

**Oldmans Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

OLDMANS TOWNSHIP SCHOOL DISTRICT

PEDRICKTOWN, NEW JERSEY 08067

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2017

Prepared by:

**Oldmans Township School
Board of Education Administration**

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INTRODUCTORY SECTION

Oldmans Township School District

ADMINISTRATIVE OFFICES
(856) 299-4240

10 FREED ROAD
(856) 299-4243

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

Daniel P. Daly
Board President

Alicia Smith
Superintendent

Pamela Zook
School Business
Administrator

November 17, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Oldmans Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and/or reporting requirements under NJ OMB's Circular 15-08, Audits of State, Local Governments, and Non-Profit Organizations, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and its Services

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 271 students, which is 16 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

1. Reporting Entity and its Services (Continued)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2016-2017	271	-5.6%
2015-2016	287	7.1%
2014-2015	268	6.8%
2013-2014	251	9.6%
2012-2013	229	0.4%

2. Economic Condition and Outlook

Oldmans Township is a rural farming community with some general businesses and light industry. The Pedricktown Industrial Complex provides the largest source of employment in the community. Of the three residential developments that have gained local planning board approvals, one development of 49 homes is now 100% complete. The Gateway Industrial Park has four commercial warehouses completed and operational as of June 30, 2011. There is room for additional businesses.

3. Major Initiatives

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

Beginning the 2011-12 school year, Oldmans became a CHOICE district and had twenty-five (25) students from neighboring districts apply and be accepted. It is estimated that the number of CHOICE students for the 2016-17 school year will be fifty two (52). The estimated CHOICE students for 2017-18 school year will be 58.

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

In preparation for the full implementation of PARCC, Oldmans School District was a pilot district for the 4th grade End of Year (EOY) ELA PARCC assessment. Teachers will continue to use LinkIt as their online assessment tool, which now features a PARCC prep component. For the 2016-17 school year we will have 1:1 computing in grades 3-8.

A new Tennis and Basketball Court was approved for construction in May 2012 and completed during the summer of 2012. A new Soccer Field was approved for construction in April 2013 and completed in late Fall 2013. Construction of additional parking to accommodate approximately 75 more vehicles along with addressing storm water drainage issues was approved and a contract awarded in June 2014. This project was completed by late Fall 2014.

3. Major Initiatives (Continued)

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

In the 2015-16 school year, the District contracted to renovate the heating, ventilation, and air conditioning of the circular wing of the building for a project cost of approximately \$350,000.

With the enactment of S1701, in the 2005-06 school year, the Board of Education aggressively pursued to provide shared services agreements in many areas. In 2016-17, the District will be revisiting these initiatives to align with the needs of the various constituencies. At present, the District continues to share business office services and transportation with other school districts and grounds maintenance services with the Township.

4. Internal Accounting Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's Management.

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

5. Budgetary Controls

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

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

6. Accounting System and Reports

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

7. Cash Management

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

8. Risk Management

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

9. Other Information

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* and/or reporting requirements under NJ OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards - The District will not apply to the Association of School Business Officials (ASBO) for its Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials.

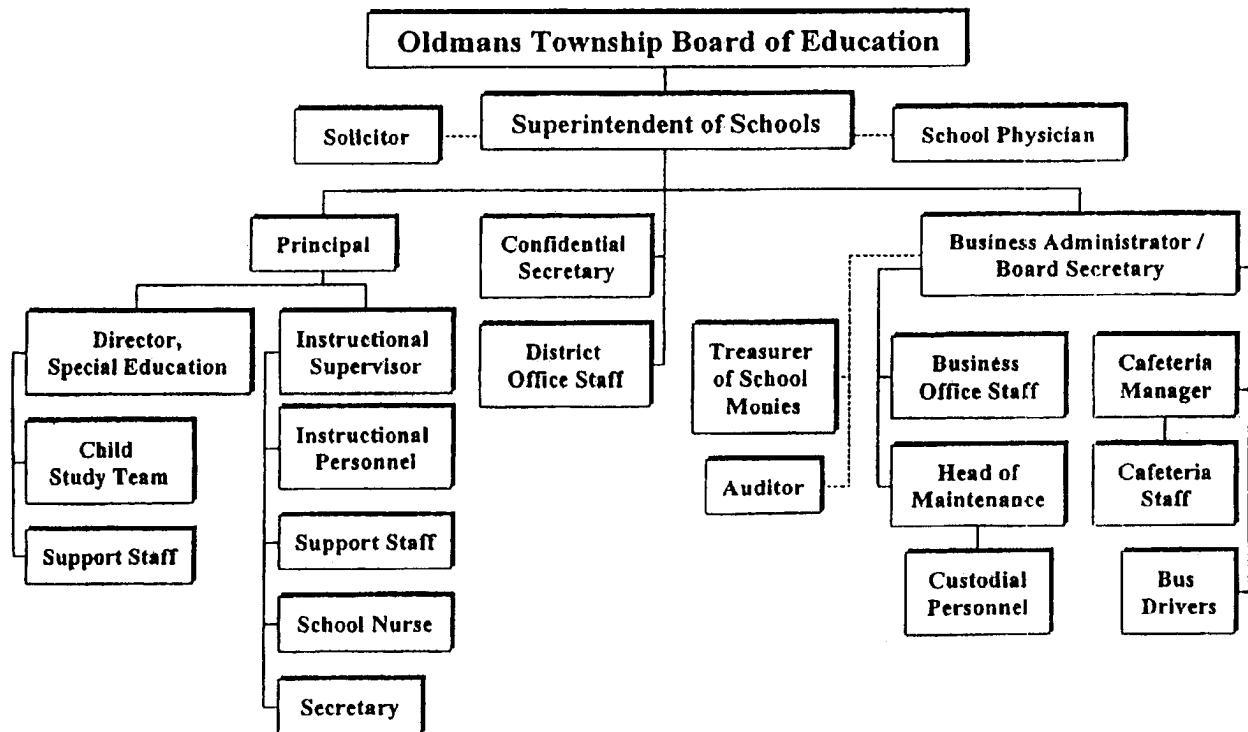
10. Acknowledgements

We would like to express our appreciation to the members of the Oldmans Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

Alicia Smith
Alicia Smith
Superintendent

Pamela Zook
Pamela Zook
School Business Administrator



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

**ROSTER OF OFFICIALS
June 30, 2017**

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Daniel P. Daly	President	2018
Randall Tyler	Vice President	2017
Maria Calabrese	Board Member	2017
Patricia Gaskill	Board Member	2018
Gary Green	Board Member	2017
Lou Guardascione	Board Member	2018
Jeffrey Newman	Board Member	2019
Dawn Oliver	Board Member	2019
Helene Paxton	Board Member	2019

OTHER OFFICIALS

Alicia Smith, Superintendent

Pamela Zook, School Business Administrator

James R. Hackett, Treasurer of School Monies

Consultants and Advisors

Auditor

Petroni & Associates LLC
102 West High Street, Suite 100
Glassboro, NJ 08028
Contact: Nick Petroni

Attorney and Labor Relations Consultant

Amy Houck Esquire
Cooper Levenson, Attorneys at Law
145 Marlton Pike East #205
Cherry Hill, NJ 08034

Architect

Radey Architects
100 Haddontowne Court
Cherry Hill, NJ 08034

Engineer

Tedesco Engineering
811 Landis Avenue
Bridgeton, NJ 08302

Depository

Fulton Bank
221 Shell Road
Carneys Point, NJ 08069

Pennsville National Bank
Mill & Railroad Avenue
Pedricktown, NJ 08067

Negotiations Consultant

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

AHERA Consultant

Environmental Remediation & Management, Inc.
200 Princeton South, Suite 160
Ewing, NJ 08628

Insurance Broker

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

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education, Oldmans, New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldmans Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the other information, such as introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedule of expenditures of federal and state awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017, on our consideration of the Oldmans Township School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Oldmans Township School Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 17, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

This section of the Oldmans Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

Financial Highlights

- The assets of the Oldmans Township School District exceeded its liabilities at the close of the most recent fiscal year by \$4,184,080 (net position) see exhibit A-1.
- The Oldmans Township School District's total net position increased by \$19,487. This increase is not the result of any one specific occurrence, but a net result of multiple, insignificant changes in the listed balance sheet items reported and capital assets.
- Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$323,395 or 5.6% of total revenues of \$5,726,895.
- As of the close of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combined ending fund balances of \$877,853, a decrease of \$5,884 in comparison with the prior year (see Exhibit B-2).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$57,700, (see Exhibit B-1) a slight increase from that of the prior fiscal year of \$57,322, which was attributable in part to increased state aid payment being deferred in the amount of \$904 (see Exhibit C-3).

Overview of the Financial Statements

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

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

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

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

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

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

The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Oldmans Township School District, assets exceeded liabilities by \$4,184,080 at the close of fiscal year 2016-2017 (see Exhibit A-1).

The largest portion of the Oldmans Township School District's net position (109 percent) reflects its investment in capital assets (i.e., land, buildings, equipment); less any related debt used to acquire those assets that are still outstanding. The Oldmans Township School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Oldmans Township School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Oldmans Township School District's net position (19.4 percent) represents resources that are subject to external restrictions on how they may be used.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

District-wide Financial Analysis (Continued)

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
ASSETS						
Current and other assets	\$ 890,403	\$ 925,894	\$ 45,521	\$ 71,966	\$ 935,924	\$ 997,860
Capital assets	5,117,594	5,085,707	1,222	1,685	5,118,816	5,087,392
Total assets	<u>6,007,997</u>	<u>6,011,601</u>	<u>46,743</u>	<u>73,651</u>	<u>6,054,740</u>	<u>6,085,252</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>494,325</u>	<u>312,239</u>			<u>494,325</u>	<u>312,239</u>
LIABILITIES						
Non-current liabilities	629,648	811,644	1,731	1,954	813,375	813,598
Other liabilities	13,352	46,787	3,609	4,810	50,396	51,597
Net pension liability	1,712,881	1,361,165			1,361,165	1,361,165
Total liabilities	<u>2,355,881</u>	<u>2,219,596</u>	<u>5,340</u>	<u>6,764</u>	<u>2,224,936</u>	<u>2,226,360</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,764</u>	<u>6,538</u>			<u>3,764</u>	<u>6,538</u>
NET POSITION						
Invested in capital assets, net of related debt	4,581,163	4,376,618	1,222	1,685	4,582,385	4,378,303
Restricted	820,153	826,415			820,153	826,415
Unrestricted	<u>(1,258,639)</u>	<u>(1,105,327)</u>	<u>40,181</u>	<u>65,202</u>	<u>(1,218,458)</u>	<u>(1,040,125)</u>
Total net position	<u>\$ 4,142,677</u>	<u>\$ 4,097,706</u>	<u>\$ 41,403</u>	<u>\$ 66,887</u>	<u>\$ 4,184,080</u>	<u>\$ 4,164,593</u>

The District's combined net position was \$4,184,080 on June 30, 2017. This was a slight increase from the prior year of \$19,487.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

District-wide Financial Analysis (Continued)

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
REVENUES:						
Program revenues:						
Charges for services	\$ 48,860	\$ 73,000	\$ 75,004	\$ 70,381	\$ 123,864	\$ 143,381
Operating grants and contributions	149,983	167,778	49,548	61,589	199,531	229,367
General revenues:						
Property taxes	2,785,280	2,817,399			2,785,280	2,817,399
Grants and contributions not restricted to specific programs	2,568,507	2,500,705			2,568,507	2,500,705
Other	49,667	40,009	46	60	49,713	40,069
Total revenues	5,602,297	5,598,891	124,598	132,030	5,726,895	5,730,921
EXPENSES:						
Instruction	1,707,810	1,871,394			1,707,810	1,871,394
Support services	3,619,610	3,214,990			3,619,610	3,214,990
Interest on long-term debt	34,592	41,467			34,592	41,467
Other	195,314	190,957			195,314	190,957
Food service			114,556	95,399	114,556	95,399
School age child care			35,526	27,828	35,526	27,828
Total expenses	5,557,326	5,318,808	150,082	123,227	5,707,408	5,442,035
Increase in net position	44,971	280,083	(25,484)	8,803	19,487	288,886
Net position, July 1	4,097,706	3,817,623	66,887	58,084	4,164,593	3,875,707
Net position, June 30	\$ 4,142,677	\$ 4,097,706	\$ 41,403	\$ 66,887	\$ 4,184,080	\$ 4,164,593

Property taxes decreased by \$32,119 or 1.1% during the year. This increase is the result of state imposed budget caps over the prior year.

The overall increase in expenses of \$265,373 was attributable to an increases in employee benefits of \$170,534, student and instructional related services of \$211,213 offset by decreases in instruction of \$163,584.

Business-Type Activities - Business-type activities decreased the Oldmans Township School District's net position by \$25,484. The key element of this decrease is as follows:

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

Financial Analysis of the Government's Funds

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

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

As of the end of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combining ending fund balances of \$877,853, a decrease of \$5,884 in comparison with the prior year.

Of the combined ending fund balances of \$877,853, 6.5 percent constitutes unassigned fund balance in the amount of \$57,700. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$16,361, (2) to be appropriated in the following year's budget to reduce property tax \$279,598, (3) \$251,483 maintenance reserve, (4) \$200,000 capital reserve, and (5) excess surplus - current year of \$72,711.

The General Fund is the main operating fund of the Oldmans Township School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$57,700, while total fund balance was \$877,853.

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

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

Unrestricted net position consisted of the following: a balance of \$9,903 for the Food Service Program and a balance of \$31,433 for the School Age Child Care Program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Oldmans Township School District's Business-type Activities.

General Fund Budgetary Highlights

During the course of the 2017 fiscal year, the Oldmans Township School District modified its General Fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and the additional federal aid.

The final budgetary basis revenue appropriation estimate was \$4,703,437 and fund balance budgeted of \$72,562.

During fiscal year 2017, the Oldmans Township School District budgeted \$2,785,280 for property taxes (local tax levy) and \$2,045,939 in federal and state aid revenues, respectively.

The Oldmans Township School District revenues and expenditures include \$116,936 in reimbursed TPAF Social Security Aid and \$347,302 in TPAF Pension Contributions, respectively.

The final budgetary basis expenditure estimate was \$5,040,181, including prior year's encumbrances of \$264,183. The original budgeted estimate was \$4,775,998.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Capital Asset and Debt Administration

Capital Assets - The Oldmans Township School District's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2017, amounts to \$5,087,392 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. The total decrease in the Oldmans Township School District's investment in capital assets for the current fiscal year was \$22,991.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Construction in progress		152,897				152,897
Building improvements	4,663,450	4,442,042			4,663,450	4,442,042
Equipment	416,144	452,768	\$ 1,222	\$ 1,685	417,366	454,453
Total	\$ 5,117,594	\$ 5,085,707	\$ 1,222	\$ 1,685	\$ 5,118,816	\$ 5,087,392

Additional information on the Oldmans Township School District's capital assets can be found as Note 6 to the financial statements.

Long-Term Debt - At the end of the current fiscal year, the Oldmans Township School District had total bonded debt outstanding of \$540,000 for the 2009 Series Bonds. The entire Oldmans Township School District's bonded debt is governmental as opposed to business-type. The bonds will mature on February 15, 2020.

Economic Factors and Next Year's Budget

For the 2017-2018 school year, the Oldmans Township School District was able to sustain its budget through the township tax levy, federal aid, state aid, and miscellaneous revenue sources. Approximately 54.8 percent of total revenue is from local tax levy, while 39.4 percent of the Oldmans Township School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Oldmans Township School District's budget is its enrollment. The 2016-2017 budget was adopted May 2016, based in part on the state education aid the Oldmans Township School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 14, 2016, of 275. The District became a Choice District in FY 2012.

The Oldmans Township School District anticipates a slight decrease in enrollment to 271 students for the 2016-2017 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-type Activities	FY 2017
ASSETS			
Cash and cash equivalents	\$ 355,301	\$ 41,359	\$ 396,660
Interfunds receivable	17,105		17,105
Receivables	66,514	2,704	69,218
Inventory		1,458	1,458
Restricted assets:			
Restricted cash and cash equivalents	451,483		451,483
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	5,079,594	1,222	5,080,816
	<u>6,007,997</u>	<u>46,743</u>	<u>6,054,740</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bond issue	13,038		13,038
Deferred outflows related to pension	481,287		481,287
	<u>494,325</u>		<u>494,325</u>
LIABILITIES			
Interfunds payable		762	762
Accounts payable	3,475		3,475
Unearned revenue	408	2,847	3,255
Accrued interest	9,469		9,469
Noncurrent liabilities:			
Due within one year	175,000		175,000
Due beyond one year	454,648	1,731	456,379
Net pension liability	1,712,881		1,712,881
	<u>2,355,881</u>	<u>5,340</u>	<u>2,361,221</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	3,764		3,764
NET POSITION			
Invested in capital assets, net of related debt	4,581,163	1,222	4,582,385
Restricted for:			
Other purposes	820,153		820,153
Unrestricted	(1,258,639)	40,181	(1,218,458)
	<u>\$ 4,142,677</u>	<u>\$ 41,403</u>	<u>\$ 4,184,080</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Activities
June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,472,271			\$ (1,472,271)		\$ (1,472,271)
Special education	216,779		\$ 56,852	(159,927)		(159,927)
Other special education	11,938			(11,938)		(11,938)
Other instruction	6,822			(6,822)		(6,822)
Support services:						
Student & instructional related services	1,331,215		92,881	(1,238,334)		(1,238,334)
General administrative services	103,314			(103,314)		(103,314)
School administrative services	121,423			(121,423)		(121,423)
Central services	148,236	\$ 48,860		(99,376)		(99,376)
Plant operations & maintenance	384,686			(384,686)		(384,686)
Pupil transportation	203,937			(203,937)		(203,937)
Employee benefits	1,326,799		250	(1,326,549)		(1,326,549)
Interest on long-term debt	34,592			(34,592)		(34,592)
Capital outlay	16,585			(16,585)		(16,585)
Unallocated depreciation	178,729			(178,729)		(178,729)
Total governmental activities	5,557,326	48,860	149,983	(5,358,483)		(5,358,483)
Business-type activities:						
Food service	114,556	30,904	49,548		\$ (34,104)	(34,104)
Other activities	35,526	44,100			8,574	8,574
Total business-type activities	150,082	75,004	49,548		(25,530)	(25,530)
Total primary government	\$ 5,707,408	\$ 123,864	\$ 199,531	\$ (5,358,483)	\$ (25,530)	\$ (5,384,013)
General revenues:						
Property taxes, levied for general purpose, net				\$ 2,632,498		\$ 2,632,498
Taxes levied for debt service				152,782		152,782
Federal and state aid not restricted				2,568,507		2,568,507
Transportation fees				25,610		25,610
Investment earnings				1,892	\$ 46	1,938
Miscellaneous income				22,165		22,165
Total general revenues, special items, extraordinary items, and transfers				5,403,454	46	5,403,500
Change in net position				44,971	(25,484)	19,487
Net position - beginning				4,097,706	66,887	4,164,593
Net position - end				\$ 4,142,677	\$ 41,403	\$ 4,184,080

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2017
ASSETS				
Cash and cash equivalents	\$ 382,279			\$ 382,279
Interfunds receivable	17,105			17,105
Receivables from other governments	30,461	\$ 36,053		66,514
Restricted cash and cash equivalents	451,483			451,483
Total assets	<u>\$ 881,328</u>	<u>\$ 36,053</u>		<u>\$ 917,381</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft		\$ 35,645		\$ 35,645
Accounts payable	3,475			3,475
Deferred revenue		408		408
Total liabilities	<u>3,475</u>	<u>36,053</u>		<u>39,528</u>
Fund balances:				
Restricted for:				
Maintenance reserve	251,483			251,483
Capital reserve	200,000			200,000
Excess surplus - designated for subsequent year's expenditures	276,114			276,114
Excess surplus - current year	72,711			72,711
Assigned to:				
Designated by the BOE for subsequent year's expenditures	3,484			3,484
Other purposes	16,361			16,361
Unassigned:				
General fund	57,700			57,700
Total fund balances	<u>877,853</u>			<u>877,853</u>
Total liabilities and fund balances	<u>\$ 881,328</u>	<u>\$ 36,053</u>		

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore not reported in the funds. The costs of assets is \$8,245,164 and the accumulated depreciation is \$3,127,570 (See note 6).	\$ 5,117,594
Internal Service Funds are used by Management to charge the costs of certain activities, such as business and custodial services to other districts. Assets and liabilities of the Internal Service Fund of \$8,667 are included in the Governmental Activities in the Statement of Net Position.	8,667
Net pension liability adjustment for GASB Statement No. 68 and 71.	(1,235,358)
Deferred bond issuance costs are expenses in the Governmental Funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.	13,038
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(9,469)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds (See note 7).	(629,648)
	<u>\$ 4,142,677</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	FY 2017
REVENUES:				
Local tax levy	\$ 2,632,498		\$ 152,782	\$ 2,785,280
Transportation fees	25,610			25,610
Interest earned on investments	1,892			1,892
Miscellaneous	22,165	\$ 788		22,953
	<u>2,682,165</u>	<u>788</u>	<u>152,782</u>	<u>2,835,735</u>
State sources	2,514,039		54,468	2,568,507
Federal sources		149,195		149,195
Total revenues	<u>5,196,204</u>	<u>149,983</u>	<u>207,250</u>	<u>5,553,437</u>
EXPENDITURES:				
Current:				
Regular instruction	1,477,374			1,477,374
Special education instruction	159,162	56,852		216,014
Other special instruction	10,028			10,028
Other instruction	6,822			6,822
Support services & undistributed costs:				
Student & instruction related services	1,235,752	92,881		1,328,633
General administrative services	103,314			103,314
School administrative services	121,007			121,007
Central services	99,873			99,873
Plant operations and maintenance	384,664			384,664
Pupil transportation	181,548			181,548
Employee benefits	1,164,660	250		1,164,910
Debt service:				
Principal			175,000	175,000
Interest and other charges			32,250	32,250
Capital outlay	257,884			257,884
Total expenditures	<u>5,202,088</u>	<u>149,983</u>	<u>207,250</u>	<u>5,559,321</u>
Excess (deficiency) of revenues over expenditures	<u>(5,884)</u>			<u>(5,884)</u>
Net change in fund balances	<u>(5,884)</u>			<u>(5,884)</u>
Fund balance - July 1	883,737			883,737
Fund balance - June 30	<u>\$ 877,853</u>			<u>\$ 877,853</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2017

Total net change in fund balances - Governmental Funds (from B-2)	\$	(5,884)
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital Outlay	\$	241,299
Depreciation expense		<u>(209,412)</u>
		31,887
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
Bond principal payments		175,000
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
		(4,967)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		2,625
<p>Internal Service Funds are used by management to charge costs of certain activities, such as shared business and custodial services. The operating income of \$1,203 is included in the Governmental Activities and Statement of Net Position (see Exhibit B-5).</p>		
		1,203
<p>Pension contributions are reported in Governmental Funds as expenditures. However in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(161,889)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>6,996</u>
Change in net position of Governmental Activities	\$	<u><u>44,971</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities
	Food Service	Latchkey Program	Totals FY 2017	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,081	\$ 30,278	\$ 41,359	\$ 8,667
Accounts receivable	2,704		2,704	
Inventories	1,458		1,458	
Total current assets	<u>15,243</u>	<u>30,278</u>	<u>45,521</u>	<u>8,667</u>
Noncurrent assets:				
Furniture, machinery & equipment	132,400	6,600	139,000	
Less: accumulated depreciation	(132,333)	(5,445)	(137,778)	
Total noncurrent assets	<u>67</u>	<u>1,155</u>	<u>1,222</u>	
Total assets	<u>15,310</u>	<u>31,433</u>	<u>46,743</u>	
LIABILITIES				
Interfunds payable - general fund	762		762	
Unearned revenue:				
Lunches	2,567		2,567	
USDA commodities	280		280	
Noncurrent liabilities:				
Compensated absences	1,731		1,731	
Total liabilities	<u>5,340</u>		<u>5,340</u>	
NET POSITION				
Invested in capital assets, net of related debt	67	1,155	1,222	
Unrestricted	9,903	30,278	40,181	8,667
Total net position	<u>\$ 9,970</u>	<u>\$ 31,433</u>	<u>\$ 41,403</u>	<u>\$ 8,667</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	Business-type Activities Enterprise Funds - Major Funds		FY 2017	Governmental Activities Internal Service Fund
	Food Service	Latchkey Program		
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs:	\$ 30,820		\$ 30,820	
Tuition		\$ 44,100	44,100	
Other charges and fees	84		84	\$ 48,860
Total operating revenue	30,904	44,100	75,004	48,860
OPERATING EXPENSES:				
Salaries	41,711	29,567	71,278	31,909
Employee benefits	14,355	2,269	16,624	8,568
Supplies and materials	4,197	3,360	7,557	
Purchased professional services	15,175		15,175	
Other purchased services				7,180
Depreciation	133	330	463	
Cost of sales	38,985		38,985	
Total operating expenses	114,556	35,526	150,082	47,657
Operating income (loss)	(83,652)	8,574	(75,078)	1,203
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	837		837	
Federal sources:				
National school lunch program	29,142		29,142	
School breakfast program	7,895		7,895	
National snack program	289		289	
Food distribution program	11,385		11,385	
Interest revenue	46		46	
Total non-operating revenues (expenses)	49,594		49,594	
Net income (loss)	(34,058)	8,574	(25,484)	1,203
Total net position - beginning	44,028	22,859	66,887	7,464
Total net position - ending	\$ 9,970	\$ 31,433	\$ 41,403	\$ 8,667

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2017	
Cash flows from operating activities:				
Receipts from customers	\$ 32,621	\$ 44,100	\$ 76,721	\$ 48,860
Payments to suppliers	(47,776)	(3,451)	(51,227)	(7,510)
Payments to employees	(41,934)	(29,567)	(71,501)	(31,909)
Payments for employee benefits	(14,355)	(2,269)	(16,624)	(8,568)
Net cash provided (used) by operating activities	(71,444)	8,813	(62,631)	873
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	38,420		38,420	
Net cash provided by non-capital financing activities	38,420		38,420	
Cash flows from investing activities:				
Interest on investments	46		46	
Payment to general fund	796		796	
Net cash provided by investing activities	842		842	
Net increase in cash and cash equivalents	(32,182)	8,813	(23,369)	873
Cash and cash equivalents - July 1	43,263	21,465	64,728	7,794
Cash and cash equivalents - June 30	<u>\$ 11,081</u>	<u>\$ 30,278</u>	<u>\$ 41,359</u>	<u>\$ 8,667</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (83,652)	\$ 8,574	\$ (75,078)	\$ 1,203
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	133	330	463	
Food distribution program	11,385		11,385	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	(850)		(850)	
(Increase) decrease in inventory	3,635		3,635	
Increase (decrease) in accounts payable	(38)	(91)	(129)	(330)
Increase (decrease) in deferred revenue	(1,834)		(1,834)	
Increase in compensated absences	(223)		(223)	
	<u>\$ (71,444)</u>	<u>\$ 8,813</u>	<u>\$ (62,631)</u>	<u>\$ 873</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2017

	Scholarship Trust Fund	Unemployment Trust Fund	Agency Funds	Totals FY 2017
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,728	\$ 107,114	\$ 91,520	\$ 200,362
Interfund receivable:				
Unemployment trust			723	723
Total assets	<u>\$ 1,728</u>	<u>\$ 107,114</u>	<u>\$ 92,243</u>	<u>201,085</u>
LIABILITIES				
Current liabilities:				
Payroll deductions and withholdings			\$ 39,498	39,498
Due to student groups			36,402	36,402
Interfund payable:				
Agency trust fund		723		723
Interfund payable:				
General fund			16,343	16,343
Total current liabilities		<u>723</u>	<u>\$ 92,243</u>	<u>92,966</u>
NET POSITION				
Held in trust for:				
Scholarship awards	\$ 1,728			1,728
Unemployment claims		106,391		106,391
Total net position	<u>\$ 1,728</u>	<u>\$ 106,391</u>		<u>\$ 108,119</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2017

	Scholarship Trust Fund	Unemployment Trust Fund	FY 2017
ADDITIONS:			
Contributions:			
Employee payroll deductions		\$ 5,327	\$ 5,327
Other	\$ 50		50
Total contributions	50	5,327	5,377
Investment earnings:			
Interest	2	21	23
Total investment earnings	2	21	23
Total additions	52	5,348	5,400
DEDUCTIONS:			
Unemployment claims		2,240	2,240
Change in net position	52	3,108	3,160
Net position - beginning of year	1,676	103,283	104,959
Net position - end of year	\$ 1,728	\$ 106,391	\$ 108,119

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

The financial statements of the Board of Education of Oldmans Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

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

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

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

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

B. Government-wide Statements

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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

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

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

The District does not allocate indirect costs such as employee benefits, on-behalf Teacher's Pension and Annuity Fund (TPAF) Pension contributions, and TPAF Social Security Contributions.

The Government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The Government-wide statements do not include fiduciary activity.

C. Fund Financial Statements

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

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay Subfund.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

PROPRIETARY FUNDS

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

Enterprise Funds - The Enterprise Funds account for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

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

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

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

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

D. Basis of Accounting

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

Both governmental and Business-type Activities in the Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

E. Cash and Cash Equivalents

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

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

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2017, consisted of the following:

Food - commodities	\$ 280
Food	<u>1,178</u>
	<u><u>\$ 1,458</u></u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories (Continued)

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

G. Capital Assets

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

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

H. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures

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

J. Compensated Absences

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

K. Interfund Receivables/Payables

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

L. Accrued Salaries and Wages

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

M. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's the voters have an opportunity to approve or reject the budget at the regular election in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

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

N. Encumbrances

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

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

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

O. Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Allocation of Indirect Expenses

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Allocation of Indirect Expenses (Continued)

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

R. Extraordinary and Special Items

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

S. Use of Estimates

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

T. Net Position

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

U. Fund Balance Reserves

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

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

V. Recent Accounting Pronouncements Not Yet Effective

In June 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In December 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In December 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 79, "Certain External Investment Pools and Pool Participants." This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements." This statement, which is effective for fiscal periods beginning after December 15, 2017, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73." This statement, which is effective for fiscal periods beginning after June 15, 2017. Although not determinable, the impact of this statement on the net position of the District is anticipated to not be significant.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2017 and 2016, was \$1,048,505 and \$1,139,618. As of June 30, 2017 and 2016, \$0 of the District's bank balance of \$1,143,470 and \$1,464,471, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2017 and 2016, the District did not have any investments.

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

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

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2017, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 3,643	\$ 39
Other LEA's	26,818	
Other		850
Federal aid	36,053	1,815
	<u>\$ 66,514</u>	<u>\$ 2,704</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5: INTERFUND RECEIVABLE AND PAYABLE

The following interfund balances remain on the balance sheet at June 30, 2017:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 17,290	\$ 185
Food Service Fund		762
Unemployment Trust		723
Payroll Fund	185	
Agency Fund	723	16,528
	<u>\$ 18,198</u>	<u>\$ 18,198</u>

The General Fund interfund is a result of interest earned during the year, state health benefits and section 125 forfeitures. The Unemployment Trust interfund is a result of claims and District's second quarter employee withholding transferred to the payroll agency account. The Food Service Fund interfund is the result of expenditures paid by the General Fund.

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2017.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2016	Additions	Disposals/ Adjustments	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 152,897		\$ 152,897	
Sites (land)	38,000			\$ 38,000
Total capital assets not being depreciated	190,897		152,897	38,000
Land improvements	429,912			429,912
Building & building improvements	6,574,189	\$ 383,333		6,957,522
Machinery & equipment	808,867	10,863		819,730
Totals at historical cost	7,812,968	394,196		8,207,164
Less: accumulated depreciation				
Land improvements	(61,589)	(21,645)		(83,234)
Building & building improvements	(2,500,470)	(140,280)		(2,640,750)
Machinery & equipment	(356,099)	(47,487)		(403,586)
Total accumulated depreciation	(2,918,158)	(209,412)		(3,127,570)
Governmental activities capital assets, net	\$ 5,085,707	\$ 184,784	None	\$ 5,117,594
Food service				
Machinery & equipment	\$ 132,400			\$ 132,400
Less: accumulated depreciation	(132,200)	\$ (133)		(132,333)
Business-type capital assets, net	\$ 200	\$ (133)		\$ 67
Childcare				
Machinery & equipment	\$ 6,600			\$ 6,600
Less: accumulated depreciation	(5,115)	\$ (330)		(5,445)
Total	\$ 1,485	\$ (330)	None	\$ 1,155

Depreciation was charged to the following governmental programs:

Instruction	\$ 3,160
Support administration	1,274
Operation and maintenance	1,091
Transportation	25,158
Unallocated	178,729
Total	<u>\$ 209,412</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2017, consisted of the following:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

On December 15, 2009, the District issued Refunding School Bonds in the amount of \$1,725,000, with interest rates varying from 3% to 5% to advance refund bonds in the amount of \$1,736,000, with interest rates varying from 5.5% to 5.75%. After paying issuance costs the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments until the bonds are called. The bonds were called on February 15, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$179,188.33. Interest is paid semi-annually and final maturity is through February 15, 2020. The balance remaining as of June 30, 2017, was \$540,000.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Compensated absences	\$ 96,644	\$ 5,105	\$ 12,101	\$ 89,648	
Bonds payable	715,000		175,000	540,000	\$ 175,000
	<u>\$ 811,644</u>	<u>\$ 5,105</u>	<u>\$ 187,101</u>	<u>\$ 629,648</u>	<u>\$ 175,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2018	\$ 175,000	\$ 25,250	\$ 200,250
2019	180,000	18,250	198,250
2020	185,000	9,250	194,250
	<u>\$ 540,000</u>	<u>\$ 52,750</u>	<u>\$ 592,750</u>

Bonds Authorized but Not Issued

As of June 30, 2017, the Board has \$0 of bonds authorized but not issued.

Other

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

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

For the year ended June 30, 2017, it is not necessary for the Board to establish a liability for arbitrage rebate.

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

NOTE 8: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 18A:66 to provide retirement benefits, death, disability, and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.20% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued) - years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2017, 2016, and 2015, were \$51,379, \$52,131, and \$45,356, respectively, equal to the required contributions for each year. The School District's share of TPAF for the years ending June 30, 2017, 2016, and 2015, were \$347,302, \$298,188, and \$222,132, respectively, paid by the State of New Jersey on behalf of the Board, which equaled the required contributions for each year.

Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District for the years ending June 30, 2017, 2016, and 2015; \$116,936, \$127,862, and \$120,307, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2017, 2016, and 2015, were \$2,623,571, \$2,591,993, and \$2,488,229, covered payroll was \$1,572,682, \$1,791,474, and \$1,719,816 for TPAF and \$468,219, \$432,732, and \$423,865 for PERS.

For the year ended June 30, 2017, the District recognized pension expense of \$213,268. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 318,802	
Net difference between expected and actual experience	24,974	
Net difference between projected and actual earnings on pension plan investments	86,132	
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 3,764
District contributions subsequent to the measurement date	51,379	
	\$ 481,287	\$ 3,764

\$51,379, 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8: PENSION FUNDS (CONTINUED)

Year Ended	Amount
June 30,	
2018	\$ 100,283
2019	100,283
2020	115,629
2021	91,340
2022	18,609
Thereafter	None
	<u>\$ 426,144</u>

Additional information – Collective balances at June 30, 2016 and 2015, are as follows:

	June 30, 2016	June 30, 2015
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	<u>29,617,131,759</u>	<u>22,447,996,119</u>
District's proportion	0.0057834113%	0.0060636352%

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contribution for the years ending June 30, 2017, 2016, and 2015, were \$5,085, \$1,852, and \$2,141, for covered employees.

NOTE 9: POST-EMPLOYMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits and the state contributed \$1.37 billion on

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 at: <http://www.nj.gov/treasury/pensions/pdf/financial/2016divisioncombined.pdf>.

NOTE 10: COMPENSATED ABSENCES

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

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

For the District-wide *Statement of Net Position* the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2017, is \$89,648. The liability for compensated absences in the Food Service Fund at June 30, 2017, is \$1,731.

NOTE 11: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance:

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the state. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	Interest Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2016-2017	\$ 21	\$ 5,327	\$ 2,240	\$ 106,391
2015-2016	60	4,744	5,149	103,283
2014-2015	60	4,451	2,257	103,628

NOTE 15: OPERATING LEASES

The District had a commitment to lease copy machines under non-cancelable operating leases for 60 months, which expires in December 2020. The monthly payment is \$463 a month. Total lease payments made during the year ended June 30, 2017, amounted to \$5,550.

Year Ended June 30,	Amount
2018	\$ 5,550
2019	5,550
2020	5,550
2021	2,313
	<u>\$ 18,963</u>

NOTE 16: MAINTENANCE RESERVE FUND

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

The maintenance reserve activity for June 30, 2017, was as follows:

Beginning balance, July 1, 2016	\$ 213,556
Withdrawals	(12,073)
Deposits	50,000
Ending balance, June 30, 2017	<u>\$ 251,483</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 17: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education, 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 District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual

General Fund budget certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The June 30, 2017, LRFP balance does not exceed the capital reserve balance.

Deposits	<u>200,000</u>
Ending balance, June 30, 2017	<u><u>\$ 200,000</u></u>

NOTE 18: FUND BALANCE APPROPRIATED

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

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

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

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2017.

Restricted Fund Balance:

Capital Reserve Account - The District has a \$200,000 capital reserve account at June 30, 2017.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 18: FUND BALANCE APPROPRIATED (CONTINUED)

Maintenance Reserve Account - The balance in the maintenance reserve account at June 30, 2017, was \$251,483. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA), (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2017, excess surplus created in FY 2016 of \$276,114 will be utilized for expenditures in the 2017-2018 budget, while excess surplus created in FY 2017 of \$72,711 is restricted and will be utilized for budget expenditures in 2018-2019.

Debt Service Fund - At June 30, 2017, there was \$0 fund balance.

Committed Fund Balance - The District had no committed fund balance at June 30, 2017.

Assigned Fund Balance - At June 30, 2017, the Board has assigned \$3,484 of General Fund balance to expenditures in the 2017-2018 budget. \$16,361 was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance - At June 30, 2017, the District has \$57,700 of unassigned fund balance in the General Fund.

NOTE 19: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017, is \$348,825.

NOTE 20: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State and federal sources funded approximately 48.9% and taxes funded 50% of the District's 2017-2018 governmental operations excluding capital projects.

NOTE 21: TAX ABATEMENTS

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 21: TAX ABATEMENTS (CONTINUED)

For a local school district Board of Education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Oldmans did not have any tax abatements for the year ended December 31, 2016.

NOTE 22: COMMITMENTS AND CONTINGENCIES

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

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

NOTE 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 and November 17, 2017, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule -
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,632,498		\$ 2,632,498	\$ 2,632,498	
Transportation fees	20,000		20,000	25,610	\$ 5,610
Interest on investments	5,000		5,000	1,892	(3,108)
Miscellaneous				22,165	22,165
Total - local sources	<u>2,657,498</u>		<u>2,657,498</u>	<u>2,682,165</u>	<u>24,667</u>
State sources:					
Transportation aid	136,526		136,526	136,526	
Equalization aid	959,479		959,479	959,479	
Special education categorical aid	147,233		147,233	147,233	
Security aid	28,642		28,642	28,642	
Adjustment aid	246,964		246,964	246,964	
School choice aid	517,495		517,495	517,495	
PARCC readiness aid	3,150		3,150	3,150	
Per pupil enrollment growth aid	3,150		3,150	3,150	
Professional learning community aid	3,300		3,300	3,300	
Nonpublic transportation aid				2,958	2,958
Teachers' pension and annuity fund (on-behalf non-budgeted)				189,049	189,049
TPAF post-retirement (on-behalf non-budgeted)				157,520	157,520
TPAF long-term disability insurance (on-behalf non-budgeted)				733	733
Reimbursed TPAF social security contributions (non-budgeted)				116,936	116,936
Total - state sources	<u>2,045,939</u>		<u>2,045,939</u>	<u>2,513,135</u>	<u>467,196</u>
Total revenues	<u>\$ 4,703,437</u>		<u>\$ 4,703,437</u>	<u>\$ 5,195,300</u>	<u>\$ 491,863</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 53,924	\$ (21,241)	\$ 32,683	\$ 32,462	\$ 221
Kindergarten	160,897	(3,409)	157,488	155,426	2,062
Grades 1-5	812,009	2,594	814,603	812,742	1,861
Grades 6-8	363,714	(6,291)	357,423	355,394	2,029
Regular programs - home instruction:					
Salaries of teachers	1,000	410	1,410	744	666
Regular programs - undistributed instruction:					
Other salaries for instruction	42,329	(42,329)			
Purchased professional - education services		1,500	1,500	150	1,350
Purchased technical services		600	600	210	390
Other purchased services (400-500 series)	47,749		47,749	42,128	5,621
General supplies	108,772	(25,505)	83,267	65,895	17,372
Textbooks	22,124		22,124	12,223	9,901
Total regular programs	1,612,518	(93,671)	1,518,847	1,477,374	41,473
Resource room:					
Salaries of teachers	112,940	3,800	116,740	115,627	1,113
Other salaries for instruction	68,641	(24,338)	44,303	43,370	933
General supplies	7,000	(1,300)	5,700	165	5,535
Textbooks	1,000		1,000		1,000
Total resource room	189,581	(21,838)	167,743	159,162	8,581
Total special education	189,581	(21,838)	167,743	159,162	8,581
Basic skills/remedial:					
Salaries of teachers	12,000	(12,000)			
Total basic skills/remedial	12,000	(12,000)			
School sponsored co-curricular activities:					
Salaries	10,450	590	11,040	10,028	1,012
Total school sponsored co-curricular activities	10,450	590	11,040	10,028	1,012
School sponsored athletics - instruction:					
Salaries	3,400	2,180	5,580	3,087	2,493
Purchased services (300-500 series)	2,800	935	3,735	3,735	
General supplies	500	(175)	325		325
Total school sponsored athletics - instruction	6,700	2,940	9,640	6,822	2,818
Total other instructional programs	29,150	(8,470)	20,680	16,850	3,830
Total - instruction	1,831,249	(123,979)	1,707,270	1,653,386	53,884

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state - regular	473,281	20,282	493,563	493,562	1
Tuition to Other LEA's within state - special	107,861	(30,584)	77,277	77,080	197
Tuition to county voc. school district - regular	157,538	(18,288)	139,250	139,249	1
Tuition to county special services district/ regional day schools	43,443	5,528	48,971	48,971	
Total undistributed expenditures - instruction	782,123	(23,062)	759,061	758,862	199
Attendance & social work					
Salaries	20,687	363	21,050	21,049	1
Total attendance & social work	20,687	363	21,050	21,049	1
Health services:					
Salaries	63,820	75	63,895	62,936	959
Purchased professional - technical services	2,400	9,033	11,433	11,290	143
Other purchased services (400-500 series)		234	234	233	1
Supplies and materials	1,450	1,932	3,382	3,380	2
Total health services	67,670	11,274	78,944	77,839	1,105
Related services:					
Salaries of other professional staff	30,410		30,410	30,410	
Purchased professional - education services		6,764	6,764	6,764	
General supplies	750		750	745	5
Total related services	31,160	6,764	37,924	37,919	5
Extraordinary services:					
Salaries instructional aides		67,541	67,541	67,540	1
Purchased professional - education services	10,000	17,541	27,541	27,541	
Total extraordinary services	10,000	85,082	95,082	95,081	1
Guidance services:					
Salaries of other professional staff	62,320	1,000	63,320	62,870	450
Supplies and materials	750	550	1,300	1,299	1
Total guidance services	63,070	1,550	64,620	64,169	451
Child study team:					
Purchased professional - educational services	9,000	(3,000)	6,000	5,605	395
Total child study team	9,000	(3,000)	6,000	5,605	395
Improvement of instructional services:					
Other salaries		150	150		150
Total improvement of instructional services		150	150		150

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	63,565	1	63,566	61,784	1,782
Purchased professional - technical services	33,034	(20,091)	12,943	2,698	10,245
Purchased services (400-500 series)	700		700		700
Supplies and materials	4,536		4,536	1,926	2,610
Total educational media services/school library	101,835	(20,090)	81,745	66,408	15,337
Instructional staff training:					
Salaries of supervisor of instruction	87,675	2,400	90,075	87,369	2,706
Salaries of secretarial and clerical assistants	14,033	(1,000)	13,033	12,998	35
Purchased professional - educational services	7,000	(5,027)	1,973	1,973	
Purchased services (400-500 series)	1,500	5,250	6,750	6,480	270
Supplies and materials	3,000	(373)	2,627		2,627
Total instructional staff training	113,208	1,250	114,458	108,820	5,638
Support services general administration:					
Salaries	47,323	400	47,723	43,022	4,701
Legal services	5,000	13,002	18,002	18,002	
Audit Fees	13,500	(1,350)	12,150	12,000	150
Other purchased professional services	1,500	2,300	3,800	3,763	37
Communications/telephone	5,300	(106)	5,194	5,107	87
BOE other purchased services	300	(12)	288	224	64
Other purchased services (400-500 series)	14,500	1,232	15,732	14,881	851
Supplies and materials	1,700	(500)	1,200	1,054	146
BOE Member dues/fees	5,000	265	5,265	5,261	4
Total support services general administration	94,123	15,231	109,354	103,314	6,040
Support services school administration:					
Salaries of principals/assistant principals	83,784		83,784	83,784	
Salaries of secretarial and clerical assistants	33,223	1,918	35,141	33,323	1,818
Other purchased services (400-500 series)	2,000		2,000		2,000
Supplies and materials	2,900	3,000	5,900	3,900	2,000
Total support services school administration	121,907	4,918	126,825	121,007	5,818
Central services:					
Salaries	120,865	(9,702)	111,163	91,340	19,823
Other purchased services (400-500 series)	10,500		10,500	7,030	3,470
Supplies and materials	2,500		2,500	1,108	1,392
Other objects	1,800		1,800	395	1,405
Total central services	135,665	(9,702)	125,963	99,873	26,090
Required maintenance:					
Cleaning, repair, and maintenance services	87,500	(10,834)	76,666	42,929	33,737
General supplies		4,222	4,222	3,189	1,033
Total required maintenance	87,500	(6,612)	80,888	46,118	34,770

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	106,467		106,467	104,739	1,728
Salaries of non-instructional aides		36,091	36,091	35,770	321
Purchased professional - technical services	22,000	1,802	23,802	23,062	740
Cleaning, repair and maintenance services	14,800	610	15,410	13,268	2,142
Other purchased property services	3,300	570	3,870	3,870	
Insurance	13,000		13,000	12,673	327
Miscellaneous other purchased services	950		950	754	196
General supplies	20,000	4,662	24,662	23,556	1,106
Energy (heat and electricity)	133,188	(662)	132,526	120,854	11,672
Total other operation & maintenance of plant services	313,705	43,073	356,778	338,546	18,232
Total operation & maintenance of plant services	401,205	36,461	437,666	384,664	53,002
Student transportation services:					
Salaries transportation aides		1,539	1,539		1,539
Salaries for pupil transportation - between home and school - regular	63,608	20,000	83,608	74,172	9,436
Salaries for pupil transportation - between home and school - special	5,000		5,000	1,127	3,873
Salaries for pupil transportation - other than between home and school	5,500		5,500	888	4,612
Cleaning, repair and maintenance services	27,182	11,485	38,667	38,666	1
Contracted services (other than between home and school) - vendors		3,000	3,000	2,783	217
Contracted services (regular students)					
ESC's and CTSA	60,000	(48,583)	11,417	64	11,353
Contracted services (special students)					
ESC's and CTSA		26,700	26,700	26,699	1
Aid in lieu - nonpublic	10,608	4,420	15,028	15,028	
Miscellaneous purchased service - transportation	6,000		6,000	3,822	2,178
Supplies and materials	38,750	(6,452)	32,298	18,299	13,999
Total student transportation services	216,648	12,109	228,757	181,548	47,209
Regular programs - instructional - employee benefits:					
Social security contributions	12,155	25,532	37,687	37,687	
Workmen's compensation	16,120		16,120	10,706	5,414
Health benefits	354,360	(54,571)	299,789	250,523	49,266
Tuition reimbursement	12,500		12,500	7,577	4,923
Other employee benefits	31,305	529	31,834	31,834	
Unused sick payment to terminated/retired staff	22,000	(19,956)	2,044		2,044
Total regular programs instructional - employee benefits	448,440	(48,466)	399,974	338,327	61,647
Special programs - instructional - employee benefits:					
Social security contributions	3,528		3,528	1,973	1,555
Workmen's compensation	1,427		1,427	1,317	110
Health benefits	57,803	11,715	69,518	69,517	1
Other employee benefits	3,150		3,150	3,038	112
Total special programs instructional - employee benefits	65,908	11,715	77,623	75,845	1,778

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health services - employee benefits:					
Workmen's compensation	574		574	478	96
Health benefits	23,934	(2,000)	21,934	21,934	
Other employee benefits	1,200		1,200	1,200	
Total health services - employee benefits	25,708	(2,000)	23,708	23,612	96
Related services - employee benefits:					
Workmen's compensation	274		274	228	46
Other employee benefits	600		600	600	
Total related services - employee benefits	874		874	828	46
Guidance services - employee benefits					
Social security contributions	2,503	(2,369)	134		134
Workmen's compensation	295	180	475	475	
Health benefits	17,955	(2,892)	15,063	15,000	63
Other employee benefits	458	742	1,200	1,200	
Total guidance services - employee benefits	21,211	(4,339)	16,872	16,675	197
Educational media - employee benefits:					
Social security contributions	3,803		3,803	3,529	274
Workmen's compensation	1,242		1,242	464	778
Health benefits	23,934	16,423	40,357	24,761	15,596
Other employee benefits	1,280		1,280	1,040	240
Total educational media services/school library - employee benefits	30,259	16,423	46,682	29,794	16,888

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration - employee benefits:					
Social security contributions	338		338	253	85
Workmen's compensation	426		426	400	26
Total support services general administration - employee benefits	764		764	653	111
Support services school administration - employee benefits:					
Social security contributions	2,542		2,542	1,740	802
Workmen's compensation	299	329	628	628	
Health benefits	17,955	23,406	41,361	41,360	1
Other employee benefits	493		493	493	
Total support services school administration - employee benefits	21,289	23,735	45,024	44,221	803
Central services - employee benefits:					
Social security contributions	3,502	2,500	6,002	5,292	710
Workmen's compensation	1,164	(329)	835	335	500
Health benefits	16,917	(7,400)	9,517	4,117	5,400
Other employee benefits	3,642	(2,500)	1,142	910	232
Total central services - employee benefits	25,225	(7,729)	17,496	10,654	6,842
Operation and maintenance of plant services - employee benefits:					
Social security contributions	8,145		8,145	7,952	193
Workmen's compensation	2,928		2,928	2,750	178
Health benefits	70,126		70,126	66,055	4,071
Other employee benefits	1,950		1,950	1,950	
Total operation and maintenance of plant services - employee benefits	83,149		83,149	78,707	4,442
Student transportation services - employee benefits:					
Social security contributions	5,669	(985)	4,684	4,011	673
Workmen's compensation	2,038		2,038	1,707	331
Health benefits	14,960		14,960	14,002	958
Other employee benefits	1,288		1,288	1,288	
Total student transportation services - employee benefits	23,955	(985)	22,970	21,008	1,962
Total allocated benefits	746,782	(11,646)	735,136	640,324	94,812
Unallocated benefits:					
Other retirement - PERS	59,146	(2,048)	57,098	57,098	
Unused sick payment to terminated/retired staff		3,000	3,000	3,000	
Total unallocated benefits	59,146	952	60,098	60,098	

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				189,049	(189,049)
TPAF post-retirement (on-behalf non-budgeted)				157,520	(157,520)
TPAF long-term disability insurance (on-behalf non-budgeted)				733	(733)
Reimbursed TPAF social security contributions (non-budgeted)				116,936	(116,936)
Total non-budgeted				464,238	(464,238)
Total personal services - employee benefits	805,928	(10,694)	795,234	1,164,660	(369,426)
Total undistributed expenditures	2,974,229	108,604	3,082,833	3,290,818	(207,985)
Total expenditures - current expense	4,805,478	(15,375)	4,790,103	4,944,204	(154,101)
CAPITAL OUTLAY:					
Equipment: - undistributed expenditures:					
General administration	2,000		2,000		2,000
Operation and maintenance		15,375	15,375	15,375	
Total equipment	2,000	15,375	17,375	15,375	2,000
Facilities acquisition and construction services:					
Legal services	2,222		2,222	805	1,417
Architect and engineering	8,550		8,550	7,700	850
Construction services	221,931	12,073	234,004	234,004	
Total facilities acquisition and construction services	232,703	12,073	244,776	242,509	2,267
Total capital outlay	234,703	27,448	262,151	257,884	4,267
Total expenditures	\$ 5,040,181	\$ 12,073	\$ 5,052,254	\$ 5,202,088	\$ (149,834)
Excess (deficiency) of revenues over (under) expenditures	\$ (336,744)	\$ (12,073)	\$ 324,671	\$ (6,788)	\$ 342,029
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(336,744)	(12,073)	324,671	(6,788)	342,029
Other financing sources (uses)					
Maintenance reserve to required maintenance		(12,073)	(12,073)		
Total other financing sources (uses)		(12,073)	(12,073)		
Fund balances - July 1	1,079,899		1,079,899	1,079,899	
Fund balances - June 30	\$ 743,154		\$ 1,416,643	\$ 1,073,111	\$ 342,029

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 251,483	
Capital reserve				200,000	
Excess surplus - designated for subsequent year's expenditures				276,114	
Excess surplus - current year				72,711	
Assigned Fund Balance:					
Year-end encumbrances				16,361	
Designated for subsequent year's expenditures				3,484	
Unassigned Fund Balance					
				<u>252,958</u>	
				1,073,111	
Reconciliation to Governmental Fund Statements (GAAP):					
Last state aid payment not recognized on GAAP Basis				<u>(195,258)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 877,853</u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule -
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 85,069	\$ 82,162	\$ 167,231	\$ 150,591	\$ 16,640
Local sources		796	796	788	8
Total revenues	<u>\$ 85,069</u>	<u>\$ 82,958</u>	<u>\$ 168,027</u>	<u>\$ 151,379</u>	<u>\$ 16,648</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers		\$ 16,800	\$ 16,800	\$ 7,973	\$ 8,827
Other salaries for instruction		22,968	22,968	21,514	1,454
Purchased professional - technical services		8,635	8,635	8,635	
General supplies		18,738	18,738	18,730	8
Total Instruction		<u>67,141</u>	<u>67,141</u>	<u>56,852</u>	<u>10,289</u>
Support services:					
Personal services - employee benefits		7,616	7,616	1,646	5,970
Purchased professional - educational services	\$ 85,069	5,182	90,251	90,251	
Other purchased services (400-500 series)		3,019	3,019	2,630	\$ 389
Total support services	<u>85,069</u>	<u>15,817</u>	<u>100,886</u>	<u>94,527</u>	<u>6,359</u>
Total expenditures	<u>\$ 85,069</u>	<u>\$ 82,958</u>	<u>\$ 168,027</u>	<u>\$ 151,379</u>	<u>\$ 16,648</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2017

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

	General Fund		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 5,195,300	[C-2]	\$ 151,379
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(1,396)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(195,258)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	196,162		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	[B-2] \$ 5,196,204	[B-2]	\$ 149,983
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 5,202,088	[C-2]	\$ 151,379
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			(1,396)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds	[B-2] \$ 5,202,088	[B-2]	\$ 149,983

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Fiscal Year Ended			
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0057834113%	0.0060636352%	0.0055017945%	0.0056961066%
District's proportionate share of the net pension liability (asset)	\$ 1,712,881	\$ 1,361,165	\$ 1,030,086	\$ 1,088,639
District's covered-employee payroll	432,732	423,865	372,589	379,031
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	395.83%	321.13%	276.47%	287.22%
Plan fiduciary net position as a percentage of the total pension liability	40.13%	47.92%	52.08%	48.72%
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

	Fiscal Year Ended			
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 51,972	\$ 52,131	\$ 45,356	\$ 42,919
Contributions in relation to the contractually required contribution	51,972	52,131	45,356	42,919
Contribution deficiency (excess)	None	None	None	None
District's covered-employee payroll	\$ 432,732	\$ 423,865	\$ 372,589	\$ 379,031
Contributions as a percentage of covered-employee payroll	12.01%	12.30%	12.17%	11.32%
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

	Fiscal Year Ended			
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0170006761%	0.0158790581%	0.0151275225%	0.0146688586%
District's proportionate share of the net pension liability (asset)	\$ 13,373,814	\$ 10,036,243	\$ 8,085,168	\$ 7,413,526
District's covered-employee payroll	1,791,474	1,719,816	1,693,862	1,581,910
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	746.53%	583.56%	477.32%	468.64%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015, measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.65%

Pre-Retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Total Brought Forward Ex. E-1a	CAP Grant	Rural Education Achievement Program	Title I Part A	Totals	
					FY 2017	FY 2016
REVENUES:						
Federal sources	\$ 92,881		\$ 26,577	\$ 31,133	\$ 150,591	\$ 167,778
Local sources		\$ 788			788	
Total revenues	92,881	788	26,577	31,133	151,379	167,778
EXPENDITURES:						
Instruction:						
Salaries of teachers				7,973	7,973	20,189
Other salaries for instruction				21,514	21,514	15,862
Purchased professional - educational services						1,276
Purchased professional - technical services			8,635		8,635	
General supplies		788	17,942		18,730	22,722
Total instruction		788	26,577	29,487	56,852	60,049
Support services:						
Personal services - employee benefits				1,646	1,646	13,038
Purchased professional - educational services	90,251				90,251	83,735
Other purchased services (400-500 series)	2,630				2,630	10,956
Total support services	92,881			1,646	94,527	107,729
Total expenditures	\$ 92,881	\$ 788	\$ 26,577	\$ 31,133	\$ 151,379	\$ 167,778

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	IDEA - Part B - Basic	IDEA Preschool	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:					
Federal sources	\$ 83,658	\$ 1,411	\$ 2,170	\$ 5,642	\$ 92,881
Local sources					
Total revenues	<u>83,658</u>	<u>1,411</u>	<u>2,170</u>	<u>5,642</u>	<u>92,881</u>
EXPENDITURES:					
Support services:					
Purchased professional - educational services	83,658	1,411	2,170	3,012	90,251
Other purchased services (400-500 series)				2,630	2,630
Total support services	<u>83,658</u>	<u>1,411</u>	<u>2,170</u>	<u>5,642</u>	<u>92,881</u>
Total expenditures	<u>\$ 83,658</u>	<u>\$ 1,411</u>	<u>\$ 2,170</u>	<u>\$ 5,642</u>	<u>\$ 92,881</u>

PROPRIETARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2017

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2017	FY 2016
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,081	\$ 30,278	\$ 41,359	\$ 64,728
Accounts receivable:				
State	39		39	46
Federal	1,815		1,815	2,066
Intergovernmental				33
Other	850		850	
Inventory	1,458		1,458	5,093
Total current assets	15,243	30,278	45,521	71,966
Noncurrent assets:				
Machinery and equipment	132,400	6,600	139,000	139,000
Less: accumulated depreciation	(132,333)	(5,445)	(137,778)	(137,315)
Total noncurrent assets	67	1,155	1,222	1,685
Total assets	15,310	31,433	46,743	73,651
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable				129
Interfund accounts payable - general fund	762		762	
Unearned revenue:				
Lunches	2,567		2,567	
USDA commodities	280		280	4,681
Compensated absences	1,731		1,731	1,954
Total current liabilities	5,340		5,340	6,764
Fund equity:				
Invested in capital assets, net of related debt	67	1,155	1,222	1,685
Unrestricted	9,903	30,278	40,181	65,202
Total net position	\$ 9,970	\$ 31,433	\$ 41,403	\$ 66,887

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

	Business-type Activities		Totals	
	Food Service	Latchkey Program	FY 2017	FY 2016
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs	\$ 30,820		\$ 30,820	\$ 36,449
Daily sales - non-reimbursable programs				3,944
Miscellaneous	84			
Tuition		\$ 44,100	44,100	29,988
Total operating revenue	30,904	44,100	74,920	70,381
OPERATING EXPENSES:				
Salaries	41,711	29,567	71,278	59,016
Employee benefits	14,355	2,269	16,624	4,700
Supplies and materials	4,197	3,360	7,557	6,598
Miscellaneous purchased services	15,175		15,175	8,500
Depreciation	133	330	463	463
Cost of sales	38,985		38,985	43,950
Total operating expenses	114,556	35,526	150,082	123,227
Operating income (loss)	(83,652)	8,574	(75,162)	(52,846)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	837		837	1,071
Federal sources:				
National school lunch program	29,142		29,142	36,573
School breakfast program	7,895		7,895	9,766
National snack program	289		289	371
Food distribution program	11,385		11,385	13,808
Interest revenue	46		46	60
Total non-operating revenues (expenses)	49,594		49,594	61,649
Net income (loss)	(34,058)	8,574	(25,484)	8,803
Total net position - July 1	44,028	22,859	66,887	58,084
Total net position - June 30	\$ 9,970	\$ 31,433	\$ 41,403	\$ 66,887

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2017	FY 2016
Cash flows from operating activities:				
Receipts from customers	\$ 32,621	\$ 44,100	\$ 76,721	\$ 70,577
Payments to suppliers	(47,776)	(3,451)	(51,227)	(48,366)
Payments to employees	(41,934)	(29,567)	(71,501)	(58,917)
Payments for employee benefits	(14,355)	(2,269)	(16,624)	(4,700)
Net cash provided (used) by operating activities	(71,444)	8,813	(62,631)	(41,406)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	38,420		38,420	49,798
Net cash provided by non-capital financing activities	38,420		38,420	49,798
Cash flows from investing activities:				
Interest income	46		46	60
Payments to/from general fund	796		796	37
Net cash provided by investing activities	842		842	97
Net increase in cash and cash equivalents	(32,182)	8,813	(23,369)	8,489
Cash and cash equivalents - July 1	43,263	21,465	64,728	56,239
Cash and cash equivalents - June 30	\$ 11,081	\$ 30,278	\$ 41,359	\$ 64,728
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (83,652)	\$ 8,574	\$ (75,078)	\$ (52,846)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	133	330	463	463
Food distribution program	11,385		11,385	13,808
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(850)		(850)	8
(Increase) decrease in inventory	3,635		3,635	1,070
Increase (decrease) in accounts payable	(38)	(91)	(129)	(3,002)
Increase (decrease) in deferred revenue	(1,834)		(1,834)	(968)
Increase (decrease) in compensated absences	(223)		(223)	61
	\$ (71,444)	\$ 8,813	\$ (62,631)	\$ (41,406)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2017

		Totals	
		FY 2017	FY 2016
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 8,667	\$ 7,794
Total assets		\$ 8,667	\$ 7,794
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable			\$ 330
Total current liabilities			330
NET POSITON			
Unrestricted		\$ 8,667	7,464
Total net position		\$ 8,667	\$ 7,464

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	Totals	
	FY 2017	FY 2016
OPERATING REVENUES:		
Local sources:		
Other charges and fees	\$ 48,860	\$ 73,000
Total operating revenue	48,860	73,000
OPERATING EXPENSES:		
Salaries	31,909	60,460
Employee benefits	8,568	10,739
Other purchased services	7,180	605
Supplies and materials		326
Total operating expenses	47,657	72,130
Operating income (loss)	1,203	870
Total net position - July 1	7,464	6,594
Total net position - June 30	\$ 8,667	\$ 7,464

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Cash Flows
 For the Fiscal Year Ended June 30, 2017

	Totals	
	FY 2017	FY 2016
Cash flows from operating activities:		
Receipts from customers	\$ 48,860	\$ 73,000
Payments to suppliers	(7,510)	(931)
Payments to employees	(31,909)	(60,130)
Payments for employee benefits	(8,568)	(10,739)
Net cash provided (used) by operating activities	<u>873</u>	<u>1,200</u>
Net increase in cash and cash equivalents	873	1,200
Cash and cash equivalents - July 1	7,794	6,594
Cash and cash equivalents - June 30	<u>\$ 8,667</u>	<u>\$ 7,794</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,203	\$ 870
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable	(330)	330
	<u>\$ 873</u>	<u>\$ 1,200</u>

FIDUCIARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Combining Statement of Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2017

	Trust Funds		Agency Funds	Totals	
	Scholarship Trust Fund	Unemployment Trust Fund		FY 2017	FY 2016
ASSETS					
Cash and cash equivalents	\$ 1,728	\$ 107,114	\$ 91,520	\$ 200,362	\$ 178,962
Interfund receivable:					
Agency					63,088
Payroll					5
Unemployment trust			723	723	
Total assets	<u>\$ 1,728</u>	<u>107,114</u>	<u>\$ 92,243</u>	<u>201,085</u>	<u>242,055</u>
LIABILITIES					
Payroll deductions and withholdings			\$ 39,498	39,498	33,585
Due to student groups			36,402	36,402	31,743
Interfund payable:					
Unemployment trust					63,088
Interfund payables:					
Agency fund		723		723	
General fund			16,343	16,343	8,680
Total liabilities		<u>723</u>	<u>\$ 92,243</u>	<u>92,966</u>	<u>137,096</u>
NET POSITION					
Held in Trust for:					
Scholarship awards	\$ 1,728			1,728	1,676
Unemployment claims		106,391		106,391	103,283
Total net position	<u>\$ 1,728</u>	<u>\$ 106,391</u>		<u>\$ 108,119</u>	<u>\$ 104,959</u>

EXHIBIT H-2

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2017

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2017	FY 2016
ADDITIONS:				
Contributions:				
Employee payroll deductions		\$ 5,327	\$ 5,327	\$ 4,744
Other	\$ 50		50	50
Total contributions	50	5,327	5,377	4,794
Investment earnings:				
Interest	2	21	23	62
Total investment earnings	2	21	23	62
Total additions	52	5,348	5,400	4,856
DEDUCTIONS:				
Scholarships awarded				
Unemployment claims		2,240	2,240	5,149
Total deductions		2,240	2,240	5,149
Change in net position	52	3,108	3,160	(293)
Net position - beginning of year	1,676	103,283	104,959	105,252
Net position - end of year	\$ 1,728	\$ 106,391	\$ 108,119	\$ 104,959

EXHIBIT H-3

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
ACTIVITIES:				
Oldmans School	\$ 31,743	\$ 40,659	\$ 36,000	\$ 36,402

OLDMANS TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS				
Cash and cash equivalents	\$ 105,348	\$ 3,401,661	\$ 3,451,891	\$ 55,118
Interfund receivable				
General fund	5		5	
Unemployment trust		723		723
Total assets	<u>\$ 105,353</u>	<u>\$ 3,402,384</u>	<u>\$ 3,451,896</u>	<u>\$ 55,841</u>
LIABILITIES				
Employees' net pay		\$ 1,535,793	\$ 1,535,793	
Payroll deductions and withholdings	\$ 33,585	1,835,325	1,829,412	\$ 39,498
Interfund payable:				
Unemployment trust	63,088		63,088	
Interfund payable				
General fund	8,680	31,266	23,603	16,343
Total liabilities	<u>\$ 105,353</u>	<u>\$ 3,402,384</u>	<u>\$ 3,451,896</u>	<u>\$ 55,841</u>

LONG-TERM DEBT

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Refunded/ Issued	Retired	Balance June 30, 2017
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	\$ 1,725,000	02/15/18	\$ 175,000	4.000%	\$ 715,000	None	\$ 175,000	\$ 540,000
			02/15/19	180,000	5.000%				
			02/15/20	185,000	5.000%				

OLDMANS TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 152,782		\$ 152,782	\$ 152,782	
State sources:					
Debt service aid type II	54,468		54,468	54,468	
Total revenues	<u>\$ 207,250</u>		<u>\$ 207,250</u>	<u>\$ 207,250</u>	
EXPENDITURES:					
Regular debt service:					
Interest	\$ 32,250		\$ 32,250	\$ 32,250	
Redemption of principal	175,000		175,000	175,000	
Total regular debt service	<u>207,250</u>		<u>207,250</u>	<u>207,250</u>	
Total expenditures	<u>\$ 207,250</u>		<u>\$ 207,250</u>	<u>\$ 207,250</u>	

**STATISTICAL SECTION
(UNAUDITED)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Net Position By Component
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2017
 Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Invested in capital assets, net of related debt	\$ 2,852,157	\$ 3,044,184	\$ 3,209,371	\$ 3,243,327	\$ 3,279,322	\$ 3,481,620	\$ 3,818,129	\$ 4,230,078	\$ 4,376,618	\$ 4,581,163
Restricted	99,669	268,479	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153
Unrestricted	211,077	28,780	5,455	230,633	12,406	(2,562)	(26,638)	(1,087,406)	(1,105,327)	(1,258,639)
Total governmental activities net position	\$ 3,162,903	\$ 3,341,443	\$ 3,577,543	\$ 4,037,196	\$ 4,234,707	\$ 4,317,298	\$ 4,520,307	\$ 3,817,623	\$ 4,097,706	\$ 4,142,677
Business-type activities:										
Invested in capital assets, net of related debt	\$ 66,628	\$ 56,678	\$ 46,728	\$ 41,758	\$ 32,068	\$ 16,050	\$ 7,075	\$ 2,148	\$ 3,035	\$ 1,222
Unrestricted	22,802	20,539	20,573	21,633	28,687	35,029	49,623	55,936	65,202	40,181
Total business-type activities net position	\$ 89,430	\$ 77,217	\$ 67,301	\$ 63,391	\$ 60,755	\$ 51,079	\$ 56,698	\$ 58,084	\$ 68,237	\$ 41,403
District-wide:										
Invested in capital assets, net of related debt	\$ 2,918,786	\$ 3,100,862	\$ 3,256,099	\$ 3,285,085	\$ 3,311,390	\$ 3,497,670	\$ 3,825,204	\$ 4,232,226	\$ 4,379,653	\$ 4,582,385
Restricted	99,669	268,479	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153
Unrestricted	233,879	49,319	26,028	252,266	41,093	32,467	22,985	(1,031,470)	(1,040,125)	(1,218,458)
Total district-wide net position	\$ 3,252,333	\$ 3,418,660	\$ 3,644,844	\$ 4,100,587	\$ 4,295,462	\$ 4,368,377	\$ 4,577,005	\$ 3,875,707	\$ 4,165,943	\$ 4,184,080

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Changes In Net Position
 Last Ten Years
 For the Fiscal Year Ended June 30, 2017
 Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,285,847	\$ 1,211,994	\$ 1,042,066	\$ 948,214	\$ 1,144,606	\$ 1,264,628	\$ 1,393,883	\$ 1,480,751	\$ 1,555,267	\$ 1,472,271
Special education	256,001	283,455	348,201	227,493	222,596	261,094	250,304	254,633	281,458	216,779
Other special education	29,018	32,026	59,733	69,045	69,358	1,320	17,218	29,515	15,043	11,938
Other instruction	9,926	12,433	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822
Support services:										
Student & instruction and related services	1,563,279	1,370,822	1,419,029	1,265,628	1,278,333	1,330,864	1,307,777	922,942	1,126,760	1,331,215
General administration	104,775	116,552	108,446	102,771	96,075	86,535	150,485	150,538	165,980	103,314
School administrative services	58,461	41,116	39,423	33,588	40,864	85,018	33,154	35,925	36,579	121,423
Central services	188,333	159,339	159,199	176,146	165,199	179,755	195,157	183,050	184,248	148,236
Administrative information technology		4,000	3,106							
Plant operations and maintenance	304,163	364,242	353,448	419,274	554,972	452,740	521,471	494,033	354,303	384,686
Pupil transportation	196,908	260,379	296,860	235,537	219,504	161,476	150,701	198,103	190,855	203,937
Employee benefits	900,862	818,873	876,098	777,928	731,242	883,170	893,119	969,171	1,156,265	1,326,799
Interest on long-term debt	119,416	113,049	122,117	71,817	67,018	61,542	54,942	48,267	41,467	34,592
Capital outlay		2,154	27,361	6,455	1,998	103,059	4,777	13,793	16,485	16,585
Unallocated depreciation	192,782	134,808	127,377	129,200	126,983	199,277	160,932	173,886	174,472	178,729
Disposal of capital assets	1,484									
Amortization of debt issuance costs	1,332									
Total governmental activities expenses	5,212,585	4,925,242	4,998,315	4,476,766	4,735,195	5,085,028	5,152,504	4,973,618	5,318,808	5,557,326

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2017
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Food service	119,301	118,909	105,420	91,193	100,238	112,847	103,682	103,676	95,399	114,556
Childcare	27,959	28,437	14,750	14,508	18,792	18,025	22,823	21,489	27,828	35,526
Total business-type activities expense	147,260	147,346	120,170	105,701	119,030	130,872	126,505	125,165	123,227	150,082
Total district expenses	\$ 5,359,846	\$ 5,072,588	\$ 5,118,485	\$ 4,582,467	\$ 4,854,225	\$ 5,215,900	\$ 5,279,009	\$ 5,098,783	\$ 5,442,035	\$ 5,707,408
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Shared services	\$ 107,984	\$ 95,152	\$ 101,900	\$ 107,000	\$ 108,000	\$ 115,000	\$ 129,364	\$ 126,000	\$ 73,000	\$ 48,860
Operating grants and contributions	136,504	140,888	154,694	134,333	124,661	166,728	150,263	157,503	167,778	149,983
Total governmental activities program revenues	244,488	236,040	256,594	241,333	232,661	281,728	279,627	283,503	240,778	198,843
Business-type activities:										
Charges for services:										
Food service	46,988	42,925	41,355	46,376	50,257	47,009	41,739	43,797	40,393	30,904
Childcare	30,657	25,143	16,274	9,537	19,367	19,068	34,926	24,601	29,988	44,100
Operating grants and contributions	39,068	38,644	36,754	37,330	43,205	52,878	55,421	58,099	61,589	49,548
Total business-type activities program revenues	116,712	106,712	94,383	93,243	112,829	118,955	132,086	126,497	131,970	124,552
Total district program revenue	\$ 361,200	\$ 342,752	\$ 350,977	\$ 334,576	\$ 345,490	\$ 400,683	\$ 411,713	\$ 410,000	\$ 372,748	\$ 323,395
Net (expense) revenue:										
Governmental activities	\$ (4,968,098)	\$ (4,689,202)	\$ (4,741,721)	\$ (4,235,433)	\$ (4,502,534)	\$ (4,803,300)	\$ (4,872,877)	\$ (4,690,115)	\$ (5,078,030)	\$ (5,358,483)
Business-type activities	(30,548)	(40,634)	(25,787)	(12,458)	(6,201)	(11,917)	5,581	1,332	8,743	(25,530)
Total district-wide net expense	\$ (4,998,646)	\$ (4,729,836)	\$ (4,767,508)	\$ (4,247,891)	\$ (4,508,735)	\$ (4,815,217)	\$ (4,867,296)	\$ (4,688,783)	\$ (5,069,287)	\$ (5,384,013)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2017
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 2,602,464	\$ 2,634,769	\$ 2,532,249	\$ 2,493,989	\$ 2,357,014	\$ 2,398,882	\$ 2,437,372	\$ 2,456,466	\$ 2,663,290	\$ 2,632,498
Taxes levied for debt service	175,918	171,351	168,992	157,935	151,826	165,167	160,301	159,122	154,109	152,782
Unrestricted grants and contributions	2,140,962	2,046,255	2,067,184	1,905,490	2,040,483	2,131,480	2,293,664	2,387,484	2,500,705	2,568,507
Tuition charges			2,000	87,602						
Transportation charges		20,204	30,218	29,485	27,280	32,249	22,560	25,395	15,050	25,610
Investment earnings		9,992	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892
Miscellaneous income	58,004	15,216	94,047	20,373	123,653	158,898	29,438	28,886	19,969	22,165
Loss on disposal of assets		(1,862)	(15,505)			(1,188)		(24,685)		
Premium on issuance of refunding bonds			110,667							
Other								(1,098)		
Transfers	(25,492)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)				
Total governmental activities	4,951,856	4,867,742	4,977,821	4,695,086	4,700,045	4,885,891	4,945,212	5,033,151	5,358,113	5,403,454
Business-type activities:										
Miscellaneous income	639	238	53	57	61	39	38	54	60	46
Transfers	25,492	28,183	15,818	3,296	3,504	2,202				
Investment in fixed assets				6,455					1,350	
Loss on disposal of assets				(1,260)						
Total business-type activities	26,132	28,421	15,871	8,548	3,565	2,241	38	54	1,410	46
Total district-wide	\$ 4,977,987	\$ 4,896,163	\$ 4,993,692	\$ 4,703,634	\$ 4,703,610	\$ 4,888,132	\$ 4,945,250	\$ 5,033,205	\$ 5,359,523	\$ 5,403,500
Change in net position										
Governmental activities	\$ (16,242)	\$ 178,540	\$ 236,100	\$ 459,653	\$ 197,511	\$ 82,591	\$ 72,335	\$ 343,036	\$ 280,083	\$ 44,971
Business-type activities	(4,416)	(12,213)	(9,916)	(3,910)	(2,636)	(9,676)	5,619	1,386	10,153	(25,484)
Total district	\$ (20,658)	\$ 166,327	\$ 226,184	\$ 455,743	\$ 194,875	\$ 72,915	\$ 77,954	\$ 344,422	\$ 290,236	\$ 19,487

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2017
 Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Reserved	\$ 121,141	\$ 300,817	\$ 356,886							
Unreserved	316,849	111,541	109,370							
Restricted				\$ 461,900	\$ 462,893	\$ 439,124	\$ 344,807	\$ 335,315	\$ 557,920	\$ 800,308
Assigned				282,395	480,086	399,116	384,009	339,636	268,495	19,845
Unrestricted				113,197	101,213	85,074	64,458	55,020	57,322	57,700
Total general fund	<u>\$ 437,990</u>	<u>\$ 412,358</u>	<u>\$ 466,256</u>	<u>\$ 857,492</u>	<u>\$ 1,044,192</u>	<u>\$ 923,314</u>	<u>\$ 793,274</u>	<u>\$ 729,971</u>	<u>\$ 883,737</u>	<u>\$ 877,853</u>
All other governmental funds:										
Unreserved, reported in:										
Debt service fund	\$ 9,527	\$ 5,370	\$ 28,489	\$ 23,119						
Total all other governmental funds	<u>\$ 9,527</u>	<u>\$ 5,370</u>	<u>\$ 28,489</u>	<u>\$ 23,119</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES:										
Tax levy	\$ 2,778,382	\$ 2,806,120	\$ 2,701,241	\$ 2,651,924	\$ 2,508,840	\$ 2,564,049	\$ 2,597,673	\$ 2,615,588	\$ 2,817,399	\$ 2,785,280
Tuition charges	19,892		2,000	87,602						
Transportation charges		20,204	30,218	29,485	27,280	32,249	22,560	25,395	15,050	25,610
Interest earnings	31,317	9,992	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892
Miscellaneous	24,779	15,716	94,447	20,373	123,653	159,898	29,938	28,886	19,969	22,953
State sources	2,145,747	2,046,255	1,864,331	1,905,490	1,980,303	2,131,480	2,293,664	2,387,484	2,500,705	2,568,507
Federal sources	131,719	140,388	357,147	134,333	184,841	165,728	149,763	157,503	167,778	149,195
Total revenue	5,131,836	5,038,675	5,053,171	4,832,715	4,828,210	5,056,009	5,095,475	5,216,437	5,525,891	5,553,437
EXPENDITURES:										
Instruction:										
Regular	1,285,847	1,198,004	1,035,449	975,562	1,132,426	1,258,053	1,397,932	1,473,371	1,545,358	1,477,374
Special	256,001	281,312	349,051	228,270	232,265	258,209	249,514	257,525	279,984	216,014
Other	29,018	32,026	59,733	69,045	69,358	1,320	17,218	27,555	16,638	10,028
School sponsored/other instructional	9,926	12,433	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822
Undistributed:										
Student & instruction related services	1,563,279	1,367,291	1,417,888	1,264,825	1,267,927	1,338,967	1,303,087	921,887	1,130,201	1,328,633
General administration	104,775	114,138	106,666	102,801	97,105	85,859	148,625	150,795	165,199	103,314
School administration	58,461	40,412	38,873	33,091	41,981	86,535	32,666	33,691	36,150	121,007
Central services	92,232	95,433	97,718	100,584	109,080	111,664	115,916	116,521	125,561	99,873
Administration information technology	4,000	4,000	3,106							
Operations and maintenance of plant services	304,163	331,865	329,598	394,434	504,307	402,177	465,738	462,049	352,629	384,664
Student transportation	196,908	239,954	280,036	213,238	192,741	158,597	147,514	164,865	161,803	181,548
On-behalf TPAF pension contributions	249,128	110,750	112,675	107,820	142,780	201,960	168,925	222,132	298,188	347,302
Reimbursed TPAF social security contributions	125,611	117,856	117,609	108,072	111,116	119,034	124,177	120,307	127,962	116,936
Employee benefits	527,639	590,267	645,814	562,036	477,346	562,176	600,017	627,355	701,743	700,672
Capital outlay		249,870	116,252	124,604	42,396	351,534	218,152	465,728	202,033	257,884
Debt service expenditures										
Principal	135,000	140,000	165,000	160,000	160,000	165,000	165,000	170,000	170,000	175,000
Interest	122,264	114,670	69,017	68,650	63,850	59,050	52,450	45,850	39,050	32,250
Total expenditures	5,064,250	5,040,281	4,960,336	4,526,702	4,661,125	5,174,685	5,225,515	5,278,642	5,372,125	5,559,321

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess deficiency of revenues over (under) expenditures	67,586	(1,606)	(44,366)	306,013	167,085	(118,676)	(130,040)	(62,205)	153,766	(5,884)
Other financing sources (uses)										
Prior year receivable canceled								(1,098)		
Capital leases				83,149						
Transfers out	(145,617)	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)	(2,202)			
Transfers in	120,125									
Total other financing sources (uses)	(25,492)	(28,183)	(15,818)	79,853	(3,504)	(2,202)	(2,202)	(1,098)		
Net change in fund balance	<u>\$ 42,094</u>	<u>\$ (29,789)</u>	<u>\$ (60,184)</u>	<u>\$ 385,866</u>	<u>\$ 163,581</u>	<u>\$ (120,878)</u>	<u>\$ (132,242)</u>	<u>\$ (63,303)</u>	<u>\$ 153,766</u>	<u>\$ (5,884)</u>
Debt service as a percentage of noncapital expenditures	5.08%	5.32%	4.83%	5.19%	4.85%	4.65%	4.34%	4.48%	4.04%	3.91%

Source: District Records

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

Fiscal Year Ended June 30,	Prior Year Refunds	Miscellaneous	Sale of Equipment	Forfeiture of 125 Plan Exp.	Annual Totals
2008	\$ 18,137	\$ 1,691			\$ 19,828
2009	1,749	149	\$ 13,318		15,216
2010	73,355	1,125		\$ 9,276	83,756
2011	12,725	3		7,645	20,373
2012	112,438	1,000		10,215	123,653
2013	150,423	209		8,266	158,898
2014	15,208	1,000	13,230		29,438
2015	3,281	1,000	2,950	21,655	28,886
2016	10,466	1,000		8,503	19,969
2017	10,000	3,989		8,176	22,165
	<u>\$ 407,782</u>	<u>\$ 11,166</u>	<u>\$ 29,498</u>	<u>\$ 73,736</u>	<u>\$ 522,182</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2008	3,506,700	53,707,900	10,864,800	3,164,670	5,218,400	35,137,370	0	111,599,840	22,778,300	363,147	111,962,987	166,934,527	2.4660
2009	4,577,310	54,299,400	10,813,600	3,032,070	6,695,000	35,137,370	0	114,554,750	27,958,100	339,607	114,894,357	195,809,144	2.4310
2010	10,909,200	106,258,000	22,848,700	3,337,600	12,187,000	63,519,400	0	219,059,900	63,927,700	637,641	219,697,541	200,598,845	1.2530
2011	13,201,000	106,720,400	22,707,200	3,298,000	12,155,400	52,830,100	0	210,912,100	74,210,700	718,240	211,630,340	216,473,060	1.2650
2012	12,813,000	108,360,400	22,586,200	3,308,600	12,155,400	50,230,100	0	209,453,700	72,254,400	575,607	210,029,307	183,317,715	1.2330
2013	12,437,500	113,503,700	21,986,700	3,310,000	12,155,400	43,730,100	0	207,123,400	72,838,000	611,783	207,735,183	223,406,889	1.2170
2014	10,491,900	118,596,300	21,900,200	3,297,800	12,155,400	53,046,900	0	219,488,500	66,159,200	577,861	220,066,361	262,702,584	1.1730
2015	8,665,800	121,725,500	22,016,900	3,290,400	11,160,000	54,628,100	0	221,486,700	48,785,000	508,079	221,994,779	243,840,964	1.1740
2016	8,453,300	121,370,000	21,630,500	3,224,100	10,130,800	67,783,200	0	232,591,900	62,177,900	524,568	233,116,468	243,417,867	1.1650
2017	9,662,800	121,384,300	21,736,200	3,219,600	9,920,600	67,783,200	0	233,706,700	126,458,400	549,257	234,255,957	226,136,964	1.1960

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

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

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
				Township of Oldmans	Salem County	
2008	2.310	0.156	2.466	0.120	1.310	3.896
2009	2.283	0.148	2.431	0.140	1.450	4.021
2010	1.175	0.078	1.253	0.150	1.470	2.873
2011	1.190	0.075	1.265	0.200	1.410	2.875
2012	1.158	0.075	1.233	0.230	1.580	3.043
2013	1.139	0.078	1.217	0.140	0.811	2.168
2014	1.101	0.072	1.173	0.183	1.153	2.509
2015	1.103	0.071	1.174	0.192	1.048	2.414
2016	1.101	0.064	1.165	0.182	1.042	2.389
2017	1.130	0.066	1.196	0.182	1.049	2.427

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

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Mexichem Specialty Resins Inc. (Polyone)	22,000,000	9.39%	16,106,900	14.39%
MHG Gateway Properties, LLC	11,113,600	4.74%		
Goya Foods Inc.	10,630,100	4.54%		
Sciva, LLC & Scivb	8,643,000	3.69%		
Oxy Vinyls	4,500,000	1.92%	5,513,100	4.92%
Pedricktown Cogen	3,000,000	1.28%	5,890,000	5.26%
Paverstone LLC	2,953,300	1.26%		
Noveon Inc. (Lubrizol Advanced Materials)	2,500,000	1.07%	3,000,000	2.68%
Ndev LLC	2,345,100	1.00%		
BOC Group Inc.	1,950,000	0.83%	980,600	0.88%
Sun Refining & Marketing Company			3,363,270	3.00%
Perkintown Road Associates			1,146,400	1.02%
Air Reduction Co., Inc.			590,200	0.53%
Delaware River Land Com.			572,600	0.51%
Route 295 NJ, LLC			543,100	0.49%
	<u>69,635,100</u>	<u>29.73%</u>	<u>37,706,170</u>	<u>33.68%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2008	\$ 2,778,382	\$ 2,778,382	100.00%	-
2009	2,806,120	2,806,120	100.00%	-
2010	2,701,241	2,701,241	100.00%	-
2011	2,651,924	2,651,924	100.00%	-
2012	2,508,840	2,508,840	100.00%	-
2013	2,564,049	2,564,049	100.00%	-
2014	2,597,673	2,597,673	100.00%	-
2015	2,615,588	2,615,588	100.00%	-
2016	2,817,399	2,817,399	100.00%	-
2017	2,785,280	2,785,280	100.00%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes	Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases				
2008	\$ 2,021,000					\$ 2,021,000	3.06%
2009	1,881,000					1,881,000	2.68%
2010	1,705,000					1,705,000	2.43%
2011	1,545,000		\$ 48,149			1,593,149	2.28%
2012	1,385,000		24,571			1,409,571	1.92%
2013	1,220,000					1,220,000	1.63%
2014	1,055,000					1,055,000	1.38%
2015	885,000					885,000	1.12%
2016	715,000					715,000	0.88%
2017	540,000					540,000	N/A

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

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

N/A - information not available at the completion of the CAFR.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2008	\$ 2,021,000		\$ 2,021,000	1.81%	1,122
2009	1,881,000		1,881,000	1.64%	1,043
2010	1,705,000		1,705,000	0.78%	943
2011	1,545,000		1,545,000	0.73%	873
2012	1,385,000		1,385,000	0.66%	768
2013	1,220,000		1,220,000	0.59%	664
2014	1,055,000		1,055,000	0.48%	568
2015	885,000		885,000	0.40%	480
2016	715,000		715,000	0.31%	391
2017	540,000		540,000	N/A	N/A

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

N/A - information not available at the completion of the CAFR.

See J-6 for property tax data.

Population data can be found in J-14.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2016
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Oldmans	\$ 1,156,000	100.00%	\$ 1,156,000
Salem County General Obligation Debt	39,534,364	4.47%	1,767,594
Subtotal, overlapping debt			2,923,594
Oldmans Township School District			540,000
Total direct and overlapping debt			<u>\$ 3,463,594</u>

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

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

	Year		Equalized Valuation Basis							
	2016		\$ 229,596,915							
	2015		220,257,481							
	2014		229,543,683							
			<u>\$ 679,398,079</u>							
Average equalized valuation of taxable property			\$ 226,466,026							
Debt limit (3% of average equalized value)			6,793,981							
Total net debt applicable to limit			540,000							
Legal debt margin			<u>\$ 6,253,981</u>							
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 5,178,661	\$ 5,515,389	\$ 6,019,070	\$ 6,325,875	\$ 6,440,672	\$ 6,607,372	\$ 6,729,011	\$ 6,944,057	\$ 6,815,736	\$ 6,793,981
Total net debt applicable to limit	2,021,000	1,881,000	1,705,000	1,545,000	1,385,000	1,220,000	1,055,000	885,000	715,000	540,000
Legal debt margin	<u>\$ 3,157,661</u>	<u>\$ 3,634,389</u>	<u>\$ 4,314,070</u>	<u>\$ 4,780,875</u>	<u>\$ 5,055,672</u>	<u>\$ 5,387,372</u>	<u>\$ 5,674,011</u>	<u>\$ 6,059,057</u>	<u>\$ 6,100,736</u>	<u>\$ 6,253,981</u>
Total net debt applicable to the limit as a percentage of debt limit	39.03%	34.10%	28.33%	24.42%	21.50%	18.46%	15.68%	12.74%	10.49%	7.95%

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	1,802	\$ 65,971,220	\$ 36,610	5.60%
2009	1,803	70,122,276	38,892	9.60%
2010	1,808	70,177,520	38,815	10.2%
2011	1,769	69,804,740	39,460	9.6%
2012	1,803	73,594,854	40,818	9.8%
2013	1,838	75,021,646	40,817	5.4%
2014	1,856	76,582,272	41,262	5.4%
2015	1,844	79,015,400	42,850	4.8%
2016	1,829	81,032,016	44,304	5.0%
2017	1,810	N/A	N/A	N/A

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

N/A - information not available at the completion of the CAFR.

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

Employer	2017		2008	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
JE Berkowitz Glass	225	21.97%		
Five Below	160	15.63%		
Walt's Bus Service	91	8.89%		
Goya Foods	97	9.47%		
Mullica Hill Cold Storage	57	5.57%		
Oldmans Township School	47	4.59%		
Lubrizol	44	4.30%		
Lacy's Express	49	4.79%		
Oxyvinyls	38	3.71%		
Unico	20	1.95%		
	<u>828</u>	<u>80.86%</u>	<u>N/A</u>	<u>0.00%</u>

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

N/A not available

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	19.0	18.0	17.0	14.0	15.0	17.0	18.0	19.0	20.5	21.2
Special	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other special education	1.0	1.0	1.0	1.0	3.0	3.0	3.0	3.0	2.0	2.0
Other instruction	5.0	5.0	5.0	3.0	1.0	1.0	1.0	2.0	1.5	0.5
Support services:										
Student & instruction related services	4.0	4.0	4.0	4.0	4.0	5.0	6.0	6.0	5.0	9.4
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plants operations and maintenance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Pupil transportation	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	4.0
Food service	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0
Childcare	6.0	6.0	6.0	3.0	3.0	3.0	4.0	4.0	2.0	0.2
Total	<u>56.0</u>	<u>55.0</u>	<u>54.0</u>	<u>44.0</u>	<u>44.0</u>	<u>47.0</u>	<u>50.0</u>	<u>52.0</u>	<u>47.0</u>	<u>52.1</u>

Source: District personnel records

OLDMANS TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2008	209	\$ 4,806,986	\$ 23,000	37.48%	25.0	17.5	209.3	206.5	-5.85%	98.66%
2009	203	4,535,741	22,344	-2.85%	23.0	13.9	197.5	187.6	-5.64%	94.99%
2010	185	4,610,067	24,919	11.53%	22.0	16.5	177.2	168.9	-10.28%	95.32%
2011	193	4,173,448	21,624	-13.22%	21.0	16.1	196.8	190.6	11.06%	96.85%
2012	230	4,394,879	19,108	-11.63%	18.0	16.4	228.4	218.8	16.06%	95.80%
2013	231	4,599,101	19,910	4.19%	20.0	13.6	229.7	220.2	0.57%	95.86%
2014	253	4,789,913	18,932	-4.91%	21.0	13.9	250.7	240.0	9.14%	95.73%
2015	268	4,597,064	17,153	-9.40%	22.0	12.2	265.8	255.7	6.02%	96.20%
2016	287	4,961,042	17,286	0.77%	22.5	12.8	287.4	275.1	8.12%	95.73%
2017	271	5,094,187	18,798	8.75%	23.2	11.7	271.4	259.2	-5.56%	95.51%

Source: District records

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

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

Elementary/Middle School	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	219	203	177	197	228	229	251	268	287	271
Square feet	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000

Source: District records per Long Range Facilities Plan.

Number of schools at June 30, 2017:
 Elementary/Middle (K-8) = 1

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2017

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

	Gross Square Footage	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
* School Facilities												
Oldmans Middle School	56,000	\$ 38,700	\$ 66,182	\$ 48,236	\$ 68,803	\$172,107	\$106,803	\$ 171,300	\$ 146,302	\$ 59,998	\$ 46,118	\$ 924,549

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
Unaudited

Gloucester Cumberland Salem School Districts JIF

I. Property, Inland Marine and Automobile Physical Damages	
A. Limit of Liability:	\$175,000,000 Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000 Per Occurrence
2. Member District Deductible	500 Per Occurrence
3. Perils Included	"All Risk"
B. Property Valuation	
1. Buildings and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Replacement Cost
II. Boiler and Machinery	
A. Limit of Liability:	125,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	1,000
III. Crime	
A. Limits of Liability	500,000
1. GCSSDJIF Self-Insured Retention:	250,000
2. Member District Deductible:	500
IV. General and Automobile Liability	
A. Limit of Liability:	20,000,000
1. GCSSDJIF Self Insured Retention (SIR):	250,000
2. Member District Deductible:	None
V. Workmen's Compensation	
A. Limits of Liability:	Statutory
1. GCSSDJIF Self Insured Retention:	250,000
2. Member District Deductible	None
VI. Educator's Legal Liability	
A. Limits of Liability:	20,000,000
1. GCSSDJIF Self Insured Retention:	175,000
2. Member District Deductible:	None
VII. Pollution Legal Liability (Refer to attached Certificate of Coverage for Covered Districts)	
A. Limits of Liability:	3,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000
3. Member District Deductible - Mold Incident	100,000
VIII. Cyber Liability	
A. Limits of Liability:	1,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000
IX. Violent Malicious Acts	
A. Limits of Liability:	1,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000
X. Disaster Management Services	
A. Limits of Liability:	2,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	15,000
Public Employees' Faithful Performance Bonds - Selective Insurance	
Position Bond - Shari Payson, Board Secretary	2,000
Position Bond - James R. Hackett, Treasurer	160,000
Position Bond - Business Administrator	15,000

Source: District records.

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Independent Auditor's Report

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Oldmans Township School District's basic financial statements, and have issued our report thereon dated November 17, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oldmans Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the schedule of findings and questioned costs as item 2017-001 and 2017-002.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 17, 2017

PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),
AND NEW JERSEY OMB'S CIRCULAR 15-08***

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Oldmans Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Oldmans Township School District's major state programs for the year ended June 30, 2017. The Oldmans Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Oldmans Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), *New Jersey State Aid/Grant Compliance Supplement*, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of

Federal Grants, State Grants, and State Aid. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Oldmans Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Oldmans Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Oldmans Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Oldmans Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oldmans Township School District's internal control over compliance.

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

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

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

***Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by Uniform Guidance and NJ OMB's Circular 15-08***

We have audited the financial statements Oldmans Township School District as of and for the year ended June 30, 2017, and have issued our report thereon dated November 17, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of Management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 17, 2017

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	2,170 Program or Award Amount	Grant Period		Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2017			MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A160030	NCLB386017	\$ 47,384	07/01/16	06/30/17				\$ (32,529)			\$ (32,529)			\$ 32,529
Title I - Part A	84.010	S010A150030	NCLB386015	48,186	07/01/14	06/30/15	\$ (3,826)		\$ 3,279		\$ 547					47,052
Title II A, Teacher & Principal Training	84.367	S367A160029	NCLB386017	6,031	07/01/16	06/30/17			721	(5,641)			(4,920)			5,641
Title II A, Teacher & Principal Training	84.367	S367A150029	NCLB386016	13,127	07/01/15	06/30/16	2,171			(2,171)						2,171
IDEA Part B, Basic Regular	84.027A	H027A160100	IDEA386017	83,658	07/01/16	06/30/17			83,658	(83,658)						83,658
IDEA Part B, Preschool	84.173	H173A160114	IDEA386017	1,411	07/01/16	06/30/17			1,411	(1,411)						1,411
Rural Education Achievement Program	84.358A	S358A163594	S358A163594	26,577	07/01/16	09/30/17			26,577	(26,577)						26,577
Rural Education Achievement Program	84.358A	S358A153594	S358A153594	23,998	07/01/15	09/30/16	(7,904)		7,904							23,998
Total Special Revenue Fund							(9,559)		123,550	(151,987)	547		(37,449)			223,037
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.550	n/a	n/a	11,385	07/01/16	06/30/17			11,385	(11,105)			\$ 280			11,105
Food Distribution Program	10.550	n/a	n/a	13,808	07/01/15	06/30/16	4,681			(4,681)						13,808
National School Lunch Program	10.555	171NJ304N1099	n/a	29,142	07/01/16	06/30/17			27,797	(29,142)			(1,345)			29,142
National School Lunch Program	10.555	16161NJ304N1099	n/a	36,573	07/01/15	06/30/16	(1,564)		1,564							36,573
School Breakfast Program	10.553	171NJ304N1099	n/a	7,895	07/01/16	06/30/17			7,432	(7,895)			(463)			7,895
School Breakfast Program	10.553	16161NJ304N1099	n/a	9,766	07/01/15	06/30/16	(492)		492							9,766
After School Snack Program	10.558	171NJ304N2020	n/a	289	07/01/16	06/30/17			282	(289)			(7)			289
After School Snack Program	10.558	16161NJ304N2020	n/a	371	07/01/15	06/30/16	(10)		10							371
Total Enterprise Fund							2,615		48,962	(53,112)			(1,815)	280		108,949
Total Federal Financial Awards							\$ (6,944)		\$ 172,512	\$ (205,099)	\$ 547		\$ (39,264)	\$ 280		\$ 331,986

* Prior year canceled

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Oldmans Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,130 for the General Fund and (\$1,396) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,445,764	\$ 2,445,764
Special Revenue Fund	\$ 167,778		167,778
Debt Service Fund		54,941	54,941
Food Service Fund	60,518	1,071	61,589
Total Financial Assistance	<u>\$ 228,296</u>	<u>\$ 2,501,776</u>	<u>\$ 2,730,072</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying Schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2017, Oldmans Township School District has food commodities totaling \$280 in inventory.

NOTE 6: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. 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, 2017.

NOTE 7: ADJUSTMENTS

The amount reported as adjustments on Schedule A is the result of cancelation of prior year receivable.

NOTE 8: INDIRECT COST RATE

The Oldmans Township School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 9: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? Yes X No

Federal Awards **N/A**

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:

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB’s Circular 15-08? Yes X No

Identification of major programs:

State Grant/Project Numbers	Name of State Program
495-034-5120-078	State Aid Public:
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Education Aid
495-034-5120-085	Security Aid
495-034-5120-068	Adjustment Aid
495-034-5120-098	School Choice Aid
495-034-5120-097	PARCC Readiness Aid
495-034-5120-101	Per Pupil Growth Aid
	Professional Learning Community Aid

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

Finding 2017-001

Criteria - The Payroll Agency Fund reports resources held and administered by the District in a purely custodial capacity for the various federal, state, and local reporting agencies.

Condition - The payroll agency trial balance was found to be inaccurate.

Questioned Cost - Unknown.

Effect - The payroll agency trial balance reflects balances due to and from various reporting agencies that have no supporting documentation.

Cause - The Business Office had numerous misposted items in the trial balance which caused inaccuracy of balances.

Recommendation - The payroll agency trial balance be reviewed monthly and reconciled to the cash balance and the amounts due to the reporting agencies.

View of responsible Officials - The Business Office agrees with this finding and will develop a procedure to reconcile the information.

Finding 2017-002

Criteria – The Statement of Revenues, Expenses, and Changes in Fund Net Assets requires separate program and non-program revenue and program and non-program costs of goods sold.

Condition – The District did not separate program and non-program revenue and program and non-program costs of goods sold.

Questioned Cost – Unknown.

Effect – Noncompliance with Section 206 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) amended section 12.

Cause – The District implemented new software for tracking Food Service Revenue but did not properly record program revenue or separate non-program costs of goods sold in the accounting records.

Recommendation – The program and non-program revenue and program and non-program costs of goods sold be properly recorded in the accounting records.

View of responsible Officials - The Business Office agrees with this finding and will develop a procedure to record this information.

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

FEDERAL AWARDS – N/A

STATE AWARDS

None

OLDMANS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Finding 2016-001: The payroll agency trial balance was found to be inaccurate.

Current status: Corrective action has not been taken.

Finding 2016-002: An exception was noted based on our review of outstanding purchase orders as of June 30, as to the proper classification of reserve for encumbrances and accounts payable.

Current status: Corrective action was taken.