

**SCHOOL DISTRICT
OF**

OAKLYN

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

Oaklyn Board of Education

Oaklyn, New Jersey

For the Fiscal Year Ended June 30, 2018

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

OAKLYN SCHOOL DISTRICT

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Introductory Section



OAKLYN PUBLIC SCHOOL DISTRICT

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Superintendent
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Beth Ann Coleman RSBA
Business Administrator/Board Secretary
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Ms. Jennifer Boulden
Principal
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November 8, 2019

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Oaklyn Public School District for the fiscal year ended June 30, 2019, is hereby submitted. This CAFR includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designated to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

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

Reporting Entity and Its Services

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

The District continues to maintain a high quality of education. The District provides a full range of programs and services appropriate to grade levels Pre-K through 5. These include regular education, programs for the very able students (gifted and talented), as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2018-19	247
2017-18	358
2016-17	366
2015-16	386
2014-15	384

For fiscal year 2018-19, the district administrative structure included a shared superintendent, a shared business administrator/board secretary, and a principal. The nine member Board of Education is an elected body consisting of nine members from Oaklyn. The Board of Education meets on the third Tuesday of each month for its regular Board meetings (with some exceptions). During its Board meetings, the Board determines district goals and priorities and conducts business of the Board of Education. Board meetings are open to the public and begin at 6:30 pm.

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

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

Economic Condition and Outlook

Oaklyn is a fully developed community whose population, ethnicity and economic status have remained relatively stable over the past ten years.

In December 2017, both the Oaklyn Board of Education and the Collingswood Board of Education voted unanimously to expand their send/receive relationship to include middle school and 9th grade pupils. In September 2018, Collingswood Middle School and Collingswood High School welcomed the additional Oaklyn pupils.

In October 2018, to make full use of its facility and to meet the needs of the parents in Oaklyn, the District applied for and received funding for full day preschool under the Preschool Expansion Aid funding from the New Jersey Department of Education. In January 2019, Oaklyn welcomed 28 preschoolers.

The district applied for and received funding to expand Pre-K into 19-20 and serve 56 additional children.

Goals and Reflections:

1. The district has planned a September 2019 referendum to address capital needs; roof, HVAC, windows and security.
2. Continued emphasis on STEAM content.
3. Implement trauma informed practices.

Internal Accounting Controls

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

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal controls are also subject to periodic evaluation by the District management.

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

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

Accounting System and Reports

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

Management's Discussion and Analysis

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

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District is required to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

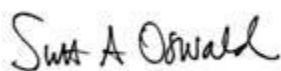
Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey Circular 04-04, as revised. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

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

Respectfully submitted,



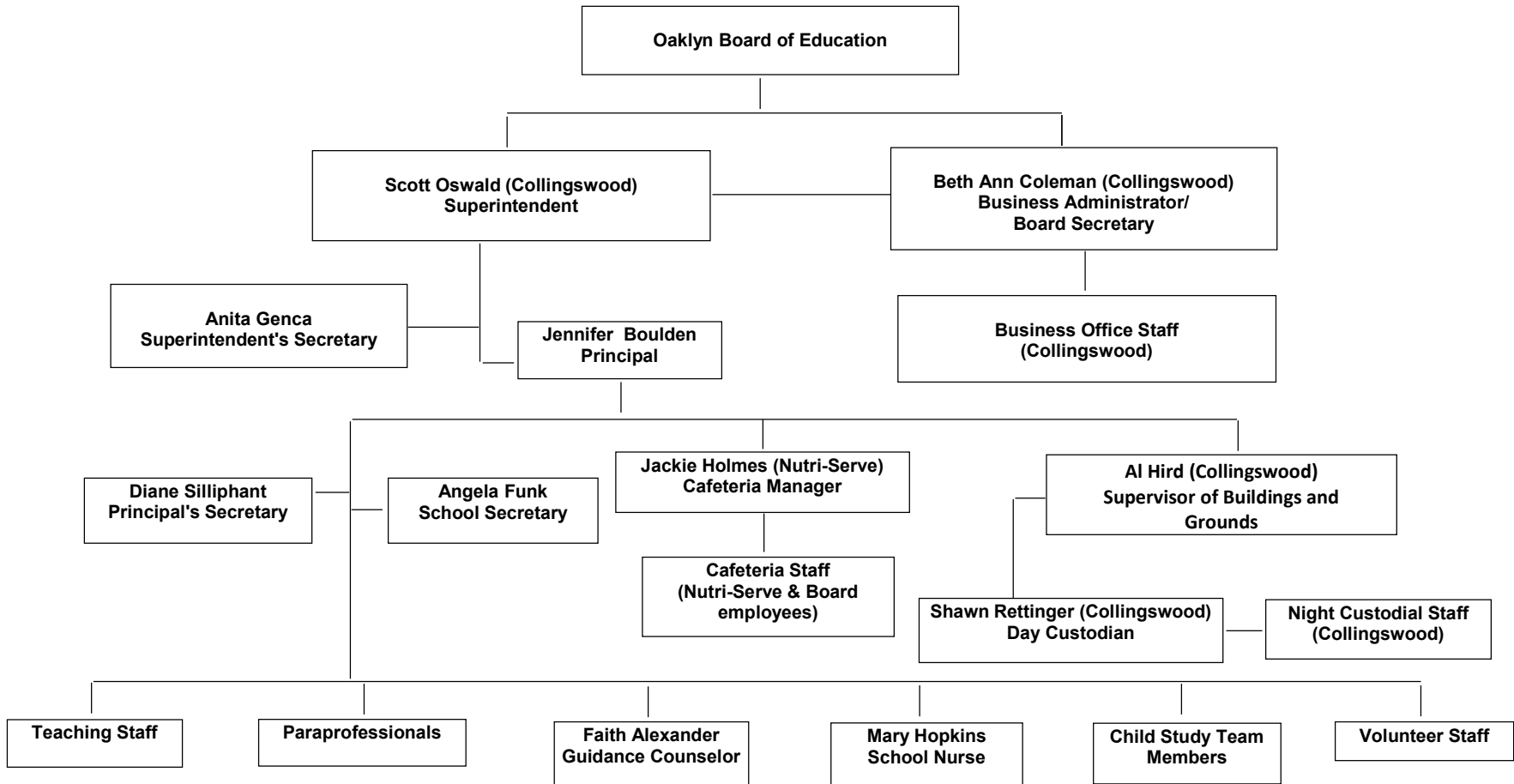
Dr. Scott Oswald
Superintendent



Beth Ann Coleman
Business Administrator/Board Secretary

OAKLYN PUBLIC SCHOOL DISTRICT

Organizational Chart



OAKLYN SCHOOL DISTRICT

Roster of Officials

June 30, 2019

Members of the Board of Education:

Term Expires

William Stauts, President	2019
Jennifer Cassel, Vice President	2020
Denise Buczko	2021
Colleen Faupel	2020
Matthew Hale	2021
Therese Marmion	2021
Christine Reily	2019
Todd Schaefer	2019
Richard Taibi	2020

Other Officials:

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

**OAKLYN SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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Attorney

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Architect

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oaklyn School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 8, 2019 on my consideration of the Oaklyn School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oaklyn School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 8, 2019

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oaklyn School District’s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 8, 2019

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Oaklyn School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

As management of the Board of Education of the Borough of Oaklyn, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$2,944,208.
- Governmental activities have an unrestricted deficit balance of \$502,660. The accounting treatments in the governmental funds for compensated absences payable, the June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68 are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$384,155, or a 18.34% increase from the prior fiscal year-end balance. This increase is due operations in the general fund, increased investment in our school building and increase in our capital reserve account.
- Fund balance of the School District's governmental funds increased by \$45,886 resulting in an ending fund balance of \$1,769,885. The increase is a direct result of the School District recognizing additional efficiencies through shared services with the Collingswood Public School District and increased tuition and local revenues.
- Business-type activities have an unrestricted balance of \$54,128, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$17,514 which is the result of changes in net pension liability and compensated absences.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

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

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

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

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

The assets of the primary government activities exceeded liabilities by \$2,835,440 with an unrestricted deficit balance of \$502,660. The net position of the primary government does not include internal balances. As mentioned earlier, deficit unrestricted balance is primarily due to the accounting treatment for compensated absences payable the delayed June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68.

A net investment of \$1,597,741 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 56.12% of the School District's net position. The change is due to the adoption of GASB 68. The balance of \$1,740,359 has been restricted as follows:

Restricted for subsequent year's budget	\$ 261,317
Reserved for future budget appropriations	\$ 234,154
Maintenance reserve	\$ 221,590
Tuition Reserve	\$ 278,000
Capital reserve	<u>\$ 745,298</u>
Total	\$1,740,359

**Comparative Summary of Net Position
As of June 30, 2019 and 2018**

	Governmental Activities		Business Type Activities		District Wide	
	2019	2018	2019	2018	2019	2018
Assets						
Current Assets	\$1,923,493	\$ 1,779,768	\$ 106,907	\$ 83,768	\$2,030,400	\$1,863,536
Capital Assets	\$1,597,741	\$ 1,349,597	\$ 54,640	\$ 39,221	\$1,652,381	\$1,388,818
Total Assets	\$3,521,234	\$ 3,129,365	\$ 161,547	\$ 122,989	\$3,682,781	\$3,252,354
Deferred Outflow	\$ 82,230	\$ 81,613		\$ -	\$ 82,230	\$ 81,613
Liabilities						
Current Liabilities	\$ 166,302	\$ 68,513	\$ 52,779	\$ 947	\$ 219,081	\$ 69,460
Noncurrent liabilities	\$ 323,094	\$ 340,608		\$ -	\$ 323,094	\$ 340,608
Total Liabilities	\$ 489,396	\$ 409,121	\$ 52,779	\$ 947	\$ 542,175	\$ 410,068
Deferred Inflows	\$ 278,628	\$ 363,846		\$ -	\$ 278,628	\$ 363,846
Net Position	\$2,835,440	\$2,438,011	\$108,768	\$ 122,042	\$2,944,208	\$2,560,053
Net position consists of						
Invested in Capital Assets	\$1,597,741	\$1,349,597	\$ 54,640	\$ 39,221	\$1,652,381	\$1,388,818
Restricted Assets	\$1,740,359	\$1,714,671			\$1,740,359	\$1,714,671
Unrestricted Assets	(\$502,660)	(\$626,257)	\$ 54,128	\$ 82,821	(\$448,532)	(\$543,436)
Net Position	\$2,835,440	\$2,438,011	\$108,768	\$122,042	\$2,944,208	\$2,560,053

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Revenues:						
Charges for services	\$ -	\$ 12,000	\$ 102,607	\$ 147,180	\$ 102,607	\$ 159,180
Operating grants and contributions	2,581,814	2,828,683	62,837	90,225	2,644,651	2,918,908
Property taxes	5,079,691	4,980,089			5,079,691	4,980,089
State aid - unrestricted	2,605,907	2,662,103			2,605,907	2,662,103
Other revenues	14,946	18,578	393	206	15,339	18,784
Total Revenues	10,282,358	10,501,453	165,837	237,611	10,448,195	10,739,064
Expenses:						
Governmental Activities:						
Instruction	2,214,447	2,876,487			2,214,447	2,876,487
Tuition	2,937,061	1,425,888			2,937,061	1,425,888
Related services	1,075,512	1,151,253			1,075,512	1,151,253
Administrative services	323,358	535,167			323,358	535,167
Operations and Maintenance	533,510	522,818			533,510	522,818
Transportation	151,524	132,973			151,524	132,973
Employee benefits	2,624,961	3,428,526			2,624,961	3,428,526
Other and charter	24,556	32,684			24,556	32,684
Loss (Gain) on disposal of capital assets					-	-
Business-Type Activities:						
Food Service			179,111	236,479	179,111	236,479
Total Expenses	9,884,929	10,105,796	179,111	236,479	10,064,040	10,342,275
Increase (Decrease) in Net Position before transfers	397,429	395,657	(13,274)	1,132	384,155	396,789
Transfers		-				
Change in Net Position	397,429	395,657	(13,274)	1,132	384,155	396,789
Net Position, July 1	2,438,011	2,042,354	122,042	120,910	2,560,053	2,163,264
Net Position, June 30	\$ 2,835,440	\$ 2,438,011	\$ 108,768	\$ 122,042	\$ 2,944,208	\$ 2,560,053

Governmental Activities

Governmental activities increased the net position of the School District by \$397,429 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Increased investment in our school building
- Increase in capital reserve

Business-type Activities

Business-type activities decreased the School District's net position by \$13,274. Key elements of the increase in net position for Business Type activities are as follows:

- Results of operation of the food service program.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,769,885, an increase of \$45,886 in comparison with the prior year. This increase is due to an increase in our tuition and miscellaneous revenues and our capital reserve.

The undesignated fund balance for the School District at the end of the fiscal year is \$29,526. The remainder of the fund balance is designated to indicate that it is not available for new spending because it has already been committed: 1) \$234,154 appropriated as a revenue source in the subsequent year's budget 2) \$221,590 Maintenance reserve 3) \$278,000 Tuition reserve 4) \$261,317 reserved for future budget appropriation in accordance with State statute and 5) \$745,298 capital reserve.

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

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

General Fund Budgetary Highlights

At the end of the current fiscal year, undesignated fund balance (budgetary basis) of the general fund was \$291,002 while total fund balance (budgetary basis) was \$2,031,361. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$8,479,314. Undesignated fund balance (budgetary basis) represents 3.43% of expenditures while total fund balance (budgetary basis) represents 23.96% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019 totaled \$1,652,381 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$263,563 or a 18.98% increase.

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

- Depreciation expense for the current fiscal year was \$74,817
- Capital additions for the current fiscal year was \$338,380

Capital Asset (net of accumulated depreciation) June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2018	2019	2018	2019	2018
Land	\$ 272,182	\$ 272,182			\$ 272,182	\$ 272,182
Const. in Progress					-	-
Site Improvements	11,002	13,744			11,002	13,744
Building and Building Improvements	1,140,688	990,196			1,140,688	990,196
Equipment	173,869	73,475	\$ 54,640	\$ 39,221	228,509	112,696
Net Assets	\$ 1,597,741	\$ 1,349,597	\$ 54,640	\$ 39,221	\$ 1,652,381	\$ 1,388,818

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

Long-term debt – During the fiscal year ended June 30, 2019, the School District had \$70,828 in compensated absences payable and \$252,266 in net pension liability.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2019-2020 fiscal year.

- In July 2018, The State of New Jersey notified Oaklyn that their State Aid for the upcoming school year would be reduced by \$87,700. This amount equates to 1.1% of Oaklyn's overall budget. The Board of Education unanimously voted to transfer funds from its maintenance reserve into the budget to support scheduled maintenance projects. This cut in aid is the first in what will be a seven-year phase in of additional cuts to the Oaklyn School District. The Board and Administration have continued to take

steps to mitigate the effects of the cuts on our community. To do so we have:

- Applied for and received approval for Pre-school Expansion. In January 2019, Oaklyn Public School welcomed 56 pupils into 4 Pre-School classrooms. The Board plans on expanding into 20-21.
- The Board of Education approved a lease agreement with the Collingswood Public School district wherein Collingswood rents available educational space for their Pre-School Program.
- In September, 2019 the community voted unanimously to approve a bond referendum for school district improvements. With these funds, the board will finish roof replacement, replace windows and HVAC and build a security vestibule.

Requests for Information

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

Basic Financial Statements

District-Wide Financial Statements

OAKLYN SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 508,059	\$ 96,485	\$ 604,544
Receivables, net	170,546	3,506	174,052
Inventory		6,916	6,916
Restricted Cash	1,244,888		1,244,888
Capital Assets, net (Note 5)	1,597,741	54,640	1,652,381
Total Assets	3,521,234	161,547	3,682,781
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	82,230		82,230
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	3,603,464	161,547	3,765,011
LIABILITIES:			
Accounts Payable			
Related to pensions	12,694		12,694
Other	130,474	21,048	151,522
Intergovernmental Payable	(30,600)	30,600	
Unearned revenue	53,734	1,131	54,865
Noncurrent Liabilities:			
Due within one year			
Due beyond one year	323,094		323,094
Total Liabilities	489,396	52,779	542,175
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	278,628		278,628
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	768,024	52,779	820,803
NET POSITION:			
Net Investment in Capital Assets	1,597,741	54,640	1,652,381
Restricted for:			
Other Purposes	1,740,359		1,740,359
Unrestricted (Deficit)	(502,660)	54,128	(448,532)
Total Net Position	\$ 2,835,440	\$ 108,768	\$ 2,944,208

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

OAKLYN SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 1,501,012	\$ -	\$ 262,553	\$ -	\$ (1,238,459)	\$ -	\$ (1,238,459)
Special education	522,911		77,472		(445,439)		(445,439)
Other instruction	190,524				(190,524)		(190,524)
Support Services:							
Tuition	2,937,061				(2,937,061)		(2,937,061)
Student & instruction related services	1,075,512		125,325		(950,187)		(950,187)
General administrative services	120,243				(120,243)		(120,243)
School administrative services	135,129				(135,129)		(135,129)
Central services	67,986				(67,986)		(67,986)
Plant operations and maintenance	533,510		96,363		(437,147)		(437,147)
Pupil transportation	151,524				(151,524)		(151,524)
Employee benefits	2,624,961		2,020,101		(604,860)		(604,860)
Summer School	12,306				(12,306)		(12,306)
Transfer of funds to charter school	10,866				(10,866)		(10,866)
Unallocated depreciation and amortization	1,384				(1,384)		(1,384)
Total Governmental Activities	<u>9,884,929</u>		<u>2,581,814</u>		<u>(7,303,115)</u>		<u>(7,303,115)</u>
Business-Type Activities:							
Food service	179,111	102,607	62,837			(13,667)	(13,667)
Total Business-Type Activities	<u>179,111</u>	<u>102,607</u>	<u>62,837</u>			<u>(13,667)</u>	<u>(13,667)</u>
Total Primary Government	<u>\$ 10,064,040</u>	<u>\$ 102,607</u>	<u>\$ 2,644,651</u>	<u>\$ -</u>	<u>(7,303,115)</u>	<u>(13,667)</u>	<u>(7,316,782)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					5,079,691		5,079,691
Federal and State aid not restricted					2,605,907		2,605,907
Miscellaneous income					14,946	393	15,339
Total general revenues, special items, extraordinary items and transfers					<u>7,700,544</u>	<u>393</u>	<u>7,700,937</u>
Change in Net Position					397,429	(13,274)	384,155
Net Position - July 1, 2018					2,438,011	122,042	2,560,053
Net Position - June 30, 2019					<u>\$ 2,835,440</u>	<u>\$ 108,768</u>	<u>\$ 2,944,208</u>

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

Fund Financial Statements

OAKLYN SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,711,832	\$ 41,115	\$ -	\$ -	\$ 1,752,947
Receivables, net					
Intergovernmental	70,453	97,243			167,696
Interfunds	30,600	7,718			38,318
Other	2,850				2,850
Total Assets	<u>1,815,735</u>	<u>146,076</u>	<u>-</u>	<u>-</u>	<u>1,961,811</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	34,432	96,042			130,474
Intergovernmental payable					-
Interfund payable	7,718				7,718
Unearned revenue	3,700	50,034			53,734
Total Liabilities	<u>45,850</u>	<u>146,076</u>	<u>-</u>	<u>-</u>	<u>191,926</u>
 Fund Balances:					
Assigned to:					
Year end encumbrances					-
Capital Reserve	745,298				745,298
Maintenance Reserve	221,590				221,590
Tuition Reserve	278,000				278,000
Subsequent year's budget	21,750				21,750
Excess Surplus - Designated for subsequent year's budget	212,404				212,404
Excess Surplus	261,317				261,317
Unassigned	29,526				29,526
Total Fund Balances	<u>1,769,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,769,885</u>
Total Liabilities and Fund Balances	<u>\$ 1,815,735</u>	<u>\$ 146,076</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,335,317 and the accumulated depreciation is \$2,737,576. 1,597,741

Accounts payable related to the April 1, 2019 required PERS contribution that is not to be liquidated with current financial resources (12,694)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 82,230	
Net Pension Liability	(252,266)	
Deferred Inflows of resources from Pensions	(278,628)	(448,664)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Compensated Absences	(70,828)
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Net position of governmental activities \$ 2,835,440

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

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 5,079,691	\$ -	\$ -	\$ -	\$ 5,079,691
Tuition					-
Miscellaneous	14,946				14,946
Total local sources	5,094,637	-	-	-	5,094,637
State sources	3,405,943	389,392			3,795,335
Federal sources	24,620	206,172			230,792
Total Revenues	<u>8,525,200</u>	<u>595,564</u>	<u>-</u>	<u>-</u>	<u>9,120,764</u>
EXPENDITURES:					
Current expense:					
Regular instruction	1,202,237	262,553			1,464,790
Special education instruction	445,439	77,472			522,911
Other instruction	190,524				190,524
Support services and undistributed costs:					
Tuition	2,937,061				2,937,061
Student & instruction related services	950,187	125,325			1,075,512
General administrative services	114,708				114,708
School administrative services	135,129				135,129
Central services	67,986				67,986
Plant operations and maintenance	497,369				497,369
Pupil transportation	151,524				151,524
Employee benefits	1,524,165	33,851			1,558,016
Summer School	12,306				12,306
Capital Outlay	239,813	96,363			336,176
Transfer of Funds to Charter School	10,866				10,866
Total Expenditures	<u>8,479,314</u>	<u>595,564</u>	<u>-</u>	<u>-</u>	<u>9,074,878</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>45,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,886</u>
Net Change in Fund Balances	45,886	-	-	-	45,886
Fund Balances - July 1, 2018	<u>1,723,999</u>				<u>1,723,999</u>
Fund Balances - June 30, 2019	<u>\$ 1,769,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,769,885</u>

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

OAKLYN SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	45,886
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (69,188)	
Capital outlays capitalized in accordance with District's policies	317,332	248,144
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		94,649
<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>		
		8,750
Change in Net Position of Governmental Activities	\$	397,429

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

OAKLYN SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 96,485
Intergovernmental receivables:	
State	68
Federal	3,438
Other	-
Inventories	<u>6,916</u>
Total current assets	<u>106,907</u>
Noncurrent assets:	
Equipment	168,768
Less - accumulated depreciation	<u>(114,128)</u>
Total noncurrent assets	<u>54,640</u>
Total Assets	<u><u>161,547</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	21,048
Interfund payable	30,600
Unearned revenue	<u>1,131</u>
Total current liabilities	<u>52,779</u>
NET POSITION:	
Net investment in capital assets	54,640
Unrestricted	<u>54,128</u>
Total Net Position	<u><u>\$ 108,768</u></u>

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

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 21,181
Other governmental entities	62,959
Non-reimbursable programs	<u>18,467</u>
 Total Operating Revenue	 <u>102,607</u>
Operating Expenses:	
Salaries and fringe benefits	87,059
Supplies and materials	3,824
Management Fee	14,107
Other costs	15,240
Depreciation	5,629
Cost of sales - reimburseable programs	22,077
Cost of sales - nonreimburseable programs	<u>31,175</u>
 Total Operating Expenses	 <u>179,111</u>
 Operating Income (Loss)	 <u>(76,504)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,042
Federal sources:	
National school lunch program	38,765
National school breakfast program	9,876
Food distribution program	13,154
Interest earned	<u>393</u>
 Total Non-Operating Revenues	 <u>63,230</u>
 Change in Net Position	 (13,274)
 Net Position - July 1, 2018	 <u>122,042</u>
 Net Position - June 30, 2019	 <u>\$ 108,768</u>

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

OAKLYN SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 110,335
Cash payments to employees for services	(56,459)
Cash payments to suppliers for goods and services	(74,246)
Net Cash Provided by (used for) Operating Activities	<u>(20,370)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,131
Cash received from federal sources	50,846
Net Cash Provided by (used for) Noncapital Financing Activities	<u>51,977</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of Equipment	<u>-</u>
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	<u>393</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,000
Cash and Cash Equivalents - July 1, 2018	<u>64,485</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 96,485</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (76,504)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	5,629
Commodities	13,154
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	7,546
(Increase) Decrease in Inventories	(978)
Increase (Decrease) in Accounts Payables	-
Increase (Decrease) in Interfund Payables	30,600
Increase (Decrease) in Unearned Revenue	183
Net Cash Provided by (used for) Operating Activities	<u>\$ (20,370)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$13,154 of food commodities from the U.S. Department of Agriculture.	

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

OAKLYN SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Trust Funds	Agency Funds
	Unemployment Compensation Trust	
ASSETS:		
Cash and cash equivalents	\$ 23,119	\$ 28,882
 Total Assets	 \$ 23,119	 \$ 28,882
 LIABILITIES:		
Payroll deductions and withholdings	\$ -	\$ 19,762
Due to student groups	-	9,120
 Total Liabilities	 -	 \$ 28,882
 NET POSITION:		
Held in trust for unemployment claims and other purposes	\$ 23,119	

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

OAKLYN SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee	\$ 3,277
Employer	-
Total contributions	<u>3,277</u>
Investment earnings:	
Interest	<u>-</u>
Net investment earnings	<u>-</u>
Total Additions	<u>3,277</u>
DEDUCTIONS:	
Unemployment claims	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	3,277
Net Position - July 1, 2018	<u>19,842</u>
Net Position - June 30, 2019	<u>\$ 23,119</u>

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Oaklyn School District (“School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades PK through 5. Students in grades 6 through 12 attend the Collingswood High School District on a tuition basis. The Oaklyn School District has an approximate enrollment at June 30, 2019 of 247 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District’s accounting policies are described below.

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

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

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

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The School District's enterprise funds are:

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

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

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

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

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued) – The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

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

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

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

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

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

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

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

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

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

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

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

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

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

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2019.

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

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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

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

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Recently Issued Accounting Pronouncements - In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement may have an effect on the District's financial reporting.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of this Statement will not have any effect on the District's financial reporting.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is designed to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The adoption of this Statement will not have any effect on the District's financial reporting.

In May 2019, the GASB issued Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation: establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of this Statement will not have any effect on the District's financial reporting.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$2,007,111 as of June 30, 2019, \$250,000 was insured under FDIC and the remaining balance of \$1,757,111 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance – July 1, 2018		\$ 724,701
Increased by:		
Interest Earned	\$ 3,624	
Original Budget 2018/2019	50,000	
Unspent Budget Appropriation	-	
Board resolution	-	53,624
		778,325
Decreased by:		
Budget withdrawal		33,027
		33,027
Balance – June 30, 2019		\$ 745,298

The June 30, 2019 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District’s LRFP.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

4. ACCOUNTS RECEIVABLES (Continued)

Accounts receivable at June 30, 2019 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 47,726	\$ 43,743	\$ 68	\$ 91,537
Federal	-	53,500	3,438	56,938
Other	25,577	-	-	25,577
Total	<u>\$ 73,303</u>	<u>\$ 97,243</u>	<u>\$ 3,506</u>	<u>\$ 174,052</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Adjustments/ Deletions	Balance June 30, 2019
Governmental Activities:				
Land	\$ 272,182	\$ -	\$ -	\$ 272,182
Construction in Progress				
Total Capital Assets not being Depreciated	272,182			272,182
Land Improvements	129,282			129,282
Building and Improvements	2,764,229	194,000		2,958,229
Equipment	852,292	123,332		975,624
Total Historical Cost	<u>4,017,985</u>	<u>317,332</u>	<u>-</u>	<u>4,335,317</u>
Less Accumulated Depreciation:				
Land Improvements	115,538	2,742		118,280
Building and Improvements	1,774,033	43,508		1,817,541
Equipment	778,817	22,938		801,755
Total Accumulated Depreciation	<u>2,668,388</u>	<u>69,188</u>	<u>-</u>	<u>2,737,576</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,349,597</u>	<u>\$ 248,144</u>	<u>\$ -</u>	<u>\$ 1,597,741</u>
Business-Type Activities:				
Equipment	\$ 147,720	\$ 21,048	\$ -	\$ 168,768
Less - Accumulated Depreciation	108,499	5,629		114,128
Business-Type Activities Capital Assets, Net	<u>\$ 39,221</u>	<u>\$ 15,419</u>	<u>\$ -</u>	<u>\$ 54,640</u>

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$69,188 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 44,972
Administration	5,535
Plant operations & maintenance	17,297
Unallocated	1,384
Total depreciation expense	\$ 69,188

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$ 6,405
Supplies	511
	\$ 6,916

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	Principal Outstanding June 30, 2018	Additions	Reductions	Principal Outstanding June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 79,578	\$ -	\$ 8,750	\$ 70,828	\$ -
Net Pension Liability	261,030		8,764	252,266	
	\$ 340,608	\$ -	\$ 17,514	\$ 323,094	\$ -

Bonds and Notes Authorized but not Issued

As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

Compensated Absences

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

8. OPERATING LEASES

At June 30, 2019, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$13,776 for the fiscal year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2020	\$ 5,490
	<hr/>
	<u>\$ 5,490</u>

9. PENSION PLANS

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

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$344,409 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$137,261.

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

At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2018, the School District recognized pension expense of \$844,976 and revenue of \$844,976 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

	<u>06/30/18</u>	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 12,473,998,870	\$ 14,160,879,257
Collective deferred inflows of resources	16,180,773,643	11,800,239,661
Collective net pension liability (Non-Employer – State of New Jersey)	63,617,852,031	67,423,605,859
State's portion of the net pension liability that was associated with the School District	14,494,447	15,197,171
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0227836160%	.0225398375%

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	2.25%
Salary Increases:	
2011-2026	1.55- 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produced the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The state contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.25%) or 1 percentage point higher (5.25%) that the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	17,132,161	14,494,447	12,307,846
	\$ 17,132,161	\$ 14,494,447	\$ 12,307,846

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

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS designated purpose to is to provide retirement, death and disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 12.88% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$12,744 and was paid by April 1, 2019. School District employee contributions to the pension plan during the fiscal year ended June 30, 2019 were \$7,394.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2019	\$ 1,593	\$ 10,572	\$ 579	\$ 12,744
2018	1,367	8,515	506	10,388
2017	1,534	7,807	466	9,807

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

At June 30, 2019, the School District reported a liability of \$252,266 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2019, the School District recognized pension expense of (\$94,402). At June 30, 2019, the School District reported a liability of \$252,266 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,811	\$ 1,301
Changes of assumptions	41,569	80,661
Net Difference between projected and actual earnings on pension plan investments		2,366
Changes in proportion	35,850	194,300
District contributions subsequent to the measurement date	12,694	
Total	\$ 94,924	\$ 278,628

\$12,694 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, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net liability in the year ended June 30, 2019.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2020	\$ (123,751)
2021	(23,549)
2022	(24,475)
2023	(11,936)
2024	(12,687)
Total	\$ (196,398)

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
School District's Proportion	.0012812200%	.0011213381%

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

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 employees. 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	05.00%	05.51%
Cash Equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment Grade Credit	10.00%	03.78%
High Yield	02.50%	06.82%
Global Diversified Credit	05.00%	07.10%
Credit Oriented Hedge Funds	01.00%	06.60%
Debt Related Private Equity	02.00%	10.63%
Debt Related Real Estate	01.00%	06.61%
Private Real Asset	02.50%	11.83%
Equity Related Real Estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. Developed Markets Equity	11.50%	09.00%
Emerging Markets Equity	06.50%	11.64%
Buyouts/Venture Capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2018, calculated using the discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	<u>1% Decrease (4.66%)</u>	<u>Current Discount Rate (5.66%)</u>	<u>1% Increase (6.66%)</u>
School District's proportionate share of the net pension liability	\$ 317,195	\$ 252,266	\$ 197,794

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

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District’s contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>School District</u>
2019	\$ 1,086	\$ 1,086
2018	196	196
2017	186	186

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been remeasured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

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 school district. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the 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 enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014 and July 1, 2010 – June 30, 2013 for TPAF, PFRS, and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate - The discount rate for June 30, 2018 and 2016 was 3.87%. This represent the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The percentage of the premium for which the retirees will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2017	\$ 18,484,960
Changes for the years'	
Service Cost	457,748
Interest	671,120
Changes of benefit terms	
Differences between expected and actual experience	(2,110,447)
Changes in assumptions	(1,761,049)
Gross Benefit Payments	(410,351)
Contributions from the Non-employer	N/A
Contributions from the Member	14,182
Net Investment Income	N/A
Adminisitrative Expense	N/A
Net Changes	\$ (3,138,797)
Balance at 06/30/2018	\$ 15,346,163

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 18,142,289	\$ 15,346,163	\$ 13,123,532

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2018, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 18,566,342	\$ 15,346,163	\$ 12,482,813

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

For the year ended June 30, 2019, the School District recognized \$411,020 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2019, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 1,489,688
Changes of assumptions	-	3,439,921
Total	\$ -	\$ 4,929,609

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State's proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2019	\$ (607,452)
2020	(607,452)
2021	(607,452)
2022	(607,452)
2023	(607,452)
Therafter	(1,892,349)
Total	\$ (4,929,609)

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$474,620, \$215,287, and \$527, respectively. In addition, \$134,222 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ 3,277	\$ -	\$ -	\$ 23,119
2018	-	5,030	-	-	19,842
2017	-	5,214	-	38	14,812

13. DEFERRED COMPENSATION

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

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2019, the liability for compensated absences in the governmental activities fund was \$70,828.

15. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2020. The following interfund balances were recorded on the various balance sheets as of June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 30,600	\$ 7,718
Special Revenue	7,718	
Fiduciary		30,600
	<u>\$ 38,318</u>	<u>\$ 38,318</u>

16. CONTINGENCIES

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

At June 30, 2017, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. 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 N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

17. TAX ABATEMENTS (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 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.

As of December 31, 2018, the Borough of Oaklyn had no tax abatements.

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2019, a deficit of \$502,660 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2019:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 29,526
Liabilities:	
Net Pension Differences	(461,358)
Compensated Absences	(70,828)
Unrestricted Net Position (Deficit)	<u>\$ (502,660)</u>

19. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$261,317 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$212,404 of excess fund balance generated during the 2017-2018 fiscal year has been restricted and designated for utilization in the 2019-2020 budget.

Capital Reserve Account – As of June 30, 2019, the balance in the capital reserve account is \$745,298. Of this amount \$17,032 has been appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020. Additionally, \$588,000 will be utilized in the 2019 Referendum Project. The balance is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2019, the balance in the maintenance reserve account is \$221,590. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

19. FUND BALANCES (CONTINUED)

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2019 in the amount of \$278,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. Of this amount \$128,000 has been appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020, \$21,750 of general fund balance at June 30, 2019.

UNASSIGNED

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

General Fund – As of June 30, 2019, the fund balance of the general fund was \$29,526.

20. SUBSEQUENT EVENTS

At an election held on September 24, 2019, a majority of the legal voters of the Borough of Oaklyn approved a \$3,400,000 bond referendum. The improvements include renovations, alterations, improvements, and upgrades at the Oaklyn Public School, including related work, fixtures, equipment, and site work.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 5,079,691	\$ -	\$ 5,079,691	\$ 5,079,691	\$ -
Tuition - from individuals	12,500		12,500		(12,500)
Tuition - from other LEA's within State	-		-		-
Unrestricted misc. revenues	3,302		3,302	14,946	11,644
Total local sources	5,095,493		5,095,493	5,094,637	(856)
State sources:					
School Choice Aid	53,210		53,210	53,210	-
Categorical special education aid	275,669		275,669	275,669	-
Equalization aid	2,145,996		2,145,996	2,145,996	-
Categorical security aid	48,228		48,228	48,228	-
Categorical transportation aid	18,607	(2,371)	16,236	16,236	-
Adjustment Aid	85,329	(85,329)			-
Extraordinary Aid	-			41,002	41,002
On-behalf TPAF pension contrib. (non-budgeted)	-			474,620	474,620
On-behalf TPAF post retirement medical (non-budgeted)	-			215,287	215,287
On-behalf TPAF - LTDI (non-budgeted)	-			527	
Reimbursed TPAF social security contribution (non-budgeted)	-			134,222	134,222
Total state sources	2,627,039	(87,700)	2,539,339	3,404,997	865,131
Federal Sources:					
Medicaid Reimbursement	13,087		13,087	24,620	11,533
Total federal sources	13,087	-	13,087	24,620	11,533
TOTAL REVENUES	7,735,619	(87,700)	7,647,919	8,524,254	875,808
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	70,967	52,235	123,202	123,202	-
Grades 1-5	937,966	(67,766)	870,200	865,873	4,327
Regular Programs - Home Instruction:					
Salaries of teachers	3,000	(810)	2,190	372	1,818
Purchased professional - educational services	3,000	-	3,000	665	2,335
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	63,259	8,500	71,759	57,838	13,921
Purchased technical services	35,800	-	35,800	30,626	5,174
Other purchased services	33,537	-	33,537	16,024	17,513
General supplies	163,922	(22,100)	141,822	105,262	36,560
Textbooks	20,500	(16,000)	4,500	2,375	2,125
Other objects	540	-	540		540
Total - regular programs - instruction	1,332,491	(45,941)	1,286,550	1,202,237	84,313

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	\$ 140,225	\$ 7,410	\$ 147,635	\$ 144,908	\$ 2,727
General supplies	14,250	-	14,250	7,325	6,925
Total multiple disabilities	154,475	7,410	161,885	152,233	9,652
Resource room/resource center:					
Salaries of teachers	137,068	(290)	136,778	132,968	3,810
Purchased professional - educational services	45,380	-	45,380	42,537	2,843
General supplies	5,050	-	5,050	1,115	3,935
Total resource room/resource center	187,498	(290)	187,208	176,620	10,588
Preschool Disabilities - Part Time					
Salaries of teachers	70,232	-	70,232	67,542	2,690
Purchased professional - educational services	50,000	-	50,000	48,421	1,579
General supplies	1,400	-	1,400	623	777
Total preschool disabilities - part time	121,632	-	121,632	116,586	5,046
Home Instruction:					
Salaries of teachers		-			-
Purchased professional - educational services		-			-
Total home instruction	-	-	-	-	-
Total special education - instruction	463,605	7,120	470,725	445,439	25,286
Basic Skills/Remedial - Instruction					
Salaries of teachers	148,218	(36,125)	112,093	108,407	3,686
Purchased professional - educational services	2,500	-	2,500	2,500	-
Other purchased services	300	-	300		300
General supplies	200	-	200		200
Total basic skills/remedial - instruction	151,218	(36,125)	115,093	110,907	4,186
Bilingual Education - Instruction					
Salaries of teachers	64,316	-	64,316	63,541	775
General supplies	100	-	100		100
Total bilingual education - instruction	64,416	-	64,416	63,541	875
School-Sponsored Co/Extra-Curr. Act - Instruction:					
Salaries	10,793	500	11,293	11,210	83
Supplies and materials	-	-	-		-
Other objects	250	-	250		250
Total school-sponsored cocurr. act. - instruct.	11,043	500	11,543	11,210	333

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -
Total school-sponsored athletics - instruct.	-	-	-	-	-
Summer School - Instruction:					
Salaries of teachers	2,100	-	2,100	2,030	70
Purchased professional - technical services	1,000	-	1,000	735	265
General supplies	150	-	150	-	150
Total summer school - instruction	3,250	-	3,250	2,765	485
Summer School - Support Services:					
Salaries	1,800	-	1,800	1,440	360
Total summer school - instruction	1,800	-	1,800	1,440	360
Total summer school	5,050	-	5,050	4,205	845
Community serv. Programs/operations					
Salaries	1,500	-	1,500	661	839
Total Instruction	2,029,323	(74,446)	1,954,877	1,838,200	116,677
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	2,691,284	-	2,691,284	2,691,284	-
Tuition to other LEAs within the state - spec	173,314	9,600	182,914	181,530	1,384
Tuition to County Voc. School Dist. - reg.	14,324	-	14,324	14,324	-
Tuition to CSSD & Reg. Day schools	-	-	-	-	-
Tuition to priv. sch. for the disabled w/in state	139,629	(42,200)	97,429	49,923	47,506
Tuition - state facilities	-	-	-	-	-
Tuition - other	47,298	-	47,298	-	47,298
Total undistributed expenditures - instruction	3,065,849	(32,600)	3,033,249	2,937,061	96,188
Attendance and social work:					
Salaries	24,448	399	24,847	24,847	-
Total attendance and social work	24,448	399	24,847	24,847	-
Health Services:					
Salaries	62,605	(2,666)	59,939	47,734	12,205
Purchased professional and technical services	3,500	3,287	6,787	6,748	39
Supplies and materials	4,730	-	4,730	1,377	3,353
Total health services	70,835	621	71,456	55,859	15,597

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services					
Purchased professional - educational services	\$ 148,925	\$ (51,500)	\$ 97,425	\$ 96,126	\$ 1,299
Supplies and materials	4,950	-	4,950	3,409	1,541
Total speech, ot, pt & related services	153,875	(51,500)	102,375	99,535	2,840
Other Support Services Students - Extra. Serv.					
Purchased professional - educational services	233,500	48,500	282,000	281,764	236
Total other support services students - extra. serv.	233,500	48,500	282,000	281,764	236
Guidance:					
Salaries of other professional staff	-	-	-	-	-
Other purchased services	-	-	-	-	-
Supplies and materials	600	-	600	-	600
Other objects	-	-	-	-	-
Total guidance	600	-	600	-	600
Child Study Teams:					
Salaries of other professional staff	720	(333)	387	387	-
Salaries of secreterial & clerical assistants	48,894	-	48,894	48,894	-
Purchased professional - educational services	219,926	30,100	250,026	248,151	1,875
Other purchased prof. and tech. services	5,500	-	5,500	1,766	3,734
Miscellaneous purchased services	6,400	-	6,400	3,500	2,900
Supplies and materials	5,300	-	5,300	1,096	4,204
Total child study teams	286,740	29,767	316,507	303,794	12,713
Improvement of Instructional Services:					
Salaries of other professional staff	8,700	(2,814)	5,886	1,932	3,954
Purchased professional - educational services	67,757	2,814	70,571	59,121	11,450
Other purchased services	9,400	-	9,400	3,382	6,018
Supplies and materials	200	-	200	-	200
Total improvement of instructional services	86,057	-	86,057	64,435	21,622
Educational Media Services/School Library:					
Salaries	60,882	-	60,882	60,282	600
Purchased professional & technical services	55,115	-	55,115	55,115	-
Other purchased services	176	-	176	80	96
Supplies and Materials	5,659	-	5,659	4,411	1,248
Other objects	65	-	65	65	-
Total educational media services/school library	121,897	-	121,897	119,953	1,944
Instructional Staff Training Services:					
Purchased professional - educational services	150	-	150	-	150
Supplies and materials	500	-	500	-	500
Total instructional staff training services	650	-	650	-	650

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Legal services	\$ 16,000	\$ (3,200)	\$ 12,800	\$ 8,976	\$ 3,824
Audit fees	23,500	-	23,500	23,400	100
Other purchased professional services	46,420	4,500	50,920	50,752	168
Purchased technical services	2,000	1,302	3,302	3,250	52
Communications / telephone	3,550	3,970	7,520	7,513	7
Misc. purchased services	18,368	(1,600)	16,768	16,682	86
General Supplies	50	330	380	344	36
Miscellaneous expenditures	-	360	360	353	7
BOE membership dues and fees	3,500	-	3,500	3,438	62
Total support services - general administration	113,388	5,662	119,050	114,708	4,342
Support Services - School Administration:					
Salaries of principals/assist. principal	129,428	(3,150)	126,278	106,131	20,147
Salaries of secretarial and clerical assistants	24,748	399	25,147	24,847	300
Purchased professional and technical services	-	-	-	-	-
Other purchased services	2,300	(500)	1,800	-	1,800
Supplies and materials	3,500	-	3,500	3,096	404
Other objects	2,200	-	2,200	1,055	1,145
Total support services - school administration	162,176	(3,251)	158,925	135,129	23,796
Central Services:					
Purchased professional services	50,693	-	50,693	49,843	850
Purchased technical services	12,050	5,200	17,250	17,173	77
Supplies and materials	1,500	(462)	1,038	970	68
Miscellaneous expenditures	100	(100)	-	-	-
Total central services	64,343	4,638	68,981	67,986	995
Required Maintenance for School Facilities:					
Cleaning, repair and maintenance services	100,800	(8,400)	92,400	65,684	26,716
General Supplies	1,500	7,000	8,500	-	8,500
Total required maintenance for school facilities	102,300	(1,400)	100,900	65,684	35,216
Custodial Services:					
Salaries - Non instructional aides	7,000	-	7,000	-	7,000
Cleaning, repair and maintenance services	287,661	-	287,661	260,403	27,258
Other purchased property services	15,000	-	15,000	10,570	4,430
Insurance	35,600	-	35,600	35,600	-
Energy (natural gas)	34,000	17,100	51,100	48,326	2,774
Energy (Electricity)	79,000	(9,500)	69,500	63,786	5,714
Other objects	600	(400)	200	-	200
Total custodial services	458,861	7,200	466,061	418,685	47,376

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

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OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care & Upkeep of Grounds:					
Cleaning, repair & maintenance services	\$ 13,000	\$ -	\$ 13,000	\$ 13,000	\$ -
Total care & upkeep of grounds	13,000	-	13,000	13,000	-
Security:					
General supplies	500	-	500		500
Total Security	500	-	500	-	500
Total operation & maint. of plant services	574,661	5,800	580,461	497,369	83,092
Student Transportation Services:					
Management fee - ESC & CTSA Trans. programs	7,500	-	7,500	7,094	406
Contr. serv. (Oth than Bet Home & Sch) - Vend	4,000	-	4,000	2,555	1,445
Contr. serv. (Reg. Students) - ESCs & CTSA	-	-	-		-
Contr. serv. (Spl. Ed. Students) - ESCs & CTSA	146,000	-	146,000	141,875	4,125
Total student transportation services	157,500	-	157,500	151,524	5,976
Unallocated Benefits - Employee Benefits:					
Social security contributions	19,500	-	19,500	12,918	6,582
Other retirement contributions - PERS	10,500	2,500	13,000	12,939	61
Other retirement contributions - regular	300	1,500	1,800	1,466	334
Unemployment compensation	21,000	(20,200)	800		800
Workmen's compensation	16,000	-	16,000	16,000	-
Health benefits	669,383	18,210	687,593	643,667	43,926
Tuition reimbursement	9,000	(600)	8,400	4,293	4,107
Other employee benefits	7,500	800	8,300	8,226	74
Unused Sick Payments to Terminated/Retired Staff	-	-			-
Total unallocated benefits - employee benefits	753,183	2,210	755,393	699,509	55,884
On-behalf TPAF pension contr. (non-budgeted)	-	-	-	474,620	(474,620)
On-behalf TPAF post retirement medical (non-budgeted)	-	-	-	215,287	(215,287)
On-behalf TPAF - LTDI (non-budgeted)	-	-	-	527	(527)
Reimbursed TPAF social security contr. (non-budgeted)	-	-	-	134,222	(134,222)
Total Employee Benefits	753,183	2,210	755,393	1,524,165	(768,245)
Total Undistributed Expenditures	5,869,702	10,246	5,879,948	6,378,129	(497,654)
Total General Current Expense	7,899,025	(64,200)	7,834,825	8,216,329	(380,977)

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Undistributed Exp. - Non-Instructional Services	\$ 800	\$ 64,200	\$ 65,000	\$ 44,053	\$ 20,947
Equipment	800	64,200	65,000	44,053	20,947
Facilities acquisition and construction services:					
Construction services	194,000	-	194,000	194,000	-
Assessment for debt service on SDA funding	1,760	-	1,760	1,760	-
Total fac acq and constr services	195,760	-	195,760	195,760	-
Total Capital Outlay	196,560	64,200	260,760	239,813	20,947
Summer School - Instruction:					
Salaries	13,800	-	13,800	12,265	1,535
Purchased prof. and tech. services	1,000	-	1,000		1,000
General Supplies	1,000	-	1,000	41	959
Total Summer School	15,800	-	15,800	12,306	3,494
Transfer of funds to Charter Schools	50,027	-	50,027	10,866	39,161
TOTAL EXPENDITURES	8,161,412	-	8,161,412	8,479,314	(317,375)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(425,793)	(87,700)	(513,493)	44,940	558,433
Fund Balance - July 1, 2018	1,986,421		1,986,421	1,986,421	-
Fund Balance - June 30, 2019	<u>\$ 1,560,628</u>	<u>\$ (87,700)</u>	<u>\$ 1,472,928</u>	<u>\$ 2,031,361</u>	<u>\$ 558,433</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Capital Reserve				\$ 745,298	
Tuition Reserve				278,000	
Maintenance Reserve				221,590	
Excess Surplus - Designated for Subsequent Year's Expenditures				212,404	
Excess Surplus - Current Year				261,317	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				21,750	
Undesignated				291,002	
				<u>2,031,361</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(261,476)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,769,885</u>	

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

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ -	\$ 437,426	\$ 437,426	\$ 389,392	\$ (48,034)
Federal sources	219,140	41,479	260,619	206,172	(54,447)
Total Revenues	219,140	478,905	698,045	595,564	(102,481)
EXPENDITURES:					
Instruction:					
Salaries of teachers	95,140	57,748	152,888	152,888	-
Purchased Prof. Services		32,915	32,915	25,965	6,950
Other Purchased Services		1,050	1,050	820	230
Tuition	100,000	11,017	111,017	77,472	33,545
Supplies and materials		91,877	91,877	82,880	8,997
Total Instruction	195,140	194,607	389,747	340,025	49,722
Support Services:					
Salaries of Program Director		26,533	26,533	26,533	-
Salaries of Other Professional Staff		11,521	11,521	11,521	-
PEA SS - Parent Involvement		1,800	1,800	-	1,800
Personal services - employee benefits	12,000	49,885	61,885	33,851	28,034
Other purchased services		65,360	65,360	52,595	12,765
Purchased professional services	12,000	30,199	42,199	32,428	9,771
Supplies and Materials		2,500	2,500	2,248	252
Total Support Services	24,000	187,798	211,798	159,176	52,622
Facilities Acquisition and Const. Services:					
Instructional equipment		96,500	96,500	96,363	137
Total Facilities Acq. and Const. Services	-	96,500	96,500	96,363	137
Total Expenditures	219,140	478,905	698,045	595,564	102,481
Total Outflows	219,140	478,905	698,045	595,564	102,481
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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

OAKLYN SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2019

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 8,524,254	\$ 595,564
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	262,422	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(261,476)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,525,200	\$ 595,564
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,479,314	\$ 595,564
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 8,479,314	\$ 595,564

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0012812200%	0.0011213381%	0.0011039124%	0.0010626570%	0.0037800273%	0.0046460450%
District's proportionate share of the net pension liability (asset)	\$ 252,266	\$ 261,030	\$ 326,947	\$ 238,545	\$ 707,724	\$ 887,952
District's covered-employee payroll	98,588	91,356	89,976	77,688	75,943	77,788
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	255.88%	285.73%	363.37%	307.06%	931.91%	1141.50%
Plan fiduciary net position as a percentage of the total pension liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 12,694	\$ 12,744	\$ 10,388	\$ 9,807	\$ 9,136	\$ 31,162
Contributions in relation to the contractually required contributions	<u>(12,694)</u>	<u>(12,744)</u>	<u>(10,388)</u>	<u>(9,807)</u>	<u>(9,136)</u>	<u>(31,162)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	98,588	91,356	89,976	77,688	75,943	77,788
Contributions as a percentage of covered-employee payroll	12.88%	13.95%	11.55%	12.62%	12.03%	40.06%

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

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0227836160%	0.0225398375%	0.0234931008%	0.0253835940%	0.0280546567%	0.0276220142%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 14,494,447	\$ 15,197,171	\$ 18,481,169	\$ 16,043,515	\$ 14,994,301	\$ 13,959,949
Total	\$ 14,494,447	\$ 15,197,171	\$ 18,481,169	\$ 16,043,515	\$ 14,994,301	\$ 13,959,949
District's covered-employee payroll	1,830,139	2,585,821	2,501,892	2,380,748	2,349,786	2,406,886
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	June 30, 2019	June 30, 2018
	<u> </u>	<u> </u>
State's proportion of the net OPEB liability (asset) associated with the District	0.03%	0.03%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 15,346,163	\$ 18,484,960
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 15,346,163</u>	<u>\$ 18,484,960</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%
	<u>June 30,</u> 2019	<u>June 30,</u> 2018
Total OPEB Liability		
Service Cost	\$ 457,748	\$ 551,897
Interest	671,120	584,216
Difference between expected and actual experiences	(2,110,447)	
Changes of assumptions	(1,761,049)	(2,390,422)
Member Contributions	14,182	15,766
Benefit payments	<u>(410,351)</u>	<u>(428,151)</u>
Net Change in total OPEB Liability	\$ (3,138,797)	\$ (1,666,694)
Total OPEB Liability - beginning	<u>\$ 18,484,960</u>	<u>\$ 20,151,654</u>
Total OPEB Liability - ending	<u>\$ 15,346,163</u>	<u>\$ 18,484,960</u>
District's covered-employee payroll	1,928,727	2,677,177
Total OPEB Liability as a percentage of covered-employee payroll	795.66%	690.46%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Oaklyn School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2019

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

Changes of benefit term: There were none.

Changes of assumptions: For 2018, the discount rate changed to 4.86% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 4.25% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 – June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2013, the discount rate was 4.68%

2. Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%. For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%. Also, for 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further salary increases were assumed to increase between 1.65% and 4.15% (based on age) through year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90% and the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(1)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%

3. Other Post-Retirement Plan – Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: In 2018 the discount rate changed to 3.87% from 3.85% as of June 30, 2017. In 2018, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions. The discount rate was 2.85% as of June 30, 2016.

Other Supplementary Information

Special Revenue Fund

OAKLYN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2019

	IDEA Basic	IDEA Preschool	Total Other Prog. (See-E-1A)	Total
REVENUES:				
State sources	\$ -	\$ -	\$ 389,392	\$ 389,392
Federal sources	77,472	4,571	124,129	206,172
Total Revenues	<u>77,472</u>	<u>4,571</u>	<u>513,521</u>	<u>595,564</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers			152,888	152,888
Purchased Prof. Services			25,965	25,965
Other Purchased Services			820	820
Tuition	77,472		-	77,472
General supplies			82,880	82,880
Total Instruction	<u>77,472</u>	<u>-</u>	<u>262,553</u>	<u>340,025</u>
Support Services:				
Salaries of Program Director			26,533	26,533
Salaries of Other Prof. Staff			11,521	11,521
PEA SS - Parent Involvement			-	-
Personal services-employee benefits			33,851	33,851
Other purchased services			52,595	52,595
Purchased prof. services		4,571	27,857	32,428
Supplies and Materials			2,248	2,248
Total support services	<u>-</u>	<u>4,571</u>	<u>154,605</u>	<u>159,176</u>
Facilities Acquisition and Const. Serv.:				
Instructional equipment			96,363	96,363
Total Facilities Acq. and Const. Serv.	<u>-</u>	<u>-</u>	<u>96,363</u>	<u>96,363</u>
Total Expenditures	<u>77,472</u>	<u>4,571</u>	<u>513,521</u>	<u>595,564</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OAKLYN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2019

	<u>Title I</u>	<u>Title II A</u>	<u>Title IV</u>	<u>Preschool Expansion Aid</u>	<u>Total</u>
REVENUES:					
State sources	\$ -	\$ -	\$ -	\$ 389,392	\$ 389,392
Federal sources	<u>105,270</u>	<u>13,032</u>	<u>5,827</u>		<u>124,129</u>
Total Revenues	<u>105,270</u>	<u>13,032</u>	<u>5,827</u>	<u>389,392</u>	<u>513,521</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	47,084			105,804	152,888
Purchased Prof. Services				25,965	25,965
Other Purchased Services				820	820
General Supplies	<u>23,436</u>		<u>5,827</u>	<u>53,617</u>	<u>82,880</u>
Total Instruction	<u>70,520</u>	<u>-</u>	<u>5,827</u>	<u>186,206</u>	<u>262,553</u>
Support Services:					
Salaries of Program Director				26,533	26,533
Salaries of Other Prof. Staff				11,521	11,521
PEA SS - Parent Involvement					-
Personal services-employee benefits	16,550			17,301	33,851
Other purchased services	2,800	575		49,220	52,595
Purchased prof services	15,400	12,457			27,857
Supplies and Materials				<u>2,248</u>	<u>2,248</u>
Total Support Services	<u>34,750</u>	<u>13,032</u>	<u>-</u>	<u>106,823</u>	<u>154,605</u>
Facilities Acquisition and Const. Serv.:					
Instructional equipment				<u>96,363</u>	<u>96,363</u>
Total Facilities Acq. and Const. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,363</u>	<u>96,363</u>
Total Expenditures	<u>105,270</u>	<u>13,032</u>	<u>5,827</u>	<u>389,392</u>	<u>513,521</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Oaklyn School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 105,804	\$ 105,804	\$ 105,804	\$ -
Purchased Professional & Technical Services	-	32,915	32,915	25,965	6,950
Other Purchased Services (400-500 series)	-	1,050	1,050	820	230
General Supplies	-	53,797	53,797	53,617	180
Total instruction	-	193,566	193,566	186,206	7,360
Support services:					
Salaries of Program Directors	-	26,533	26,533	26,533	-
Salaries of Other Professional Staff	-	11,521	11,521	11,521	-
Salaries of Community Parent Involvement Spec.	-	1,800	1,800	-	1,800
Salaries of Master Teachers	-	45,334	45,334	17,301	28,033
Purchased Professional - Educational Services	-	59,672	59,672	49,220	10,452
Supplies & Materials	-	2,500	2,500	2,248	252
Total support services	-	147,360	147,360	106,823	40,537
Facilities acquisition and cont. serv:					
Instructional equipment	-	96,500	96,500	96,363	137
Total Facilities acquisition and cont. serv.	-	96,500	96,500	96,363	137
Contribution to Charter Schools					
Transfer to General Fund	-	-	-	-	-
Total Expenditures	\$ -	\$ 437,426	\$ 437,426	\$ 389,392	\$ 48,034

CALCULATION OF BUDGET & CARRYOVER

Total 2018-19 PreK Aid Allocation	\$ 437,426
Add: Actual PreK/ECPA Aid Carryover June 30, 2018	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2018-19 Budget	437,426
Less: 2018-19 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(437,426)
Available & Unbudgeted Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended PreK Aid	48,034
2019- Actual Carryover - PreK Aid	<u>\$ 48,034</u>
2018-19 PreK Aid Carryover Budgeted in 2019-20	<u> </u>

Oaklyn School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr & 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 105,804	\$ 105,804	\$ 105,804	\$ -
Purchased Professional & Technical Services	-	32,915	32,915	25,965	6,950
Other Purchased Services (400-500 series)	-	1,050	1,050	820	230
General Supplies	-	53,797	53,797	53,617	180
Total instruction	-	193,566	193,566	186,206	7,360
Support services:					
Salaries of Program Directors	-	26,533	26,533	26,533	-
Salaries of Other Professional Staff	-	11,521	11,521	11,521	-
Salaries of Community Parent Involvement Spec.	-	1,800	1,800	-	1,800
Salaries of Master Teachers	-	45,334	45,334	17,301	28,033
Purchased Professional - Educational Services	-	59,672	59,672	49,220	10,452
Supplies & Materials	-	2,500	2,500	2,248	252
Total support services	-	147,360	147,360	106,823	40,537
Facilities acquisition and cont. serv:					
Instructional equipment	-	96,500	96,500	96,363	137
Total Facilities acquisition and cont. serv.	-	96,500	96,500	96,363	137
Total Program Expenditures	\$ -	\$ 437,426	\$ 437,426	\$ 389,392	\$ 48,034

Proprietary Funds

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2019

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 96,485
Accounts receivable:	
State	68
Federal	3,438
Other	-
Inventories	<u>6,916</u>
Total Current Assets	<u>106,907</u>
Noncurrent Assets:	
Equipment	168,768
Less - accumulated depreciation	<u>(114,128)</u>
Total Noncurrent Assets	<u>54,640</u>
Total Assets	<u>161,547</u>
LIABILITIES:	
Current Liabilities:	
Accounts payable	21,048
Interfund payable	30,600
Unearned revenue	<u>1,131</u>
Total Current Liabilities	<u>52,779</u>
NET POSITION:	
Net investment in capital assets	54,640
Unrestricted	<u>54,128</u>
Total Net Position	<u><u>\$ 108,768</u></u>

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Food Service Fund
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 20,879
School breakfast	302
Daily sales non-reimbursable programs	
Other governmental units	62,959
Adult and a la carte sales	14,399
Miscellaneous	4,068
	102,607
Total Operating Revenues	102,607
OPERATING EXPENSES:	
Salaries and fringe benefits	87,059
Supplies and materials	3,824
Management Fee	14,107
Other costs	15,240
Depreciation	5,629
Cost of sales - reimburseable programs	22,077
Cost of sales - nonreimburseable programs	31,175
	179,111
Total Operating Expenses	179,111
Operating Income (Loss)	(76,504)
Non-Operating Revenues:	
State sources:	
State school lunch program	1,042
Federal sources:	
National school lunch program	38,765
National school breakfast program	9,876
Food distribution program	13,154
Interest earned	393
	63,230
Total Non-Operating Revenues	63,230
Changes in Net Position	(13,274)
Net Position - July 1, 2018	122,042
Net Position - June 30, 2019	\$ 108,768

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 110,335
Cash payments to employees for services	(56,459)
Cash payments to suppliers for goods and services	<u>(74,246)</u>
Net cash provided by (used for) operating activities	<u>(20,370)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,131
Cash received from federal sources	<u>50,846</u>
Net cash provided by noncapital financing activities	<u>51,977</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u>-</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>393</u>
Net increase (decrease) in cash and cash equivalents	32,000
Cash and cash equivalents - July 1, 2018	<u>64,485</u>
Cash and cash equivalents - June 30, 2019	<u>\$ 96,485</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (76,504)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	5,629
Commodities	13,154
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	7,546
(Increase) decrease in inventories	(978)
Increase (decrease) in accounts payable	-
Increase (decrease) in interfund payable	30,600
Increase (decrease) in unearned revenue	<u>183</u>
Net cash provided by (used for) operating activities	<u>\$ (20,370)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$13,154 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2019

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:				
Cash and cash equivalents	\$ 23,119	\$ 9,120	\$ 19,762	\$ 52,001
Total Assets	<u>\$ 23,119</u>	<u>\$ 9,120</u>	<u>\$ 19,762</u>	<u>\$ 52,001</u>
LIABILITIES:				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions payable	-	-	19,762	19,762
Due to student groups	-	9,120	-	9,120
Total Liabilities	<u>-</u>	<u>\$ 9,120</u>	<u>\$ 19,762</u>	<u>28,882</u>
NET POSITION:				
Held in trust for unemployment claims	<u>23,119</u>			<u>23,119</u>
Total Net Position	<u>\$ 23,119</u>			<u>\$ 23,119</u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Employee withholdings	\$ 3,277
Total Additions	<u>3,277</u>
Deductions:	
Unemployment compensation insurance claims	<u> </u>
Total Deductions	<u> </u>
Change in Net Position	3,277
Net Position - July 1, 2018	<u>19,842</u>
Net Position - June 30, 2019	<u>\$ 23,119</u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2019</u>
Elementary School	\$ 14,280	\$ 13,119	\$ 18,279	\$ -	\$ 9,120
Total all schools	<u>\$ 14,280</u>	<u>\$ 13,119</u>	<u>\$ 18,279</u>	<u>\$ -</u>	<u>\$ 9,120</u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
ASSETS:				
Cash and cash equivalents	\$ 28,254	\$ 2,215,336	\$ 2,223,828	\$ 19,762
Total Assets	<u>\$ 28,254</u>	<u>\$ 2,215,336</u>	<u>\$ 2,223,828</u>	<u>\$ 19,762</u>
 LIABILITIES:				
Net payroll	\$ -	\$ 1,132,088	\$ 1,132,088	\$ -
Payroll deductions and withholdings	28,254	1,070,200	1,078,692	19,762
Interfund Payable	<u>-</u>	<u>13,048</u>	<u>13,048</u>	<u>-</u>
Total Liabilities	<u>\$ 28,254</u>	<u>\$ 2,215,336</u>	<u>\$ 2,223,828</u>	<u>\$ 19,762</u>

Statistical Section

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

J-1

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Invested in capital assets, net of related debt	\$ 1,090,863	\$ 1,056,272	\$ 1,021,685	\$ 1,273,842	\$ 1,180,300	\$ 1,000,072	\$ 958,984	\$ 1,204,524	\$ 1,349,597	\$ 1,597,741
Restricted for:										
Capital reserve										
Other purposes	879,864	639,322	218,701	48,287	298,218	606,250	1,114,021	1,538,023	1,714,671	1,740,359
Unrestricted	323	(163,241)	(222,495)	(82,836)	(84,773)	(900,005)	(865,994)	(700,193)	(626,257)	(502,660)
Total governmental activities net position	<u>\$ 1,971,050</u>	<u>\$ 1,532,353</u>	<u>\$ 1,017,891</u>	<u>\$ 1,239,293</u>	<u>\$ 1,393,745</u>	<u>\$ 706,317</u>	<u>\$ 1,207,011</u>	<u>\$ 2,042,354</u>	<u>\$ 2,438,011</u>	<u>\$ 2,835,440</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 18,963	\$ 13,338	\$ 14,108	\$ 3,731	\$ -	\$ 30,347	\$ 24,471	\$ 44,851	\$ 39,221	\$ 54,640
Unrestricted	20,160	28,581	23,369	40,207	62,020	74,687	76,258	76,059	82,821	54,128
Total business-type activities net position	<u>\$ 39,123</u>	<u>\$ 41,919</u>	<u>\$ 37,477</u>	<u>\$ 43,938</u>	<u>\$ 62,020</u>	<u>\$ 105,034</u>	<u>\$ 100,729</u>	<u>\$ 120,910</u>	<u>\$ 122,042</u>	<u>\$ 108,768</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 1,109,826	\$ 1,069,610	\$ 1,035,793	\$ 1,277,573	\$ 1,180,300	\$ 1,030,419	\$ 983,455	\$ 1,249,375	\$ 1,388,818	\$ 1,652,381
Restricted:										
Capital reserve										
Other purposes	879,864	639,322	218,701	48,287	298,218	606,250	1,114,021	1,538,023	1,714,671	1,740,359
Unrestricted	20,483	(134,660)	(199,126)	(42,629)	(22,753)	(825,318)	(789,736)	(624,134)	(543,436)	(448,532)
Total district net position	<u>\$ 2,010,173</u>	<u>\$ 1,574,272</u>	<u>\$ 1,055,368</u>	<u>\$ 1,283,231</u>	<u>\$ 1,455,765</u>	<u>\$ 811,351</u>	<u>\$ 1,307,740</u>	<u>\$ 2,163,264</u>	<u>\$ 2,560,053</u>	<u>\$ 2,944,208</u>

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

J-2

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 2,011,533	\$ 1,952,471	\$ 1,788,834	\$ 1,883,242	\$ 1,847,021	\$ 1,952,554	\$ 1,845,935	\$ 1,800,295	\$ 1,950,285	\$ 1,501,012
Special education	523,602	480,657	658,098	742,918	527,532	553,821	555,701	691,559	670,737	522,911
Other instruction	194,869	213,103	248,386	232,451	221,245	169,344	232,312	237,233	255,465	190,524
Support Services:										
Tuition	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400	1,177,942	1,425,888	2,937,061
Student & instruction related services	694,869	687,035	686,512	740,122	777,675	793,141	987,706	1,045,735	1,151,253	1,075,512
General and business administrative services	442,144	434,810	400,691	363,236	268,240	175,565	216,362	169,478	193,891	188,229
School administrative services	142,836	159,393	155,071	163,362	168,761	281,745	315,537	332,805	341,276	135,129
Plant operations and maintenance	480,869	368,307	795,890	119,363	488,857	473,347	474,837	564,487	522,818	533,510
Pupil transportation	50,579	71,114	83,438	153,324	144,970	170,406	172,123	151,934	132,973	151,524
Business and other support services										
Employee benefits	1,519,193	1,609,173	1,610,968	1,601,551	1,375,200	1,337,229	1,327,448	1,463,518	1,610,839	2,624,961
Special schools							1,728	2,728	1,728	12,306
Transfer of funds to charter school					23,495	32,542	54,648	56,933	29,888	10,866
Interest on long-term debt										
Unallocated depreciation	69,731	201,800	49,410	2,571	2,395	6,266	1,265	951	1,068	1,384
Total governmental activities expenses	<u>7,829,878</u>	<u>8,317,872</u>	<u>8,333,909</u>	<u>7,959,944</u>	<u>7,940,003</u>	<u>8,048,178</u>	<u>7,775,002</u>	<u>7,695,598</u>	<u>8,288,109</u>	<u>9,884,929</u>
Business-type activities:										
Food service	204,350	212,460	266,531	256,108	232,572	219,021	242,204	242,234	236,479	179,111
Total business-type activities expense	<u>204,350</u>	<u>212,460</u>	<u>266,531</u>	<u>256,108</u>	<u>232,572</u>	<u>219,021</u>	<u>242,204</u>	<u>242,234</u>	<u>236,479</u>	<u>179,111</u>
Total district expenses	<u>\$ 8,034,228</u>	<u>\$ 8,530,332</u>	<u>\$ 8,600,440</u>	<u>\$ 8,216,052</u>	<u>\$ 8,172,575</u>	<u>\$ 8,267,199</u>	<u>\$ 8,017,206</u>	<u>\$ 7,937,832</u>	<u>\$ 8,524,588</u>	<u>\$ 10,064,040</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 811,283	\$ 910,398	\$ 651,098	\$ 596,664	\$ 413,291	\$ 27,733	\$ 17,237	\$ 9,362	\$ 12,000	\$ -
Operating grants and contributions	717,601	630,461	700,536	836,239	749,920	782,289	834,128	912,610	1,010,996	2,581,814
Total governmental activities program revenues	<u>1,528,884</u>	<u>1,540,859</u>	<u>1,351,634</u>	<u>1,432,903</u>	<u>1,163,211</u>	<u>810,022</u>	<u>851,365</u>	<u>921,972</u>	<u>1,022,996</u>	<u>2,581,814</u>

(Continued)

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

J-2

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Food service	\$ 118,656	\$ 139,777	\$ 139,983	\$ 141,567	\$ 145,021	\$ 136,218	\$ 140,270	\$ 155,306	\$ 147,180	\$ 102,607
Operating grants and contributions	71,902	75,314	118,105	120,913	105,537	93,845	97,465	91,475	90,225	62,837
Capital grants and contributions								15,493		
Total business type activities program revenues	<u>190,558</u>	<u>215,091</u>	<u>258,088</u>	<u>262,480</u>	<u>250,558</u>	<u>230,063</u>	<u>237,735</u>	<u>262,274</u>	<u>237,405</u>	<u>165,444</u>
Total district program revenues	<u>\$ 1,719,442</u>	<u>\$ 1,755,950</u>	<u>\$ 1,609,722</u>	<u>\$ 1,695,383</u>	<u>\$ 1,413,769</u>	<u>\$ 1,040,085</u>	<u>\$ 1,089,100</u>	<u>\$ 1,184,246</u>	<u>\$ 1,260,401</u>	<u>\$ 2,747,258</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (6,300,994)	\$ (6,777,013)	\$ (6,982,275)	\$ (6,527,041)	\$ (6,776,792)	\$ (7,238,156)	\$ (6,923,637)	\$ (6,773,626)	\$ (7,265,113)	\$ (7,303,115)
Business-type activities	(13,792)	2,631	(8,443)	6,372	17,986	11,042	(4,469)	20,040	926	(13,667)
Total district-wide net expense	<u>\$ (6,314,786)</u>	<u>\$ (6,774,382)</u>	<u>\$ (6,990,718)</u>	<u>\$ (6,520,669)</u>	<u>\$ (6,758,806)</u>	<u>\$ (7,227,114)</u>	<u>\$ (6,928,106)</u>	<u>\$ (6,753,586)</u>	<u>\$ (7,264,187)</u>	<u>\$ (7,316,782)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706	\$ 4,882,440	\$ 4,980,089	\$ 5,079,691
Taxes levied for debt service										
Unrestricted grants and contributions	2,499,812	2,246,165	2,326,444	2,451,903	2,454,574	2,643,199	2,624,865	2,682,776	2,662,103	2,605,907
Investment earnings										
Miscellaneous income	21,173	20,044	23,221	11,495	23,857	95,993	12,760	43,753	18,578	14,946
Loss on disposal of assets	(87,492)		(20,819)	-	-	-	-	-	-	-
Total governmental activities	<u>6,442,076</u>	<u>6,338,316</u>	<u>6,467,813</u>	<u>6,748,443</u>	<u>6,931,244</u>	<u>7,403,673</u>	<u>7,424,331</u>	<u>7,608,969</u>	<u>7,660,770</u>	<u>7,700,544</u>
Business-type activities:										
Investment earnings	318	165	163	99	96	132	164	-	206	393
Gain on disposal of assets			3,838	-	-	-	-	-	-	-
Total business-type activities	<u>318</u>	<u>165</u>	<u>4,001</u>	<u>99</u>	<u>96</u>	<u>132</u>	<u>164</u>	<u>-</u>	<u>206</u>	<u>393</u>
Total district-wide	<u>\$ 6,442,394</u>	<u>\$ 6,338,481</u>	<u>\$ 6,471,814</u>	<u>\$ 6,748,542</u>	<u>\$ 6,931,340</u>	<u>\$ 7,403,805</u>	<u>\$ 7,424,495</u>	<u>\$ 7,608,969</u>	<u>\$ 7,660,976</u>	<u>\$ 7,700,937</u>
Change in Net Position:										
Governmental activities	\$ 141,082	\$ (438,697)	\$ (514,462)	\$ 221,402	\$ 154,452	\$ 165,517	\$ 500,694	\$ 835,343	\$ 395,657	\$ 397,429
Business-type activities	(13,474)	2,796	(4,442)	6,471	18,082	11,174	(4,305)	20,040	1,132	(13,274)
Total district-wide	<u>\$ 127,608</u>	<u>\$ (435,901)</u>	<u>\$ (518,904)</u>	<u>\$ 227,873</u>	<u>\$ 172,534</u>	<u>\$ 176,691</u>	<u>\$ 496,389</u>	<u>\$ 855,383</u>	<u>\$ 396,789</u>	<u>\$ 384,155</u>

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Restricted for:										
Year-end Encumbrances	\$ 25,991	\$ 704	\$ -	\$ 28,287	\$ 58,043	\$ 3,378	\$ 13,250	\$ 17,452	\$ -	\$ -
Capital reserve	-	-	-	-	-	100,000	300,000	627,302	724,701	745,298
Maintenance reserve	-	-	-	-	58,000	158,000	258,000	258,000	258,000	221,590
Future tuition payments	131,000	200,000	200,000	-	-	-	-	-	128,000	278,000
Excess surplus	42,261	-	-	-	91,337	253,457	262,762	358,568	212,404	473,721
Designated for subsequent year's budget	680,612	438,618	18,701	20,000	90,838	91,415	280,009	276,701	391,566	21,750
Unassigned	69,532	(81,599)	(130,336)	21,509	7,451	33,819	16,648	26,743	9,328	29,526
Total general fund	<u>\$ 949,396</u>	<u>\$ 557,723</u>	<u>\$ 88,365</u>	<u>\$ 69,796</u>	<u>\$ 305,669</u>	<u>\$ 640,069</u>	<u>\$ 1,130,669</u>	<u>\$ 1,564,766</u>	<u>\$ 1,723,999</u>	<u>\$ 1,769,885</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

J-4

	Fiscal Year Ending June 30,									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Tax levy	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706	\$ 4,882,440	\$ 4,980,089	\$ 5,079,691
Tuition charges	811,283	910,398	651,098	596,664	413,291	27,733	17,237	26,064	22,981	-
Interest earnings	17,130	-	-	-	-	-	-	-	-	-
Miscellaneous	4,043	20,044	23,221	11,495	23,857	95,993	12,760	27,051	7,597	14,946
State sources	2,506,022	2,597,754	2,760,821	3,023,657	2,922,401	3,156,190	3,197,215	3,301,770	3,398,143	3,795,335
Federal sources	735,376	278,872	266,159	264,485	282,093	269,298	261,778	293,616	274,956	230,792
Total revenue	<u>8,082,437</u>	<u>7,879,175</u>	<u>7,840,266</u>	<u>8,181,346</u>	<u>8,094,455</u>	<u>8,213,695</u>	<u>8,275,696</u>	<u>8,530,941</u>	<u>8,683,766</u>	<u>9,120,764</u>
Expenditures										
Instruction										
Regular Instruction	2,050,775	1,940,038	1,778,317	1,804,215	1,796,879	1,830,102	1,774,953	1,840,629	1,900,364	1,464,790
Special education instruction	523,603	480,657	658,098	742,918	527,532	553,821	555,701	691,559	670,737	522,911
Other instruction	167,597	213,103	248,386	232,451	221,245	169,344	232,312	237,233	255,465	190,524
Support Services:										
Tuition	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400	1,177,942	1,425,888	2,937,061
Student & instruction related services	694,871	687,035	686,512	740,122	777,675	793,141	987,706	1,045,735	1,151,253	1,075,512
General and business admin.services	442,144	434,810	400,691	355,524	261,056	162,048	212,568	165,674	189,617	182,694
School administrative services	142,836	159,393	155,071	163,362	168,761	281,745	315,537	332,805	341,276	135,129
Plant operations and maintenance	480,869	526,584	481,433	439,912	465,397	428,290	469,930	508,747	492,208	497,369
Pupil transportation	50,579	71,114	83,438	153,324	144,970	170,406	172,123	151,934	132,973	151,524
Other support services	1,519,190	1,609,173	1,610,968	1,601,551	1,375,200	1,353,878	1,416,730	1,547,981	1,717,383	1,558,016
Special schools	27,273	-	-	-	-	-	1,728	2,728	1,728	12,306
Capital outlay	318,308	8,932	350,099	8,732	1,760	1,760	1,760	336,944	215,753	336,176
Transfer to Charter School	-	-	-	-	23,495	32,542	54,648	56,933	29,888	10,866
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>8,117,698</u>	<u>8,270,848</u>	<u>8,309,624</u>	<u>8,199,915</u>	<u>7,858,582</u>	<u>7,879,295</u>	<u>7,785,096</u>	<u>8,096,844</u>	<u>8,524,533</u>	<u>9,074,878</u>
Excess (Deficiency) of revenues over (under) expenditures	(35,261)	(391,673)	(469,358)	(18,569)	235,873	334,400	490,600	434,097	159,233	45,886
Other Financing sources (uses)										
Prior year state aid canceled	(87,492)	-	-	-	-	-	-	-	-	-
Transfers in	147,895	-	-	-	-	-	-	-	-	-
Transfers out	(147,895)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(87,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (122,753)</u>	<u>\$ (391,673)</u>	<u>\$ (469,358)</u>	<u>\$ (18,569)</u>	<u>\$ 235,873</u>	<u>\$ 334,400</u>	<u>\$ 490,600</u>	<u>\$ 434,097</u>	<u>\$ 159,233</u>	<u>\$ 45,886</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

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

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>E-Rate</u>	<u>Sale of Asset</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 17,130	\$ 811,283	\$ 50	\$ 1,538	\$ 451	\$ 1,940	\$ -	\$ 64	\$ 832,456
2011	12,309	910,398	100	4,551	451	2,413	-	220	930,442
2012	4,279	651,098	2,600	11,495	451	4,172	-	224	674,319
2013	2,595	596,664	-	5,349	-	-	-	3,551	608,159
2014	2,033	413,291	-	20,624	1,200	-	-	-	437,148
2015	2,337	27,733	-	8,125	1,100	-	83,782	649	123,726
2016	3,428	17,237	-	9,325	-	-	-	7	29,997
2017	4,303	26,064	-	20,675	1,550	-	-	523	53,115
2018	6,540	22,981	-	832	-	-	-	225	30,578
2019	11,721	-	-	528	-	-	-	2,697	14,946
	<u>\$ 66,675</u>	<u>\$ 3,476,749</u>	<u>\$ 2,750</u>	<u>\$ 83,042</u>	<u>\$ 5,203</u>	<u>\$ 8,525</u>	<u>\$ 83,782</u>	<u>\$ 8,160</u>	<u>\$ 3,734,886</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate^o	Estimated Actual (County Equalized) Value
2010	\$ 1,090,400	\$ 135,287,000	\$ 15,693,200	\$ 169,000	\$ 7,670,000	\$ 159,909,600	\$ 150,750	\$ 160,060,350	\$ 11,246,400	2.544	\$ 317,686,785
2011	1,018,400	134,825,300	15,315,400	169,000	8,159,000	159,487,100	133,538	159,620,638	11,281,200	2.593	297,389,439
2012	1,193,400	134,722,000	14,890,000	169,000	8,134,200	159,108,600		159,108,600	11,209,200	2.693	288,870,428
2013	R 1,018,700	218,723,400	24,478,400	262,600	13,963,300	258,446,400		258,446,400	22,797,600	1.722	268,470,877
2014	941,800	218,044,600	24,478,400	262,600	13,476,600	257,204,000		257,204,000	23,400,900	1.813	280,588,536
2015	1,060,800	217,896,700	23,211,400	262,600	13,203,500	255,635,000		255,635,000	23,416,100	1.872	283,527,565
2016	1,130,800	216,850,500	22,626,600	262,600	13,203,500	254,074,000		254,074,000	23,757,900	1.921	279,227,621
2017	1,123,300	216,706,700	22,392,300	262,600	13,203,500	253,688,400		253,688,400	23,916,800	1.963	271,050,008
2018	1,143,600	215,765,600	22,115,000	262,600	13,203,500	252,490,300		252,490,300	24,387,900	2.011	273,438,717
2019	1,303,800	215,558,600	21,516,300	262,600	13,203,500	251,844,800		251,844,800	24,408,700	2.062	279,917,559

Source:
Municipal Tax Assessor

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

- a** Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b** Tax rates are per \$100 of assessed valuation.
- c** Not Available.
- R** Revaluation.

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

J-7

Fiscal Year Ended June 30,	Oaklyn School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Oaklyn	Camden County	
2010	\$ 2.544	\$ -	\$ 2.544	\$ 1.901	\$ 1.292	\$ 5.737
2011	2.593	-	2.593	1.999	1.323	5.915
2012	2.693	-	2.693	2.034	1.397	6.124
2013	1.722	-	1.722	1.286	0.862	3.870
2014	1.813	-	1.813	1.326	0.930	4.069
2015	1.872	-	1.872	1.383	0.972	4.227
2016	1.921	-	1.921	1.413	0.973	4.307
2017	1.963	-	1.963	1.441	0.953	4.357
2018	2.011	-	2.011	1.492	0.946	4.449
2019	2.062	-	2.062	1.494	0.964	4.520

Source: Municipal Tax Collector

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

J-8

Taxpayer	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
2 Oaklyn Properties LLC	\$ 2,314,200	0.92%	Oaklyn Associates	\$ 2,125,000	1.33%
Everall LLC	1,128,600	0.45%	Commerce Bank	1,199,200	0.75%
Castle Lynne LLC	1,100,000	0.44%	Peter & Joan Corelli	986,800	0.62%
BK WHP Reality LLC	1,064,600	0.42%	Oaklyn Associates	957,600	0.60%
Oaklyn Equities, LLC - CVS	1,025,000	0.41%	Allan & Sandra Vogelsson	768,000	0.48%
TD Bank	900,000	0.36%	Albert & Marilyn Gilbert	750,000	0.47%
James H. Galligan Living Trust	872,300	0.35%	1006 White Horse Pike Assoc.	676,100	0.42%
Heights Investment Property, LLC	844,700	0.34%	Motiva Enterprises	543,200	0.34%
Catherine Mitchell Real Estate Assoc	818,300	0.32%	RJ Clegg	518,700	0.32%
Individual #1	796,900	0.32%	Catherine Mitchell Real Estate	503,000	0.31%
Total	\$ 10,864,600	4.31%		\$ 9,027,600	5.64%

Source: Municipal Tax Assessor

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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 4,008,583	\$ 4,008,583	100.00%	-
2011	4,072,107	4,072,107	100.00%	-
2012	4,138,967	4,138,967	100.00%	-
2013	4,285,045	4,285,045	100.00%	-
2014	4,452,813	4,452,813	100.00%	-
2015	4,664,481	4,664,481	100.00%	-
2016	4,786,706	4,786,706	100.00%	-
2017	4,882,440	4,882,440	100.00%	-
2018	4,980,089	4,980,089	100.00%	-
2019	5,079,691	5,079,691	100.00%	-

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

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

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

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases	Total District		
2010	\$ -	\$ -	\$ -	\$ -	d	d
2011	-	-	-	-	d	d
2012	-	-	-	-	d	d
2013	-	-	-	-	d	d
2014	-	-	-	-	d	d
2015	-	-	-	-	d	d
2016	-	-	-	-	d	d
2017	-	-	-	-	d	d
2018	-	-	-	-	d	d
2019	-	-	-	-	d	d

Sources:

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

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

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2010	\$ -	\$ -	\$ -	d	d
2011	-	-	-	d	d
2012	-	-	-	d	d
2013	-	-	-	d	d
2014	-	-	-	d	d
2015	-	-	-	d	d
2016	-	-	-	d	d
2017	-	-	-	d	d
2018	-	-	-	d	d
2019	-	-	-	d	d

Sources:

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

Oaklyn School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2018

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Oaklyn	\$ 3,767,224	100.000%	\$ 3,767,224
Camden County General Obligation Debt	402,702,498	0.717%	2,887,377
Subtotal, overlapping debt			6,654,601
Oaklyn School District Direct Debt			-
Total direct and overlapping debt			\$ 6,654,601

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2018 Equalized Valuation. The source for this computation was the 2018 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis (1):	
2016	\$ 270,781,200
2017	274,079,948
2018	279,984,808
	<u>\$ 824,845,956</u>

Average equalized valuation of taxable property \$ 274,948,652

Debt limit	9,623,203
Net bonded school debt (3)	-
Legal debt margin	<u>\$ 9,623,203</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 10,885,475	\$ 10,838,222	\$ 10,535,486	\$ 10,076,009	\$ 9,890,583	\$ 9,841,962	\$ 9,870,174	\$ 9,748,322	\$ 9,626,181	\$ 9,623,203
Total net debt applicable to limit (3)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 10,885,475</u>	<u>\$ 10,838,222</u>	<u>\$ 10,535,486</u>	<u>\$ 10,076,009</u>	<u>\$ 9,890,583</u>	<u>\$ 9,841,962</u>	<u>\$ 9,870,174</u>	<u>\$ 9,748,322</u>	<u>\$ 9,626,181</u>	<u>\$ 9,623,203</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources:

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

Oaklyn School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2010	4,035	\$ 168,800,190	\$ 41,834	7.8%
2011	4,026	176,141,526	43,751	7.7%
2012	4,015	178,667,500	44,500	7.7%
2013	3,991	179,914,280	45,080	8.8%
2014	3,975	185,493,375	46,665	6.1%
2015	3,967	192,950,913	48,639	5.5%
2016	3,968	197,749,248	49,836	4.9%
2017	3,961	205,488,758	51,878	4.2%
2018	3,963	e	e	4.1%
2019	e	e	e	e

Source:

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

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

J-16

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	28.5	29.5	29.5	29.0	28.0	28.0	29.0	28.0	28.0	21.0
Special education	11.5	11.5	12.0	12.0	12.0	12.0	8.0	10.0	10.0	5.0
Support Services:										
Student & instruction related services	12.2	12.3	11.6	12.0	5.0	5.0	5.0	4.0	4.0	4.0
School administrative services	2.5	2.6	3.0	2.6	2.3	2.3	2.3	2.3	2.3	2.3
General administrative services	2.5	1.8	1.8	1.0	-	-	-	-	-	-
Plant operations and maintenance	5.0	0.8	0.8	-	-	-	-	-	-	-
Business and other support services	2.0	2.0	1.8	1.0	-	-	-	-	-	-
Food Service	3.5	1.5	1.5	1.5	1.0	-	-	-	-	-
Total	<u>67.7</u>	<u>62.0</u>	<u>62.0</u>	<u>59.1</u>	<u>48.3</u>	<u>47.3</u>	<u>44.3</u>	<u>44.3</u>	<u>44.3</u>	<u>32.3</u>

Source:
District Personnel Records

Oaklyn School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2010	432	\$ 7,799,390	\$ 18,054	-0.33%	40	1:11	426.8	398.2	4.15%	93.30%
2011	432	8,261,916	19,125	5.93%	41	1:11	429.2	407.1	0.56%	94.85%
2012	469	7,959,525	16,971	-11.26%	41	1:11	459.2	434.2	6.99%	94.56%
2013	440	8,191,183	18,616	9.69%	41	1:11	442.4	417.8	-3.66%	94.44%
2014	510	7,856,822	15,406	-17.25%	40	1:11	410.0	389.2	-7.32%	94.93%
2015	468	7,877,535	16,832	9.26%	40	1:11	376.2	356.9	-8.24%	94.87%
2016	444	7,783,336	17,530	4.14%	37	1:11	384.1	365.2	2.09%	95.10%
2017	445	7,759,900	17,438	-0.53%	38	1:11	365.1	346.5	-4.95%	94.91%
2018	445	8,308,780	18,671	7.07%	38	1:11	358.4	340.6	-1.84%	95.03%
2019	441	8,738,702	19,816	6.13%	27	1:09	246.8	234.6	-31.14%	95.08%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

J-18

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>										
<u>Elementary</u>										
Oaklyn Elementary (1926)										
Square Feet	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260
Capacity (students)	540	540	540	540	540	540	540	540	540	540
Enrollment	432	432	469	440	413	376	386	376	358	247
<u>Other</u>										
Administration (1932)										
Square Feet	920	920	920	920	920	920				

Number of Schools at June 30, 2019
Elementary = 1

Source: District Facilities Office

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
* School Facilities											
Oaklyn Public School	\$ 154,911	\$ 82,597	\$ 37,297	\$ 48,851	\$ 45,826	\$ 35,830	\$ 57,698	\$ 88,295	\$ 81,562	\$ 65,684	\$ 698,551
Total School Facilities	<u>\$ 154,911</u>	<u>\$ 82,597</u>	<u>\$ 37,297</u>	<u>\$ 48,851</u>	<u>\$ 45,826</u>	<u>\$ 35,830</u>	<u>\$ 57,698</u>	<u>\$ 88,295</u>	<u>\$ 81,562</u>	<u>\$ 65,684</u>	<u>\$ 698,551</u>

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

Source: District records

Oaklyn School District
 Insurance Schedule
 June 30, 2019

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
Boiler and Machinery	125,000,000		1,000
Crime	500,000	250,000	500
General and Automobile Liability	20,000,000	250,000	
Workers' compensation	Statutory	250,000	
Educators Legal Liability	20,000,000	175,000	
Pollution Legal Liability	3,000,000		25,000
Pollution Legal Liability - mold incident	3,000,000		100,000
Cyber Liability	1,000,000		25,000
Violent Malicious Acts	1,000,000		15,000
Disaster Management Services	2,000,000		15,000
Student Accident (2)	1,000,000		
Excess Student Accident (3)	5,000,000		25,000
Surety Bonds (4)			
Board Secretary	200,000		

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

Source: District records

Single Audit Section

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Certified Public Accountants

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 American Institute of CPAs
 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

I have audited Oaklyn School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2019. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the School District's major state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major State Program

In my opinion, the Oaklyn School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 8, 2019

OAKLYN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2018			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2019	84.010A	S010A180030	ESSA377019	\$ 119,130	7/1/18 - 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 57,636	\$ (105,270)	\$ -	\$ (47,634)	\$ -	\$ -
Fiscal Year 2018	84.010A	S010A170030	ESSA377018	118,233	7/1/17 - 6/30/18	(53,575)				53,575					
Title II A:															
Fiscal Year 2019	84.367A	S367A180029	ESSA377019	14,821	7/1/18 - 6/30/19					12,229	(13,032)		(803)		
Fiscal Year 2018	84.367A	S367A170029	ESSA377018	14,541	7/1/17 - 6/30/18	(199)				199					
Title IV:															
Fiscal Year 2019	84.424	S424A180031	ESSA377019	11,080	7/1/18 - 6/30/19					4,385	(5,827)		(1,442)		
Fiscal Year 2018	84.424	S424A170031	ESSA377018	10,000	7/1/17 - 6/30/18	(8,920)				8,920					
I.D.E.A. Part B - Basic:															
Fiscal Year 2019	84.027	H027A180100	IDEA377019	111,018	7/1/18 - 6/30/19					73,929	(77,472)		(3,543)		
Fiscal Year 2018	84.027	H027A170100	IDEA377018	111,983	7/1/17 - 6/30/18	(23,378)				23,378					
I.D.E.A. Part B - Preschool:															
Fiscal Year 2019	84.173	H173A180114	IDEA377019	4,571	7/1/18 - 6/30/19					4,493	(4,571)		(78)		
Fiscal Year 2018	84.173	H173A170114	IDEA377018	4,485	7/1/17 - 6/30/18	(896)				896					
Total Department of Education						(86,968)				239,640	(206,172)		(53,500)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program															
	10.565	191NJ304N1099	N/A	13,154	7/1/18 - 6/30/19					13,154	(13,154)				
National School Breakfast:															
Fiscal Year 2019	10.553	191NJ304N1099	N/A	9,876	7/1/18 - 6/30/19					9,059	(9,876)		(817)		
Fiscal Year 2018	10.553	181NJ304N1099	N/A	8,033	7/1/17 - 6/30/18	(595)				595					
National School Lunch Program:															
Fiscal Year 2019	10.555	191NJ304N1099	N/A	38,765	7/1/18 - 6/30/19					36,144	(38,765)		(2,621)		
Fiscal Year 2018	10.555	181NJ304N1099	N/A	59,909	7/1/17 - 6/30/18	(5,047)				5,047					
Total Department of Agriculture						(5,642)				63,999	(61,795)		(3,438)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2019	93.778	1905NJ5MAP	N/A	24,620	7/1/18 - 6/30/19					24,620	(24,620)				
Total Department of Health and Human Services										24,620	(24,620)				
Total Federal Awards						\$ (92,610)	\$ -	\$ -	\$ -	\$ 328,259	\$ (292,587)	\$ -	\$ (56,938)	\$ -	\$ -

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

OAKLYN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2019

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2018			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	19-495-034-5120-078	\$ 2,145,996	7/1/18- 6/30/19	\$ -	\$ -	\$ -	\$ -	\$ 1,925,023	\$ (2,145,996)	\$ -	\$ (220,973)	\$ -	\$ -
Equalization Aid	18-495-034-5120-078	2,145,996	7/1/17- 6/30/18	(214,369)				214,369			-		
School Choice Aid	19-495-034-5120-068	53,210	7/1/18- 6/30/19					47,731	(53,210)		(5,479)		
School Choice Aid	18-495-034-5120-068	134,022	7/1/17- 6/30/18	(13,388)				13,388			-		
Categorical Special Education Aid	19-495-034-5120-089	275,669	7/1/18- 6/30/19					247,283	(275,669)		(28,386)		
Categorical Special Education Aid	18-495-034-5120-089	275,669	7/1/17- 6/30/18	(27,537)				27,537			-		
Categorical Transportation Aid	19-495-034-5120-014	16,236	7/1/18- 6/30/19					14,564	(16,236)		(1,672)		
Categorical Transportation Aid	18-495-034-5120-014	7,293	7/1/17- 6/30/18	(729)				729			-		
Categorical Security Aid	19-495-034-5120-084	48,228	7/1/18- 6/30/19					43,262	(48,228)		(4,966)		
Categorical Security Aid	18-495-034-5120-084	23,254	7/1/17- 6/30/18	(2,323)				2,323			-		
Under Adequacy Aid	18-495-034-5120-096	16,232	7/1/17- 6/30/18	(1,622)				1,622			-		
Additional Adjustment Aid	18-495-034-5120-085	9,573	7/1/17- 6/30/18	(956)				956			-		
PARCC Readiness Aid	18-495-034-5120-098	5,210	7/1/17- 6/30/18	(520)				520			-		
Per Pupil Growth Aid	18-495-034-5120-097	5,210	7/1/17- 6/30/18	(520)				520			-		
Professional Learning Community Aid	18-495-034-5120-101	4,580	7/1/17- 6/30/18	(458)				458			-		
Extraordinary Special Education Aid	19-495-034-5120-044	21,750	7/1/18- 6/30/19						(41,002)		(41,002)		
Extraordinary Special Education Aid	18-495-034-5120-044	21,750	7/1/17- 6/30/18	(21,750)				21,750			-		
On-behalf TPAF Pension Contribution	19-495-034-5094-002	474,620	7/1/18- 6/30/19					474,620	(474,620)		-		
On-behalf TPAF Post Retirement Medical	19-495-034-5094-001	215,287	7/1/18- 6/30/19					215,287	(215,287)		-		
On-behalf TPAF LTDI	19-495-034-5094-004	527	7/1/18- 6/30/19					527	(527)		-		
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	134,222	7/1/18- 6/30/19					127,498	(134,222)		(6,724)		
Reimbursed TPAF Social Security Contr.	18-495-034-5094-003	189,489	7/1/17- 6/30/18	(9,476)				9,476			-		
Total General Fund				(293,648)	-	-	-	3,389,443	(3,404,997)	-	(309,202)	-	-
Special Revenue Fund:													
Preschool Expansion Aid	19-495-034-5120-086	437,426	7/1/18- 6/30/19					393,683	(389,392)		(43,743)	48,034	
Total Special Revenue Fund				-	-	-	-	393,683	(389,392)	-	(43,743)	48,034	-
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program:													
Fiscal Year 2019	19-100-010-3350-023	1,042	7/1/18- 6/30/19					974	(1,042)		(68)		
Fiscal Year 2018	18-100-010-3350-023	1,820	7/1/17- 6/30/18	(157)				157			-		
Total Enterprise Fund				(157)	-	-	-	1,131	(1,042)	-	(68)	-	-
Total State Financial Assistance				\$ (293,805)	\$ -	\$ -	\$ -	\$ 3,784,257	\$ (3,795,431)	\$ -	\$ (353,013)	\$ 48,034	\$ -
Less: State Financial Expenditures Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									474,620				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									215,287				
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)									527				
Total State Financial Expenditures Subject to Major Program Determination													\$ (3,104,997)

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

**Oaklyn School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Oaklyn School District (“School District”). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$946 in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 24,620	\$ 3,405,943	\$ 3,430,563
Special Revenue	206,172	389,392	595,564
Food Service	<u>61,795</u>	<u>1,042</u>	<u>62,837</u>
Total	<u>\$ 292,587</u>	<u>\$ 3,796,377</u>	<u>\$ 4,088,964</u>

Oaklyn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2019
(Continued)

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. 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, 2019.

6. MAJOR PROGRAMS

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

**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified? _____ yes X none reported

Noncompliance material to general purpose financial statements noted? _____ yes X no

Federal Awards

NOT APPLICABLE

Internal Control over major programs:

Material weaknesses identified? _____ yes _____ no

Significant deficiencies identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

Material weaknesses identified? yes X no

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>19-495-034-5120-078</u>	State Aid Public Cluster: <u>Equalization Aid</u>
<u>19-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>19-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
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**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings identified.

**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings identified.

**OAKLYN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.