113	150,109	6,004
General supplies	4,545	-	4,545	2,312	2,233
Total multiple disabilities	62,112	98,546	160,658	152,421	8,237
Resource room/resource center:					
Salaries of teachers	233,499	-	233,499	230,774	2,725
Purchased professional - educational services	25,441	(18,000)	7,441	-	7,441
General supplies	2,480	(1,000)	1,480	760	720
Total resource room/resource center	261,420	(19,000)	242,420	231,534	10,886
Preschool Disabilities - Part Time					
Salaries of teachers	64,440	(762)	63,678	62,468	1,210
Purchased professional - educational services	25,544	-	25,544	-	25,544
General supplies	660	-	660	542	118
Total preschool disabilities - part time	90,644	(762)	89,882	63,010	26,872
Home Instruction:					
Salaries of teachers	1,500	-	1,500	-	1,500
Purchased professional - educational services	800	-	800	-	800
Total home instruction	2,300	-	2,300	-	2,300
Total special education - instruction	521,322	(22,562)	498,760	446,965	51,795
Basic Skills/Remedial - Instruction					
Salaries of teachers	120,252	3,772	124,024	124,024	-
Purchased professional - educational services	2,500	124	2,624	2,624	-
Other purchased services	413	-	413	213	200
General supplies	400	(210)	190	-	190
Total basic skills/remedial - instruction	123,565	3,686	127,251	126,861	390
Bilingual Education - Instruction					
Salaries of teachers	58,716	33	58,749	58,749	-
General supplies	800	(33)	767	292	475
Total bilingual education - instruction	59,516	-	59,516	59,041	475
School-Sponsored Co/Extra-Curr. Act - Instruction:					
Salaries	22,453	7,576	30,029	30,029	-
Supplies and materials	120	-	120	-	120
Other objects	485	-	485	385	100
Total school-sponsored cocurr. act. - instruct.	23,058	7,576	30,634	30,414	220

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Purchased services	\$ 9,180	\$ -	\$ 9,180	\$ 9,180	\$ -
Total school-sponsored athletics - instruct.	9,180	-	9,180	9,180	-
Summer School - Instruction:					
Salaries of teachers	2,160	-	2,160	1,728	432
Purchased professional - technical services	2,240	-	2,240	1,846	394
General supplies	200	-	200	124	76
Total summer school - instruction	4,600	-	4,600	3,698	902
Summer School - Support Services:					
Salaries	1,800	-	1,800	1,431	369
Total summer school - instruction	1,800	-	1,800	1,431	369
Total summer school	6,400	-	6,400	5,129	1,271
Community serv. Programs/operations					
Salaries	1,500	187	1,687	1,687	-
Total Instruction	2,545,294	(12,063)	2,533,231	2,354,595	178,636
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	1,144,336	7,719	1,152,055	1,144,336	7,719
Tuition to other LEAs within the state - spec	200,114	17,068	217,182	210,556	6,626
Tuition to County Voc. School Dist. - reg.	23,580	(7,500)	16,080	15,380	700
Tuition to CSSD & Reg. Day schools	45,715	-	45,715	37,199	8,516
Tuition to priv. sch. for the disabled w/in state	320,344	(165,790)	154,554	96,409	58,145
Tuition - state facilities	32,306	-	32,306	32,306	-
Tuition - other	50,000	3,214	53,214	53,214	-
Total undistributed expenditures - instruction	1,816,395	(145,289)	1,671,106	1,589,400	81,706
Attendance and social work:					
Salaries	11,667	-	11,667	11,667	-
Purchased professional and technical services	2,750	-	2,750	2,685	65
Total attendance and social work	14,417	-	14,417	14,352	65
Health Services:					
Salaries	63,716	-	63,716	44,422	19,294
Purchased professional and technical services	4,600	-	4,600	4,600	4,600
Supplies and materials	4,530	-	4,530	1,594	2,936
Total health services	72,846	-	72,846	46,016	26,830

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services					
Purchased professional - educational services	\$ 153,820	\$ (41,293)	\$ 112,527	\$ 111,195	\$ 1,332
Supplies and materials	1,960	(7)	1,953	1,549	404
Total speech, ot, pt & related services	155,780	(41,300)	114,480	112,744	1,736
Other Support Services Students - Extra. Serv.					
Purchased professional - educational services	142,000	70,127	212,127	212,100	27
Total other support services students - extra. serv.	142,000	70,127	212,127	212,100	27
Guidance:					
Salaries of other professional staff	54,722	-	54,722	54,722	-
Other purchased services	50	-	50	-	50
Supplies and materials	620	-	620	221	399
Other objects	20	-	20	-	20
Total guidance	55,412	-	55,412	54,943	469
Child Study Teams:					
Salaries of other professional staff	720	-	720	252	468
Salaries of secretarial & clerical assistants	18,512	-	18,512	18,407	105
Purchased professional - educational services	276,318	-	276,318	272,577	3,741
Other purchased prof. and tech. services	4,400	-	4,400	800	3,600
Miscellaneous purchased services	6,760	-	6,760	3,400	3,360
Supplies and materials	3,450	2,300	5,750	4,704	1,046
Total child study teams	310,160	2,300	312,460	300,140	12,320
Improvement of Instructional Services:					
Salaries of other professional staff	6,480	-	6,480	4,464	2,016
Purchased professional - educational services	93,137	-	93,137	93,137	-
Other purchased services	4,950	-	4,950	3,095	1,855
Total improvement of instructional services	104,567	-	104,567	100,696	3,871
Educational Media Services/School Library:					
Salaries	55,222	823	56,045	56,045	-
Purchased professional & technical services	46,284	-	46,284	46,284	-
Other purchased services	164	11	175	175	-
Supplies and materials	10,186	(1,923)	8,263	3,279	4,984
Other objects	50	15	65	65	-
Total educational media services/school library	111,906	(1,074)	110,832	105,848	4,984
Instructional Staff Training Services:					
Supplies and materials	500	-	500	-	500
Total instructional staff training services	500	-	500	-	500

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Legal services	\$ 14,500	\$ 29,850	\$ 44,350	\$ 44,289	\$ 61
Audit fees	22,557	(200)	22,357	22,300	57
Other purchased professional services	71,728	1,653	73,381	73,161	220
Purchased technical services	1,500	47,147	48,647	48,565	82
Communications / telephone	5,700	(936)	4,764	4,764	-
Misc. purchased services	12,361	3,648	16,009	16,009	-
General Supplies	250	(142)	108	42	66
BOE membership dues and fees	3,600	(100)	3,500	3,438	62
Total support services - general administration	132,196	80,920	213,116	212,568	548
Support Services - School Administration:					
Salaries of principals/assist. principal	123,132	361	123,493	123,493	-
Salaries of secretarial and clerical assistants	50,514	340	50,854	50,854	-
Purchased professional and technical services	500	(340)	160		160
Other purchased services	2,300	-	2,300	145	2,155
Supplies and materials	3,020	-	3,020	2,374	646
Other objects	2,200	-	2,200	1,499	701
Total support services - school administration	181,666	361	182,027	178,365	3,662
Central Services:					
Purchased professional services	127,925	600	128,525	128,502	23
Purchased technical services	10,000	(1,103)	8,897	8,670	227
Miscellaneous expenditures	150	-	150		150
Total central services	138,075	(503)	137,572	137,172	400
Required Maintenance for School Facilities:					
Cleaning, repair and maintenance services	75,243	(13,116)	62,127	57,698	4,429
General Supplies	6,400	(3,900)	2,500		2,500
Total required maintenance for school facilities	81,643	(17,016)	64,627	57,698	6,929
Custodial Services:					
Cleaning, repair and maintenance services	240,678	-	240,678	236,378	4,300
Other purchased property services	12,000	-	12,000	11,425	575
Insurance	28,000	6,000	34,000	33,919	81
Energy (natural gas)	36,000	-	36,000	27,152	8,848
Energy (electricity)	100,000	-	100,000	70,289	29,711
Other objects	180	-	180		180
Total custodial services	416,858	6,000	422,858	379,163	43,695

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care & Upkeep of Grounds:					
Cleaning, repair & maintenance services	\$ 13,000	\$ 13,000	\$ 26,000	\$ 26,000	\$ -
General supplies	500	-	500	500	500
Total care & upkeep of grounds	<u>13,500</u>	<u>13,000</u>	<u>26,500</u>	<u>26,000</u>	<u>500</u>
Security:					
Salaries		7,500	7,500	7,069	431
Cleaning, repair & maintenance services	850	-	850	850	850
General supplies	500	-	500	500	500
Total Security	<u>1,350</u>	<u>7,500</u>	<u>8,850</u>	<u>7,069</u>	<u>1,781</u>
Total operation & maint. of plant services	<u>513,351</u>	<u>9,484</u>	<u>522,835</u>	<u>469,930</u>	<u>52,905</u>
Student Transportation Services:					
Management fee - ESC & CTSA Trans. programs	4,000	5,400	9,400	7,927	1,473
Contr. serv. (Oth than Bet Home & Sch) - Vend	5,800	-	5,800	4,326	1,474
Contr. serv. (Reg. Students) - ESCs & CTSA	14,000	(12,400)	1,600	1,326	274
Contr. serv. (Spl. Ed. Students) - ESCs & CTSA	135,000	24,000	159,000	158,544	456
Total student transportation services	<u>158,800</u>	<u>17,000</u>	<u>175,800</u>	<u>172,123</u>	<u>3,677</u>
Unallocated Benefits - Employee Benefits:					
Social security contributions	20,700	1,100	21,800	21,733	67
Other retirement contributions - PERS	24,000	(5,100)	18,900	9,136	9,764
Other retirement contributions - regular	900	(438)	462	462	462
Unemployment Compensation	5,620	(1,300)	4,320	4,320	4,320
Workmen's compensation	25,971	(6,000)	19,971	15,706	4,265
Health benefits	920,370	(20,576)	899,794	770,137	129,657
Tuition reimbursement	9,000	-	9,000	1,950	7,050
Other employee benefits	18,165	(5,318)	12,847	7,609	5,238
Unused Sick Payments to Terminated/Retired Staff		5,569	5,569	5,569	-
Total unallocated benefits - employee benefits	<u>1,024,726</u>	<u>(32,063)</u>	<u>992,663</u>	<u>831,840</u>	<u>160,823</u>
On-behalf TPAF pension contr. (non-budgeted)		-		188,095	(188,095)
On-behalf TPAF post retirement medical (non-budgeted)		-		223,968	(223,968)
Reimbursed TPAF social security contr. (non-budgeted)		-		172,827	(172,827)
Total Personal Services - Employee Benefits	<u>1,024,726</u>	<u>(32,063)</u>	<u>992,663</u>	<u>1,416,730</u>	<u>(424,067)</u>
Total Undistributed Expenditures	<u>4,932,797</u>	<u>(40,037)</u>	<u>4,892,760</u>	<u>5,123,127</u>	<u>(230,367)</u>
Total General Current Expense	<u>7,478,091</u>	<u>(52,100)</u>	<u>7,425,991</u>	<u>7,477,722</u>	<u>(51,731)</u>

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Undistributed Exp. - Security	\$ -	\$ 11,000	\$ 11,000	\$ -	\$ 11,000
Equipment	-	11,000	11,000	-	11,000
Facilities acquisition and construction services:					
Assessment for debt service on SDA funding	1,760	-	1,760	1,760	-
Total fac acq and constr services	1,760	-	1,760	1,760	-
Total Capital Outlay	1,760	11,000	12,760	1,760	11,000
Summer School - Instruction:					
Salaries	2,300	-	2,300	1,728	572
Other Salaries for Instruction	1,000	-	1,000		1,000
General Supplies	300	-	300		300
Total Summer School	3,600	-	3,600	1,728	1,872
Transfer of funds to Charter Schools	23,708	41,100	64,808	54,648	10,160
TOTAL EXPENDITURES	7,507,159	-	7,507,159	7,535,858	(28,699)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(94,793)	-	(94,793)	495,158	589,951
Fund Balance - July 1, 2015	882,802		882,802	882,802	-
Fund Balance - June 30, 2016	<u>\$ 788,009</u>	<u>\$ -</u>	<u>\$ 788,009</u>	<u>\$ 1,377,960</u>	<u>\$ 589,951</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Capital Reserve				\$ 300,000	
Maintenance Reserve				258,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				253,457	
Excess Surplus - Current Year				262,762	
Committed Fund Balance					
Year-end encumbrances				13,250	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				26,552	
Unassigned Fund Balance				<u>263,939</u>	
				1,377,960	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(247,291)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,130,669</u>	

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

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 1,786	\$ -	\$ 1,786	\$ -	\$ (1,786)
Federal sources	259,337	7,222	266,559	249,238	(17,321)
Total Revenues	<u>261,123</u>	<u>7,222</u>	<u>268,345</u>	<u>249,238</u>	<u>(19,107)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	96,473	-	96,473	96,473	-
Purchased professional technical services	4,521	-	4,521	4,521	-
Purchased professional services	1,786	-	1,786	-	1,786
Tuition	117,549	-	117,549	104,215	13,334
Supplies and materials	-	4,644	4,644	3,162	1,482
Total Instruction	<u>220,329</u>	<u>4,644</u>	<u>224,973</u>	<u>208,371</u>	<u>16,602</u>
Support Services:					
Personal services - employee benefits	25,083	-	25,083	24,060	1,023
Purchased professional services	14,500	2,000	16,500	15,590	910
Other purchased services	1,211	578	1,789	1,217	572
Total Support Services	<u>40,794</u>	<u>2,578</u>	<u>43,372</u>	<u>40,867</u>	<u>2,505</u>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>261,123</u>	<u>7,222</u>	<u>268,345</u>	<u>249,238</u>	<u>19,107</u>
Total Outflows	<u>261,123</u>	<u>7,222</u>	<u>268,345</u>	<u>249,238</u>	<u>19,107</u>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

OAKLYN SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2016

**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 schedules	\$ 8,031,016	\$ 249,238
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	242,733	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(247,291)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,026,458	\$ 249,238
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,535,858	\$ 249,238
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 7,535,858	\$ 249,238

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0010626570%	0.0037800273%	0.0046460450%
District's proportionate share of the net pension liability (asset)	\$ 238,545	\$ 707,724	\$ 887,952
District's covered-employee payroll	77,688	75,943	77,788
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.06%	931.91%	1141.50%
Plan fiduciary net position as a percentage of the total pension liability	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 9,807	\$ 9,136	\$ 31,162
Contributions in relation to the contractually required contributions	<u>(9,807)</u>	<u>(9,136)</u>	<u>(31,162)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	77,688	75,943	77,788
Contributions as a percentage of covered-employee payroll	12.62%	12.03%	40.06%

This schedule does not contain ten years of information as
GASB 68 was implemented during this fiscal year
ended June 30, 2015.

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0253835940%	0.0280546567%	0.0276220142%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 16,043,515</u>	<u>\$ 14,994,301</u>	<u>\$ 13,959,949</u>
Total	<u>\$ 16,043,515</u>	<u>\$ 14,994,301</u>	<u>\$ 13,959,949</u>
District's covered-employee payroll	2,380,748	2,349,786	2,406,886
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during this fiscal year ended June 30, 2015.

Oaklyn School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2016

1. Teacher's Pension and Annuity Fund (TPAF)

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

Changes of assumptions: Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

2. Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Other Supplementary Information

Special Revenue Fund

OAKLYN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2016

	<u>Title I</u>	<u>Title II A</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Total</u>
REVENUES:					
State sources					
Federal sources	\$ 123,695	\$ 16,807	\$ 104,215	\$ 4,521	\$ 249,238
Total Revenues	<u>123,695</u>	<u>16,807</u>	<u>104,215</u>	<u>4,521</u>	<u>249,238</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	96,473				96,473
Tuition			104,215		104,215
Purchased Prof & Tech Services				4,521	4,521
General Supplies	3,162				3,162
Total Instruction	<u>99,635</u>		<u>104,215</u>	<u>4,521</u>	<u>208,371</u>
Support Services:					
Personal services-employee benefits	24,060				24,060
Other purchased services		1,217			1,217
Purchased prof services		15,590			15,590
Total Support Services	<u>24,060</u>	<u>16,807</u>			<u>40,867</u>
Facilities Acquisition and Const. Serv.:					
Instructional equipment					
Total Facilities Acq. and Const. Serv.					
Total Expenditures	<u>123,695</u>	<u>16,807</u>	<u>104,215</u>	<u>4,521</u>	<u>249,238</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Proprietary Funds

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2016

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 73,785
Accounts receivable:	
State	125
Federal	5,156
Other	
Inventories	<u>3,741</u>
Total Current Assets	<u>82,807</u>
Noncurrent Assets:	
Equipment	122,227
Less - accumulated depreciation	<u>(97,756)</u>
Total Noncurrent Assets	<u>24,471</u>
Total Assets	<u>\$ 107,278</u>
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 5,762
Unearned revenue	<u>787</u>
Total Current Liabilities	<u>6,549</u>
 NET POSITION:	
Net investment in capital assets	24,471
Unrestricted	<u>76,258</u>
Total Net Position	<u>\$ 100,729</u>

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 46,400
School breakfast	1,510
Daily sales non-reimbursable programs	
Other governmental units	67,928
Adult and a la carte sales	23,634
Miscellaneous	798
Total Operating Revenues	<u>140,270</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	91,562
Supplies and materials	8,535
Other costs	27,747
Depreciation	7,132
Cost of sales	107,228
Total Operating Expenses	<u>242,204</u>
Operating Income (Loss)	<u>(101,934)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,888
Federal sources:	
National school lunch program	68,611
National school breakfast program	10,288
Food distribution program	16,678
Local sources:	
Interest earned	164
Total Non-Operating Revenues	<u>97,629</u>
Changes in Net Position	(4,305)
Net Position - July 1, 2015	<u>105,034</u>
Net Position - June 30, 2016	<u>\$ 100,729</u>

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 141,824
Cash payments to employees for services	(91,562)
Cash payments to suppliers for goods and services	<u>(123,546)</u>
Net cash provided by (used for) operating activities	<u>(73,284)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,946
Cash received from federal sources	<u>79,132</u>
Net cash provided by noncapital financing activities	<u>81,078</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u>(1,256)</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>164</u>
Net increase (decrease) in cash and cash equivalents	6,702
Cash and cash equivalents - July 1, 2015	<u>67,083</u>
Cash and cash equivalents - June 30, 2016	<u>\$ 73,785</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (101,934)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	7,132
Commodities	16,678
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	1,067
(Increase) decrease in inventories	465
Increase (decrease) in accounts payable	2,822
Increase (decrease) in unearned revenue	<u>486</u>
Net cash provided by (used for) operating activities	<u>\$ (73,284)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$16,678 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2016

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 9,640	\$ 16,133	\$ 21,062	\$ 46,835
Total Assets	\$ 9,640	\$ 16,133	\$ 21,062	\$ 46,835
 LIABILITIES:				
Liabilities:				
Accounts Payable	\$ 4	\$ -	\$ -	\$ 4
Payroll deductions payable			21,062	21,062
Due to student groups		16,133		16,133
Total Liabilities	4	\$ 16,133	\$ 21,062	37,199
 NET POSITION:				
Held in trust for unemployment claims	9,636			9,636
Total Net Position	\$ 9,636			\$ 9,636

**OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016**

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Employee withholdings	\$ 4,594
Total Additions	<u>4,594</u>
 Deductions:	
Unemployment compensation & insurance claims	<u>582</u>
Total Deductions	<u>582</u>
Change in Net Position	4,012
Net Position - July 1, 2015	<u>5,624</u>
Net Position - June 30, 2016	<u><u>\$ 9,636</u></u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2016</u>
Elementary/Middle School	\$ 18,850	\$ 23,986	\$ 26,703	\$ -	\$ 16,133
Total all schools	<u>\$ 18,850</u>	<u>\$ 23,986</u>	<u>\$ 26,703</u>	<u>\$ -</u>	<u>\$ 16,133</u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 20,421	\$ 2,855,979	\$ 2,855,338	\$ 21,062
Total Assets	<u>\$ 20,421</u>	<u>\$ 2,855,979</u>	<u>\$ 2,855,338</u>	<u>\$ 21,062</u>
 LIABILITIES:				
Net payroll	\$ -	\$ 1,447,777	\$ 1,447,777	\$ -
Payroll deductions and withholdings	20,421	1,408,202	1,407,561	21,062
Total Liabilities	<u>\$ 20,421</u>	<u>\$ 2,855,979</u>	<u>\$ 2,855,338</u>	<u>\$ 21,062</u>

Statistical Section

Oaklyn School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

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	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 587,906	\$ 635,298	\$ 866,271	\$ 1,090,863	\$ 1,056,272	\$ 1,021,685	\$ 1,273,842	\$ 1,180,300	\$ 1,000,072	\$ 958,984
Restricted for:										
Capital reserve	60,468	162,859	128,843		639,322	218,701	48,287	298,218	606,250	1,114,021
Other purposes	463,480	725,835	569,888	879,864						
Unrestricted	51,166	36,279	45,544	323	(163,241)	(222,495)	(82,836)	(84,773)	(900,005)	(865,994)
Total governmental activities net position	<u>\$ 1,163,020</u>	<u>\$ 1,560,271</u>	<u>\$ 1,610,546</u>	<u>\$ 1,971,050</u>	<u>\$ 1,532,353</u>	<u>\$ 1,017,891</u>	<u>\$ 1,239,293</u>	<u>\$ 1,393,745</u>	<u>\$ 706,317</u>	<u>\$ 1,207,011</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 27,301	\$ 23,741	\$ 24,588	\$ 18,963	\$ 13,338	\$ 14,108	\$ 3,731	\$ -	\$ 30,347	\$ 24,471
Unrestricted	40,039	40,921	28,009	20,160	28,581	23,369	40,207	62,020	74,687	76,258
Total business-type activities net position	<u>\$ 67,340</u>	<u>\$ 64,662</u>	<u>\$ 52,597</u>	<u>\$ 39,123</u>	<u>\$ 41,919</u>	<u>\$ 37,477</u>	<u>\$ 43,938</u>	<u>\$ 62,020</u>	<u>\$ 105,034</u>	<u>\$ 100,729</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 615,207	\$ 659,039	\$ 890,859	\$ 1,109,826	\$ 1,069,610	\$ 1,035,793	\$ 1,277,573	\$ 1,180,300	\$ 1,030,419	\$ 983,455
Restricted:										
Capital reserve	60,468	162,859	128,843		639,322	218,701	48,287	298,218	606,250	1,114,021
Other purposes	463,480	725,835	569,888	879,864						
Unrestricted	91,205	77,200	73,553	20,483	(134,660)	(199,126)	(42,629)	(22,753)	(825,318)	(789,736)
Total district net position	<u>\$ 1,230,360</u>	<u>\$ 1,624,933</u>	<u>\$ 1,663,143</u>	<u>\$ 2,010,173</u>	<u>\$ 1,574,272</u>	<u>\$ 1,055,368</u>	<u>\$ 1,283,231</u>	<u>\$ 1,455,765</u>	<u>\$ 811,351</u>	<u>\$ 1,307,740</u>

Oaklyn School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,950,027	\$ 2,080,680	\$ 2,051,445	\$ 2,011,533	\$ 1,952,471	\$ 1,788,834	\$ 1,883,242	\$ 1,847,021	\$ 1,952,554	\$ 1,845,935
Special education	428,758	467,551	537,202	523,602	480,657	658,098	742,918	527,532	553,821	555,701
Other instruction	75,458	79,429	121,515	194,869	213,103	248,386	232,451	221,245	169,344	232,312
Support Services:										
Tuition	1,796,749	1,669,569	1,786,848	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400
Student & instruction related services	592,590	630,723	671,234	694,869	687,035	686,512	740,122	777,675	793,141	987,706
General and business administrative services	415,954	486,120	436,524	442,144	434,810	400,691	363,236	268,240	175,565	216,362
School administrative services	135,941	90,914	96,309	142,836	159,393	155,071	163,362	168,761	281,745	315,537
Plant operations and maintenance	373,506	527,107	397,411	480,869	368,307	795,890	119,363	488,857	473,347	474,837
Pupil transportation	142,417	111,693	86,134	50,579	71,114	83,438	153,324	144,970	170,406	172,123
Business and other support services										
Employee benefits	1,356,004	1,468,417	1,401,577	1,519,193	1,609,173	1,610,968	1,601,551	1,375,200	1,337,229	1,327,448
Special schools		19,653	28,480							1,728
Transfer of funds to charter school								23,495	32,542	54,648
Interest on long-term debt	4,075	2,708								
Unallocated depreciation	11,511	8,264	79,452	69,731	201,800	49,410	2,571	2,395	6,266	1,265
Total governmental activities expenses	<u>7,282,990</u>	<u>7,642,828</u>	<u>7,694,131</u>	<u>7,829,878</u>	<u>8,317,872</u>	<u>8,333,909</u>	<u>7,959,944</u>	<u>7,940,003</u>	<u>8,048,178</u>	<u>7,775,002</u>
Business-type activities:										
Food service	175,324	194,405	210,471	204,350	212,460	266,531	256,108	232,572	219,021	242,204
Total business-type activities expense	<u>175,324</u>	<u>194,405</u>	<u>210,471</u>	<u>204,350</u>	<u>212,460</u>	<u>266,531</u>	<u>256,108</u>	<u>232,572</u>	<u>219,021</u>	<u>242,204</u>
Total district expenses	<u>\$ 7,458,314</u>	<u>\$ 7,837,233</u>	<u>\$ 7,904,602</u>	<u>\$ 8,034,228</u>	<u>\$ 8,530,332</u>	<u>\$ 8,600,440</u>	<u>\$ 8,216,052</u>	<u>\$ 8,172,575</u>	<u>\$ 8,267,199</u>	<u>\$ 8,017,206</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 671,703	\$ 700,336	\$ 664,519	\$ 811,283	\$ 910,398	\$ 651,098	\$ 596,664	\$ 413,291	\$ 27,733	\$ 17,237
Operating grants and contributions	927,033	1,001,985	603,890	717,601	630,461	700,536	836,239	749,920	782,289	834,128
Total governmental activities program revenues	<u>1,598,736</u>	<u>1,702,321</u>	<u>1,268,409</u>	<u>1,528,884</u>	<u>1,540,859</u>	<u>1,351,634</u>	<u>1,432,903</u>	<u>1,163,211</u>	<u>810,022</u>	<u>851,365</u>

(Continued)

Oaklyn School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year Ending June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Food service	\$ 126,159	\$ 140,823	\$ 135,277	\$ 118,656	\$ 139,777	\$ 139,983	\$ 141,567	\$ 145,021	\$ 136,218	\$ 140,270
Operating grants and contributions	46,598	49,473	56,042	71,902	75,314	118,105	120,913	105,537	93,845	97,465
Capital grants and contributions										
Total business type activities program revenues	<u>172,757</u>	<u>190,296</u>	<u>191,319</u>	<u>190,558</u>	<u>215,091</u>	<u>258,088</u>	<u>262,480</u>	<u>250,558</u>	<u>230,063</u>	<u>237,735</u>
Total district program revenues	<u>\$ 1,771,493</u>	<u>\$ 1,892,617</u>	<u>\$ 1,459,728</u>	<u>\$ 1,719,442</u>	<u>\$ 1,755,950</u>	<u>\$ 1,609,722</u>	<u>\$ 1,695,383</u>	<u>\$ 1,413,769</u>	<u>\$ 1,040,085</u>	<u>\$ 1,089,100</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (5,684,254)	\$ (5,940,507)	\$ (6,425,722)	\$ (6,300,994)	\$ (6,777,013)	\$ (6,982,275)	\$ (6,527,041)	\$ (6,776,792)	\$ (7,238,156)	\$ (6,923,637)
Business-type activities	(2,567)	(4,109)	(19,152)	(13,792)	2,631	(8,443)	8,372	17,886	11,042	(4,469)
Total district-wide net expense	<u>\$ (5,686,821)</u>	<u>\$ (5,944,616)</u>	<u>\$ (6,444,874)</u>	<u>\$ (6,314,786)</u>	<u>\$ (6,774,382)</u>	<u>\$ (6,990,718)</u>	<u>\$ (6,520,669)</u>	<u>\$ (6,758,806)</u>	<u>\$ (7,227,114)</u>	<u>\$ (6,928,106)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,851,946	\$ 3,942,222	\$ 3,951,826	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706
Taxes levied for debt service	69,304	65,017								
Unrestricted grants and contributions	2,177,973	2,268,755	2,524,714	2,499,812	2,246,165	2,326,444	2,451,903	2,454,574	2,643,199	2,624,865
Investment earnings	52	2,392	3,615							
Miscellaneous income	60,031	59,372	25,761	21,173	20,044	23,221	11,495	23,857	95,993	12,760
Loss on disposal of assets			(29,919)	(87,492)		(20,819)				
Total governmental activities	<u>6,159,306</u>	<u>6,337,758</u>	<u>6,475,997</u>	<u>6,442,076</u>	<u>6,338,316</u>	<u>6,467,813</u>	<u>6,748,443</u>	<u>6,931,244</u>	<u>7,403,673</u>	<u>7,424,331</u>
Business-type activities:										
Investment earnings	1,359	1,431	615	318	165	163	99	96	132	164
Gain on disposal of assets			6,472			3,838				
Total business-type activities	<u>1,359</u>	<u>1,431</u>	<u>7,087</u>	<u>318</u>	<u>165</u>	<u>4,001</u>	<u>99</u>	<u>96</u>	<u>132</u>	<u>164</u>
Total district-wide	<u>\$ 6,160,665</u>	<u>\$ 6,339,189</u>	<u>\$ 6,483,084</u>	<u>\$ 6,442,394</u>	<u>\$ 6,338,481</u>	<u>\$ 6,471,814</u>	<u>\$ 6,748,542</u>	<u>\$ 6,931,340</u>	<u>\$ 7,403,805</u>	<u>\$ 7,424,495</u>
Change in Net Position:										
Governmental activities	\$ 475,052	\$ 397,251	\$ 50,275	\$ 141,082	\$ (438,697)	\$ (514,462)	\$ 221,402	\$ 154,452	\$ 165,517	\$ 500,694
Business-type activities	(1,208)	(2,678)	(12,065)	(13,474)	2,796	(4,442)	6,471	18,082	11,174	(4,305)
Total district-wide	<u>\$ 473,844</u>	<u>\$ 394,573</u>	<u>\$ 38,210</u>	<u>\$ 127,608</u>	<u>\$ (435,901)</u>	<u>\$ (518,904)</u>	<u>\$ 227,873</u>	<u>\$ 172,534</u>	<u>\$ 176,691</u>	<u>\$ 496,389</u>

Oaklyn School District
**Fund Balances, Governmental Funds,
 Last Ten Fiscal Years**
(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund:										
Restricted for:										
Year-end Encumbrances	\$ 237,092	\$ 267,600	\$ 53,802	\$ 25,991	\$ 704	\$ -	\$ 28,287	\$ 58,043	\$ 3,378	\$ 13,250
Capital reserve	60,468	162,859	116,474						100,000	300,000
Maintenance reserve								58,000	158,000	258,000
Future tuition payments	48,000	148,000	200,000	131,000	200,000	200,000				
Excess surplus	138,388	138,460	21,910	42,261				91,337	253,457	262,762
Designated for subsequent year's budget	40,000	171,775	294,176	680,612	438,618	18,701	20,000	90,838	91,415	280,009
Unassigned	183,355	167,230	153,996	69,532	(81,599)	(130,336)	21,509	7,451	33,819	16,648
Total general fund	<u>\$ 707,303</u>	<u>\$ 1,055,924</u>	<u>\$ 840,358</u>	<u>\$ 949,396</u>	<u>\$ 557,723</u>	<u>\$ 88,365</u>	<u>\$ 69,796</u>	<u>\$ 305,669</u>	<u>\$ 640,069</u>	<u>\$ 1,130,669</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (1,475)	\$ (4,045)								
Capital projects fund			\$ 12,369							
Total all other governmental funds	<u>\$ (1,475)</u>	<u>\$ (4,045)</u>	<u>\$ 12,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Oaklyn School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Tax levy	\$ 3,921,250	\$ 4,007,239	\$ 3,951,826	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706
Tuition charges	671,703	700,336	664,519	811,283	910,398	651,098	596,664	413,291	27,733	17,237
Interest earnings	52	2,392	3,615	17,130						
Miscellaneous	60,031	59,372	25,761	4,043	20,044	23,221	11,495	23,857	95,993	12,760
State sources	2,861,659	3,033,796	2,902,548	2,506,022	2,597,754	2,760,821	3,023,657	2,922,401	3,156,190	3,197,215
Federal sources	243,347	236,944	226,056	735,376	278,872	266,159	264,485	282,093	269,298	261,778
Total revenue	<u>7,758,042</u>	<u>8,040,079</u>	<u>7,774,325</u>	<u>8,082,437</u>	<u>7,879,175</u>	<u>7,840,266</u>	<u>8,181,346</u>	<u>8,094,455</u>	<u>8,213,695</u>	<u>8,275,696</u>
Expenditures										
Instruction										
Regular Instruction	1,869,649	2,018,382	2,015,033	2,050,775	1,940,038	1,778,317	1,804,215	1,796,879	1,830,102	1,774,953
Special education instruction	428,758	467,551	537,202	523,603	480,657	658,098	742,918	527,532	553,821	555,701
Other instruction	75,458	79,429	121,515	167,597	213,103	248,386	232,451	221,245	169,344	232,312
Support Services:										
Tuition	1,796,749	1,669,569	1,786,848	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400
Student & instruction related services	592,590	630,723	671,234	694,871	687,035	686,512	740,122	777,675	793,141	987,706
General and business admin. services	407,691	429,939	429,666	442,144	434,810	400,691	355,524	261,056	162,048	212,568
School administrative services	135,941	90,914	96,309	142,836	159,393	155,071	163,362	168,761	281,745	315,537
Plant operations and maintenance	373,506	527,107	397,411	480,869	526,584	481,433	439,912	465,397	428,290	469,930
Pupil transportation	142,417	111,693	86,134	50,579	71,114	83,438	153,324	144,970	170,406	172,123
Other support services	1,356,004	1,468,417	1,401,577	1,519,190	1,609,173	1,610,968	1,601,551	1,375,200	1,353,878	1,416,730
Special schools		19,653	28,480	27,273						1,728
Capital outlay		82,943	402,068	318,308	8,932	350,099	8,732	1,760	1,760	1,760
Transfer to Charter School								23,495	32,542	54,648
Debt service:										
Principal	96,000	95,000								
Interest and other charges	8,151	2,708								
Total expenditures	<u>7,282,914</u>	<u>7,694,028</u>	<u>7,973,477</u>	<u>8,117,698</u>	<u>8,270,848</u>	<u>8,309,624</u>	<u>8,199,915</u>	<u>7,858,582</u>	<u>7,879,295</u>	<u>7,785,096</u>
Excess (Deficiency) of revenues over (under) expenditures	475,128	346,051	(199,152)	(35,261)	(391,673)	(469,358)	(18,569)	235,873	334,400	490,600
Other Financing sources (uses)										
Prior year state aid canceled				(87,492)						
Transfers in			50,000	147,895						
Transfers out			(50,000)	(147,895)						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 475,128</u>	<u>\$ 346,051</u>	<u>\$ (199,152)</u>	<u>\$ (122,753)</u>	<u>\$ (391,673)</u>	<u>\$ (469,358)</u>	<u>\$ (18,569)</u>	<u>\$ 235,873</u>	<u>\$ 334,400</u>	<u>\$ 490,600</u>
Debt service as a percentage of noncapital expenditures	1.43%	1.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Oaklyn School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Donations	Prior Year Refunds	Rentals	E-Rate	Sale of Asset	Miscellaneous	Total
2007	\$ 46,785	\$ 671,703	\$ -	\$ 12,815	\$ 450	\$ -	\$ -	\$ 33	\$ 731,786
2008	52,454	700,336	100	6,266	501	-	-	2,443	762,100
2009	25,476	664,519	100	1,660	451	1,547	-	142	693,895
2010	17,130	811,283	50	1,538	451	1,940	-	64	832,456
2011	12,309	910,398	100	4,551	451	2,413	-	220	930,442
2012	4,279	651,098	2,600	11,495	451	4,172	-	224	674,319
2013	2,595	596,664	-	5,349	-	-	-	3,551	608,159
2014	2,033	413,291	-	20,624	1,200	-	-	-	437,148
2015	2,337	27,733	-	8,125	1,100	-	83,782	649	123,726
2016	3,428	17,237	-	9,325	-	-	-	7	29,997
	<u>\$ 168,826</u>	<u>\$ 5,464,262</u>	<u>\$ 2,950</u>	<u>\$ 81,748</u>	<u>\$ 5,055</u>	<u>\$ 10,072</u>	<u>\$ 83,782</u>	<u>\$ 7,333</u>	<u>\$ 5,824,028</u>

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Source: District records

Oaklyn School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Value
2007	\$ 1,156,200	\$ 134,829,500	\$ 16,037,000	\$ 169,000	\$ 8,030,500	\$ 160,222,200	\$ 156,173	\$ 160,378,373	\$ 10,972,700	\$ 2.498	\$ 274,963,066
2008	1,086,000	135,022,000	16,266,300	169,000	8,030,500	160,573,800	151,582	160,725,382	11,049,400	2.459	302,861,269
2009	1,123,200	135,307,600	16,065,300	169,000	7,555,500	160,220,600	159,479	160,380,079	11,349,400	2.499	315,076,809
2010	1,090,400	135,287,000	15,693,200	169,000	7,670,000	159,909,600	150,750	160,060,350	11,246,400	2.544	317,686,785
2011	1,018,400	134,825,300	15,315,400	169,000	8,159,000	159,487,100	133,538	159,620,638	11,281,200	2.593	297,389,439
2012	1,193,400	134,722,000	14,890,000	169,000	8,134,200	159,108,600		159,108,600	11,209,200	2.693	288,870,428
2013	R 1,018,700	218,723,400	24,478,400	262,600	13,963,300	258,446,400		258,446,400	22,797,600	1.722	268,470,877
2014	941,800	218,044,600	24,478,400	262,600	13,476,600	257,204,000		257,204,000	23,400,900	1.813	280,588,536
2015	1,060,800	217,896,700	23,211,400	262,600	13,203,500	255,635,000		255,635,000	23,416,100	1.872	283,527,565
2016	1,130,800	216,850,500	22,626,600	262,600	13,203,500	254,074,000		254,074,000	23,757,900	1.921	279,227,621

Source:

Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

c Not Available.

R Revaluation.

Oaklyn School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

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Fiscal Year Ended June 30,	Oaklyn School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation DebtService	Total Direct	Borough of Oaklyn	Camden County	
2007	\$ 2.458	\$ 0.040	\$ 2.498	\$ 1.491	\$ 1.206	\$ 5.195
2008	2.419	0.040	2.459	1.661	1.198	5.318
2009	2.499	-	2.499	1.818	1.215	5.532
2010	2.544	-	2.544	1.901	1.292	5.737
2011	2.593	-	2.593	1.999	1.323	5.915
2012	2.693	-	2.693	2.034	1.397	6.124
2013	1.722	-	1.722	1.286	0.862	3.870
2014	1.813	-	1.813	1.326	0.930	4.069
2015	1.872	-	1.872	1.383	0.972	4.227
2016	1.921	-	1.921	1.413	0.973	4.307

Source: Municipal Tax Collector

**Oaklyn School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

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Taxpayer	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
2 Oaklyn Properties LLC	\$ 2,314,200	0.91%	Oaklyn Associates	\$ 2,125,000	1.32%
Everall LLC	1,128,600	0.44%	Commerce Bank	1,199,200	0.75%
Castle Lynne LLC	1,100,000	0.43%	Peter & Joan Corelli	986,800	0.62%
BK WHP Reality LLC	1,064,600	0.42%	Oaklyn Associates	957,600	0.60%
Oaklyn Equities, LLC - CVS	1,025,000	0.40%	Allan & Sandra Vogelsson	768,000	0.48%
TD Bank	900,000	0.35%	Albert & Marilyn Gilbert	750,000	0.47%
James H. Galligan Living Trust	872,300	0.34%	1006 White Horse Pike Assoc.	676,100	0.42%
Heights Investment Property, LLC	844,700	0.33%	Motiva Enterprises	543,200	0.34%
Catherine Mitchell Real Estate Assoc	818,300	0.32%	RJ Clegg	518,700	0.32%
Individual #1	796,900	0.31%	Catherine Mitchell Real Estate	503,000	0.31%
Total	\$ 10,864,600	4.28%		\$ 9,027,600	5.63%

Source: Municipal Tax Assessor

**Oaklyn School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	\$ 3,921,250	\$ 3,921,250	100.00%	-
2008	4,007,239	4,007,239	100.00%	-
2009	3,951,826	3,951,826	100.00%	-
2010	4,008,583	4,008,583	100.00%	-
2011	4,072,107	4,072,107	100.00%	-
2012	4,138,967	4,138,967	100.00%	-
2013	4,285,045	4,285,045	100.00%	-
2014	4,452,813	4,452,813	100.00%	-
2015	4,664,481	4,664,481	100.00%	-
2016	4,786,706	4,786,706	100.00%	-

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

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

Oaklyn School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases				
2007	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	0.06%	\$ 23
2008	-	-	-	-	-	d	d
2009	-	-	-	-	-	d	d
2010	-	-	-	-	-	d	d
2011	-	-	-	-	-	d	d
2012	-	-	-	-	-	d	d
2013	-	-	-	-	-	d	d
2014	-	-	-	-	-	d	d
2015	-	-	-	-	-	d	d
2016	-	-	-	-	-	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not applicable

**Oaklyn School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2007	\$ 95,000	\$ -	\$ 95,000	0.06%	23
2008	-	-	-	d	d
2009	-	-	-	d	d
2010	-	-	-	d	d
2011	-	-	-	d	d
2012	-	-	-	d	d
2013	-	-	-	d	d
2014	-	-	-	d	d
2015	-	-	-	d	d
2016	-	-	-	d	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not applicable

Oaklyn School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2015

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Oaklyn	\$ 4,510,949	100.000%	\$ 4,510,949
Camden County General Obligation Debt	342,450,381	0.770%	2,636,868
Subtotal, overlapping debt			7,147,817
Oaklyn School District Direct Debt			-
Total direct and overlapping debt			\$ 7,147,817

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2015 Equalized Valuation. The source for this computation was the 2015 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis (1):	
2013	\$ 281,225,680
2014	284,549,176
2015	280,240,079
	<u>\$ 846,014,935</u>
Average equalized valuation of taxable property	\$ 282,004,978
Debt limit (3.5% of average equalized valuation) (2)	9,870,174
Net bonded school debt (3)	-
Legal debt margin	<u>\$ 9,870,174</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 8,268,736	\$ 9,403,807	\$ 10,375,572	\$ 10,885,475	\$ 10,838,222	\$ 10,535,486	\$ 10,076,009	\$ 9,890,583	\$ 9,841,962	\$ 9,870,174
Total net debt applicable to limit (3)	95,000	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 8,173,736</u>	<u>\$ 9,403,807</u>	<u>\$ 10,375,572</u>	<u>\$ 10,885,475</u>	<u>\$ 10,838,222</u>	<u>\$ 10,535,486</u>	<u>\$ 10,076,009</u>	<u>\$ 9,890,583</u>	<u>\$ 9,841,962</u>	<u>\$ 9,870,174</u>
Total net debt applicable to the limit as a percentage of debt limit	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Oaklyn School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2007	4,063	\$ 162,544,378	\$ 40,006	3.5%
2008	4,041	167,188,293	41,373	4.7%
2009	4,036	168,063,076	41,641	7.4%
2010	4,036	169,483,748	41,993	7.8%
2011	4,029	177,739,335	44,115	7.7%
2012	4,025	180,086,550	44,742	7.7%
2013	4,006	180,578,462	45,077	8.8%
2014	3,994	187,262,684	46,886	6.1%
2015	3,992	e	e	5.5%
2016	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

Oaklyn School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	29.0	29.0	29.5	28.5	29.5	29.5	29.0	28.0	28.0	29.0
Special education	10.0	10.0	12.0	11.5	11.5	12.0	12.0	12.0	12.0	8.0
Support Services:										
Student & instruction related services	12.0	12.5	11.5	12.2	12.3	11.6	12.0	5.0	5.0	5.0
School administrative services	2.5	2.5	2.5	2.5	2.6	3.0	2.6	2.3	2.3	2.3
General administrative services	2.5	2.5	2.5	2.5	1.8	1.8	1.0	-	-	-
Plant operations and maintenance	5.2	5.2	5.0	5.0	0.8	0.8	-	-	-	-
Business and other support services	2.0	2.0	2.0	2.0	2.0	1.8	1.0	-	-	-
Food Service	3.3	3.3	3.5	3.5	1.5	1.5	1.5	1.0	-	-
Total	<u>66.5</u>	<u>67.0</u>	<u>68.5</u>	<u>67.7</u>	<u>62.0</u>	<u>62.0</u>	<u>59.1</u>	<u>48.3</u>	<u>47.3</u>	<u>44.3</u>

Source:
 District Personnel Records

Oaklyn School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	433	\$ 7,178,763	\$ 16,579	8.32%	39	1:11	433.0	410.0	-3.99%	94.69%
2008	431	7,513,377	17,432	5.15%	40	1:11	429.8	408.7	-5.33%	95.09%
2009	418	7,571,409	18,113	3.91%	41	1:10	409.8	390.4	-4.65%	95.27%
2010	432	7,799,390	18,054	-0.33%	40	1:11	426.8	398.2	4.15%	93.30%
2011	432	8,261,916	19,125	5.93%	41	1:11	429.2	407.1	0.56%	94.85%
2012	469	7,959,525	16,971	-11.26%	41	1:11	459.2	434.2	6.99%	94.56%
2013	440	8,191,183	18,616	9.69%	41	1:11	442.4	417.8	-3.66%	94.44%
2014	413	7,856,822	19,024	2.19%	40	1:11	410.0	389.2	-7.32%	94.93%
2015	388	7,877,535	20,303	6.72%	40	1:11	376.2	356.9	-8.24%	94.87%
2016	386	7,783,336	20,164	-0.68%	37	1:11	384.1	365.2	2.09%	95.10%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Oaklyn School District
School Building Information
Last Ten Fiscal Years**

J-18

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
<u>Elementary</u>										
Oaklyn Elementary (1926)										
Square Feet	74,620	74,620	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260
Capacity (students)	540	540	540	540	540	540	540	540	540	540
Enrollment	433	431	418	432	432	469	440	413	376	386
<u>Other</u>										
Administration (1932)										
Square Feet	920	920	920	920	920	920	920	920	920	

Number of Schools at June 30, 2016

Elementary = 1

Source: District Facilities Office

Oaklyn School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
* School Facilities											
Oaklyn Public School	\$ 40,364	\$ 182,237	\$ 67,833	\$ 154,911	\$ 82,597	\$ 37,297	\$ 48,851	\$ 45,826	\$ 35,830	\$ 57,698	\$ 753,444
Total School Facilities	<u>\$ 40,364</u>	<u>\$ 182,237</u>	<u>\$ 67,833</u>	<u>\$ 154,911</u>	<u>\$ 82,597</u>	<u>\$ 37,297</u>	<u>\$ 48,851</u>	<u>\$ 45,826</u>	<u>\$ 35,830</u>	<u>\$ 57,698</u>	<u>\$ 753,444</u>

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

Source: District records

**Oaklyn School District
Insurance Schedule
June 30, 2016**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 150,000,000	\$ 250,000	\$ 500
Boiler and Machinery	125,000,000		1,000
Crime	500,000	250,000	500
General and Automobile Liability	20,000,000	250,000	
Workers' compensation	Statutory	250,000	
Educators Legal Liability	20,000,000	175,000	
Pollution Legal Liability	3,000,000		25,000
Violent Malicious Acts	1,000,000		15,000
Cyber Liability	1,000,000		25,000
Student Accident (2)	1,000,000		
Catastrophic Student Accident (3)	5,000,000		
Surety Bonds (4)			
Board Secretary	200,000		

- (1) Burlington County Insurance Pool Joint Insurance Fund
- (2) Berkley Life and Health Insurance Company
- (3) United States Fire Insurance Company
- (4) Liberty Mutual

Source: District records

Single Audit Section

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Certified Public Accountants

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 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY STATE OF NEW JERSEY
 TREASURY CIRCULAR OMB 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Oaklyn School District
 County of Camden
 Oaklyn, New Jersey

Report on Compliance for Each Major State Program

I have audited Oaklyn School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2016. The 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

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey Treasury Circular OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey Treasury Circular OMB 15-08 require that I 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 School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major state program. However, my audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In my opinion, the Oaklyn School District, in the County of Camden, State of New Jersey 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 fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Oaklyn 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 my audit of compliance, I considered the 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 programs and to test and report on internal control over compliance in accordance New Jersey Treasury Circular OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Oaklyn's 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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Expenditures for federal awards were less than the single audit dollar threshold required by the Uniform Guidance and therefore were not subject to a single audit. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required the Office of School Finance, Department of Education, State of New Jersey and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of New Jersey Treasury Circular OMB 15-08. Accordingly, this report is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
September 15, 2016

OAKLYN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2015			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2016	84.010A	S010A150030	NCLB377016	\$ 126,200	7/1/15 - 6/30/16	\$ -	\$ -	\$ -	\$ -	\$ 80,141	\$ (123,695)	\$ -	\$ (43,554)	\$ -	\$ -
Fiscal Year 2015	84.010A	S010A150030	NCLB377015	127,805	7/1/14 - 6/30/15	(31,089)				31,089					
Title II A:															
Fiscal Year 2016	84.367A	S367A150029	NCLB377016	18,289	7/1/15 - 6/30/16					11,723	(16,807)		(5,084)		
Fiscal Year 2015	84.367A	S367A150029	NCLB377015	16,317	7/1/14 - 6/30/15	(8,000)				8,000					
I.D.E.A. Part B - Basic:															
Fiscal Year 2016	84.027	H027A150100	IDEA377016	117,549	7/1/15 - 6/30/16					90,484	(104,215)		(13,731)		
Fiscal Year 2015	84.027	H027A150100	IDEA377015	114,172	7/1/14 - 6/30/15	(3,796)				3,796					
I.D.E.A. Part B - Preschool:															
Fiscal Year 2016	84.173	H173A150114	IDEA377016	4,521	7/1/15 - 6/30/16					2,128	(4,521)		(2,393)		
Total Department of Education						(42,885)				227,361	(249,238)		(64,762)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program															
	10.565	1616NJ304N1099	N/A	16,678	7/1/15 - 6/30/16					16,678	(16,678)				
National School Breakfast:															
Fiscal Year 2016	10.553	1616NJ304N1099	N/A	10,288	7/1/15 - 6/30/16					9,640	(10,288)		(648)		
Fiscal Year 2015	10.553	1616NJ304N1099	N/A	10,750	7/1/14 - 6/30/15	(639)				639					
National School Lunch Program:															
Fiscal Year 2016	10.555	1616NJ304N1099	N/A	68,611	7/1/15 - 6/30/16					64,103	(68,611)		(4,508)		
Fiscal Year 2015	10.555	1616NJ304N1099	N/A	64,557	7/1/14 - 6/30/15	(4,750)				4,750					
Total Department of Agriculture						(5,389)				95,810	(95,577)		(5,156)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2016	93.778	1605NJ5MAP	N/A	12,540	7/1/15 - 6/30/16					12,540	(12,540)				
Fiscal Year 2015	93.778	1605NJ5MAP	N/A	13,808	7/1/14 - 6/30/15	(5,395)				5,395					
Total Department of Health and Human Services						(5,395)				17,935	(12,540)				
Total Federal Awards						\$ (53,669)	\$ -	\$ -	\$ -	\$ 341,106	\$ (357,355)	\$ -	\$ (69,918)	\$ -	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

OAKLYN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2016

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2015			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016				
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor		
State Department of Education															
General Fund:															
Equalization Aid	16-495-034-5120-078	\$ 2,142,965	7/1/15- 6/30/16	\$ -	\$ -	\$ -	\$ -	\$ 1,939,374	\$ (2,142,965)	\$ -	\$ (203,591)	\$ -	\$ -		
Equalization Aid	15-495-034-5120-078	2,142,965	7/1/14- 6/30/15	(199,838)				199,838							
School Choice Aid	16-495-034-5120-068	124,449	7/1/15- 6/30/16					112,626	(124,449)		(11,823)				
School Choice Aid	15-495-034-5120-068	134,022	7/1/14- 6/30/15	(12,498)				12,498							
Categorical Special Education Aid	16-495-034-5120-089	271,990	7/1/15- 6/30/16					246,150	(271,990)		(25,840)				
Categorical Special Education Aid	15-495-034-5120-089	271,990	7/1/14- 6/30/15	(25,364)				25,364							
Categorical Transportation Aid	16-495-034-5120-014	6,655	7/1/15- 6/30/16					6,023	(6,655)		(632)				
Categorical Transportation Aid	15-495-034-5120-014	6,655	7/1/14- 6/30/15	(621)				621							
Categorical Security Aid	16-495-034-5120-084	20,660	7/1/15- 6/30/16					18,697	(20,660)		(1,963)				
Categorical Security Aid	15-495-034-5120-084	20,660	7/1/14- 6/30/15	(1,926)				1,926							
Under Adequacy Aid	16-495-034-5120-083	16,232	7/1/15- 6/30/16					14,690	(16,232)		(1,542)				
Under Adequacy Aid	15-495-034-5120-083	16,232	7/1/14- 6/30/15	(1,514)				1,514							
Additional Adjustment Aid	16-495-034-5120-085	9,573	7/1/15- 6/30/16					8,663	(9,573)		(910)				
PARCC Readiness Aid	15-100-034-5120-098	5,210	7/1/15- 6/30/16					4,715	(5,210)		(495)				
PARCC Readiness Aid	15-100-034-5120-098	5,210	7/1/14- 6/30/15	(486)				486							
Per Pupil Growth Aid	15-100-034-5120-097	5,210	7/1/15- 6/30/16					4,715	(5,210)		(495)				
Per Pupil Growth Aid	15-100-034-5120-097	5,210	7/1/14- 6/30/15	(486)				486							
Extraordinary Special Education Aid	16-495-034-5120-044	13,939	7/1/15- 6/30/16						(13,939)		(13,939)				
Extraordinary Special Education Aid	15-495-034-5120-044	26,552	7/1/14- 6/30/15	(26,552)				26,552							
On-behalf TPAF Pension Contribution	16-495-034-5094-002	188,095	7/1/15- 6/30/16					188,095	(188,095)						
On-behalf TPAF Post Retirement Medical	16-495-034-5094-001	223,968	7/1/15- 6/30/16					223,968	(223,968)						
Reimbursed TPAF Social Security Contr.	16-495-034-5094-003	172,827	7/1/15- 6/30/16					164,670	(172,827)		(8,157)				
Reimbursed TPAF Social Security Contr.	15-495-034-5094-003	171,709	7/1/14- 6/30/15	(8,260)				8,260							
Total General Fund				(277,545)	-	-	-	3,209,931	(3,201,773)	-	(269,387)	-	-		
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Auxiliary Services:															
Compensatory Education	15-100-034-5120-067	3,585	7/1/14- 6/30/15								(3,585)				
Handicapped Services:															
Supplemental Instruction	16-100-034-5120-066	594	7/1/15- 6/30/16					594					594		
Supplemental Instruction	15-100-034-5120-066	1,569	7/1/14- 6/30/15								(1,569)				
Exam & Classification	16-100-034-5120-066	1,192	7/1/15- 6/30/16					1,192					1,192		
Exam & Classification	15-100-034-5120-066	3,240	7/1/14- 6/30/15								(3,240)				
Connective Speech	15-100-034-5120-066	4,418	7/1/14- 6/30/15								(4,418)				
Total Special Revenue Fund				-	-	12,812	-	1,786	-	(12,812)	-	-	1,786		
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program:															
Fiscal Year 2016	16-100-010-3350-023	1,888	7/1/15- 6/30/16					1,763	(1,888)		(125)				
Fiscal Year 2015	15-100-010-3350-023	2,010	7/1/14- 6/30/15	(183)				183							
Total Enterprise Fund				(183)	-	-	-	1,946	(1,888)	-	(125)	-	-		
Total State Financial Assistance				\$ (277,728)	\$ -	\$ 12,812	\$ -	\$ 3,213,663	\$ (3,203,661)	\$ (12,812)	\$ (269,512)	\$ -	\$ 1,786		
Less: State Financial Expenditures Not Subject to Major Program Determination															
On-Behalf TPAF Contribution - Pension (Non-Budgeted)											(188,095)				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)											(223,968)				
Total State Financial Expenditures Subject to Major Program Determination											\$ (2,791,598)				

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Oaklyn School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Oaklyn 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, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,558) for the general fund and \$0 for the special revenue fund. See Exhibit C-3, 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 follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 12,540	\$ 3,197,215	\$ 3,209,755
Special Revenue	249,238		249,238
Food Service	<u>95,577</u>	<u>1,888</u>	<u>97,465</u>
Total	<u>\$ 357,355</u>	<u>\$ 3,199,103</u>	<u>\$ 3,556,458</u>

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.

Oaklyn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016
(Continued)

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section 1 -- Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

Significant deficiencies identified that are not considered to be a material weakness? yes X none reported

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit.

No findings identified.

OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

**OAKLYN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB's Circular 04/04 and/or 15-08, as applicable.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.