

**Oldmans Township School District  
Board of Education  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**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, 2018**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

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

**For the Fiscal Year Ended June 30, 2018**

Prepared by:

**Oldmans Township School  
Board of Education Administration**

## OUTLINE OF CAFR

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Organizational Chart	2-5
Roster of Officials	6
Consultants and Advisors	7
	8
<b>FINANCIAL SECTION</b>	
	9
<b>Independent Auditor's Report</b>	10-12
<b>Required Supplementary Information – Part I</b>	13
<b>Management's Discussion and Analysis</b>	14-21
<b>Basic Financial Statements</b>	22
A. District-Wide Financial Statements:	23
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements:	26
Governmental Funds:	
B-1 Balance Sheet	27-28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	34
B-8 Statement of Changes in Fiduciary Net Position	35
<b>Notes to the Financial Statements</b>	36-62
<b>Required Supplementary Information – Part II</b>	63
C. Budgetary Comparison Schedules:	64
C-1 Budgetary Comparison Schedule - General Fund	65-73
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	74
<b>Notes to the Required Supplementary Information – Part II</b>	75
C-3 Budget-to-GAAP Reconciliation – Note to RSI	76

	<b>Page</b>
<b>Required Supplementary Information – Part III</b>	<b>77</b>
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	78
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability - PERS	79
L-2 Schedule of District Contributions - PERS	80
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability - TPAF	81
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	82
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	83
<b>Notes to the Required Supplementary Information – Part III</b>	<b>84-86</b>
<b>Other Supplementary Information</b>	<b>87</b>
D. School Based Budget Schedules <b>(if applicable)</b> :	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	88
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	89-90
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	N/A
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2(a) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A
G. Proprietary Funds:	91
Enterprise Fund:	
G-1 Combining Schedule of Net Position	92
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	93
G-3 Combining Schedule of Cash Flows	94

	<b>Page</b>
G. Proprietary Funds: (Continued)	
Internal Service Fund:	
G-4 Combining Schedule of Net Position	95
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	96
G-6 Combining Schedule of Cash Flows	97
H. Fiduciary Funds:	98
H-1 Combining Statement of Fiduciary Net Position	99
H-2 Combining Statement of Changes in Fiduciary Net Position	100
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	100
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	101
I. Long-Term Debt:	102
I-1 Schedule of Serial Bonds	103
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	104
<b>STATISTICAL SECTION (Unaudited)</b>	<b>105</b>
<b>Introduction to the Statistical Section</b>	<b>106</b>
<b>Financial Trends</b>	
J-1 Net Position by Component	107
J-2 Changes in Net Position	108-110
J-3 Fund Balances - Governmental Funds	111
J-4 Changes in Fund Balances - Governmental Funds	112-113
J-5 General Fund Other Local Revenue by Source	114
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	115
J-7 Direct and Overlapping Property Tax Rates	116
J-8 Principal Property Taxpayers	117
J-9 Property Tax Levies and Collections	118
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	119
J-11 Ratios of Net General Bonded Debt Outstanding	120
J-12 Direct & Overlapping Governmental Activities Debt	121
J-13 Legal Debt Margin Information	122
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	123
J-15 Principal Employers	124
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	125
J-17 Operating Statistics	126
J-18 School Building Information	127

	<b>Page</b>
<b>Operating Information (Continued)</b>	
J-19 Schedule of Required Maintenance Expenditures by School Facility	128
J-20 Insurance Schedule	129
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios	N/A
<b>SINGLE AUDIT SECTION</b>	<b>130</b>
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	131-132
K-2 Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by <i>Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)</i> , and New Jersey OMB's Circular 15-08	133-135
K-3 Schedule of Expenditures of Federal Awards, Schedule A	136
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	137
K-5 Notes to the Schedules of Awards and Financial Assistance	138-139
K-6 Schedule of Findings and Questioned Costs	140-142
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	143

## 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

January 22, 2019

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, 2018, 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 2017-2018 fiscal year with an enrollment of 287 students, which is a 7.1% change over 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>
2017-2018	287	5.9%
2016-2017	271	-5.6%
2015-2016	287	7.1%
2014-2015	268	6.8%
2013-2014	251	10.1%

## 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 nine commercial warehouses completed and operational as of June 30, 2018. 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 4<sup>th</sup> 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 2018-19, 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, 2018. 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.

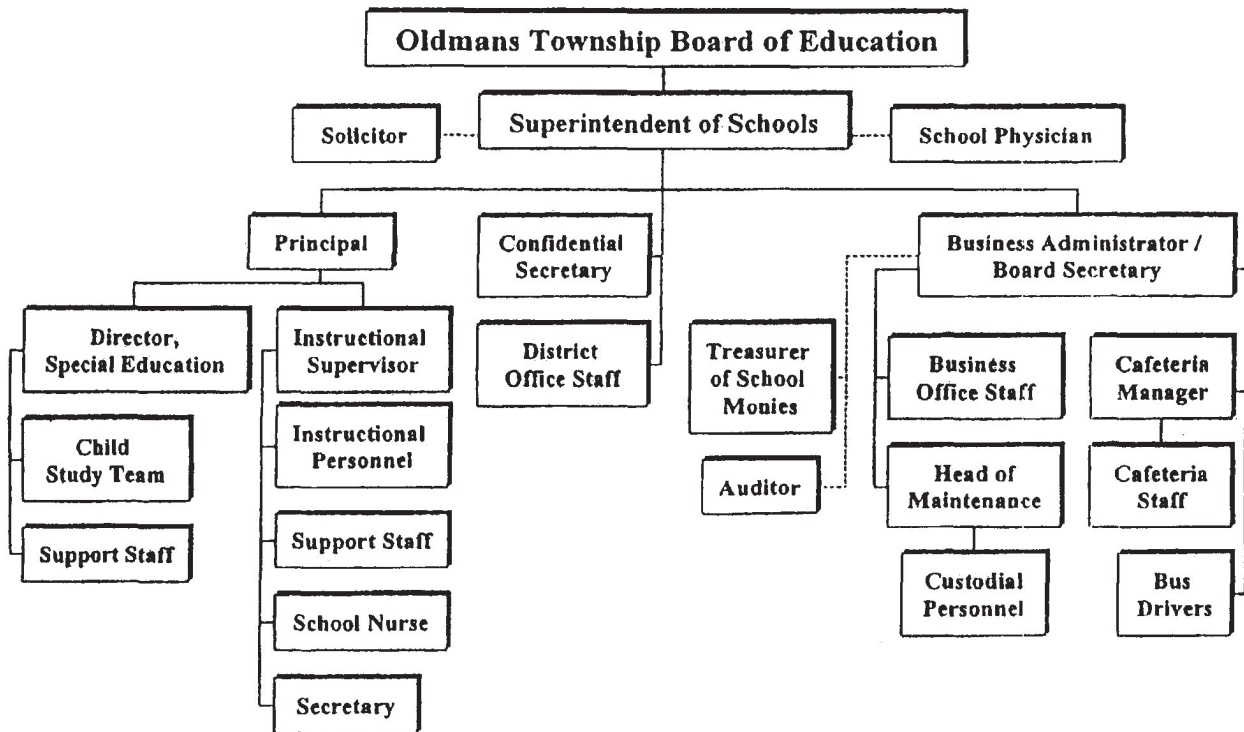
## 10. Acknowledgements

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, 2018**

**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	2020
Maria Calabrese	Board Member	2020
Timothy Farrell	Board Member	2018
Patricia Gaskill	Board Member	2018
Lou Guardascione	Board Member	2018
Jeffrey Newman	Board Member	2019
Dawn Oliver	Board Member	2019
Cory Tanyer	Board Member	2020

**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**

Pennsville National Bank  
Mill & Railroad Avenue  
Pedricktown, NJ 08067

**Negotiations Consultant**

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

**AHERA Consultant**

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

**Insurance Broker**

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

## **FINANCIAL SECTION**



# PETRONI & ASSOCIATES LLC

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

Nick L. Petroni, CPA, RMA

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

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2018, 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, 2018, 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 January 22, 2019, 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

January 22, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(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, 2018. 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 did not exceed its liabilities at the close of the most recent fiscal year by (\$8,102,197) (net position) see exhibit A-1.
- The Oldmans Township School District's total net position increased by \$343,241 see exhibit A-2. This increase is not the result of any one specific occurrence, but a net result of multiple changes in the listed balance sheet items reported and capital assets and OPEB.
- Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$316,551 or 5.2% of total revenues of \$6,119,419.
- As of the close of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combined ending fund balances of \$1,184,190, an increase of \$306,337 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 \$53,892, (see Exhibit B-1) a slight decrease from that of the prior fiscal year of \$57,700, which was attributable in part to decreased state aid payment being deferred in the amount of \$3,750 (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, 2018  
(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, 2018  
(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 did not exceed liabilities by \$8,069,265 at the close of fiscal year 2017-2018 (see Exhibit A-1).

A large portion of the Oldmans Township School District's net position 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 represents resources that are subject to external restrictions on how they may be used.

A portion of the unrestricted net position accounts for the net pension and OPEB liability which totals (\$12,517,927).

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

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

	<b>NET POSITION</b>					
	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
<b>ASSETS</b>						
Current and other assets	\$ 1,278,151	\$ 890,403	\$ 48,513	\$ 45,521	\$ 1,326,664	\$ 935,924
Capital assets	4,909,674	5,117,594	825	1,222	4,910,499	5,118,816
Total assets	<u>6,187,825</u>	<u>6,007,997</u>	<u>49,338</u>	<u>46,743</u>	<u>6,237,163</u>	<u>6,054,740</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on refunding bond issue	8,071	13,038			8,071	13,038
Deferred outflows related to pension	176,976	481,287			176,976	481,287
	<u>185,047</u>	<u>494,325</u>			<u>185,047</u>	<u>494,325</u>
<b>LIABILITIES</b>						
Non-current liabilities	457,480	629,648	1,197	1,731	458,677	631,379
Other liabilities	81,950	13,352	15,209	3,609	97,159	16,961
Net pension liability	1,466,017	1,712,881			1,466,017	1,712,881
Net OPEB liability	11,051,910	11,910,104			11,051,910	11,910,104
Total liabilities	<u>13,057,357</u>	<u>14,265,985</u>	<u>16,406</u>	<u>5,340</u>	<u>13,073,763</u>	<u>14,271,325</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pension	110,647	3,764			110,647	3,764
Deferred inflows related to OPEB	1,307,065				1,307,065	
	<u>1,417,712</u>	<u>3,764</u>			<u>1,417,712</u>	<u>3,764</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	4,545,901	4,581,163	825	1,222	4,546,726	4,582,385
Restricted	1,130,298	820,153			1,130,298	820,153
Unrestricted	(13,778,396)	(13,168,743)	32,107	40,181	(13,746,289)	(13,128,562)
Total net position	<u>\$ (8,102,197)</u>	<u>\$ (7,767,427)</u>	<u>\$ 32,932</u>	<u>\$ 41,403</u>	<u>\$ (8,069,265)</u>	<u>\$ (7,726,024)</u>



OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

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

The District's combined net position was (\$8,069,265) on June 30, 2018. This was a decrease from the prior year of \$343,241.

**CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 80,301	\$ 48,860	\$ 67,672	\$ 75,004	\$ 147,973	\$ 123,864
Operating grants and contributions	124,905	149,983	43,673	49,548	168,578	199,531
General revenues:						
Property taxes	3,031,683	2,785,280			3,031,683	2,785,280
Grants and contributions not restricted to specific programs	2,695,906	2,568,507			2,695,906	2,568,507
Other	73,269	49,667	2,010	46	75,279	49,713
Total revenues	<u>6,006,064</u>	<u>5,602,297</u>	<u>113,355</u>	<u>124,598</u>	<u>6,119,419</u>	<u>5,726,895</u>
<b>EXPENSES:</b>						
Instruction	1,813,508	1,707,810			1,813,508	1,707,810
Support services	4,298,158	3,619,610			4,298,158	3,619,610
Interest on long-term debt	27,592	34,592			27,592	34,592
Other	196,659	195,314			196,659	195,314
Food service			103,577	114,556	103,577	114,556
School age child care			23,166	35,526	23,166	35,526
Total expenses	<u>6,335,917</u>	<u>5,557,326</u>	<u>126,743</u>	<u>150,082</u>	<u>6,462,660</u>	<u>5,707,408</u>
Increase in net position before transfers	(329,853)	44,971	(13,388)	(25,484)	(343,241)	19,487
Transfers	(4,917)		4,917			
Increase in net position	(334,770)	44,971	(8,471)	(25,484)	(343,241)	19,487
Net position, July 1	(7,767,427)	4,097,706	41,403	66,887	(7,726,024)	4,164,593
Prior period adjustment of OPEB liability		(11,910,104)				(11,910,104)
Net position, June 30	<u>\$ (8,102,197)</u>	<u>\$ (7,767,427)</u>	<u>\$ 32,932</u>	<u>\$ 41,403</u>	<u>\$ (8,069,265)</u>	<u>\$ (7,726,024)</u>

Property taxes increased by \$246,403 or 8.8% during the year. This increase is the result of state imposed budget caps over the prior year.

The overall increase in expenses of \$306,381 was attributable to an increase in employee benefits of \$694,148 and increases in instruction of \$106,094.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

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

**Business-Type Activities** - Business-type activities decreased the Oldmans Township School District's net position by \$8,471. 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.

**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 \$1,184,190, an increase of \$306,337 in comparison with the prior year.

Of the combined ending fund balances of \$1,184,190, 4.5 percent constitutes unassigned fund balance in the amount of \$53,892. 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 \$11,235, (2) to be appropriated in the following year's budget to reduce property tax \$75,669, (3) \$401,483 maintenance reserve, (4) \$200,000 capital reserve, and (5) excess surplus - current year of \$441,911.

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 \$1,184,190, while total fund balance was \$1,184,190.

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 (\$12,029) for the Food Service Program and a balance of \$44,961 for the School Age Child Care Program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Oldmans Township School District's Business-type Activities.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

**General Fund Budgetary Highlights**

During the course of the 2018 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 \$4,983,227; fund balance budgeted of \$279,598; and prior year encumbrances were \$16,362. The property taxes (local tax levy) were \$3,031,683.

The Oldmans Township School District revenues and expenditures include \$126,040 in reimbursed TPAF Social Security Aid and \$437,602 in TPAF Pension Contributions, respectively.

The final budgetary basis expenditure estimate was \$5,279,187, including prior year's encumbrances of \$16,362.

**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, 2018, amounts to \$4,910,499 (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 \$2,058,317.

**CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Building improvements	4,489,812	4,663,450			4,489,812	4,663,450
Equipment	381,862	416,144	\$ 825	\$ 1,222	382,687	417,366
<b>Total</b>	<b>\$ 4,909,674</b>	<b>\$ 5,117,594</b>	<b>\$ 825</b>	<b>\$ 1,222</b>	<b>\$ 4,910,499</b>	<b>\$ 5,118,816</b>

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 \$365,000 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 2018-2019 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 56.5 percent of total revenue is from local tax levy, while 41.6 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

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

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

Township School District's budget is its enrollment. The 2017-2018 budget was adopted May 2017, 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 13, 2017, of 287. The District became a Choice District in FY 2012.

The Oldmans Township School District anticipates a slight increase in enrollment to 287 students for the 2018-2019 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](mailto:pzook@oldmans.org).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-type Activities	FY 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 550,590	\$ 41,551	\$ 592,141
Interfunds receivable	64,021	3,586	67,607
Receivables	62,057	2,417	64,474
Inventory		959	959
Restricted assets:			
Restricted cash and cash equivalents	601,483		601,483
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	4,871,674	825	4,872,499
	<u>6,187,825</u>	<u>49,338</u>	<u>6,237,163</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding bond issue	8,071		8,071
Deferred outflows related to pension	176,976		176,976
	<u>185,047</u>		<u>185,047</u>
<b>LIABILITIES</b>			
Interfunds payable		11,231	11,231
Accounts payable	70,884	142	71,026
Unearned revenue	4,222	3,836	8,058
Accrued interest	6,844		6,844
Noncurrent liabilities:			
Due within one year	180,000		180,000
Due beyond one year	277,480	1,197	278,677
Net pension liability	1,466,017		1,466,017
Net OPEB liability	11,051,910		11,051,910
	<u>13,057,357</u>	<u>16,406</u>	<u>13,073,763</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	110,647		110,647
Deferred inflows related to OPEB	1,307,065		1,307,065
	<u>1,417,712</u>		<u>1,417,712</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	4,545,901	825	4,546,726
Restricted for:			
Other purposes	1,130,298		1,130,298
Unrestricted	(13,778,396)	32,107	(13,746,289)
	<u>\$ (8,102,197)</u>	<u>\$ 32,932</u>	<u>\$ (8,069,265)</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Activities  
June 30, 2018

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	\$ 1,614,470			\$ (1,614,470)		\$ (1,614,470)
Special education	177,492		\$ 33,857	(143,635)		(143,635)
Other instruction	21,546			(21,546)		(21,546)
Support services:						
Student & instructional related services	1,282,833		89,354	(1,193,479)		(1,193,479)
General administrative services	162,959			(162,959)		(162,959)
School administrative services	57,504			(57,504)		(57,504)
Central services	190,159	\$ 80,301		(109,858)		(109,858)
Plant operations & maintenance	370,370			(370,370)		(370,370)
Pupil transportation	213,386			(213,386)		(213,386)
Employee benefits	2,020,947		1,694	(2,019,253)		(2,019,253)
Interest on long-term debt	27,592			(27,592)		(27,592)
Capital outlay	6,977			(6,977)		(6,977)
Unallocated depreciation	189,682			(189,682)		(189,682)
<b>Total governmental activities</b>	<b>6,335,917</b>	<b>80,301</b>	<b>124,905</b>	<b>(6,130,711)</b>		<b>(6,130,711)</b>
Business-type activities:						
Food service	103,577	30,978	43,673		\$ (28,926)	(28,926)
Other activities	23,166	36,694			13,528	13,528
<b>Total business-type activities</b>	<b>126,743</b>	<b>67,672</b>	<b>43,673</b>		<b>(15,398)</b>	<b>(15,398)</b>
<b>Total primary government</b>	<b>\$ 6,462,660</b>	<b>\$ 147,973</b>	<b>\$ 168,578</b>	<b>\$ (6,130,711)</b>	<b>\$ (15,398)</b>	<b>\$ (6,146,109)</b>
General revenues:						
Property taxes, levied for general purpose, net				\$ 2,884,061		\$ 2,884,061
Taxes levied for debt service				147,622		147,622
Federal and state aid not restricted				2,695,906		2,695,906
Transportation fees				25,580		25,580
Investment earnings				2,195	\$ 10	2,205
Miscellaneous income				45,494		45,494
Transfers				(4,917)	4,917	
Investment in fixed assets					2,000	2,000
<b>Total general revenues, special items, extraordinary items, and transfers</b>				<b>5,795,941</b>	<b>6,927</b>	<b>5,802,868</b>
Change in net position				(334,770)	(8,471)	(343,241)
Net position - beginning				4,142,677	41,403	4,184,080
Prior period adjustment of OPEB liability				(11,910,104)		(11,910,104)
Restated net position at the beginning of the period				(7,767,427)	41,403	(7,726,024)
<b>Net position - end</b>				<b>\$ (8,102,197)</b>	<b>\$ 32,932</b>	<b>\$ (8,069,265)</b>

See accompanying notes to the basic financial statements.



## **FUND FINANCIAL STATEMENTS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Totals FY 2018</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 561,777			\$ 561,777
Interfunds receivable	64,021			64,021
Receivables from other governments	25,846	\$ 36,211		62,057
Restricted cash and cash equivalents	601,483			601,483
<b>Total assets</b>	<b><u>\$ 1,253,127</u></b>	<b><u>\$ 36,211</u></b>		<b><u>1,289,338</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash overdraft		30,042		30,042
Accounts payable	68,937	1,947		70,884
Deferred revenue :				
Federal grants		1,396		1,396
Local grants		2,826		2,826
<b>Total liabilities</b>	<b><u>68,937</u></b>	<b><u>36,211</u></b>		<b><u>105,148</u></b>
Fund balances:				
Restricted for:				
Maintenance reserve	401,483			401,483
Capital reserve	200,000			200,000
Excess surplus - designated for subsequent year's expenditures	72,711			72,711
Excess surplus - current year	441,911			441,911
Assigned to:				
Designated by the BOE for subsequent year's expenditures	2,958			2,958
Other purposes	11,235			11,235
Unassigned:				
General fund	53,892			53,892
<b>Total fund balances</b>	<b><u>1,184,190</u></b>			<b><u>1,184,190</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,253,127</u></b>	<b><u>\$ 36,211</u></b>		

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

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 \$8,258,039 and the accumulated depreciation is \$3,348,365 (See note 6).	\$ 4,909,674
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 \$18,855 are included in the Governmental Activities in the Statement of Net Position.	18,855
Net pension liability adjustment for GASB Statement No. 68 and 71	(1,399,688)
Net OPEB liability adjustment for GASB Statement No. 75	(448,871)
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 75 is reported as a prior period adjustment of OPEB liability (See note 24).	(11,910,104)
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.	8,071
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(6,844)
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).	(457,480)
	<u>\$ (8,102,197)</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, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	FY 2018
<b>REVENUES:</b>				
Local tax levy	\$ 2,884,061		\$ 147,622	\$ 3,031,683
Transportation fees	25,580			25,580
Interest earned on investments	2,195			2,195
Miscellaneous	45,494	\$ 1,082		46,576
	<u>2,957,330</u>	<u>1,082</u>	<u>147,622</u>	<u>3,106,034</u>
State sources	2,643,278		52,628	2,695,906
Federal sources		123,823		123,823
Total revenues	<u>5,600,608</u>	<u>124,905</u>	<u>200,250</u>	<u>5,925,763</u>
<b>EXPENDITURES:</b>				
Current:				
Regular instruction	1,609,547			1,609,547
Special education instruction	143,904	33,857		177,761
Other instruction	21,546			21,546
Support services & undistributed costs:				
Student & instruction related services	1,191,063	89,354		1,280,417
General administrative services	164,070			164,070
School administrative services	57,789			57,789
Central services	119,934			119,934
Plant operations and maintenance	367,715			367,715
Pupil transportation	187,882			187,882
Employee benefits	1,406,052	1,694		1,407,746
Debt service:				
Principal			175,000	175,000
Interest and other charges			25,250	25,250
Capital outlay	19,852			19,852
Total expenditures	<u>5,289,354</u>	<u>124,905</u>	<u>200,250</u>	<u>5,614,509</u>
Excess (deficiency) of revenues over expenditures	<u>311,254</u>			<u>311,254</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer to food service to cover deficit	(4,917)			(4,917)
Total other financing sources and uses	<u>(4,917)</u>			<u>(4,917)</u>
Net change in fund balances	306,337			306,337
Fund balance - July 1	877,853			877,853
Fund balance - June 30	<u>\$ 1,184,190</u>			<u>\$ 1,184,190</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, 2018

Total net change in fund balances - Governmental Funds (from B-2)		\$ 306,337
<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	\$ 12,875	
Depreciation expense	<u>(220,795)</u>	(207,920)
<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 \$10,188 is included in the Governmental Activities and Statement of Net Position (see Exhibit B-5).</p>		
		10,188
<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>		
		(164,330)
<p>OPEB contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(448,871)
<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>(2,832)</u>
Change in net position of Governmental Activities		<u>\$ (334,770)</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	Totals FY 2018	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,001	\$ 40,550	\$ 41,551	\$ 18,855
Interfunds receivable		3,586	3,586	
Accounts receivable	2,417		2,417	
Inventories	959		959	
Total current assets	<u>4,377</u>	<u>44,136</u>	<u>48,513</u>	<u>18,855</u>
Noncurrent assets:				
Furniture, machinery & equipment	134,400	6,600	141,000	
Less: accumulated depreciation	(134,400)	(5,775)	(140,175)	
Total noncurrent assets		<u>825</u>	<u>825</u>	
Total assets	<u>4,377</u>	<u>44,961</u>	<u>49,338</u>	
<b>LIABILITIES</b>				
Accounts payable	142		142	
Interfunds payable - general fund	11,231		11,231	
Unearned revenue:				
Lunches	3,621		3,621	
USDA commodities	215		215	
Noncurrent liabilities:				
Compensated absences	1,197		1,197	
Total liabilities	<u>16,406</u>		<u>16,406</u>	
<b>NET POSITION</b>				
Invested in capital assets, net of related debt		825	825	
Unrestricted	(12,029)	44,136	32,107	18,855
Total net position	<u>\$ (12,029)</u>	<u>\$ 44,961</u>	<u>\$ 32,932</u>	<u>\$ 18,855</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, 2018

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2018	
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales - reimbursable programs:	\$ 30,655		\$ 30,655	
Tuition		\$ 36,694	36,694	
Other charges and fees	323		323	\$ 80,301
<b>Total operating revenue</b>	<b>30,978</b>	<b>36,694</b>	<b>67,672</b>	<b>80,301</b>
<b>OPERATING EXPENSES:</b>				
Salaries	42,087	19,750	61,837	60,504
Employee benefits	3,261	1,511	4,772	2,219
Other purchased services (400-500 series)	12,672		12,672	7,301
Supplies and materials	3,393	1,575	4,968	89
Depreciation	2,067	330	2,397	
Cost of sales - reimbursable	39,052		39,052	
Cost of sales - non-reimbursable	1,045		1,045	
<b>Total operating expenses</b>	<b>103,577</b>	<b>23,166</b>	<b>126,743</b>	<b>70,113</b>
<b>Operating income (loss)</b>	<b>(72,599)</b>	<b>13,528</b>	<b>(59,071)</b>	<b>10,188</b>
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National school lunch program - state	852		852	
Federal sources:				
National school lunch program	26,701		26,701	
School breakfast program	4,781		4,781	
National snack program	567		567	
Food distribution program	10,772		10,772	
Interest revenue	10		10	
<b>Total non-operating revenues (expenses)</b>	<b>43,683</b>		<b>43,683</b>	
<b>Net income (loss) before transfers</b>	<b>(28,916)</b>	<b>13,528</b>	<b>(15,388)</b>	<b>10,188</b>
Board contribution	4,917		4,917	
Investment in fixed assets	2,000		2,000	
<b>Net income (loss)</b>	<b>(21,999)</b>	<b>13,528</b>	<b>(8,471)</b>	<b>10,188</b>
<b>Total net position - beginning</b>	<b>9,970</b>	<b>31,433</b>	<b>41,403</b>	<b>8,667</b>
<b>Total net position - ending</b>	<b>\$ (12,029)</b>	<b>\$ 44,961</b>	<b>\$ 32,932</b>	<b>\$ 18,855</b>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2018	
Cash flows from operating activities:				
Receipts from customers	\$ 32,442	\$ 36,694	\$ 69,136	\$ 80,301
Payments to suppliers	(44,814)	(1,575)	(46,389)	(7,390)
Payments to employees	(42,621)	(19,750)	(62,371)	(60,504)
Payments for employee benefits	(3,261)	(1,511)	(4,772)	(2,219)
Net cash provided (used) by operating activities	(58,254)	13,858	(44,396)	10,188
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,738		32,738	
Board contribution	4,917		4,917	
Net cash provided by non-capital financing activities	37,655		37,655	
Cash flows from investing activities:				
Interest on investments	10		10	
Payment from fiduciary fund		(3,586)	(3,586)	
Payment to general fund	5,592		5,592	
Net cash provided by investing activities	10,519	(3,586)	6,933	
Net increase in cash and cash equivalents	(10,080)	10,272	192	10,188
Cash and cash equivalents - July 1	11,081	30,278	41,359	8,667
Cash and cash equivalents - June 30	\$ 1,001	\$ 40,550	\$ 41,551	\$ 18,855
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (72,599)	\$ 13,528	\$ (59,071)	\$ 10,188
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	2,067	330	2,397	
Food distribution program	10,772		10,772	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	373		373	
(Increase) decrease in inventory	499		499	
Increase (decrease) in accounts payable	142		142	
Increase (decrease) in deferred revenue	1,026		1,026	
Increase in compensated absences	(534)		(534)	
	\$ (58,254)	\$ 13,858	\$ (44,396)	\$ 10,188

See accompanying notes to the basic financial statements.



OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Fund  
June 30, 2018

	Scholarship Trust Fund	Unemployment Trust Fund	Agency Funds	Totals FY 2018
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,755	\$ 107,115	\$ 119,115	\$ 227,985
Interfund receivable:				
Payroll agency		4,459		4,459
Total assets	<u>\$ 1,755</u>	<u>\$ 111,574</u>	<u>119,115</u>	<u>232,444</u>
<b>LIABILITIES</b>				
Current liabilities:				
Payroll deductions and withholdings			26,050	26,050
Due to student groups			32,230	32,230
Interfund payable:				
Unemployment trust fund			4,459	4,459
Latchkey fund			3,586	3,586
General fund			52,790	52,790
Total current liabilities			<u>119,115</u>	<u>119,115</u>
<b>NET POSITION</b>				
Held in trust for:				
Scholarship awards	\$ 1,755			1,755
Unemployment claims		\$ 111,574		111,574
Total net position	<u>\$ 1,755</u>	<u>\$ 111,574</u>	<u>None</u>	<u>\$ 113,329</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
June 30, 2018

	Scholarship Trust Fund	Unemployment Trust Fund	FY 2018
<b>ADDITIONS:</b>			
Contributions:			
Employee payroll deductions		\$ 5,182	\$ 5,182
Other	\$ 50		50
<b>Total contributions</b>	<b>50</b>	<b>5,182</b>	<b>5,232</b>
Investment earnings:			
Interest	2	1	3
<b>Total investment earnings</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Total additions</b>	<b>52</b>	<b>5,183</b>	<b>5,235</b>
<b>DEDUCTIONS:</b>			
Scholarships awarded	25		25
<b>Change in net position</b>	<b>27</b>	<b>5,183</b>	<b>5,210</b>
<b>Net position - beginning of year</b>	<b>1,728</b>	<b>106,391</b>	<b>108,119</b>
<b>Net position - end of year</b>	<b>\$ 1,755</b>	<b>\$ 111,574</b>	<b>\$ 113,329</b>

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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.

The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018, consisted of the following:

Food - commodities	\$ 215
Food	744
	<u>\$ 959</u>



**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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, 2018**

**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 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 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.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This statement, which is effective for fiscal periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This statement, which is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This statement which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

**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, 2018 and 2017, was \$1,421,609 and \$1,048,505. As of June 30, 2018 and 2017, \$0 of the District's bank balance of \$1,484,824 and \$1,143,470, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

As of June 30, 2018 and 2017, 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, 2018, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: RECEIVABLES (CONTINUED)**

	Governmental Activities	Business- Type Activities
State aid	\$ 9,078	\$ 52
Other LEA's	16,768	
Other		477
Federal aid	36,211	1,888
	<u>\$ 62,057</u>	<u>\$ 2,417</u>

**NOTE 5: INTERFUND RECEIVABLE AND PAYABLE**

The following interfund balances remain on the balance sheet at June 30, 2018:

	Receivable	Payable
General Fund	\$ 64,021	
Latchkey	3,586	
Food Service Fund		\$ 11,231
Unemployment Trust	4,459	
Payroll Fund	175	
Agency Fund		61,010
	<u>\$ 72,241</u>	<u>\$ 72,241</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 employee withholding not transferred. The Food Service Fund interfund is the result of expenditures paid by the General Fund and reimbursement not transferred.

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2018.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

	Balance July 1, 2017	Additions	Disposals/ Adjustments	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 38,000			\$ 38,000
Total capital assets not being depreciated	38,000			38,000
Land improvements	429,912			429,912
Building & building improvements	6,957,522			6,957,522
Machinery & equipment	819,730	\$ 12,875		832,605
Totals at historical cost	8,207,164	12,875		8,220,039
Less: accumulated depreciation				
Land improvements	(83,234)	(21,645)		(104,879)
Building & building improvements	(2,640,750)	(151,993)		(2,792,743)
Machinery & equipment	(403,586)	(47,157)		(450,743)
Total accumulated depreciation	(3,127,570)	(220,795)		(3,348,365)
Governmental activities capital assets, net	\$ 5,117,594	\$ (207,920)	None	\$ 4,909,674
Food service				
Machinery & equipment	\$ 132,400	\$ 2,000		\$ 134,400
Less: accumulated depreciation	(132,333)	(2,067)		(134,400)
Business-type capital assets, net	\$ 67	\$ (67)		None
Childcare				
Machinery & equipment	\$ 6,600			\$ 6,600
Less: accumulated depreciation	(5,445)	\$ (330)		(5,775)
	\$ 1,155	\$ (330)	None	\$ 825

Depreciation was charged to the following governmental programs:

Instruction	\$ 3,590
Support administration	1,274
Operation and maintenance	1,091
Transportation	25,158
Unallocated	189,682
Total	<u>\$ 220,795</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, 2018, consisted of the following:



**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018, was \$365,000.

**Long-Term Obligation Activity**

Changes in long-term obligations for the fiscal year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 89,648	\$ 13,570	\$ 10,738	\$ 92,480	
Bonds payable	540,000		175,000	365,000	\$ 180,000
	<u>\$ 629,648</u>	<u>\$ 13,570</u>	<u>\$ 185,738</u>	<u>\$ 457,480</u>	<u>\$ 180,000</u>

**Bonds Payable**

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

Year Ended June 30,	Principal	Interest	Total
2019	\$ 180,000	\$ 18,250	\$ 198,250
2020	185,000	9,250	194,250
	<u>\$ 365,000</u>	<u>\$ 27,500</u>	<u>\$ 392,500</u>

**Bonds Authorized but Not Issued**

As of June 30, 2018, 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, 2018**

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

**Other (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, 2018, 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/financial-reports.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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Funding Policy (Continued)** - New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016, were \$59,870, \$51,972, and \$52,131, respectively, equal to the required contributions for each year. The School District's share of TPAF for the years ending June 30, 2018, 2017, and 2016, were \$437,602, \$347,302, and \$298,188, 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, 2018, 2017, and 2016; \$126,040, \$116,936, and \$127,862, 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, 2018, 2017, and 2016, were \$2,685,953, \$2,623,571, and \$2,591,993, covered payroll was \$1,753,988, \$1,572,682, and \$1,791,474 for TPAF and \$463,560, \$468,219, and \$432,732 for PERS.

For the year ended June 30, 2018, the District recognized pension expense of \$222,672. At June 30, 2018, 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		\$ 110,647
Net difference between expected and actual experience	\$ 20,895	
Net difference between projected and actual earnings on pension plan investments	14,472	
Changes in proportion and differences between District contributions and proportionate share of contributions	83,267	
District contributions subsequent to the measurement date	58,342	
	\$ 176,976	\$ 110,647

\$58,342, 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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, 2018**

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

Year Ended	Amount
June 30,	
2019	\$ 27,847
2020	43,193
2021	18,905
2022	(53,827)
2023	(28,131)
Thereafter	None
	<u>\$ 7,987</u>

Additional information – Collective balances at June 30, 2017 and 2016, are as follows:

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	<u>23,278,401,588</u>	<u>29,617,131,759</u>
District's proportion	0.0062977578%	0.0057834113%

**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, 2018, 2017, and 2016, were \$5,216, \$5,085, and \$1,852, 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. The cost of these benefits is funded

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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. (GASB Cod. Sec. 2300.106(g)).

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Employees Covered by Benefit Terms**

At June 30, 2018, the following employees were covered by the benefit terms:

- **TPAF Participant Retirees**  
As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf.
- **PERS Participant Retirees**  
The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.nj.gov/treasury/omb/publications/archives.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2017, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4.
Discount rate	3.58%

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Mortality rates were based on the RP-2014 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

The actuarial assumptions used in the June 30, 2016 valuation were based on the result of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

Changes in the Total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at 6/30/16	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	(7,086,599,129)
Contributions - Member	45,748,749
Benefit payments	(1,242,412,566)
Net changes	(4,191,942,326)
Balance at 6/30/17	\$ 53,639,841,858

There were no changes in benefit terms during the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

Sensitivity of the total OPEB liability to changes in the discount rate. The following represents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Board of Education/Board of Trustees recognized OPEB expense of \$448,871 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Oldmans Township Board of Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs		\$ 1,307,065
Total	None	\$ 1,307,065

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended	
June 30,	Amount
2019	\$ (153,052)
2020	(153,052)
2021	(153,052)
2022	(153,052)
2023	(153,052)
Thereafter	(541,805)
	\$ (1,307,065)

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018, is \$92,480. The liability for compensated absences in the Food Service Fund at June 30, 2018, is \$1,197.

**NOTE 11: DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

ING	Lincoln Investment Planning, Inc.
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**NOTE 12: LABOR CONTRACTS**

As of June 30, 2018, the District's teachers, school nurses, LDT-C, social workers, guidance counselors and psychologists are organized in the Oldmans Education Association collective bargaining unit, which expired on June 30, 2020.

**NOTE 13: OTHER EMPLOYEE BENEFITS PLAN**

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. Effective January 1, 2000, Oldmans Township School District entered into a pre-tax benefits plan with Flex One. The purpose of the plan is to provide eligible employees with the opportunity to choose from among the fringe benefits under the plan. The plan is intended to qualify as a cafeteria plan under the provisions of Internal Revenue Code Section 125. The Dependent Care Expense Reimbursement Plan is



**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 13: OTHER EMPLOYEE BENEFITS PLAN (CONTINUED)**

intended to qualify as Internal Revenue Code Section 129 dependent care assistance plan, and the Medical Care Expense Reimbursement Plan it intended to qualify as Internal Revenue Code Section 105 medical reimbursement plan. The maximum amount, which a participant may make as contributions, shall be \$2,000 for medical care expenses and \$5,000 for dependent childcare expenses.

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

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

The District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSD). The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases, and related services for members and their employees for the following:

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

**New Jersey Unemployment Compensation Insurance:**

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

Fiscal Year	Interest Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2017-2018	\$ 1	\$ 5,182		\$ 111,574
2016-2017	21	5,327	\$ 2,240	106,391
2015-2016	60	4,744	5,149	103,283

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018, amounted to \$5,550.

Year Ended	
June 30,	Amount
2019	\$ 5,550
2020	5,550
2021	2,313
	\$ 13,413

**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, 2018, was as follows:

Beginning balance, July 1, 2017	\$ 251,483
Withdrawals	0
Deposits	150,000
Ending balance, June 30, 2018	\$ 401,483

**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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 17: CAPITAL RESERVE ACCOUNT (CONTINUED)**

The June 30, 2018, LRFPA balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2017	<u>\$ 200,000</u>
Ending balance, June 30, 2018	<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, 2018.

**Restricted Fund Balance:**

**Capital Reserve Account** - The District has a \$200,000 capital reserve account at June 30, 2018.

**Maintenance Reserve Account** - The balance in the maintenance reserve account at June 30, 2018, was \$401,483. 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, 2018, excess surplus created in FY 2017 of \$72,711 will be utilized for expenditures in the 2018-2019 budget, while excess surplus created in FY 2018 of \$441,911 is restricted and will be utilized for budget expenditures in 2019-2020.

**Debt Service Fund** - At June 30, 2018, there was \$0 fund balance.

**Committed Fund Balance** - The District had no committed fund balance at June 30, 2018.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 18: FUND BALANCE APPROPRIATED (CONTINUED)**

**Assigned Fund Balance** - At June 30, 2018, the Board has assigned \$2,958 of General Fund balance to expenditures in the 2018-2019 budget. \$11,235 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, 2018, the District has \$53,892 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, 2018, is \$514,622.

**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 47.6% and taxes funded 51.2% of the District's 2018-2019 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.

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, 2017.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2018 and January 22, 2019, 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.

**NOTE 24: CHANGE IN ACCOUNTING PRINCIPLE**

During the year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures for OPEB.

The effect of this change was to decrease fiscal year ended June 30, 2017, net position by \$11,910,104 which is the prior period adjustment of net OPEB liability. Financial statements for the fiscal year ended June 30, 2017, have not been restated, and the cumulative effect of the change totaling \$11,910,104 is shown as a one-time debit to net position in the fiscal year ended June 30, 2018, Statement of Activities.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule -  
 General Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,884,061		\$ 2,884,061	\$ 2,884,061	
Transportation fees	20,000		20,000	25,580	\$ 5,580
Interest on investments	5,000		5,000	2,195	(2,805)
Miscellaneous				45,494	45,494
<b>Total - local sources</b>	<b>2,909,061</b>		<b>2,909,061</b>	<b>2,957,330</b>	<b>48,269</b>
State sources:					
Transportation aid	136,526		136,526	136,526	
Equalization aid	959,479		959,479	965,799	6,320
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	545,722		545,722	545,722	
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				2,900	2,900
Teachers' pension and annuity fund (on-behalf non-budgeted)				265,427	265,427
TPAF post-retirement (on-behalf non-budgeted)				171,433	171,433
TPAF long-term disability insurance (on-behalf non-budgeted)				742	742
Reimbursed TPAF social security contributions (non-budgeted)				126,040	126,040
<b>Total - state sources</b>	<b>2,074,166</b>		<b>2,074,166</b>	<b>2,647,028</b>	<b>572,862</b>
<b>Total revenues</b>	<b>\$ 4,983,227</b>		<b>\$ 4,983,227</b>	<b>\$ 5,604,358</b>	<b>\$ 621,131</b>



OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 66,529	\$ (32,736)	\$ 33,793	\$ 32,123	\$ 1,670
Kindergarten	163,335		163,335	161,327	2,008
Grades 1-5	853,672	38,990	892,662	814,990	77,672
Grades 6-8	374,839	24,916	399,755	399,718	37
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000	375	625
Regular programs - undistributed instruction:					
Other salaries for instruction	1,000	11,833	12,833	12,832	1
Purchased technical services	1,550		1,550	686	864
Other purchased services (400-500 series)	93,350	(32,304)	61,046	26,458	34,588
General supplies	208,769	(24,571)	184,198	153,751	30,447
Textbooks	6,000	588	6,588	6,588	
Other objects	220	479	699	699	
Total regular programs	1,770,264	(12,805)	1,757,459	1,609,547	147,912
Resource room:					
Salaries of teachers	120,086		120,086	120,047	39
Other salaries for instruction	55,940		55,940	23,857	32,083
General supplies	7,000	(7,000)			
Textbooks	1,000	(1,000)			
Total resource room	184,026	(8,000)	176,026	143,904	32,122
Total special education	184,026	(8,000)	176,026	143,904	32,122
Basic skills/remedial:					
Salaries of teachers	7,000		7,000		7,000
Other salaries for instruction	5,000		5,000		5,000
General supplies	1,917	(1,917)			
Total basic skills/remedial	13,917	(1,917)	12,000		12,000
School sponsored co-curricular activities:					
Salaries	10,450	4,658	15,108	15,107	1
General supplies	240	(240)			
Total school sponsored co-curricular activities	10,690	4,418	15,108	15,107	1
School sponsored athletics - instruction:					
Salaries	6,700		6,700	4,765	1,935
Purchased services (300-500 series)	2,800	(2,400)	400	400	
General supplies	500	774	1,274	1,274	
Total school sponsored athletics - instruction	10,000	(1,626)	8,374	6,439	1,935
Total other instructional programs	34,607	875	35,482	21,546	13,936
Total - instruction	1,988,897	(19,930)	1,968,967	1,774,997	193,970

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state - regular	340,733	16,990	357,723	357,723	
Tuition to Other LEA's within state - special	111,890	(6,456)	105,434	105,434	
Tuition to county voc. school district - regular	173,600		173,600	173,600	
Tuition to county special services district/ regional day schools	50,626	44,762	95,388	94,988	400
Total undistributed expenditures - instruction	676,849	55,296	732,145	731,745	400
Attendance & social work					
Salaries	21,593		21,593	5,186	16,407
Total attendance & social work	21,593		21,593	5,186	16,407
Health services:					
Salaries	65,735		65,735	64,876	859
Purchased professional - technical services	5,950	(64)	5,886	5,486	400
Other purchased services (400-500 series)	335	337	672	671	1
Supplies and materials	2,400	(273)	2,127	1,788	339
Total health services	74,420		74,420	72,821	1,599
Related services:					
Salaries of other professional staff	31,322	81	31,403	31,403	
General supplies	750	(750)			
Total related services	32,072	(669)	31,403	31,403	
Extraordinary services:					
Salaries other professional staff	64,952		64,952	62,417	2,535
Purchased professional - education services	13,000	8,944	21,944	21,944	
Total extraordinary services	77,952	8,944	86,896	84,361	2,535
Guidance services:					
Salaries of other professional staff	64,190	116	64,306	64,306	
Purchased services (400-500 series)	420	(83)	337		337
Supplies and materials	750	1,473	2,223	2,222	1
Total guidance services	65,360	1,506	66,866	66,528	338
Child study team:					
Purchased professional - educational services	11,200		11,200	11,016	184
Total child study team	11,200		11,200	11,016	184
Improvement of instructional services:					
Salary of supervisor of instruction	92,687		92,687	90,023	2,664
Salaries of secretarial and clerical assistants	14,033		14,033	7,187	6,846
Other salaries		475	475	475	
Unused vacation payment to terminated/retired staff		677	677	677	
Purchased professional - educational services	20,000	(8,000)	12,000	10,900	1,100
Purchased services (400-500 series)	3,000	(2,133)	867	867	
Total improvement of instructional services	129,720	(8,981)	120,739	110,129	10,610

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	68,393		68,393	64,014	4,379
Purchased professional - technical services	7,400	(6,805)	595	595	
Supplies and materials	5,115	(2,704)	2,411	2,410	1
<b>Total educational media services/school library</b>	<b>80,908</b>	<b>(9,509)</b>	<b>71,399</b>	<b>67,019</b>	<b>4,380</b>
Instructional staff training:					
Salaries of secretarial and clerical assistants		3,607	3,607	3,603	4
Purchased professional - educational services	7,000	(7,000)			
Purchased services (400-500 series)	3,500	3,914	7,414	7,252	162
Supplies and materials	3,000	(2,243)	757		757
<b>Total instructional staff training</b>	<b>13,500</b>	<b>(1,722)</b>	<b>11,778</b>	<b>10,855</b>	<b>923</b>
Support services general administration:					
Salaries	48,743	54,803	103,546	103,535	11
Legal services	10,000	5,637	15,637	15,637	
Audit Fees	13,000	(657)	12,343	12,250	93
Other purchased professional services	1,500	(1,500)			
Communications/telephone	8,800	4,593	13,393	10,376	3,017
BOE other purchased services	300	428	728	728	
Other purchased services (400-500 series)	17,600	(2,031)	15,569	14,873	696
Supplies and materials	1,700	(1,458)	242	242	
Miscellaneous expenditures		2,940	2,940	2,940	
BOE Member dues/fees	6,000	(2,191)	3,809	3,489	320
<b>Total support services general administration</b>	<b>107,643</b>	<b>60,564</b>	<b>168,207</b>	<b>164,070</b>	<b>4,137</b>
Support services school administration:					
Salaries of principals/assistant principals	86,299	(86,299)			
Salaries of secretarial and clerical assistants	34,323	15,296	49,619	49,619	
Unused vacation payment to terminated/retired staff		1,579	1,579	1,579	
Other purchased services (400-500 series)	2,000	(1,986)	14		14
Supplies and materials	2,900	2,872	5,772	5,771	1
Other objects		820	820	820	
<b>Total support services school administration</b>	<b>125,522</b>	<b>(67,718)</b>	<b>57,804</b>	<b>57,789</b>	<b>15</b>
Central services:					
Salaries	122,896		122,896	109,045	13,851
Other purchased services (400-500 series)	12,900	(3,799)	9,101	7,949	1,152
Supplies and materials	2,500	(90)	2,410	1,650	760
Other objects	1,200	90	1,290	1,290	
<b>Total central services</b>	<b>139,496</b>	<b>(3,799)</b>	<b>135,697</b>	<b>119,934</b>	<b>15,763</b>
Required maintenance:					
Cleaning, repair, and maintenance services	101,457	(33,901)	67,556	10,967	56,589
General supplies	2,810		2,810	1,909	901
<b>Total required maintenance</b>	<b>104,267</b>	<b>(33,901)</b>	<b>70,366</b>	<b>12,876</b>	<b>57,490</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	116,405		116,405	111,241	5,164
Salaries of non-instructional aides	37,174	6,528	43,702	43,702	
Purchased professional - technical services	22,740	(17,920)	4,820	4,022	798
Cleaning, repair and maintenance services	7,000	38,022	45,022	37,560	7,462
Other purchased property services	4,000		4,000	3,262	738
Insurance	13,500		13,500	12,775	725
Miscellaneous other purchased services	9,050		9,050	1,685	7,365
General supplies	26,986	2,470	29,456	29,426	30
Energy (heat and electricity)	131,000	(1,060)	129,940	111,166	18,774
Total other operation & maintenance of plant services	367,855	28,040	395,895	354,839	41,056
Total operation & maintenance of plant services	472,122	(5,861)	466,261	367,715	98,546
Student transportation services:					
Salaries transportation aides	12,227		12,227		12,227
Salaries for pupil transportation - between home and school - regular	64,779	4,188	68,967	68,967	
Salaries for pupil transportation - between home and school - special		1,000	1,000	412	588
Salaries for pupil transportation - other than between home and school	5,500		5,500	2,241	3,259
Cleaning, repair and maintenance services	17,500	13,621	31,121	30,803	318
Aid in lieu - nonpublic	17,680	(363)	17,317	9,000	8,317
Contracted services (between home and school) - vendors		1,374	1,374	1,373	1
Contracted services (other than between home and school) - vendors	2,000		2,000	368	1,632
Contracted services (special students)					
ESC's and CTSA	33,000	14,024	47,024	47,023	1
Miscellaneous purchased service - transportation	15,100	(10,560)	4,540	4,534	6
Supplies and materials	39,250	(10,427)	28,823	23,161	5,662
Total student transportation services	207,036	12,857	219,893	187,882	32,011
Regular programs - instructional - employee benefits:					
Social security contributions	13,000	41,762	54,762	54,762	
Workmen's compensation	12,000		12,000	12,000	
Health benefits	349,638	298,117	647,755	620,836	26,919
Tuition reimbursement	10,000	3,495	13,495	13,494	1
Other employee benefits	34,000	10,205	44,205	44,205	
Total regular programs instructional - employee benefits	418,638	353,579	772,217	745,297	26,920
Special programs - instructional - employee benefits:					
Social security contributions	6,600		6,600	2,539	4,061
Workmen's compensation	1,600		1,600		1,600
Health benefits	44,230	(44,230)			
Other employee benefits	3,500	(3,500)			
Total special programs instructional - employee benefits	55,930	(47,730)	8,200	2,539	5,661

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance and social work - employee benefits:					
Social security contributions	2,175	(2,175)			
Workmen's compensation	250		250		250
Health benefits	10,530	(10,530)			
Other employee benefits	395		395		395
Total attendance and social work - employee benefits	13,350	(12,705)	645		645
Health services - employee benefits:					
Social security contributions	100		100		100
Workmen's compensation	500		500		500
Health benefits	20,520	(20,520)			
Other employee benefits	1,200	(1,200)			
Total health services - employee benefits	22,320	(21,720)	600		600
Related services - employee benefits:					
Workmen's compensation	250	(250)			
Other employee benefits	600	(600)			
Total related services - employee benefits	850	(850)			
Guidance services - employee benefits					
Social security contributions	2,503	(2,503)			
Workmen's compensation	500	(500)			
Health benefits	30,766	(30,766)			
Other employee benefits	1,200	(1,200)			
Total guidance services - employee benefits	34,969	(34,969)			
Improvement of instructional services - employee benefits					
Social security contributions	1,025	(1,025)			
Workmen's compensation	800	(800)			
Health benefits	35,242	(35,242)			
Other employee benefits	1,395	(1,395)			
Total improvement of instructional services - employee benefits	38,462	(38,462)			
Educational media - employee benefits:					
Social security contributions	5,000	(5,000)			
Workmen's compensation	500		500		500
Health benefits	29,704	(29,704)			
Other employee benefits	1,040	(1,040)			
Total educational media services/school library - employee benefits	36,244	(35,744)	500		500

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration - employee benefits:					
Social security contributions	350		350		350
Workmen's compensation	450	(446)	4		4
Total support services general administration - employee benefits	800	(446)	354		354
Support services school administration - employee benefits:					
Social security contributions	2,800	(2,800)			
Workmen's compensation	930		930		930
Health benefits	26,800	(26,800)			
Other employee benefits	1,720	(1,720)			
Total support services school administration - employee benefits	32,250	(31,320)	930		930
Central services - employee benefits:					
Social security contributions	3,520	(3,520)			
Workmen's compensation	760		760		760
Health benefits	38,611	(38,611)			
Other employee benefits	2,500	(2,500)			
Total central services - employee benefits	45,391	(44,631)	760		760
Operation and maintenance of plant services - employee benefits:					
Social security contributions	11,215	(11,215)			
Workmen's compensation	2,825	(2,825)			
Health benefits	91,205	(91,205)			
Other employee benefits	2,550	(2,550)			
Total operation and maintenance of plant services - employee benefits	107,795	(107,795)			
Student transportation services - employee benefits:					
Social security contributions	6,500	(6,500)			
Workmen's compensation	1,850	(1,850)			
Health benefits	13,540	(13,540)			
Other employee benefits	1,288	(1,200)	88		88
Total student transportation services - employee benefits	23,178	(23,090)	88		88
Total allocated benefits	830,177	(45,883)	784,294	747,836	36,458
Unallocated benefits:					
Social security contributions		137	137	137	
Other retirement - PERS	65,920		65,920	65,087	833
Unemployment compensation	5,000	7,729	12,729	12,729	
Workmen's compensation		8,852	8,852	8,852	
Tuition reimbursement	4,500	(4,500)			
Unused sick payment to terminated/retired staff		7,769	7,769	7,769	
Total unallocated benefits	75,420	19,987	95,407	94,574	833

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				265,427	(265,427)
TPAF post-retirement (on-behalf non-budgeted)				171,433	(171,433)
TPAF long-term disability insurance (on-behalf non-budgeted)				742	(742)
Reimbursed TPAF social security contributions (non-budgeted)				126,040	(126,040)
Total non-budgeted				563,642	(563,642)
Total personal services - employee benefits	905,597	(25,896)	879,701	1,406,052	(526,351)
Total undistributed expenditures	3,140,990	15,012	3,156,002	3,494,505	(338,503)
Total expenditures - current expense	5,129,887	(4,918)	5,124,969	5,269,502	(144,533)
CAPITAL OUTLAY:					
Equipment: - undistributed expenditures:					
School sponsored - co-curricular					
Instruction	3,500	2,116	5,616	2,940	2,676
Operation and maintenance	5,300		5,300		5,300
School buses - regular	20,000	(2,116)	17,884		17,884
Total equipment	28,800		28,800	2,940	25,860
Facilities acquisition and construction services:					
Architect and engineering	2,500	12,350	14,850	12,900	1,950
Construction services	88,000	(12,350)	75,650	4,012	71,638
Land improvements	30,000		30,000		30,000
Total facilities acquisition and construction services	120,500		120,500	16,912	103,588
Total capital outlay	149,300		149,300	19,852	129,448
Total expenditures	\$ 5,279,187	\$ (4,918)	\$ 5,274,269	\$ 5,289,354	\$ (15,085)
Excess (deficiency) of revenues over (under) expenditures	\$ (295,960)	\$ 4,918	\$ 300,878	\$ 315,004	\$ 606,046
Other financing sources (uses):					
Transfer to food service to cover deficit		(4,918)	(4,918)	(4,917)	(1)
Total other financing sources (uses)		(4,918)	(4,918)	(4,917)	(1)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(295,960)		295,960	310,087	606,045
Fund balances - July 1	1,073,111		1,073,111	1,073,111	
Fund balances - June 30	\$ 777,150		\$ 1,369,071	\$ 1,383,198	\$ 606,045

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule -  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				\$ 401,483	
Capital reserve				200,000	
Excess surplus - designated for subsequent year's expenditures				72,711	
Excess surplus - current year				441,911	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				11,235	
Designated for subsequent year's expenditures				2,958	
<b>Unassigned Fund Balance</b>				<u>252,900</u>	
				1,383,198	
Reconciliation to Governmental Fund Statements (GAAP):					
Last state aid payment not recognized on GAAP Basis				(199,008)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,184,190</u>	



OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule -  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	\$ 124,107	\$ 67,918	\$ 192,025	\$ 124,216	\$ 67,809
Local sources		4,500	4,500	1,082	3,418
<b>Total revenues</b>	<b>\$ 124,107</b>	<b>\$ 72,418</b>	<b>\$ 196,525</b>	<b>\$ 125,298</b>	<b>\$ 71,227</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 16,606	\$ (3,156)	\$ 13,450	\$ 3,982	\$ 9,468
Other salaries for instruction	18,932	8,793	27,725	22,148	5,577
General supplies		59,114	59,114	6,980	52,134
Other objects		1,500	1,500	1,140	360
<b>Total Instruction</b>	<b>35,538</b>	<b>66,251</b>	<b>101,789</b>	<b>34,250</b>	<b>67,539</b>
Support services:					
Personal services - employee benefits		3,150	3,150	1,694	1,456
Purchased professional - educational services	88,569	17	88,586	88,272	314
General supplies		3,000	3,000	1,082	1,918
<b>Total support services</b>	<b>88,569</b>	<b>6,167</b>	<b>94,736</b>	<b>91,048</b>	<b>3,688</b>
<b>Total expenditures</b>	<b>\$ 124,107</b>	<b>\$ 72,418</b>	<b>\$ 196,525</b>	<b>\$ 125,298</b>	<b>\$ 71,227</b>

**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, 2018

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

	General Fund		Special Revenue Fund
<b>Sources/inflows of resources:</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 5,604,358	[C-2]	\$ 125,298
Difference - budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(393)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(199,008)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	195,258		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	[B-2] \$ 5,600,608	[B-2]	\$ 124,905
<b>Uses/outflows of resources:</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 5,289,354	[C-2]	\$ 125,298
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.			(393)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds	[B-2] \$ 5,289,354	[B-2]	\$ 124,905

**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 Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0062977578%	0.0057834113%	0.0060636352%	0.0055017945%	0.0056961066%
District's proportionate share of the net pension liability (asset)	\$ 1,466,017	\$ 1,712,881	\$ 1,361,165	\$ 1,030,086	\$ 1,088,639
District's covered-employee payroll	468,219	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	313.10%	395.83%	321.13%	276.47%	287.22%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 58,342	\$ 51,972	\$ 52,131	\$ 45,356	\$ 42,919
Contributions in relation to the contractually required contribution	58,342	51,972	52,131	45,356	42,919
Contribution deficiency (excess)	None	None	None	None	None
District's covered-employee payroll	\$ 468,219	\$ 432,732	\$ 423,865	\$ 372,589	\$ 379,031
Contributions as a percentage of covered-employee payroll	12.46%	12.01%	12.30%	12.17%	11.32%
Measurement date	June 30, 2017	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 Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0170006761%	0.0170006761%	0.0158790581%	0.0151275225%	0.0146688586%
District's proportionate share of the net pension liability (asset)	\$ 11,332,121	\$ 13,373,814	\$ 10,036,243	\$ 8,085,168	\$ 7,413,526
District's covered-employee payroll	1,719,816	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	658.91%	746.53%	583.56%	477.32%	468.64%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%
Measurement date	June 30, 2017	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.



**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Fiscal Year

	<u>Fiscal Year Ended</u>
	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 422,000
Interest	347,976
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions or other inputs	(1,381,610)
Member contributions	9,426
Benefit payments	<u>(255,986)</u>
Net change in total OPEB liability	(858,194)
Total OPEB liability - beginning	11,910,104
Total OPEB liability - ending	<u>\$ 11,051,910</u>
Covered employee payroll	\$ 2,188,035
Total OPEB liability as a percentage of covered employee payroll	505.11%

**Notes to Schedule:**

*Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2018	3.58%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO PENSIONS**

**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, 2017, measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

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, 2016, 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.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with NJSA 52:14-17.32f. According to NJSA 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires on a disability pension from one or more of the following plans: the Teacher's Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**NOTE 4: ACTUARIAL ASSUMPTIONS**

The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Salary increases (PERS):	
Through 2026	2.15 – 4.15% based on age
Thereafter	3.15 – 5.15% based on age

Pre-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014, for TPAF and PERS, respectively.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.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, 2018**

	Total Brought Forward Ex. E-1a	Safety Incentive Grant	Rural Education Achievement Program	Title I Part A	Totals	
					FY 2018	FY 2017
<b>REVENUES:</b>						
Federal sources	\$ 92,865		\$ 3,509	\$ 27,842	\$ 124,216	\$ 150,591
Local sources		\$ 1,082			1,082	788
<b>Total revenues</b>	<b>92,865</b>	<b>1,082</b>	<b>3,509</b>	<b>27,842</b>	<b>125,298</b>	<b>151,379</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers				3,982	3,982	7,973
Other salaries for instruction				22,148	22,148	21,514
Purchased professional - technical services						8,635
General supplies	3,453		3,509	18	6,980	18,730
Other objects	1,140				1,140	
<b>Total instruction</b>	<b>4,593</b>		<b>3,509</b>	<b>26,148</b>	<b>34,250</b>	<b>56,852</b>
Support services:						
Personal services - employee benefits				1,694	1,694	1,646
Purchased professional - educational services	88,272				88,272	90,251
Other purchased services (400-500 series)						2,630
General supplies		1,082			1,082	
<b>Total support services</b>	<b>88,272</b>	<b>1,082</b>		<b>1,694</b>	<b>91,048</b>	<b>94,527</b>
<b>Total expenditures</b>	<b>\$ 92,865</b>	<b>\$ 1,082</b>	<b>\$ 3,509</b>	<b>\$ 27,842</b>	<b>\$ 125,298</b>	<b>\$ 151,379</b>



OLDMANS TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	IDEA - Part B - Basic	IDEA Preschool	Title IV Student Support & Academic Enrichment	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:					
Federal sources	\$ 80,111	\$ 1,361	\$ 4,593	\$ 6,800	\$ 92,865
Total revenues	<u>80,111</u>	<u>1,361</u>	<u>4,593</u>	<u>6,800</u>	<u>92,865</u>
EXPENDITURES:					
Instruction:					
General supplies			3,453		3,453
Other objects			1,140		1,140
Total instruction			<u>4,593</u>		<u>4,593</u>
Support services:					
Purchased professional - educational services	80,111	1,361		6,800	88,272
Total support services	<u>80,111</u>	<u>1,361</u>		<u>6,800</u>	<u>88,272</u>
Total expenditures	<u>\$ 80,111</u>	<u>\$ 1,361</u>	<u>\$ 4,593</u>	<u>\$ 6,800</u>	<u>\$ 92,865</u>

## **PROPRIETARY FUNDS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2018	FY 2017
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,001	\$ 40,550	\$ 41,551	\$ 41,359
Accounts receivable:				
State	52		52	39
Federal	1,888		1,888	1,815
Intergovernmental		3,586	3,586	
Other	477		477	850
Inventory	959		959	1,458
Total current assets	<u>4,377</u>	<u>44,136</u>	<u>48,513</u>	<u>45,521</u>
Noncurrent assets:				
Machinery and equipment	134,400	6,600	141,000	139,000
Less: accumulated depreciation	(134,400)	(5,775)	(140,175)	(137,778)
Total noncurrent assets		<u>825</u>	<u>825</u>	<u>1,222</u>
Total assets	<u>4,377</u>	<u>44,961</u>	<u>49,338</u>	<u>46,743</u>
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities:				
Accounts payable	142		142	
Interfund accounts payable - general fund	11,231		11,231	762
Unearned revenue:				
Lunches	3,621		3,621	2,567
USDA commodities	215		215	280
Compensated absences	1,197		1,197	1,731
Total current liabilities	<u>16,406</u>		<u>16,406</u>	<u>5,340</u>
Fund equity:				
Invested in capital assets, net of related debt		825	825	1,222
Unrestricted	(12,029)	44,136	32,107	40,181
Total net position	<u>\$ (12,029)</u>	<u>\$ 44,961</u>	<u>\$ 32,932</u>	<u>\$ 41,403</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities		Totals	
	Food Service	Latchkey Program	FY 2018	FY 2017
<b>OPERATING REVENUES:</b>				
Local sources:				
Daily sales - reimbursable programs	\$ 30,655		\$ 30,655	\$ 30,820
Miscellaneous	323		323	84
Tuition		\$ 36,694	36,694	44,100
Total operating revenue	30,978	36,694	67,672	75,004
<b>OPERATING EXPENSES:</b>				
Salaries	42,087	19,750	61,837	71,278
Employee benefits	3,261	1,511	4,772	16,624
Supplies and materials	3,393	1,575	4,968	7,557
Miscellaneous purchased services (400-500 series)	12,672		12,672	15,175
Depreciation	2,067	330	2,397	463
Cost of sales - reimbursable	39,052		39,052	38,985
Cost of sales - non-reimbursable	1,045		1,045	
Total operating expenses	103,577	23,166	126,743	150,082
Operating income (loss)	(72,599)	13,528	(59,071)	(75,078)
<b>NON-OPERATING REVENUES:</b>				
State sources:				
National school lunch program - state	852		852	837
Federal sources:				
National school lunch program	26,701		26,701	29,142
School breakfast program	4,781		4,781	7,895
National snack program	567		567	289
Food distribution program	10,772		10,772	11,385
Interest revenue	10		10	46
Total non-operating revenues (expenses)	43,683		43,683	49,594
Net income (loss) before transfers	(28,916)	13,528	(15,388)	(25,484)
Other financing sources:				
Board contribution	4,917		4,917	
Investment in fixed assets	2,000		2,000	
Net income (loss)	(21,999)	13,528	(8,471)	(25,484)
Total net position - July 1	9,970	31,433	41,403	66,887
Total net position - June 30	\$ (12,029)	\$ 44,961	\$ 32,932	\$ 41,403

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2018	FY 2017
Cash flows from operating activities:				
Receipts from customers	\$ 32,442	\$ 36,694	\$ 69,136	\$ 76,721
Payments to suppliers	(44,814)	(1,575)	(46,389)	(51,227)
Payments to employees	(42,621)	(19,750)	(62,371)	(71,501)
Payments for employee benefits	(3,261)	(1,511)	(4,772)	(16,624)
Net cash provided (used) by operating activities	(58,254)	13,858	(44,396)	(62,631)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,738		32,738	38,420
Board contribution	4,917		4,917	
Net cash provided by non-capital financing activities	37,655		37,655	38,420
Cash flows from investing activities:				
Interest income	10		10	46
Payments to/from fiduciary fund		(3,586)	(3,586)	
Payments to/from general fund	5,592		5,592	796
Net cash provided by investing activities	10,519	(3,586)	6,933	842
Net increase in cash and cash equivalents	(10,080)	10,272	192	(23,369)
Cash and cash equivalents - July 1	11,081	30,278	41,359	64,728
Cash and cash equivalents - June 30	\$ 1,001	\$ 40,550	\$ 41,551	\$ 41,359
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (72,599)	\$ 13,528	\$ (59,071)	\$ (75,078)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	2,067	330	2,397	463
Food distribution program	10,772		10,772	11,385
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	373		373	(850)
(Increase) decrease in inventory	499		499	3,635
Increase (decrease) in accounts payable	142		142	(129)
Increase (decrease) in deferred revenue	1,026		1,026	(1,834)
Increase (decrease) in compensated absences	(534)		(534)	(223)
	\$ (58,254)	\$ 13,858	\$ (44,396)	\$ (62,631)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Internal Service Fund  
 Combining Schedule of Net Position  
 For the Fiscal Year Ended June 30, 2018

	Totals	
	FY 2018	FY 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 18,855	\$ 8,667
Total assets	\$ 18,855	\$ 8,667
<b>LIABILITIES AND NET POSITION</b>		
<b>NET POSITON</b>		
Unrestricted	\$ 18,855	8,667
Total net position	\$ 18,855	\$ 8,667

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, 2018

	Totals	
	FY 2018	FY 2017
OPERATING REVENUES:		
Local sources:		
Other charges and fees	\$ 80,301	\$ 48,860
Total operating revenue	80,301	48,860
OPERATING EXPENSES:		
Salaries	60,504	31,909
Employee benefits	2,219	8,568
Other purchased services	7,301	7,180
Supplies and materials	89	
Total operating expenses	70,113	47,657
Operating income (loss)	10,188	1,203
Total net position - July 1	8,667	7,464
Total net position - June 30	\$ 18,855	\$ 8,667

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Internal Service Fund  
 Combining Schedule of Cash Flows  
 For the Fiscal Year Ended June 30, 2018

	Totals	
	FY 2018	FY 2017
Cash flows from operating activities:		
Receipts from customers	\$ 80,301	\$ 48,860
Payments to suppliers	(7,390)	(7,510)
Payments to employees	(60,504)	(31,909)
Payments for employee benefits	(2,219)	(8,568)
Net cash provided (used) by operating activities	10,188	873
Net increase in cash and cash equivalents	10,188	873
Cash and cash equivalents - July 1	8,667	7,794
Cash and cash equivalents - June 30	\$ 18,855	\$ 8,667
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 10,188	\$ 1,203
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable		(330)
	\$ 10,188	\$ 873



## **FIDUCIARY FUNDS**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Trust Funds		Agency Funds	Totals	
	Scholarship Trust Fund	Unemployment Trust Fund		FY 2018	FY 2017
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,755	\$ 107,115	\$ 119,115	\$ 227,985	\$ 200,362
Interfund receivable:					
Agency		4,459		4,459	
Unemployment trust					723
Total assets	<u>\$ 1,755</u>	<u>\$ 111,574</u>	<u>\$ 119,115</u>	<u>232,444</u>	<u>201,085</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings			\$ 26,050	26,050	39,498
Due to student groups			32,230	32,230	36,402
Interfund payable:					
Unemployment trust			4,459	4,459	
Interfund payables:					
Agency fund					723
Latchkey			3,586	3,586	
General fund			52,790	52,790	16,343
Total liabilities			<u>\$ 119,115</u>	<u>119,115</u>	<u>92,966</u>
<b>NET POSITION</b>					
Held in Trust for:					
Scholarship awards	\$ 1,755			1,755	1,728
Unemployment claims		\$ 111,574		111,574	106,391
Total net position	<u>\$ 1,755</u>	<u>\$ 111,574</u>		<u>\$ 113,329</u>	<u>\$ 108,119</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2018

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2018	FY 2017
ADDITIONS:				
Contributions:				
Employee payroll deductions		\$ 5,182	\$ 5,182	\$ 5,327
Other	\$ 50		50	50
Total contributions	50	5,182	5,232	5,377
Investment earnings:				
Interest	2	1	3	23
Total investment earnings	2	1	3	23
Total additions	52	5,183	5,235	5,400
DEDUCTIONS:				
Scholarships awarded	25		25	
Unemployment claims				2,240
Total deductions	25		25	2,240
Change in net position	27	5,183	5,210	3,160
Net position - beginning of year	1,728	106,391	108,119	104,959
Net position - end of year	\$ 1,755	\$ 111,574	\$ 113,329	\$ 108,119

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Cash Receipts	Cash Disbursements	Balance June 30, 2018
ACTIVITIES:				
Oldmans School	\$ 36,402	\$ 36,039	\$ 40,211	\$ 32,230
Due Latchkey Fund				3,586
				\$ 35,816

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 55,118	\$ 3,442,244	\$ 3,414,063	\$ 83,299
Interfund receivable				
Unemployment trust	723		723	
Total assets	<u>\$ 55,841</u>	<u>\$ 3,442,244</u>	<u>\$ 3,414,786</u>	<u>\$ 83,299</u>
<b>LIABILITIES</b>				
Employees' net pay		\$ 1,478,366	\$ 1,478,366	
Payroll deductions and withholdings	\$ 39,498	1,922,972	1,936,420	\$ 26,050
Interfund payable:				
Unemployment trust		4,459		4,459
Interfund payable General fund	16,343	36,447		52,790
Total liabilities	<u>\$ 55,841</u>	<u>\$ 3,442,244</u>	<u>\$ 3,414,786</u>	<u>\$ 83,299</u>

## **LONG-TERM DEBT**

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 General Long-Term Debt Account Group  
 Schedule of Serial Bonds  
 June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Refunded/ Issued	Retired	Balance June 30, 2018
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	\$ 1,725,000	02/15/19	\$ 180,000	5.000%				
			02/15/20	185,000	5.000%	\$ 540,000	None	\$ 175,000	\$ 365,000

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 147,622		\$ 147,622	\$ 147,622	
State sources:					
Debt service aid type II	52,628		52,628	52,628	
Total revenues	<u>\$ 200,250</u>		<u>\$ 200,250</u>	<u>\$ 200,250</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	\$ 25,250		\$ 25,250	\$ 25,250	
Redemption of principal	175,000		175,000	175,000	
Total regular debt service	<u>200,250</u>		<u>200,250</u>	<u>200,250</u>	
Total expenditures	<u>\$ 200,250</u>		<u>\$ 200,250</u>	<u>\$ 200,250</u>	

**STATISTICAL SECTION  
(UNAUDITED)**



**OLDMANS TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	107-114
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	115-118
<p>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	119-122
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	123-124
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<b>Operating Information</b>	125-129
<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, 2018  
 Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 4,545,901
Restricted	268,479	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153	1,130,298
Unrestricted	28,780	5,455	230,633	12,406	(2,562)	(26,638)	(1,087,406)	(1,105,327)	(13,168,743)	(13,778,396)
<b>Total governmental activities net position</b>	<b>\$ 3,341,443</b>	<b>\$ 3,577,543</b>	<b>\$ 4,037,196</b>	<b>\$ 4,234,707</b>	<b>\$ 4,317,298</b>	<b>\$ 4,520,307</b>	<b>\$ 3,817,623</b>	<b>\$ 4,097,706</b>	<b>\$ (7,767,427)</b>	<b>\$ (8,102,197)</b>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 56,678	\$ 46,728	\$ 41,758	\$ 32,068	\$ 16,050	\$ 7,075	\$ 2,148	\$ 3,035	\$ 1,222	\$ 825
Unrestricted	20,539	20,573	21,633	28,687	35,029	49,623	55,936	65,202	40,181	32,107
<b>Total business-type activities net position</b>	<b>\$ 77,217</b>	<b>\$ 67,301</b>	<b>\$ 63,391</b>	<b>\$ 60,755</b>	<b>\$ 51,079</b>	<b>\$ 56,698</b>	<b>\$ 58,084</b>	<b>\$ 68,237</b>	<b>\$ 41,403</b>	<b>\$ 32,932</b>
District-wide:										
Invested in capital assets, net of related debt	\$ 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	\$ 4,546,726
Restricted	268,479	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153	1,130,298
Unrestricted	49,319	26,028	252,266	41,093	32,467	22,985	(1,031,470)	(1,040,125)	(13,128,562)	(13,746,289)
<b>Total district-wide net position</b>	<b>\$ 3,418,660</b>	<b>\$ 3,644,844</b>	<b>\$ 4,100,587</b>	<b>\$ 4,295,462</b>	<b>\$ 4,368,377</b>	<b>\$ 4,577,005</b>	<b>\$ 3,875,707</b>	<b>\$ 4,165,943</b>	<b>\$ (7,726,024)</b>	<b>\$ (8,069,265)</b>

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Changes In Net Position  
Last Ten Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 1,614,470
Special education	283,455	348,201	227,493	222,596	261,094	250,304	254,633	281,458	216,779	177,492
Other special education	32,026	59,733	69,045	69,358	1,320	17,218	29,515	15,043	11,938	
Other instruction	12,433	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822	21,546
Support services:										
Student & instruction and related services	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	1,282,833
General administration	116,552	108,446	102,771	96,075	86,535	150,485	150,538	165,980	103,314	162,959
School administrative services	41,116	39,423	33,588	40,864	85,018	33,154	35,925	36,579	121,423	57,504
Central services	159,339	159,199	176,146	165,199	179,755	195,157	183,050	184,248	148,236	190,159
Administrative information technology	4,000	3,106								
Plant operations and maintenance	364,242	353,448	419,274	554,972	452,740	521,471	494,033	354,303	384,686	370,370
Pupil transportation	260,379	296,860	235,537	219,504	161,476	150,701	198,103	190,855	203,937	213,386
Employee benefits	818,873	876,098	777,928	731,242	883,170	893,119	969,171	1,156,265	1,326,799	2,020,947
Interest on long-term debt	113,049	122,117	71,817	67,018	61,542	54,942	48,267	41,467	34,592	27,592
Capital outlay	2,154	27,361	6,455	1,998	103,059	4,777	13,793	16,485	16,585	6,977
Unallocated depreciation	134,808	127,377	129,200	126,983	199,277	160,932	173,886	174,472	178,729	189,682
Total governmental activities expenses	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	6,335,917

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Changes In Net Position  
Last Ten Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Food service	118,909	105,420	91,193	100,238	112,847	103,682	103,676	95,399	114,556	103,577
Childcare	28,437	14,750	14,508	18,792	18,025	22,823	21,489	27,828	35,526	23,166
Total business-type activities expense	147,346	120,170	105,701	119,030	130,872	126,505	125,165	123,227	150,082	126,743
Total district expenses	\$ 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	\$ 6,462,660
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Shared services	\$ 95,152	\$ 101,900	\$ 107,000	\$ 108,000	\$ 115,000	\$ 129,364	\$ 126,000	\$ 73,000	\$ 48,860	\$ 80,301
Operating grants and contributions	140,888	154,694	134,333	124,661	166,728	150,263	157,503	167,778	149,983	124,905
Total governmental activities program revenues	236,040	256,594	241,333	232,661	281,728	279,627	283,503	240,778	198,843	205,206
Business-type activities:										
Charges for services:										
Food service	42,925	41,355	46,376	50,257	47,009	41,739	43,797	40,393	30,904	30,978
Childcare	25,143	16,274	9,537	19,367	19,068	34,926	24,601	29,988	44,100	36,694
Operating grants and contributions	38,644	36,754	37,330	43,205	52,878	55,421	58,099	61,589	49,548	43,673
Total business-type activities program revenues	106,712	94,383	93,243	112,829	118,955	132,086	126,497	131,970	124,552	111,345
Total district program revenue	\$ 342,752	\$ 350,977	\$ 334,576	\$ 345,490	\$ 400,683	\$ 411,713	\$ 410,000	\$ 372,748	\$ 323,395	\$ 316,551
Net (expense) revenue:										
Governmental activities	\$ (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)	\$ (6,130,711)
Business-type activities	(40,634)	(25,787)	(12,458)	(6,201)	(11,917)	5,581	1,332	8,743	(25,530)	(15,398)
Total district-wide net expense	\$ (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)	\$ (6,146,109)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Changes In Net Position  
Last Ten Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 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	\$ 2,884,061
Taxes levied for debt service	171,351	168,992	157,935	151,826	165,167	160,301	159,122	154,109	152,782	147,622
Unrestricted grants and contributions	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	2,695,906
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	25,580
Investment earnings	9,992	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892	2,195
Miscellaneous income	15,216	94,047	20,373	123,653	158,898	29,438	28,886	19,969	22,165	45,494
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	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)					(4,917)
Total governmental activities	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	5,795,941
Business-type activities:										
Miscellaneous income	238	53	57	61	39	38	54	60	46	10
Transfers	28,183	15,818	3,296	3,504	2,202					4,917
Investment in fixed assets			6,455					1,350		2,000
Loss on disposal of assets			(1,260)							
Total business-type activities	28,421	15,871	8,548	3,565	2,241	38	54	1,410	46	6,927
Total district-wide	\$ 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	\$ 5,802,868
Change in net position										
Governmental activities	\$ 178,540	\$ 236,100	\$ 459,653	\$ 197,511	\$ 82,591	\$ 72,335	\$ 343,036	\$ 280,083	\$ 44,971	\$ (334,770)
Business-type activities	(12,213)	(9,916)	(3,910)	(2,636)	(9,676)	5,619	1,386	10,153	(25,484)	(8,471)
Total district	\$ 166,327	\$ 226,184	\$ 455,743	\$ 194,875	\$ 72,915	\$ 77,954	\$ 344,422	\$ 290,236	\$ 19,487	\$ (343,241)

OLDMANS TOWNSHIP SCHOOL DISTRICT  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 For the Fiscal Year Ended June 30, 2018  
 Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Reserved	\$ 300,817	\$ 356,886								
Unreserved	111,541	109,370								
Restricted			\$ 461,900	\$ 462,893	\$ 439,124	\$ 344,807	\$ 335,315	\$ 557,920	\$ 800,308	\$ 1,116,105
Assigned			282,395	480,086	399,116	384,009	339,636	268,495	19,845	14,193
Unrestricted			113,197	101,213	85,074	64,458	55,020	57,322	57,700	53,892
Total general fund	<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>	<u>\$ 1,184,190</u>
All other governmental funds:										
Unreserved, reported in:										
Debt service fund	\$ 5,370	\$ 28,489	\$ 23,119							
Total all other governmental funds	<u>\$ 5,370</u>	<u>\$ 28,489</u>	<u>\$ 23,119</u>	None	None	None	None	None	None	None

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES:</b>										
Tax levy	\$ 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	\$ 3,031,683
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	25,580
Interest earnings	9,992	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892	2,195
Miscellaneous	15,716	94,447	20,373	123,653	159,898	29,938	28,886	19,969	22,953	46,576
State sources	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	2,695,906
Federal sources	140,388	357,147	134,333	184,841	165,728	149,763	157,503	167,778	149,195	123,823
<b>Total revenue</b>	<b>5,038,675</b>	<b>5,053,171</b>	<b>4,832,715</b>	<b>4,828,210</b>	<b>5,056,009</b>	<b>5,095,475</b>	<b>5,216,437</b>	<b>5,525,891</b>	<b>5,553,437</b>	<b>5,925,763</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular	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	1,609,547
Special	281,312	349,051	228,270	232,265	258,209	249,514	257,525	279,984	216,014	177,761
Other	32,026	59,733	69,045	69,358	1,320	17,218	27,555	16,638	10,028	
School sponsored/other instructional	12,433	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822	21,546
Undistributed:										
Student & instruction related services	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	1,280,417
General administration	114,138	106,666	102,801	97,105	85,859	148,625	150,795	165,199	103,314	164,070
School administration	40,412	38,873	33,091	41,981	86,535	32,666	33,691	36,150	121,007	57,789
Central services	95,433	97,718	100,584	109,080	111,664	115,916	116,521	125,561	99,873	119,934
Administration information technology	4,000	3,106								
Operations and maintenance of plant services	331,865	329,598	394,434	504,307	402,177	465,738	462,049	352,629	384,664	367,715
Student transportation	239,954	280,036	213,238	192,741	158,597	147,514	164,865	161,803	181,548	187,882
Employee benefits	818,873	876,098	777,928	731,242	883,170	893,119	969,794	1,127,893	1,164,910	1,407,746
Capital outlay	249,870	116,252	124,604	42,396	351,534	218,152	465,728	202,033	257,884	19,852
Debt service expenditures										
Principal	140,000	165,000	160,000	160,000	165,000	165,000	170,000	170,000	175,000	175,000
Interest	114,670	69,017	68,650	63,850	59,050	52,450	45,850	39,050	32,250	25,250
<b>Total expenditures</b>	<b>5,040,281</b>	<b>4,960,336</b>	<b>4,526,702</b>	<b>4,661,125</b>	<b>5,174,685</b>	<b>5,225,515</b>	<b>5,278,642</b>	<b>5,372,125</b>	<b>5,559,321</b>	<b>5,614,509</b>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess deficiency of revenues over (under) expenditures	(1,606)	92,835	(44,366)	167,085	(118,676)	(130,040)	(62,205)	153,766	(5,884)	311,254
Other financing sources (uses)										
Prior year receivable canceled							(1,098)			
Capital leases			83,149							
Transfers out	(28,183)	(15,818)	(3,296)	(3,504)	(2,202)	(2,202)				(4,917)
Total other financing sources (uses)	(28,183)	(15,818)	79,853	(3,504)	(2,202)	(2,202)	(1,098)			(4,917)
Net change in fund balance	<u>\$ (29,789)</u>	<u>\$ 77,017</u>	<u>\$ 35,487</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>	<u>\$ 306,337</u>
Debt service as a percentage of noncapital expenditures	5.32%	4.83%	5.19%	4.85%	4.65%	4.34%	4.48%	4.04%	3.91%	3.58%

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
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
2018	34,770	1,863		8,861	45,494
	<u>\$ 424,415</u>	<u>\$ 11,338</u>	<u>\$ 29,498</u>	<u>\$ 82,597</u>	<u>\$ 547,848</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
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
2018	11,156,900	122,305,700	21,377,800	3,176,800	10,823,300	68,296,700	0	237,137,200	126,467,400	502,357	237,639,557	240,009,759	1.2240

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	
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
2018	1.164	0.060	1.224	0.191	1.174	2.589

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

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

Taxpayer	2018		2009	
	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	9.13%	30,500,000	13.88%
MHG Gateway Properties, LLC	11,113,600	4.61%		
Goya Foods Inc.	10,630,100	4.41%		
Sciva, LLC & Scivb	8,643,000	3.59%		
Oxy Vinyls	4,500,000	1.87%	10,500,000	4.78%
Pedricktown Cogen	3,000,000	1.24%	9,000,000	4.10%
Paverstone LLC	2,953,300	1.23%		
Noveon Inc. (Lubrizol Advanced Materials)	2,500,000	1.04%	5,100,000	2.32%
Ndev LLC	2,345,100	0.97%		
BOC Group Inc.	1,950,000	0.81%	1,950,000	0.89%
Sun Refining & Marketing Company			6,323,800	2.88%
Perkintown Road Associates			1,940,700	0.88%
Branchville Road, LLC			2,090,800	0.95%
JE Berkowitz			1,567,300	0.71%
Garden State Freezers			1,497,300	0.68%
	<u>69,635,100</u>	<u>28.88%</u>	<u>70,469,900</u>	<u>32.08%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
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%	-
2018	3,031,683	3,031,683	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				
2009	\$ 1,881,000					\$ 1,881,000	2.85%
2010	1,705,000					1,705,000	2.42%
2011	1,545,000		\$ 48,149			1,593,149	2.32%
2012	1,385,000		24,571			1,409,571	1.98%
2013	1,220,000					1,220,000	1.63%
2014	1,055,000					1,055,000	1.40%
2015	885,000					885,000	1.17%
2016	715,000					715,000	0.92%
2017	540,000					540,000	0.68%
2018	365,000					365,000	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			
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%	769
2013	1,220,000		1,220,000	0.59%	666
2014	1,055,000		1,055,000	0.48%	570
2015	885,000		885,000	0.40%	482
2016	715,000		715,000	0.31%	394
2017	540,000		540,000	0.23%	300
2018	365,000		365,000	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, 2017  
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Oldmans	\$ 1,109,000	100.00%	\$ 1,109,000
Salem County General Obligation Debt	43,364,364	4.86%	2,109,052
Subtotal, overlapping debt			3,218,052
Oldmans Township School District			365,000
Total direct and overlapping debt			<u>\$ 3,583,052</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
2017	\$ 236,263,027
2016	229,596,915
2015	220,257,481
	<u>\$ 686,117,423</u>
Average equalized valuation of taxable property	\$ 228,705,808
Debt limit (3% of average equalized value)	6,861,174
Total net debt applicable to limit	<u>365,000</u>
Legal debt margin	<u>\$ 6,496,174</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 6,861,174
Total net debt applicable to limit	<u>1,881,000</u>	<u>1,705,000</u>	<u>1,545,000</u>	<u>1,385,000</u>	<u>1,220,000</u>	<u>1,055,000</u>	<u>885,000</u>	<u>715,000</u>	<u>540,000</u>	<u>365,000</u>
Legal debt margin	<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>	<u>\$ 6,496,174</u>
Total net debt applicable to the limit as a percentage of debt limit	34.10%	28.33%	24.42%	21.50%	18.46%	15.68%	12.74%	10.49%	7.95%	5.32%

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
2009	1,803	\$ 66,007,830	\$ 36,610	9.60%
2010	1,808	70,316,736	38,892	10.2%
2011	1,769	68,663,735	38,815	9.6%
2012	1,800	71,028,000	39,460	9.8%
2013	1,832	74,778,576	40,818	5.4%
2014	1,850	75,511,450	40,817	5.4%
2015	1,835	75,715,770	41,262	4.8%
2016	1,816	77,815,600	42,850	5.0%
2017	1,803	79,880,112	44,304	4.2%
2018	1,792	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	2018		2009	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
JE Berkowitz	225	12.32%	275	28.12%
Five Below	160	8.76%		
Walt's Bus Service	91	4.98%	115	11.76%
Goya Foods	97	5.31%		
Mullica Hill Cold Storage	57	3.12%		
Oldmans Township School	47	2.57%	68	6.95%
Lubrizol	44	2.41%		
Lacy's Express	49	2.68%		
Ox Vinyls	38	2.08%		
Unico	20	1.09%		
Polyone			125	12.78%
	<u>828</u>	<u>45.32%</u>	<u>583</u>	<u>19.73%</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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction:										
Regular	18.0	17.0	14.0	15.0	17.0	18.0	19.0	20.5	21.2	21.7
Special	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other special education	1.0	1.0	1.0	3.0	3.0	3.0	3.0	2.0	2.0	2.2
Other instruction	5.0	5.0	3.0	1.0	1.0	1.0	2.0	1.5	0.5	3.0
Support services:										
Student & instruction related services	4.0	4.0	4.0	4.0	5.0	6.0	6.0	5.0	9.4	7.6
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	1.8	1.0
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	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Food service	4.0	4.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	3.0
Childcare	6.0	6.0	3.0	3.0	3.0	4.0	4.0	2.0	0.2	2.0
Total	<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>	<u>54.5</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				
2009	203	\$ 4,535,741	\$ 22,344	33.55%	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%
2018	275	5,394,407	19,616	4.35%	23.2	11.9	275.9	262.0	1.65%	94.98%

Source: District records

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

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

<b>Elementary/Middle School</b>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	203	177	197	228	229	251	268	287	271	276
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, 2018:  
 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, 2018

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

	Gross Square Footage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
* School Facilities												
Oldmans Middle School	56,000	\$ 66,182	\$ 48,236	\$ 68,803	\$ 172,107	\$ 106,803	\$ 171,300	\$ 146,302	\$ 59,998	\$ 46,118	\$ 12,876	\$ 898,725

\* 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, 2018  
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	15,000
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 - James R. Hackett, Treasurer	160,000
Position Bond - Pamela Zook, Business Administrator	158,000

Source: District records.



## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

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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, 2018, 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 January 22, 2019.

#### ***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 2018-001, 2018-002, and 2018-003.

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

January 22, 2019

# 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, 2018. 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, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB's Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal or state program is not modified with respect to these matters. Oldmans Township School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Mantua Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the response.

### ***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.

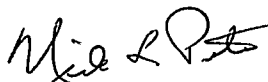
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-003 that we consider to be significant deficiencies.

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, 2018, and have issued our report thereon dated January 22, 2019, 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

January 22, 2019

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2018			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	S010A170030	ESEA386018	\$ 61,797	07/01/17	06/30/18			\$ 5,745	\$ (27,842)						\$ 27,842
Title I - Part A	84.010	S010A160030	NCLB386017	47,384	07/01/16	06/30/17	\$ (32,529)		32,529		\$ 1,396 *		\$ (22,097)	\$ 1,396		32,529
Subtotal							(32,529)		38,274	(27,842)	1,396		(22,097)	1,396		60,371
Title II A, Teacher & Principal Training	84.367	S367A170029	ESEA386018	7,114	07/01/17	06/30/18				(6,800)			(6,800)			6,800
Title II A, Teacher & Principal Training	84.367	S367A160029	NCLB386017	6,031	07/01/16	06/30/17	(4,920)		4,920							5,641
							(4,920)		4,920	(6,800)			(6,800)			12,441
Title IV-Student Support & Academic Enrichment	84.424	S424A170031	ESEA386018	10,000	07/01/17	06/30/18			395	(4,593)			(4,198)			4,593
Special Education Cluster																
IDEA Part B, Basic Regular	84.027A	H027A170100	IDEA386018	80,111	07/01/17	06/30/18			80,111	(80,111)						80,111
IDEA Part B, Preschool	84.173	H173A170114	IDEA386018	1,361	07/01/17	06/30/18			1,361	(1,361)						1,361
Total Special Education Cluster									81,472	(81,472)						81,472
Rural Education Achievement Program	84.358A	S358B170030	S358A171784	31,642	07/01/17	09/30/18				(3,509)			(3,509)			3,509
Total Special Revenue Fund							(37,449)		125,061	(124,216)	1,396		(36,604)	1,396		162,386
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	171NJ304N1099	n/a	10,772	07/01/17	06/30/18			10,772	(10,557)				\$ 215		10,557
Food Distribution Program	10.555	171NJ304N1099	n/a	11,385	07/01/16	06/30/17	280			(280)						11,385
National School Lunch Program	10.555	171NJ304N1099	n/a	26,701	07/01/17	06/30/18			25,112	(26,701)			(1,589)			26,701
National School Lunch Program	10.555	171NJ304N1099	n/a	29,142	07/01/16	06/30/17	(1,345)		1,345							29,142
School Breakfast Program	10.553	171NJ304N1099	n/a	4,781	07/01/17	06/30/18			4,518	(4,781)			(263)			4,781
School Breakfast Program	10.553	171NJ304N1099	n/a	7,895	07/01/16	06/30/17	(463)		385		(78)					7,895
After School Snack Program	10.558	171NJ304N2020	n/a	567	07/01/17	06/30/18			532	(567)			(35)			567
After School Snack Program	10.558	171NJ304N2020	n/a	289	07/01/16	06/30/17	(7)		7							289
Total Enterprise Fund/Child Nutrition Cluster							(1,535)		42,671	(42,886)	(78)		(1,887)	215		91,317
Total Federal Financial Awards							\$ (38,984)		\$ 167,732	\$ (167,102)	\$ 1,318		\$ (38,491)	\$ 1,611		\$ 253,703

\* Prior year purchase order canceled

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

OLDMANS TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2018			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor				Carryover/ (Walkover) Amount	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable
State Department of Education														
General Fund:														
State Aid Public:														
Equalization Aid	18-495-034-5120-078	\$ 965,799	07/01/17 - 06/30/18				\$ 965,799	\$ (965,799)					\$ 92,383	\$ 965,799
Special Education Categorical Aid	18-495-034-5120-089	147,233	07/01/17 - 06/30/18				147,233	(147,233)					14,084	147,233
Security Aid	18-495-034-5120-084	28,642	07/01/17 - 06/30/18				28,642	(28,642)					2,740	28,642
School Choice Aid	18-495-034-5120-068	545,722	07/01/17 - 06/30/18				545,722	(545,722)					52,201	545,722
Adjustment Aid	18-495-034-5120-085	246,964	07/01/17 - 06/30/18				246,964	(246,964)					23,623	246,964
PARCC Readiness Aid	18-495-034-5120-098	3,150	07/01/17 - 06/30/18				3,150	(3,150)					301	3,150
Per Pupil Growth Aid	18-495-034-5120-097	3,150	07/01/17 - 06/30/18				3,150	(3,150)					301	3,150
Professional Learning Community Aid	18-495-034-5120-101	3,300	07/01/17 - 06/30/18				3,300	(3,300)					316	3,300
Transportation Aid	18-495-034-5120-014	136,526	07/01/17 - 06/30/18				136,526	(136,526)					13,059	136,526
Lead Testing for School's Aid	18-495-034-5120-104	1,485	07/01/17 - 06/30/18				1,485		\$ (1,485)					1,485
Reimbursement for Nonpublic Transportation	n/a	2,900	07/01/17 - 06/30/18					(2,900)		\$ (2,900)				2,900
Reimbursement for Nonpublic Transportation	n/a	2,958	07/01/16 - 06/30/17		\$ (2,958)		2,958							2,958
Reimbursed TPAF Social Security Contrib.	18-495-034-5094-003	126,040	07/01/17 - 06/30/18				119,862	(126,040)			(6,178)			126,040
Reimbursed TPAF Social Security Contrib.	17-495-034-5094-003	116,936	07/01/16 - 06/30/17			(685)	685							116,936
On-Behalf TPAF Pension Contribution	18-495-034-5094-002	265,427	07/01/17 - 06/30/18				265,427	(265,427)						265,427
On-Behalf TPAF Post-Retirement Medical	18-495-034-5094-001	171,433	07/01/17 - 06/30/18				171,433	(171,433)						171,433
On-Behalf TPAF Long Term Disability	18-495-034-5094-004	742	07/01/17 - 06/30/18				742	(742)						742
<b>Total General Fund</b>					<b>(3,643)</b>		<b>2,643,078</b>	<b>(2,647,028)</b>	<b>(1,485)</b>	<b>(9,078)</b>			<b>199,008</b>	<b>2,768,407</b>
<b>Debt Service Fund:</b>														
Debt Service Aid Type II	18-495-034-5120-075	52,628	07/01/17 - 06/30/18				52,628	(52,628)						52,628
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
National School Lunch Program (State Share)	18-100-010-3350-023	852	07/01/17 - 06/30/18				800	(852)			(52)			852
National School Lunch Program (State Share)	17-100-010-3350-023	837	07/01/16 - 06/30/17		(39)		39							837
<b>Total Enterprise Fund</b>					<b>(39)</b>		<b>839</b>	<b>(852)</b>		<b>(52)</b>				<b>1,689</b>
<b>Total State Financial Assistance</b>					<b>\$ (3,682)</b>		<b>\$ 2,696,545</b>	<b>\$ (2,700,508)</b>	<b>\$ (1,485)</b>	<b>\$ (9,130)</b>			<b>\$ 199,008</b>	<b>\$ 2,822,724</b>

Less: On-Behalf TPAF Pension System Contributions

**\$ (437,602)**

Total for State Financial Assistance-Major Program Determination

**\$ (2,262,906)**

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, 2018**

**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 basis 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 (\$3,750) for the General Fund and \$1,003 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, 2018

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,643,278	\$ 2,643,278
Special Revenue Fund	\$ 124,216		124,216
Debt Service Fund		52,628	52,628
Food Service Fund	42,821	852	43,673
Total Financial Assistance	<u>\$ 167,037</u>	<u>\$ 2,696,758</u>	<u>\$ 2,863,795</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, 2018, Oldmans Township School District has food commodities totaling \$215 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, 2018. 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, 2018.

**NOTE 7: ADJUSTMENTS TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE**

The amount reported as an adjustment on Schedule A in the amount of \$1,396 for Title I is the result of cancelation of prior year payable. The adjustment for School Breakfast Program in the amount of \$78 is the result of a June 2017 revision. The adjustment for Lead Testing for Schools Aid in the amount of \$1,485 is to realize the amount expended in the prior fiscal year.

**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, 2018**

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

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?  Yes  No

**Federal Awards** **N/A**

**State Awards**

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

Auditee qualified as low-risk auditee?  Yes  No

Internal control over major programs:

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

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

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

Identification of major programs:

<b>State Grant/Project Numbers</b>	<b>Name of State Program</b>
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, 2018

Section II – Financial Statement Findings

**Finding 2018-001**

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 2018-002**

Criteria - The Statement of Revenues, Expenses, and Changes in Fund Net Position 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 software does not provide tracking Food Service Revenue properly between program revenue as reimbursable or non-reimbursable or separate non-program costs of goods sold accurately 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, 2018

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

FEDERAL AWARDS – N/A

STATE AWARDS

**State Aid Public** - Equalization Aid 495-034-5120-078, Special Education Categorical Aid 495-034-5120-089, Security Aid 495-034-5120-084, School Choice Aid 495-034-5120-068, Adjustment Aid 495-034-5120-085, PARCC Readiness Aid 495-034-5120-098, Per Pupil Growth Aid 495-034-5120-097, and Professional Learning Community Aid 495-034-5120-101.

**Eligibility**

**Finding 2018-003**

Criteria - The Application for State School Aid requires a compilation of data and provide an audit trail for testing the enrollments reported on the (ASSA) application.

Condition - The low income students reported on the (ASSA) application and workpapers were not in agreement. Also, students selected for testing could not be verified to the applications and registers.

Questioned Cost - Unknown.

Effect - Noncompliance with the “School Funding Reform Act of 2008” (SFRA) P.L. 2007, c.260.

Cause - The District workpapers provided for audit did not agree to amounts reported and documentation was not on file for students selected for testing.

Recommendation - Procedures be reviewed and revised to accurately record and support low-income students.

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Status of Prior Year Findings

**Finding 2017-001:**

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

Current status: Corrective action was taken, however the action did not alleviate the finding.

**Finding 2017-002:**

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

Current status: Corrective action was not taken to the standard required.