

**Oldmans Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

OLDMANS TOWNSHIP SCHOOL DISTRICT

PEDRICKTOWN, NEW JERSEY 08067

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

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2019

Prepared by:

**Oldmans Township School
Board of Education Administration**

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INTRODUCTORY SECTION

Oldmans Township School District

ADMINISTRATIVE OFFICES
(856) 299-4240

10 FREED ROAD
(856) 299-4243

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

Daniel P. Daly
Board President

Alicia Smith
Superintendent

Pamela Zook
School Business
Administrator

November 14, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Oldmans Township School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. Reporting Entity and its Services

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an enrollment of 284 students, which is a 4.5% change over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

1. Reporting Entity and its Services (Continued)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2018-2019	284	-1.0%
2017-2018	287	5.9%
2016-2017	271	-5.6%
2015-2016	287	7.1%
2014-2015	268	6.8%

2. Economic Condition and Outlook

Oldmans Township is a rural farming community with some general businesses and light industry. The Pedricktown Industrial Complex provides the largest source of employment in the community. Of the three residential developments that have gained local planning board approvals, one development of 49 homes is now 100% complete. The Gateway Industrial Park has nine commercial warehouses completed and operational as of June 30, 2019. There is room for additional businesses.

3. Major Initiatives

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

Beginning the 2011-12 school year, Oldmans became a CHOICE district and had twenty-five (25) students from neighboring districts apply and be accepted. The estimated CHOICE students for 2019-20 school year will be 58, which is what the District was capped at in 2018-19.

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

In preparation for the administration of the New Jersey Student Learning assessment (NJSLA), teachers will continue to use LinkIt as their online assessment tool, which now features a NJSLA prep component. We have 1:1 computing in grades 3-8 through Chromebooks.

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

3. Major Initiatives (Continued)

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

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

The District is set for a bond referendum vote in December 2019 to upgrade the facility with lighting, ceiling, roofing, drainage, and more.

With the enactment of S1701, in the 2005-06 school year, the Board of Education aggressively pursued to provide shared services agreements in many areas. At present, the District continues to share grounds maintenance services with the Township.

4. Internal Accounting Controls

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

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

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

5. Budgetary Controls

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

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

6. Accounting System and Reports

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

7. Cash Management

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

8. Risk Management

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

9. Other Information

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

B) Awards - The District will not apply to the Association of School Business Officials (ASBO) for its Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials.

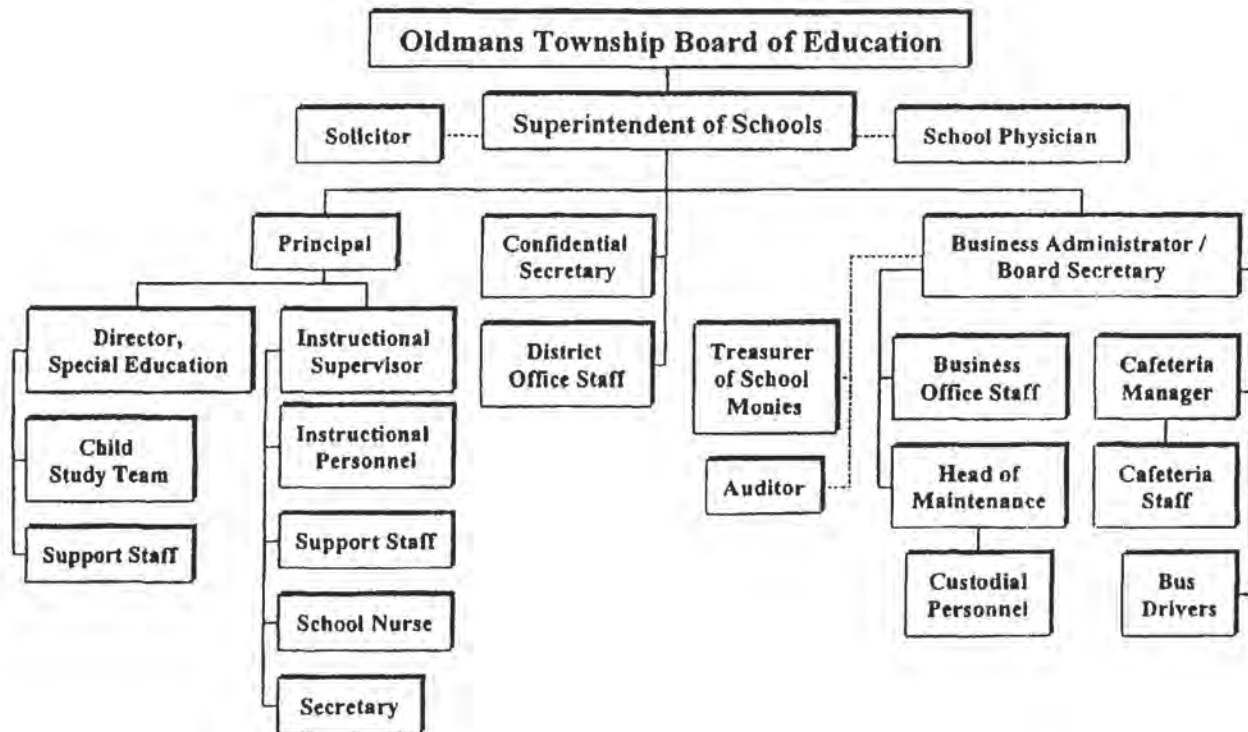
10. Acknowledgements

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

Respectfully submitted,

Alicia Smith
Alicia Smith
Superintendent

Pamela Zook
Pamela Zook
School Business Administrator



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

**ROSTER OF OFFICIALS
June 30, 2019**

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Daniel P. Daly	President	2021
Lou Guardascione	Vice President	2021
Maria Calabrese	Board Member	2020
Timothy Farrell	Board Member	2019
Patricia Gaskill	Board Member	2021
Jeffrey Newman	Board Member	2019
Dawn Oliver	Board Member	2019
Cory Tanyer	Board Member	2020
Randall Tyler	Board Member	2020

OTHER OFFICIALS

Alicia Smith, Superintendent

Pamela Zook, School Business Administrator

Shawn Glynn, Treasurer of School Monies

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

Consultants and Advisors

Auditor

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

Attorney and Labor Relations Consultant

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

Architect

Radey Architects
100 Haddontowne Court
Cherry Hill, NJ 08034

Engineer

Tedesco Engineering
811 Landis Avenue
Bridgeton, NJ 08302

Depository

Pennsville National Bank
Mill & Railroad Avenue
Pedricktown, NJ 08067

Negotiations Consultant

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

AHERA Consultant

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

Insurance Broker

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

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

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

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education, Oldmans, New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019, on our consideration of the Oldmans Township School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Oldmans Township School Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

November 14, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

This section of the Oldmans Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

Financial Highlights

- General governmental revenues including transfers accounted for \$6,217,7844 in revenue or 97.06% of total governmental revenues of \$6,405,939 (see Exhibit A-2).
- The Oldmans Township School District's total net position decreased by \$61,366 (see Exhibit A-2). This increase is not the result of any one specific occurrence, but a net result of multiple changes in the listed balance sheet items reported and capital assets and OPEB.
- Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$320,899 or 4.9% of total revenues of \$6,541,144.
- As of the close of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combined ending fund balances of \$1,229,043, an increase of \$44,853 in comparison with the prior year (see Exhibit B-2).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$48,151, (see Exhibit B-1) a slight decrease from that of the prior fiscal year of \$53,892, which was attributable in part to decreased state aid payment being deferred in the amount of \$5,741 (see Exhibit C-3).

Overview of the Financial Statements

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

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

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

Fund Financial Statements

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

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

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

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

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Fund Financial Statements (Continued)

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

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Oldmans Township School District, assets of \$6,027,256 exceed liabilities of \$1,660,977 at the close of fiscal year 2018-2019 (see Exhibit A-1).

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

District-wide Financial Analysis (Continued)

NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
ASSETS						
Current and other assets	\$ 1,287,974	\$ 1,278,151	\$ 31,869	\$ 48,513	\$ 1,319,843	\$ 1,326,664
Capital assets	4,706,918	4,909,674	495	825	4,707,413	4,910,499
Total assets	<u>5,994,892</u>	<u>6,187,825</u>	<u>32,364</u>	<u>49,338</u>	<u>6,027,256</u>	<u>6,237,163</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on refunding bond issue	3,104	8,071			3,104	8,071
Deferred outflows related to pension	185,797	176,976			185,797	176,976
	<u>188,901</u>	<u>185,047</u>			<u>188,901</u>	<u>185,047</u>
LIABILITIES						
Non-current liabilities	286,328	457,480	1,422	1,197	287,750	458,677
Other liabilities	43,545	81,950	4,297	15,209	47,842	97,159
Net pension liability	1,325,385	1,466,017			1,325,385	1,466,017
Total liabilities	<u>1,655,258</u>	<u>2,005,447</u>	<u>5,719</u>	<u>16,406</u>	<u>1,660,977</u>	<u>2,021,853</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	326,836	110,647			326,836	110,647
	<u>326,836</u>	<u>110,647</u>			<u>326,836</u>	<u>110,647</u>
NET POSITION						
Invested in capital assets, net of related debt	4,521,553	4,545,901	495	825	4,522,048	4,546,726
Restricted	1,180,892	1,130,298			1,180,892	1,130,298
Unrestricted	(1,500,746)	(1,419,421)	26,150	32,107	(1,474,596)	(1,387,314)
Total net position	<u>\$ 4,201,699</u>	<u>\$ 4,256,778</u>	<u>\$ 26,645</u>	<u>\$ 32,932</u>	<u>\$ 4,228,344</u>	<u>\$ 4,289,710</u>

The District's combined net position was \$4,228,344 on June 30, 2019. This was a decrease from the prior year of \$61,366.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

District-wide Financial Analysis (Continued)

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
REVENUES:						
Program revenues:						
Charges for services		\$ 80,301	\$ 91,271	\$ 67,672	\$ 91,271	\$ 147,973
Operating grants and contributions	\$ 188,155	124,905	41,473	43,673	229,628	168,578
General revenues:						
Property taxes	3,087,890	3,031,683			3,087,890	3,031,683
Grants and contributions not restricted to specific programs	3,099,885	2,695,906			3,099,885	2,695,906
Other	32,469	73,269	1	2,010	32,470	75,279
Total revenues	6,408,399	6,006,064	132,745	113,355	6,541,144	6,119,419
EXPENSES:						
Instruction	1,914,703	1,813,508			1,914,703	1,813,508
Support services	4,303,379	4,298,158			4,303,379	4,298,158
Interest on long-term debt	19,842	27,592			19,842	27,592
Other	223,094	196,659			223,094	196,659
Food service			102,148	103,577	102,148	103,577
School age child care			39,344	23,166	39,344	23,166
Total expenses	6,461,018	6,335,917	141,492	126,743	6,602,510	6,462,660
Increase in net position before transfers	(52,619)	(329,853)	(8,747)	(13,388)	(61,366)	(343,241)
Transfers	(2,460)	(4,917)	2,460	4,917		
Increase in net position	(55,079)	(334,770)	(6,287)	(8,471)	(61,366)	(343,241)
Net position, July 1	(8,102,197)	4,142,677	32,932	41,403	(8,069,265)	4,184,080
Prior period adjustment of OPEB liability	12,358,975	(11,910,104)			12,358,975	(11,910,104)
Net position, June 30	\$ 4,201,699	\$ (8,102,197)	\$ 26,645	\$ 32,932	\$ 4,228,344	\$ (8,069,265)

Property taxes increased by \$56,207 or 1.8% during the year. This increase is the result of reductions in state aid and state-imposed budget caps.

The overall increase in expenses of \$139,850 was attributable to an increase in instruction of \$101,195 and support services of \$5,221.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

District-wide Financial Analysis (Continued)

Business-Type Activities - Business-type activities decreased the Oldmans Township School District's net position by \$6,287. The key element of this decrease is as follows:

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combining ending fund balances of \$1,229,043, an increase of \$44,853 in comparison with the prior year.

Of the combined ending fund balances of \$1,229,043, 3.9 percent constitutes unassigned fund balance in the amount of \$48,151. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$62,596, (2) to be appropriated in the following year's budget to reduce property tax \$441,911, (3) \$401,483 maintenance reserve, (4) \$200,000 capital reserve, and (5) excess surplus - current year of \$74,902.

The General Fund is the main operating fund of the Oldmans Township School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,229,043, while total fund balance was \$1,229,043.

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

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

Unrestricted net position consisted of the following: a balance of (\$37,385) for the Food Service Program and a balance of \$64,030 for the School Age Child Care Program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Oldmans Township School District's Business-type Activities.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

General Fund Budgetary Highlights

During the course of the 2019 fiscal year, the Oldmans Township School District modified its General Fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and the additional federal aid.

The final budgetary basis revenue appropriation estimate was \$5,065,803; fund balance budgeted of \$75,669; and prior year encumbrances were \$11,235. The property taxes (local tax levy) were \$3,087,890.

The Oldmans Township School District revenues and expenditures include \$131,576 in reimbursed TPAF Social Security Aid and \$474,998 in the TPAF Pension Contributions, respectively.

The final budgetary basis expenditure estimate was \$5,152,707, including prior year's encumbrances of \$11,235.

Capital Asset and Debt Administration

Capital Assets - The Oldmans Township School District's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2019, amounts to \$4,707,413 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. The total decrease in the Oldmans Township School District's investment in capital assets for the current fiscal year was \$203,086.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Building improvements	4,316,173	4,489,812			4,316,173	4,489,812
Equipment	352,745	381,862	\$ 495	\$ 825	353,240	382,687
Total	\$ 4,706,918	\$ 4,909,674	\$ 495	\$ 825	\$ 4,707,413	\$ 4,910,499

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

Long-Term Debt - At the end of the current fiscal year, the Oldmans Township School District had total bonded debt outstanding of \$185,000 for the 2009 Series Bonds. The entire Oldmans Township School District's bonded debt is governmental as opposed to business-type. The bonds will mature on February 15, 2020.

Economic Factors and Next Year's Budget

For the 2019-2020 school year, the Oldmans Township School District was able to sustain its budget through the township tax levy, federal aid, state aid, and miscellaneous revenue sources. Approximately 53 percent of total revenue is from local tax levy, while 39.1 percent of the Oldmans Township School District's revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Oldmans Township School

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Economic Factors and Next Year's Budget (Continued)

District's budget is its enrollment. The 2018-2019 budget was adopted May 2018, based in part on the state education aid the Oldmans Township School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 15, 2018, of 287. The District became a Choice District in FY 2012.

The Oldmans Township School District anticipates a slight increase in enrollment to 296 students for the 2019-2020 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	FY 2019
ASSETS			
Cash and cash equivalents	\$ 551,946	\$ 28,320	\$ 580,266
Interfunds receivable	66,189		66,189
Receivables	68,356	1,947	70,303
Inventory		1,602	1,602
Restricted assets:			
Restricted cash and cash equivalents	601,483		601,483
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	4,668,918	495	4,669,413
	<u>5,994,892</u>	<u>32,364</u>	<u>6,027,256</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bond issue	3,104		3,104
Deferred outflows related to pension	185,797		185,797
	<u>188,901</u>		<u>188,901</u>
LIABILITIES			
Interfunds payable	441		441
Accounts payable	32,551	1,398	33,949
Payable to federal government	1,396		1,396
Unearned revenue	5,688	2,899	8,587
Accrued interest	3,469		3,469
Noncurrent liabilities:			
Due within one year	185,000		185,000
Due beyond one year	101,328	1,422	102,750
Net pension liability	1,325,385		1,325,385
	<u>1,655,258</u>	<u>5,719</u>	<u>1,660,977</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	326,836		326,836
	<u>326,836</u>		<u>326,836</u>
NET POSITION			
Invested in capital assets, net of related debt	4,521,553	495	4,522,048
Restricted for:			
Other purposes	1,180,892		1,180,892
Unrestricted	(1,500,746)	26,150	(1,474,596)
	<u>\$ 4,201,699</u>	<u>\$ 26,645</u>	<u>\$ 4,228,344</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Activities
June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,637,190			\$ (1,637,190)		\$ (1,637,190)
Special education	263,479		\$ 94,581	(168,898)		(168,898)
Other instruction	14,034			(14,034)		(14,034)
Support services:						
Student & instructional related services	1,307,977		91,846	(1,216,131)		(1,216,131)
General administrative services	161,033			(161,033)		(161,033)
School administrative services	41,394			(41,394)		(41,394)
Central services	154,387			(154,387)		(154,387)
Plant operations & maintenance	464,485			(464,485)		(464,485)
Pupil transportation	264,409			(264,409)		(264,409)
Employee benefits	1,909,694		1,728	(1,907,966)		(1,907,966)
Interest on long-term debt	19,842			(19,842)		(19,842)
Capital outlay	33,494			(33,494)		(33,494)
Unallocated depreciation	189,600			(189,600)		(189,600)
Total governmental activities	6,461,018		188,155	(6,272,863)		(6,272,863)
Business-type activities:						
Food service	102,148	\$ 32,858	41,473		\$ (27,817)	(27,817)
Other activities	39,344	58,413			19,069	19,069
Total business-type activities	141,492	91,271	41,473		(8,748)	(8,748)
Total primary government	\$ 6,602,510	\$ 91,271	\$ 229,628	\$ (6,272,863)	\$ (8,748)	\$ (6,281,611)
General revenues:						
Property taxes, levied for general purpose, net				\$ 2,941,742		\$ 2,941,742
Taxes levied for debt service				146,148		146,148
Federal and state aid not restricted				3,099,885		3,099,885
Investment earnings				2,522	\$ 1	2,523
Miscellaneous income				29,947		29,947
Transfers				(2,460)	2,460	
Total general revenues, special items, extraordinary items, and transfers				6,217,784	2,461	6,220,245
Change in net position				(55,079)	(6,287)	(61,366)
Net position - beginning				(8,102,197)	32,932	(8,069,265)
Prior period adjustment of OPEB liability				12,358,975		12,358,975
Restated net position at the beginning of the period				4,256,778	32,932	4,289,710
Net position - end				\$ 4,201,699	\$ 26,645	\$ 4,228,344

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Totals FY 2019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 559,101			\$ 559,101
Interfunds receivable	66,189			66,189
Receivables from other governments	9,658	\$ 58,698		68,356
Restricted cash and cash equivalents	601,483			601,483
Total assets	<u>\$ 1,236,431</u>	<u>\$ 58,698</u>		<u>1,295,129</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash overdraft		\$ 26,010		26,010
Interfunds payable	\$ 441			441
Accounts payable	6,947	25,604		32,551
Payable to federal government		1,396		1,396
Deferred revenue :				
Local grants		5,688		5,688
Total liabilities	<u>7,388</u>	<u>58,698</u>		<u>66,086</u>
Fund balances:				
Restricted for:				
Maintenance reserve	401,483			401,483
Capital reserve	200,000			200,000
Excess surplus - designated for subsequent year's expenditures	441,911			441,911
Excess surplus - current year	74,902			74,902
Assigned to:				
Other purposes	62,596			62,596
Unassigned:				
General fund	48,151			48,151
Total fund balances	<u>1,229,043</u>			<u>1,229,043</u>
Total liabilities and fund balances	<u>\$ 1,236,431</u>	<u>\$ 58,698</u>		

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

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

Capital assets used in Governmental Activities are not financial resources and, therefore, not reported in the funds. The costs of assets is \$8,274,118 and the accumulated depreciation is \$3,567,200 (See note 6).	\$ 4,706,918
Internal Service Funds are used by management to charge the costs of certain activities, such as business and custodial services to other districts. Assets and liabilities of the Internal Service Fund of \$18,855 are included in the Governmental Activities in the Statement of Net Position.	18,855
Net pension liability adjustment for GASB Statement No. 68 and 71	(1,466,424)
Deferred bond issuance costs are expenses in the Governmental Funds in the year the bonds are issued, but are capitalized in the Statement of Net Position.	3,104
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(3,469)
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported as liabilities in the funds (See note 7).	(286,328)
	<u>\$ 4,201,699</u>

See accompanying notes to the basic financial statements.

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

	General Fund	Special Revenue Fund	Debt Service Fund	FY 2019
REVENUES:				
Local tax levy	\$ 2,941,742		\$ 146,148	\$ 3,087,890
Interest earned on investments	2,522			2,522
Miscellaneous	29,947	\$ 6,325		36,272
	<u>2,974,211</u>	<u>6,325</u>	<u>146,148</u>	<u>3,126,684</u>
State sources	2,702,794		52,102	2,754,896
Federal sources		181,830		181,830
Total revenues	<u>5,677,005</u>	<u>188,155</u>	<u>198,250</u>	<u>6,063,410</u>
EXPENDITURES:				
Current:				
Regular instruction	1,625,922			1,625,922
Special education instruction	169,341	94,581		263,922
Other instruction	13,899			13,899
Support services & undistributed costs:				
Student & instruction related services	1,214,975	91,846		1,306,821
General administrative services	161,033			161,033
School administrative services	40,415			40,415
Central services	153,889			153,889
Plant operations and maintenance	464,071			464,071
Pupil transportation	240,333			240,333
Employee benefits	1,496,241	1,728		1,497,969
Debt service:				
Principal			180,000	180,000
Interest and other charges			18,250	18,250
Capital outlay	49,573			49,573
Total expenditures	<u>5,629,692</u>	<u>188,155</u>	<u>198,250</u>	<u>6,016,097</u>
Excess (deficiency) of revenues over expenditures	<u>47,313</u>			<u>47,313</u>
OTHER FINANCING SOURCES (USES):				
Transfer to food service to cover deficit	(2,460)			(2,460)
Total other financing sources and uses	<u>(2,460)</u>			<u>(2,460)</u>
Net change in fund balances	44,853			44,853
Fund balance - July 1	1,184,190			1,184,190
Fund balance - June 30	<u>\$ 1,229,043</u>			<u>\$ 1,229,043</u>

See accompanying notes to the basic financial statements.

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

Total net change in fund balances - Governmental Funds (from B-2)		\$ 44,853
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital Outlay	\$ 16,079	
Depreciation expense	<u>(218,835)</u>	(202,756)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
Bond principal payments		180,000
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
		(4,967)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		3,375
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(66,736)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>(8,848)</u>
Change in net position of Governmental Activities		<u>\$ (55,079)</u>

See accompanying notes to the basic financial statements.

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

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities
	Food Service	Latchkey Program	Totals FY 2019	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 63,535	\$ 63,535	\$ 18,855
Accounts receivable	\$ 1,947		1,947	
Inventories	1,602		1,602	
Total current assets	3,549	63,535	67,084	18,855
Noncurrent assets:				
Furniture, machinery & equipment	134,400	6,600	141,000	
Less: accumulated depreciation	(134,400)	(6,105)	(140,505)	
Total noncurrent assets		495	495	
Total assets	3,549	64,030	67,579	
LIABILITIES				
Accounts payable	1,398		1,398	
Cash deficit	35,215		35,215	
Unearned revenue:				
Lunches	2,386		2,386	
USDA commodities	513		513	
Noncurrent liabilities:				
Compensated absences	1,422		1,422	
Total liabilities	40,934		40,934	
NET POSITION				
Invested in capital assets, net of related debt		495	495	
Unrestricted	(37,385)	63,535	26,150	\$ 18,855
Total net position	\$ (37,385)	\$ 64,030	\$ 26,645	\$ 18,855

See accompanying notes to the basic financial statements.

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

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2019	
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs:	\$ 32,043		\$ 32,043	
Daily sales - non-reimbursable programs	737		737	
Tuition		\$ 58,413	58,413	
Other charges and fees	78		78	
Total operating revenue	<u>32,858</u>	<u>58,413</u>	<u>91,271</u>	
OPERATING EXPENSES:				
Salaries	43,921	33,187	77,108	
Employee benefits	3,242	2,538	5,780	
Other purchased services (400-500 series)	12,489		12,489	
Supplies and materials	4,522	3,289	7,811	
Depreciation		330	330	
Cost of sales - reimbursable	37,279		37,279	
Cost of sales - non-reimbursable	695		695	
Total operating expenses	<u>102,148</u>	<u>39,344</u>	<u>141,492</u>	
Operating income (loss)	<u>(69,290)</u>	<u>19,069</u>	<u>(50,221)</u>	
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	798		798	
Federal sources:				
National school lunch program	26,135		26,135	
School breakfast program	4,246		4,246	
National snack program	772		772	
Food distribution program	9,522		9,522	
Interest revenue	1		1	
Total non-operating revenues (expenses)	<u>41,474</u>		<u>41,474</u>	
Net income (loss) before transfers	<u>(27,816)</u>	19,069	<u>(8,747)</u>	
Board contribution	2,460		2,460	
Net income (loss)	<u>(25,356)</u>	19,069	<u>(6,287)</u>	
Total net position - beginning	<u>(12,029)</u>	<u>44,961</u>	<u>32,932</u>	18,855
Total net position - ending	<u>\$ (37,385)</u>	<u>\$ 64,030</u>	<u>\$ 26,645</u>	<u>\$ 18,855</u>

See accompanying notes to the basic financial statements.

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

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2019	
Cash flows from operating activities:				
Receipts from customers	\$ 31,652	\$ 58,413	\$ 90,065	
Payments to suppliers	(45,875)	(3,289)	(49,164)	
Payments to employees	(42,373)	(33,187)	(75,560)	
Payments for employee benefits	(3,242)	(2,538)	(5,780)	
Net cash provided (used) by operating activities	(59,838)	19,399	(40,439)	
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,392		32,392	
Board contribution	2,460		2,460	
Net cash provided by non-capital financing activities	34,852		34,852	
Cash flows from investing activities:				
Interest on investments	1		1	
Payment from fiduciary fund		3,586	3,586	
Payment to general fund	(11,231)		(11,231)	
Net cash provided by investing activities	(11,230)	3,586	(7,644)	
Net increase in cash and cash equivalents	(36,216)	22,985	(13,231)	
Cash and cash equivalents - July 1	1,001	40,550	41,551	\$ 18,855
Cash and cash equivalents - June 30	\$ (35,215)	\$ 63,535	\$ 28,320	\$ 18,855
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (69,290)	\$ 19,069	\$ (50,221)	
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation		330	330	
Food distribution program	9,522		9,522	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	29		29	
(Increase) decrease in inventory	(643)		(643)	
Increase (decrease) in accounts payable	1,256		1,256	
Increase (decrease) in deferred revenue	(937)		(937)	
Increase in compensated absences	225		225	
	\$ (59,838)	\$ 19,399	\$ (40,439)	

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	Scholarship Trust Fund	Unemployment Trust Fund	Agency Funds	Totals FY 2019
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,808	\$ 107,116	\$ 126,335	\$ 235,259
Interfund receivable:				
General fund			441	441
Payroll agency		9,569		9,569
Total assets	<u>\$ 1,808</u>	<u>\$ 116,685</u>	<u>126,776</u>	<u>245,269</u>
LIABILITIES				
Current liabilities:				
Payroll deductions and withholdings			13,719	13,719
Due to student groups			37,299	37,299
Interfund payable:				
Unemployment trust fund			9,569	9,569
General fund			66,189	66,189
Total current liabilities			<u>126,776</u>	<u>126,776</u>
NET POSITION				
Held in trust for:				
Scholarship awards	\$ 1,808			1,808
Unemployment claims		\$ 116,685		116,685
Total net position	<u>\$ 1,808</u>	<u>\$ 116,685</u>	<u>None</u>	<u>\$ 118,493</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	Scholarship Trust Fund	Unemployment Trust Fund	FY 2019
ADDITIONS:			
Contributions:			
Employee payroll deductions		\$ 5,110	\$ 5,110
Other	\$ 50		50
Total contributions	50	5,110	5,160
Investment earnings:			
Interest	3	1	4
Total investment earnings	3	1	4
Total additions	53	5,111	5,164
Change in net position	53	5,111	5,164
Net position - beginning of year	1,755	111,574	113,329
Net position - end of year	\$ 1,808	\$ 116,685	\$ 118,493

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

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

A. Reporting Entity

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

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

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

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

B. Government-wide Statements

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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

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

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

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

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

C. Fund Financial Statements

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

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

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

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

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

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

D. Basis of Accounting

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

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

E. Cash and Cash Equivalents

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

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

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

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

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

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2019, consisted of the following:

Food - commodities	\$ 513
Food	1,089
	<u>\$ 1,602</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories (Continued)

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

G. Capital Assets

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

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

H. Revenues

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

I. Expenditures

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

J. Compensated Absences

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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

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

K. Interfund Receivables/Payables

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

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

L. Accrued Salaries and Wages

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

M. Budgets/Budgetary Control

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

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

N. Encumbrances

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

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

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

O. Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Allocation of Indirect Expenses

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Allocation of Indirect Expenses (Continued)

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

R. Extraordinary and Special Items

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

S. Use of Estimates

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

T. Net Position

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

U. Fund Balance Reserves

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Fund Balance Reserves (Continued)

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

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

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

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

V. Recent Accounting Pronouncements Not Yet Effective

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

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Accounting Pronouncements Not Yet Effective (Continued)

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2019 and 2018, was \$1,417,008 and \$1,421,609. As of June 30, 2019 and 2018, \$0 of the District's bank balance of \$1,598,854 and \$1,484,824, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2019 and 2018, the District did not have any investments.

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

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

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2019, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4: RECEIVABLES (CONTINUED)

	Governmental Activities	Business- Type Activities
State aid	\$ 2,900	\$ 37
Other LEA's	6,758	
Other		448
Federal aid	58,698	1,462
	<u>\$ 68,356</u>	<u>\$ 1,947</u>

NOTE 5: INTERFUND RECEIVABLE AND PAYABLE

The following interfund balances remain on the balance sheet at June 30, 2019:

	Receivable	Payable
General Fund	\$ 66,189	\$ 441
Unemployment Trust	9,569	
Agency Fund	441	75,758
	<u>\$ 76,199</u>	<u>\$ 76,199</u>

The General Fund interfund is a result of interest earned during the year, state health benefits, and section 125 forfeitures. The Unemployment Trust interfund is a result of employee withholding not transferred.

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2019.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2018	Additions	Disposals/ Adjustments	Balance June 30, 2019
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 38,000			\$ 38,000
Total capital assets not being depreciated	38,000			38,000
Land improvements	429,912			429,912
Building & building improvements	6,957,522			6,957,522
Machinery & equipment	832,605	\$ 16,079		848,684
Totals at historical cost	8,220,039	16,079		8,236,118
Less: accumulated depreciation				
Land improvements	(104,879)	(21,646)		(126,525)
Building & building improvements	(2,792,743)	(151,993)		(2,944,736)
Machinery & equipment	(450,743)	(45,196)		(495,939)
Total accumulated depreciation	(3,348,365)	(218,835)		(3,567,200)
Governmental activities capital assets, net	\$ 4,909,674	\$ (202,756)	None	\$ 4,706,918
Food service				
Machinery & equipment	\$ 134,400			\$ 134,400
Less: accumulated depreciation	(134,400)			(134,400)
Business-type capital assets, net	None	None	None	None
Childcare				
Machinery & equipment	\$ 6,600			\$ 6,600
Less: accumulated depreciation	(5,775)	\$ (330)		(6,105)
	\$ 825	\$ (330)	None	\$ 495

Depreciation was charged to the following governmental programs:

Instruction	\$ 3,837
Support administration	1,274
Operation and maintenance	1,091
Transportation	23,033
Unallocated	189,600
Total	<u>\$ 218,835</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2019, consisted of the following:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

On December 15, 2009, the District issued Refunding School Bonds in the amount of \$1,725,000, with interest rates varying from 3% to 5% to advance refund bonds in the amount of \$1,736,000, with interest rates varying from 5.5% to 5.75%. After paying issuance costs the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments until the bonds are called. The bonds were called on February 15, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$179,188.33. Interest is paid semi-annually and final maturity is through February 15, 2020. The balance remaining as of June 30, 2019, was \$185,000.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Compensated absences	\$ 92,480	\$ 10,086	\$ 1,238	\$ 101,328	
Bonds payable	365,000		180,000	185,000	\$ 185,000
	<u>\$ 457,480</u>	<u>\$ 10,086</u>	<u>\$ 181,238</u>	<u>\$ 286,328</u>	<u>\$ 185,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2020	<u>\$ 185,000</u>	<u>\$ 9,250</u>	<u>\$ 194,250</u>

Bonds Authorized but Not Issued

As of June 30, 2019, the Board has \$0 of bonds authorized but not issued.

Other

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

For the year ended June 30, 2019, it is not necessary for the Board to establish a liability for arbitrage rebate.

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

NOTE 8: PENSION FUNDS

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

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

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

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued)

The District's contributions to the PERS for the years ending June 30, 2019, 2018, and 2017, were \$67,507, \$59,870, and \$51,972, respectively, equal to the required contributions for each year. The School District's share of the TPAF for the years ending June 30, 2019, 2018, and 2017, was \$474,998, \$347,302, and \$347,302, respectively, paid by the State of New Jersey on behalf of the Board, which equaled the required contributions for each year.

Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District for the years ending June 30, 2019, 2018, and 2017; \$131,576, \$126,040, and \$116,936 for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. This amount has been included in the financial statements and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ending June 30, 2019, 2018, and 2017, was \$2,774,613, \$2,685,953, and \$2,623,571, covered payroll was \$1,895,092, \$1,800,373, and \$1,572,682 for the TPAF and \$462,874, \$470,169, and \$468,219 for the PERS.

For the year ended June 30, 2019, the District recognized pension expense of \$133,692. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 313,873
Net difference between expected and actual experience		2,524
Net difference between projected and actual earnings on pension plan investments		10,439
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 118,841	
District contributions subsequent to the measurement date	66,956	
	\$ 185,797	\$ 326,836

\$66,956, 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, 2018) will be recognized as a reduction of the net pension 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:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8: PENSION FUNDS (CONTINUED)

Year Ended	Amount
June 30,	
2020	\$ 1,797
2021	(22,491)
2022	(95,223)
2023	(69,527)
2024	(22,551)
Thereafter	None
	<u>\$ (207,995)</u>

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

	June 30, 2018	June 30, 2017
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	<u>19,689,501,539</u>	<u>23,278,401,588</u>
District's proportion	0.0067314300%	0.0062977578%

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2019, 2018, and 2017, were \$5,214, \$5,216, and \$5,085, for covered employees.

NOTE 9: POSTEMPLOYMENT BENEFITS

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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

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 re-measured 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.

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.

Total Non-Employer OPEB Liability

The State of New Jersey, 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 School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the Board of Education/Board of Trustees. The State’s proportionate share of the net OPEB liability associated with the School District as of June 30, 2019, was \$10,911,896. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State’s CAFR at: <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018, actuarial valuation reported by the State in the State’s most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.87%

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

Pre-retirement 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. Post-retirement 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 the TPAF, PERS, and PFRS, respectively.

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>
Changes for the year:	
Service cost	1,984,642,729
Interest	1,970,236,232
Changes of benefit terms	-
Differences between expected and actual experience	(5,002,065,740)
Changes in assumptions or other inputs	(5,291,448,855)
Contributions - Member	42,614,005
Benefit payments	(1,232,987,247)
Net changes	<u>(7,529,008,876)</u>
Balance at June 30, 2018	<u>\$ 46,110,832,982</u>

There were no changes in benefit terms from 2017 to 2018.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District using a discount rate of 3.87%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.87%	3.87%	4.87%
Total OPEB Liability (School Retirees)	\$ 10,911,896	\$ 9,230,073	\$ 7,893,305

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 9,143,965	\$ 9,230,073	\$ 12,745,873

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

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	\$ 1,377,313,892	\$ 99,843,255
Collective deferred inflows of resources	16,189,378,926	6,443,612,287
Collective OPEB Expense	2,129,660,368	3,348,490,523
District's proportion	0.02%	0.02%

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

For the fiscal year ended June 30, 2019, the Board of Education recognized \$344,989 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. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (4,476,086,167)
Changes of assumptions or other inputs		(10,335,978,867)
Total	None	\$ (14,812,065,034)

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

Year Ended June 30,			
2019	\$	(1,825,218,593)	
2020		(1,825,218,593)	
2021		(1,825,218,593)	
2022		(1,825,218,593)	
2023		(1,825,218,593)	
Thereafter		(5,685,972,069)	
	\$	(14,812,065,034)	

NOTE 10: COMPENSATED ABSENCES

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

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

For the District-wide *Statement of Net Position* the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for compensated absences in the Governmental Fund at June 30, 2019, is \$101,328. The liability for compensated absences in the Food Service Fund at June 30, 2019, is \$1,422.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11: DEFERRED COMPENSATION

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

ING
Lincoln Investment Planning, Inc.

NOTE 12: LABOR CONTRACTS

As of June 30, 2019, the District's teachers, school nurses, LDT-C, social workers, guidance counselors, and psychologists are organized in the Oldmans Education Association collective bargaining unit, which expired on June 30, 2020.

NOTE 13: OTHER EMPLOYEE BENEFITS PLAN

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. Effective January 1, 2000, Oldmans Township School District entered into a pre-tax benefits plan with Flex One. The purpose of the plan is to provide eligible employees with the opportunity to choose from among the fringe benefits under the plan. The plan is intended to qualify as a cafeteria plan under the provisions of Internal Revenue Code Section 125. The Dependent Care Expense Reimbursement Plan is intended to qualify as Internal Revenue Code Section 129 dependent care assistance plan, and the Medical Care Expense Reimbursement Plan it intended to qualify as Internal Revenue Code Section 105 medical reimbursement plan. The maximum amount, which a participant may make as contributions, shall be \$2,000 for medical care expenses and \$5,000 for dependent childcare expenses.

NOTE 14: RISK MANAGEMENT

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

Property and Liability Insurance:

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance Continued):

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

New Jersey Unemployment Compensation Insurance:

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

Fiscal Year	Interest Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	\$ 1	\$ 5,110		\$ 116,685
2017-2018	1	5,182		111,574
2016-2017	21	5,327	\$ 2,240	106,391

NOTE 15: OPERATING LEASES

The District had a commitment to lease copy machines under non-cancelable operating leases for 60 months, which expires in December 2020. The monthly payment is \$463 a month. Total lease payments made during the year ended June 30, 2019, amounted to \$5,550.

Year Ended June 30,	Amount
2020	\$ 5,550
2021	2,313
	<u>\$ 7,863</u>

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 16: CAPITAL RESERVE ACCOUNT (CONTINUED)

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

The June 30, 2019, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2018	<u>\$ 200,000</u>
Ending balance, June 30, 2019	<u><u>\$ 200,000</u></u>

NOTE 17: MAINTENANCE RESERVE FUND

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

The maintenance reserve activity for June 30, 2019, was as follows:

Beginning balance, July 1, 2018	<u>\$ 401,483</u>
Ending balance, June 30, 2019	<u><u>\$ 401,483</u></u>

NOTE 18: FUND BALANCE APPROPRIATED

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

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 18: FUND BALANCE APPROPRIATED (CONTINUED)

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2019.

Restricted Fund Balance:

Capital Reserve Account - The District has a \$200,000 capital reserve account at June 30, 2019.

Maintenance Reserve Account - The balance in the maintenance reserve account at June 30, 2019, was \$401,483. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA), (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2019, excess surplus created in FY 2018 of \$441,911 will be utilized for expenditures in the 2019-2020 budget, while excess surplus created in FY 2019 of \$74,902 is restricted and will be utilized for budget expenditures in 2020-2021.

Debt Service Fund - At June 30, 2019, there was \$0 fund balance.

Committed Fund Balance - The District had no committed fund balance at June 30, 2019.

Assigned Fund Balance - At June 30, 2019, the Board has assigned \$0 of General Fund balance to expenditures in the 2019-2020 budget. \$62,596 was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance - At June 30, 2019, the District has \$48,151 of unassigned fund balance in the General Fund.

NOTE 19: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019, is \$516,813.

NOTE 20: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State and federal sources funded approximately 48.4% and taxes funded 50.9% of the District's 2019-2020 governmental operations excluding capital projects.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 21: TAX ABATEMENTS

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

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

The Township of Oldmans did not have any tax abatements for the year ended December 31, 2018. However, the Township audit does not provide the note disclosure information.

NOTE 22: COMMITMENTS AND CONTINGENCIES

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

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

NOTE 23: CHANGE IN ACCOUNTING ESTIMATE

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

The State 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 paragraph 193 and 203 through 205 of GASB Statement No. 75 is zero.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 23: CHANGE IN ACCOUNTING ESTIMATE (CONTINUED)

The effect of the State being the only entity that has a legal obligation to make employer contributions to OPEB is to eliminate the OPEB liability and deferred inflows related to OPEB by increasing the fiscal year ended June 30, 2018, net position by \$12,358,975 which is the prior period net OPEB liability and deferred inflows related to OPEB. Financial statements for the fiscal year ended June 30, 2018, have not been restated and the cumulative effect of the change totaling \$12,358,975 is shown as a one-time credit to net position in the fiscal year ended June 30, 2019, statement of activities.

NOTE 24: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and November 14, 2019, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OLDMANS TOWNSHIP SCHOOL DISTRICT
 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	\$ 2,941,742		\$ 2,941,742	\$ 2,941,742	
Transportation fees	20,000		20,000		\$ (20,000)
Interest on investments	5,000		5,000	2,522	(2,478)
Miscellaneous				29,947	29,947
Total - local sources	<u>2,966,742</u>		<u>2,966,742</u>	<u>2,974,211</u>	<u>7,469</u>
State sources:					
Transportation aid	136,526		136,526	136,526	
Equalization aid	965,799		965,799	965,799	
Special education categorical aid	159,315		159,315	159,315	
Security aid	44,735		44,735	44,735	
Adjustment aid	201,840		201,840	201,840	
School choice aid	590,846		590,846	590,846	
Nonpublic transportation aid				2,900	2,900
Teachers' pension and annuity fund (on-behalf non-budgeted)				326,254	326,254
TPAF post-retirement (on-behalf non-budgeted)				147,989	147,989
TPAF long-term disability insurance (on-behalf non-budgeted)				755	755
Reimbursed TPAF social security contributions (non-budgeted)				131,576	131,576
Total - state sources	<u>2,099,061</u>		<u>2,099,061</u>	<u>2,708,535</u>	<u>609,474</u>
Total revenues	<u>\$ 5,065,803</u>		<u>\$ 5,065,803</u>	<u>\$ 5,682,746</u>	<u>\$ 616,943</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	\$ 32,271	\$ 856	\$ 33,127	\$ 33,127	
Kindergarten	165,857		165,857	165,302	\$ 555
Grades 1-5	874,571	3,333	877,904	877,903	1
Grades 6-8	388,820	26,200	415,020	415,019	1
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000		1,000
Regular programs - undistributed instruction:					
Other salaries for instruction	1,000	10,656	11,656	11,655	1
Purchased technical services	500		500		500
Other purchased services (400-500 series)	50,000	(19,571)	30,429	28,392	2,037
General supplies	93,196	1,120	94,316	91,462	2,854
Textbooks	6,000	(2,487)	3,513	2,562	951
Other objects	220	280	500	500	
Total regular programs	1,613,435	20,387	1,633,822	1,625,922	7,900
Resource room:					
Salaries of teachers	122,704	8,310	131,014	131,014	
Other salaries for instruction	55,940	(17,300)	38,640	38,327	313
General supplies	1,000	(1,000)			
Textbooks	1,000	(1,000)			
Total resource room	180,644	(10,990)	169,654	169,341	313
Total special education	180,644	(10,990)	169,654	169,341	313
Basic skills/remedial:					
Salaries of teachers	7,000	(7,000)			
Total basic skills/remedial	7,000	(7,000)			
School sponsored co-curricular activities:					
Salaries	11,450		11,450	9,526	1,924
General supplies	240		240	102	138
Total school sponsored co-curricular activities	11,690		11,690	9,628	2,062
School sponsored athletics - instruction:					
Salaries	3,250	1,024	4,274	4,271	3
Purchased services (300-500 series)	3,800	(3,800)			
General supplies	500	(265)	235		235
Total school sponsored athletics - instruction	7,550	(3,041)	4,509	4,271	238
Total other instructional programs	26,240	(10,041)	16,199	13,899	2,300
Total - instruction	1,820,319	(644)	1,819,675	1,809,162	10,513

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state - regular	260,951	(23,429)	237,522	237,522	
Tuition to Other LEA's within state - special	123,481	7,705	131,186	131,185	1
Tuition to county voc. school district - regular	226,050	24,078	250,128	250,128	
Tuition to county special services district/ regional day schools	83,650	2,578	86,228	86,228	
Total undistributed expenditures - instruction	694,132	10,932	705,064	705,063	1
Attendance & social work					
Salaries	21,938		21,938	18,634	3,304
Total attendance & social work	21,938		21,938	18,634	3,304
Health services:					
Salaries	67,262	188	67,450	67,449	1
Purchased professional - technical services	5,950	(2,288)	3,662	3,661	1
Other purchased services (400-500 series)	335		335		335
Supplies and materials	2,400	804	3,204	3,196	8
Total health services	75,947	(1,296)	74,651	74,306	345
Related services:					
Salaries of other professional staff	31,322	1,109	32,431	32,431	
Purchased professional - education services	600	(600)			
General supplies	750	25	775	775	
Total related services	32,672	534	33,206	33,206	
Extraordinary services:					
Salaries other professional staff	66,900	(7,340)	59,560	59,559	1
Purchased professional - education services	13,000	49,292	62,292	62,291	1
Total extraordinary services	79,900	41,952	121,852	121,850	2
Guidance services:					
Salaries of other professional staff	66,632		66,632	66,362	270
Purchased services (400-500 series)	420		420	238	182
Supplies and materials	750	368	1,118	1,118	
Total guidance services	67,802	368	68,170	67,718	452
Child study team:					
Purchased professional - educational services	11,200	2,794	13,994	13,994	
Total child study team	11,200	2,794	13,994	13,994	
Improvement of instructional services:					
Salary of supervisor of instruction	95,378		95,378	94,742	636
Salaries of secretarial and clerical assistants	12,215		12,215	11,236	979
Purchased professional - educational services	10,000	(7,290)	2,710	2,030	680
Purchased services (400-500 series)		5,108	5,108	4,916	192
Total improvement of instructional services	117,593	(2,182)	115,411	112,924	2,487

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	68,851	(825)	68,026	62,900	5,126
Purchased professional - technical services	7,400	(7,394)	6		6
Supplies and materials	5,115		5,115	3,180	1,935
Total educational media services/school library	81,366	(8,219)	73,147	66,080	7,067
Instructional staff training:					
Salaries of secretarial and clerical assistants					
Purchased professional - educational services	7,000	(7,000)			
Purchased services (400-500 series)	3,500		3,500	971	2,529
Supplies and materials	3,000	(1,161)	1,839	229	1,610
Total instructional staff training	13,500	(8,161)	5,339	1,200	4,139
Support services general administration:					
Salaries	106,516	125	106,641	106,641	
Legal services	13,000	2,142	15,142	9,888	5,254
Audit Fees	14,000	(1,500)	12,500	12,500	
Other purchased professional services	4,000	(1,500)	2,500	2,500	
Communications/telephone	7,500	12,249	19,749	14,957	4,792
BOE other purchased services	1,300	(700)	600	600	
Other purchased services (400-500 series)	15,750	(5,834)	9,916	9,115	801
Supplies and materials	1,700	(442)	1,258	1,243	15
Miscellaneous expenditures		400	400	400	
BOE Member dues/fees	6,000	(2,636)	3,364	3,189	175
Total support services general administration	169,766	2,304	172,070	161,033	11,037
Support services school administration:					
Salaries of principals/assistant principals	33,913	2,824	36,737	36,736	1
Other purchased services (400-500 series)	2,000	732	2,732		2,732
Supplies and materials	2,900	1,031	3,931	3,679	252
Total support services school administration	38,813	4,587	43,400	40,415	2,985
Central services:					
Salaries	129,858	5,024	134,882	134,881	1
Other purchased services (400-500 series)	12,900	3,175	16,075	16,075	
Supplies and materials	1,500	412	1,912	1,857	55
Other objects	1,200	(124)	1,076	1,076	
Total central services	145,458	8,487	153,945	153,889	56
Required maintenance:					
Cleaning, repair, and maintenance services	98,200	19,154	117,354	113,550	3,804
General supplies	1,800	3,700	5,500	5,253	247
Total required maintenance	100,000	22,854	122,854	118,803	4,051

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	119,631		119,631	113,687	5,944
Salaries of non-instructional aides	37,223	5,466	42,689	42,688	1
Purchased professional - technical services	22,000	(18,300)	3,700	3,175	525
Cleaning, repair and maintenance services	13,610	33,924	47,534	32,706	14,828
Other purchased property services	4,000		4,000	3,286	714
Insurance	13,500		13,500	13,192	308
Miscellaneous other purchased services	9,050	(8,685)	365		365
General supplies	25,900	(3,000)	22,900	20,534	2,366
Energy (heat and electricity)	131,000	(15,000)	116,000	116,000	
Total other operation & maintenance of plant services	375,914	(5,595)	370,319	345,268	25,051
Total operation & maintenance of plant services	475,914	17,259	493,173	464,071	29,102
Student transportation services:					
Salaries transportation aides	12,658		12,658		12,658
Salaries for pupil transportation - between home and school - regular	66,722	8,479	75,201	75,201	
Salaries for pupil transportation - between home and school - special		3,000	3,000	1,806	1,194
Salaries for pupil transportation - other than between home and school	5,500	(3,000)	2,500	2,361	139
Cleaning, repair and maintenance services	17,500	23,482	40,982	37,989	2,993
Aid in lieu - nonpublic	17,680	(7,680)	10,000	8,500	1,500
Contracted services (other than between home and school) - vendors	2,000	(2,000)			
Contracted services (special students) ESC's and CTSA	33,000	50,491	83,491	83,491	
Miscellaneous purchased service - transportation	15,100	(9,418)	5,682	5,682	
Supplies and materials	20,000	5,744	25,744	25,303	441
Total student transportation services	190,160	69,098	259,258	240,333	18,925
Regular programs - instructional - employee benefits:					
Health benefits		1	1		1
Other employee benefits		59,970	59,970	59,969	1
Total regular programs instructional - employee benefits		59,971	59,971	59,969	2

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total allocated benefits		59,971	59,971	59,969	2
Unallocated benefits:					
Social security contributions	53,788	5,213	59,001	58,196	805
Other retirement - PERS	65,920	8,302	74,222	73,072	1,150
Unemployment compensation	5,000		5,000	1,913	3,087
Workmen's compensation	23,215	(2,363)	20,852	20,852	
Health benefits	834,786	(171,381)	663,405	663,366	39
Tuition reimbursement	14,500	(4,429)	10,071	9,999	72
Unused sick payment to terminated/retired staff	48,593	(46,145)	2,448	2,300	148
Total unallocated benefits	1,045,802	(210,803)	834,999	829,698	5,301
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				326,254	(326,254)
TPAF post-retirement (on-behalf non-budgeted)				147,989	(147,989)
TPAF long-term disability insurance (on-behalf non-budgeted)				755	(755)
Reimbursed TPAF social security contributions (non-budgeted)				131,576	(131,576)
Total non-budgeted				606,574	(606,574)
Total personal services - employee benefits	1,045,802	(150,832)	894,970	1,496,241	(601,271)
Total undistributed expenditures	3,261,963	(12,375)	3,249,588	3,770,957	(521,369)
Total expenditures - current expense	5,082,282	(13,019)	5,069,263	5,580,119	(510,856)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment: - undistributed expenditures:					
School sponsored - co-curricular					
Instruction	2,675	10,400	13,075	13,075	
Operation and maintenance		5,679	5,679	5,679	
Total equipment	2,675	16,079	18,754	18,754	
Facilities acquisition and construction services:					
Architect and engineering	1,950		1,950	1,950	
Construction services	65,800	(8,060)	57,740	28,869	28,871
Total facilities acquisition and construction services	67,750	(8,060)	59,690	30,819	28,871
Total capital outlay	70,425	8,019	78,444	49,573	28,871
Total expenditures	\$ 5,152,707	\$ (5,000)	\$ 5,147,707	\$ 5,629,692	\$ (481,985)
Excess (deficiency) of revenues over (under) expenditures	\$ (86,904)	\$ 5,000	\$ 91,904	\$ 53,054	\$ 134,958
Other financing sources (uses):					
Transfer to food service to cover deficit		(5,000)	(5,000)	(2,460)	(2,540)
Total other financing sources (uses)		(5,000)	(5,000)	(2,460)	(2,540)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(86,904)		86,904	50,594	132,418
Fund balances - July 1	1,383,198		1,383,198	1,383,198	
Fund balances - June 30	\$ 1,296,293		\$ 1,470,102	\$ 1,433,792	\$ 132,418

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule -
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 401,483	
Capital reserve				200,000	
Excess surplus - designated for subsequent year's expenditures				441,911	
Excess surplus - current year				74,902	
Assigned Fund Balance:					
Year-end encumbrances				62,596	
Unassigned Fund Balance					
				252,900	
				<u>1,433,792</u>	
Reconciliation to Governmental Fund Statements (GAAP):					
Last state aid payment not recognized on GAAP Basis				(204,749)	
				<u>\$ 1,229,043</u>	
Fund balance per Governmental Funds (GAAP)					

OLDMANS TOWNSHIP SCHOOL DISTRICT
 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:					
Federal sources	\$ 125,086	\$ 118,490	\$ 243,576	\$ 181,574	\$ 62,002
Local sources		12,257	12,257	6,976	5,281
Total revenues	\$ 125,086	\$ 130,747	\$ 255,833	\$ 188,550	\$ 67,283
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 58,938	\$ (45,938)	\$ 13,000	\$ 9,688	\$ 3,312
Other salaries for instruction		29,000	29,000	13,244	15,756
Purchased professional - technical services		1,000	1,000	999	1
General supplies		112,641	112,641	70,202	42,439
Other objects		1,500	1,500	745	755
Total Instruction	58,938	98,203	157,141	94,878	62,263
Support services:					
Other salaries		500	500	500	
Personal services - employee benefits		3,213	3,213	1,729	1,484
Purchased professional - educational services	66,148	22,413	88,561	88,561	
General supplies		6,418	6,418	2,882	3,536
Total support services	66,148	32,544	98,692	93,672	5,020
Total expenditures	\$ 125,086	\$ 130,747	\$ 255,833	\$ 188,550	\$ 67,283

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2019

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

	General Fund		Special Revenue Fund
Sources/inflows of resources:			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 5,682,746	[C-2]	\$ 188,550
Difference - budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.			(395)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(204,749)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	199,008		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	[B-2] \$ 5,677,005	[B-2]	\$ 188,155
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 5,629,692	[C-2]	\$ 188,550
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			(395)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	[B-2] \$ 5,629,692	[B-2]	\$ 188,155

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Fiscal Year Ended					
	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)	0.0067314300%	0.0062977578%	0.0057834113%	0.0060636352%	0.0055017945%	0.0056961066%
District's proportionate share of the net pension liability (asset)	\$ 1,325,385	\$ 1,466,017	\$ 1,712,881	\$ 1,361,165	\$ 1,030,086	\$ 1,088,639
District's covered-employee payroll	470,169	468,219	432,732	423,865	372,589	379,031
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	281.90%	313.10%	395.83%	321.13%	276.47%	287.22%
Plan fiduciary net position as a percentage of the total pension liability	53.59%	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

	Fiscal Year Ended					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 66,956	\$ 58,342	\$ 51,972	\$ 52,131	\$ 45,356	\$ 42,919
Contributions in relation to the contractually required contribution	66,956	58,342	51,972	52,131	45,356	42,919
Contribution deficiency (excess)	None	None	None	None	None	None
District's covered-employee payroll	\$ 470,169	\$ 468,219	\$ 432,732	\$ 423,865	\$ 372,589	\$ 379,031
Contributions as a percentage of covered-employee payroll	14.24%	12.46%	12.01%	12.30%	12.17%	11.32%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

	Fiscal Year Ended					
	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)	0.0175967853%	0.0168073491%	0.0170006761%	0.0158790581%	0.0151275225%	0.0146688586%
District's proportionate share of the net pension liability (asset)	\$ 11,194,697	\$ 11,332,121	\$ 13,373,814	\$ 10,036,243	\$ 8,085,168	\$ 7,413,526
District's covered-employee payroll	1,800,373	1,572,682	1,791,474	1,719,816	1,693,862	1,581,910
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	621.80%	720.56%	746.53%	583.56%	477.32%	468.64%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

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

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

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

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

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

Last Two Fiscal Years

	Fiscal Year Ended	
	2019	2018
Total OPEB Liability		
Service cost	\$ 352,461	\$ 422,000
Interest	404,049	347,976
Changes of benefit terms		
Differences between expected and actual experience	(1,280,871)	
Changes of assumptions or other inputs	(1,059,197)	(1,381,610)
Member contributions	8,530	9,426
Benefit payments	(246,809)	(255,986)
Net change in total OPEB liability	(1,821,837)	(858,194)
Total OPEB liability - beginning	11,051,910	11,910,104
Total OPEB liability - ending	<u>\$ 9,230,073</u>	<u>\$ 11,051,910</u>
Covered employee payroll	\$ 2,270,542	\$ 2,040,901
Total OPEB liability as a percentage of covered employee payroll	406.51%	541.52%

Notes to Schedule:

Changes of benefit terms:

There were no changes in benefit terms during the year.

Changes of assumptions:

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

	3.87%	3.58%
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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 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 participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the 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 a 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 Disabled 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.

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

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

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement healthy 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. Post-retirement 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 and July 1, 2011 - June 30, 2014, for the TPAF and PERS, respectively.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward Ex. E-1a	Safety Incentive Grant	Rural Education Achievement Program	Title I Part A	Totals	
					FY 2019	FY 2018
REVENUES:						
Federal sources	\$ 97,577		\$ 56,451	\$ 27,546	\$ 181,574	\$ 124,216
Local sources	4,094	\$ 2,882			6,976	1,082
Total revenues	101,671	2,882	56,451	27,546	188,550	125,298
EXPENDITURES:						
Instruction:						
Salaries of teachers				9,688	9,688	3,982
Other salaries for instruction				13,244	13,244	22,148
Purchased professional - technical services			999		999	
General supplies	11,865		55,452	2,885	70,202	6,980
Other objects	745				745	1,140
Total instruction	12,610		56,451	25,817	94,878	34,250
Support services:						
Other salaries	500				500	
Personal services - employee benefits				1,729	1,729	1,694
Purchased professional - educational services	88,561				88,561	88,272
Supplies and materials		2,882			2,882	1,082
Total support services	89,061	2,882		1,729	93,672	91,048
Total expenditures	\$ 101,671	\$ 2,882	\$ 56,451	\$ 27,546	\$ 188,550	\$ 125,298

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total Brought Forward Ex. E-1b	IDEA - Part B - Basic	IDEA Preschool	Title IV Student Support & Academic Enrichment	Title II, Part A Teacher & Principal Training & Recruiting	Total Carried Forward
REVENUES:						
Federal sources		\$ 80,358	\$ 1,416	\$ 9,016	\$ 6,787	\$ 97,577
Local sources	\$ 4,094					4,094
Total revenues	4,094	80,358	1,416	9,016	6,787	101,671
EXPENDITURES:						
Instruction:						
General supplies	3,594			8,271		11,865
Other objects				745		745
Total instruction	3,594			9,016		12,610
Support services:						
Other salaries	500					500
Purchased professional and technical services		80,358	1,416		6,787	88,561
Supplies and materials						
Total support services	500	80,358	1,416		6,787	89,061
Total expenditures	\$ 4,094	\$ 80,358	\$ 1,416	\$ 9,016	\$ 6,787	\$ 101,671

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Sustainable Jersey	Healthy Kids	Community Advisory Panel	Teaching Tolerance	Total Carried Forward
REVENUES:					
Local sources	\$ 1,615	\$ 228	\$ 767	\$ 1,484	\$ 4,094
Total revenues	1,615	228	767	1,484	4,094
EXPENDITURES:					
Instruction:					
General supplies	1,615	228	767	984	3,594
Total instruction	1,615	228	767	984	3,594
Support services:					
Other salaries				500	500
Total support services				500	500
Total expenditures	\$ 1,615	\$ 228	\$ 767	\$ 1,484	\$ 4,094

PROPRIETARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2019	FY 2018
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 63,535	\$ 63,535	\$ 41,551
Accounts receivable:				
State	\$ 37		37	52
Federal	1,462		1,462	1,888
Intergovernmental				3,586
Other	448		448	477
Inventory	1,602		1,602	959
Total current assets	3,549	63,535	67,084	48,513
Noncurrent assets:				
Machinery and equipment	134,400	6,600	141,000	141,000
Less: accumulated depreciation	(134,400)	(6,105)	(140,505)	(140,175)
Total noncurrent assets		495	495	825
Total assets	3,549	\$ 64,030	67,579	49,338
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	1,398		1,398	142
Cash deficit	35,215		35,215	
Interfund accounts payable - general fund				11,231
Unearned revenue:				
Lunches	2,386		2,386	3,621
USDA commodities	513		513	215
Compensated absences	1,422		1,422	1,197
Total current liabilities	40,934		40,934	16,406
Net position:				
Invested in capital assets, net of related debt		\$ 495	495	825
Unrestricted	(37,385)	63,535	26,150	32,107
Total net position	\$ (37,385)	\$ 64,030	\$ 26,645	\$ 32,932

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service	Latchkey Program	FY 2019	FY 2018
OPERATING REVENUES:				
Local sources:				
Daily sales - reimbursable programs	\$ 32,043		\$ 32,043	\$ 30,655
Daily sales - non-reimbursable programs	737		737	
Miscellaneous	78		78	323
Tuition		\$ 58,413	58,413	36,694
Total operating revenue	32,858	58,413	91,271	67,672
OPERATING EXPENSES:				
Salaries	43,921	33,187	77,108	61,837
Employee benefits	3,242	2,538	5,780	4,772
Supplies and materials	4,522	3,289	7,811	4,968
Miscellaneous purchased services (400-500 series)	12,489		12,489	12,672
Depreciation		330	330	2,397
Cost of sales - reimbursable	37,279		37,279	39,052
Cost of sales - non-reimbursable	695		695	1,045
Total operating expenses	102,148	39,344	141,492	126,743
Operating income (loss)	(69,290)	19,069	(50,221)	(59,071)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	798		798	852
Federal sources:				
National school lunch program	26,135		26,135	26,701
School breakfast program	4,246		4,246	4,781
National snack program	772		772	567
Food distribution program	9,522		9,522	10,772
Interest revenue	1		1	10
Total non-operating revenues (expenses)	41,474		41,474	43,683
Net income (loss) before transfers	(27,816)	19,069	(8,747)	(15,388)
Other financing sources:				
Board contribution	2,460		2,460	4,917
Investment in fixed assets				2,000
Net income (loss)	(25,356)	19,069	(6,287)	(8,471)
Total net position - July 1	(12,029)	44,961	32,932	41,403
Total net position - June 30	\$ (37,385)	\$ 64,030	\$ 26,645	\$ 32,932

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Business-type Activities		Totals	
	Food Service Fund	Latchkey Program	FY 2019	FY 2018
Cash flows from operating activities:				
Receipts from customers	\$ 31,652	\$ 58,413	\$ 90,065	\$ 69,136
Payments to suppliers	(45,875)	(3,289)	(49,164)	(46,389)
Payments to employees	(42,373)	(33,187)	(75,560)	(62,371)
Payments for employee benefits	(3,242)	(2,538)	(5,780)	(4,772)
Net cash provided (used) by operating activities	(59,838)	19,399	(40,439)	(44,396)
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	32,392		32,392	32,738
Board contribution	2,460		2,460	4,917
Net cash provided by non-capital financing activities	34,852		34,852	37,655
Cash flows from investing activities:				
Interest income	1		1	10
Payments to/from fiduciary fund		3,586	3,586	(3,586)
Payments to/from general fund	(11,231)		(11,231)	10,509
Net cash provided by investing activities	(11,230)	3,586	(7,644)	6,933
Net increase in cash and cash equivalents	(36,216)	22,985	(13,231)	192
Cash and cash equivalents - July 1	1,001	40,550	41,551	41,359
Cash and cash equivalents - June 30	\$ (35,215)	\$ 63,535	\$ 28,320	\$ 41,551
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (69,290)	\$ 19,069	\$ (50,221)	\$ (59,071)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation		330	330	2,397
Food distribution program	9,522		9,522	10,772
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	29		29	373
(Increase) decrease in inventory	(643)		(643)	499
Increase (decrease) in accounts payable	1,256		1,256	142
Increase (decrease) in deferred revenue	(937)		(937)	1,026
Increase (decrease) in compensated absences	225		225	(534)
	\$ (59,838)	\$ 19,399	\$ (40,439)	\$ (44,396)

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2019

	Totals	
	FY 2019	FY 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,855	\$ 18,855
Total assets	\$ 18,855	\$ 18,855
LIABILITIES AND NET POSITION		
Unrestricted	\$ 18,855	18,855
Total net position	\$ 18,855	\$ 18,855

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Totals	
	<u>FY 2019</u>	<u>FY 2018</u>
OPERATING REVENUES:		
Local sources:		
Other charges and fees		\$ 80,301
Total operating revenue		<u>80,301</u>
OPERATING EXPENSES:		
Salaries		60,504
Employee benefits		2,219
Other purchased services		7,301
Supplies and materials		89
Total operating expenses		<u>70,113</u>
Operating income (loss)		<u>10,188</u>
Total net position - July 1	\$ 18,855	8,667
Total net position - June 30	<u>\$ 18,855</u>	<u>\$ 18,855</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Cash Flows
 For the Fiscal Year Ended June 30, 2019

	Totals	
	FY 2019	FY 2018
Cash flows from operating activities:		
Receipts from customers		\$ 80,301
Payments to suppliers		(7,390)
Payments to employees		(60,504)
Payments for employee benefits		(2,219)
		10,188
Net cash provided (used) by operating activities		10,188
Net increase in cash and cash equivalents		10,188
Cash and cash equivalents - July 1	\$ 18,855	8,667
Cash and cash equivalents - June 30	\$ 18,855	\$ 18,855
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)		\$ 10,188

FIDUCIARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	Trust Funds		Agency Funds	Totals	
	Scholarship Trust Fund	Unemployment Trust Fund		FY 2019	FY 2018
ASSETS					
Cash and cash equivalents	\$ 1,808	\$ 107,116	\$ 126,335	\$ 235,259	\$ 227,985
Interfund receivable:					
Agency		9,569		9,569	4,459
General fund			441	441	
Total assets	<u>\$ 1,808</u>	<u>\$ 116,685</u>	<u>\$ 126,776</u>	<u>245,269</u>	<u>232,444</u>
LIABILITIES					
Payroll deductions and withholdings			\$ 13,719	13,719	26,050
Due to student groups			37,299	37,299	32,230
Interfund payable:					
Unemployment trust			9,569	9,569	4,459
Interfund payables:					
Latchkey					3,586
General fund			66,189	66,189	52,790
Total liabilities			<u>\$ 126,776</u>	<u>126,776</u>	<u>119,115</u>
NET POSITION					
Held in Trust for:					
Scholarship awards	\$ 1,808			1,808	1,755
Unemployment claims		\$ 116,685		116,685	111,574
Total net position	<u>\$ 1,808</u>	<u>\$ 116,685</u>		<u>\$ 118,493</u>	<u>\$ 113,329</u>

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

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2019	FY 2018
ADDITIONS:				
Contributions:				
Employee payroll deductions		\$ 5,110	\$ 5,110	\$ 5,182
Other	\$ 50		50	50
Total contributions	50	5,110	5,160	5,232
Investment earnings:				
Interest	3	1	4	3
Total investment earnings	3	1	4	3
Total additions	53	5,111	5,164	5,235
DEDUCTIONS:				
Scholarships awarded				25
Total deductions				25
Change in net position	53	5,111	5,164	5,210
Net position - beginning of year	1,755	111,574	113,329	108,119
Net position - end of year	\$ 1,808	\$ 116,685	\$ 118,493	\$ 113,329

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
ACTIVITIES:				
Oldmans School	\$ 32,230	\$ 36,883	\$ 31,814	\$ 37,299

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	\$ 83,299	\$ 3,710,431	\$ 3,704,253	\$ 89,477
Total assets	<u>\$ 83,299</u>	<u>\$ 3,710,431</u>	<u>\$ 3,704,253</u>	<u>\$ 89,477</u>
LIABILITIES				
Employees' net pay		\$ 1,607,410	\$ 1,607,410	
Payroll deductions and withholdings	\$ 26,050	2,084,512	2,096,843	\$ 13,719
Interfund payable:				
Unemployment trust	4,459	5,110		9,569
Interfund payable General fund	52,790	13,399		66,189
Total liabilities	<u>\$ 83,299</u>	<u>\$ 3,710,431</u>	<u>\$ 3,704,253</u>	<u>\$ 89,477</u>

LONG-TERM DEBT

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Refunded/ Issued	Retired	Balance June 30, 2019
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	\$ 1,725,000	02/15/20	\$ 185,000	5.000%	\$ 365,000	None	\$ 180,000	\$ 185,000

OLDMANS TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 146,148		\$ 146,148	\$ 146,148	
State sources:					
Debt service aid type II	52,102		52,102	52,102	
Total revenues	<u>\$ 198,250</u>		<u>\$ 198,250</u>	<u>\$ 198,250</u>	
EXPENDITURES:					
Regular debt service:					
Interest	\$ 18,250		\$ 18,250	\$ 18,250	
Redemption of principal	180,000		180,000	180,000	
Total regular debt service	<u>198,250</u>		<u>198,250</u>	<u>198,250</u>	
Total expenditures	<u>\$ 198,250</u>		<u>\$ 198,250</u>	<u>\$ 198,250</u>	

**STATISTICAL SECTION
(UNAUDITED)**

**OLDMANS TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	108-115
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	116-119
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	120-123
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	124-125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	126-130

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Net Position By Component
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2019
 Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Invested in capital assets, net of related debt	\$ 3,209,371	\$ 3,243,327	\$ 3,279,322	\$ 3,481,620	\$ 3,818,129	\$ 4,230,078	\$ 4,376,618	\$ 4,581,163	\$ 4,545,901	\$ 4,521,553
Restricted	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153	1,130,298	1,180,892
Unrestricted	5,455	230,633	12,406	(2,562)	(26,638)	(1,087,406)	(1,105,327)	(13,168,743)	(1,419,421)	(1,500,746)
Total governmental activities net position	<u>\$ 3,577,543</u>	<u>\$ 4,037,196</u>	<u>\$ 4,234,707</u>	<u>\$ 4,317,298</u>	<u>\$ 4,520,307</u>	<u>\$ 3,817,623</u>	<u>\$ 4,097,706</u>	<u>\$ (7,767,427)</u>	<u>\$ 4,256,778</u>	<u>\$ 4,201,699</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 46,728	\$ 41,758	\$ 32,068	\$ 16,050	\$ 7,075	\$ 2,148	\$ 3,035	\$ 1,222	\$ 825	\$ 495
Unrestricted	20,573	21,633	28,687	35,029	49,623	55,936	65,202	40,181	32,107	26,150
Total business-type activities net position	<u>\$ 67,301</u>	<u>\$ 63,391</u>	<u>\$ 60,755</u>	<u>\$ 51,079</u>	<u>\$ 56,698</u>	<u>\$ 58,084</u>	<u>\$ 68,237</u>	<u>\$ 41,403</u>	<u>\$ 32,932</u>	<u>\$ 26,645</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 3,256,099	\$ 3,285,085	\$ 3,311,390	\$ 3,497,670	\$ 3,825,204	\$ 4,232,226	\$ 4,379,653	\$ 4,582,385	\$ 4,546,726	\$ 4,522,048
Restricted	362,717	563,236	942,979	838,240	728,816	674,951	826,415	820,153	1,130,298	1,180,892
Unrestricted	26,028	252,266	41,093	32,467	22,985	(1,031,470)	(1,040,125)	(13,128,562)	(1,387,314)	(1,474,596)
	<u>\$ 3,644,844</u>	<u>\$ 4,100,587</u>	<u>\$ 4,295,462</u>	<u>\$ 4,368,377</u>	<u>\$ 4,577,005</u>	<u>\$ 3,875,707</u>	<u>\$ 4,165,943</u>	<u>\$ (7,726,024)</u>	<u>\$ 4,289,710</u>	<u>\$ 4,228,344</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,042,066	\$ 948,214	\$ 1,144,606	\$ 1,264,628	\$ 1,393,883	\$ 1,480,751	\$ 1,555,267	\$ 1,472,271	\$ 1,614,470	\$ 1,637,190
Special education	348,201	227,493	222,596	261,094	250,304	254,633	281,458	216,779	177,492	263,479
Other special education	59,733	69,045	69,358	1,320	17,218	29,515	15,043	11,938		
Other instruction	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822	21,546	14,034
Support services:										
Student & instruction and related services	1,419,029	1,265,628	1,278,333	1,330,864	1,307,777	922,942	1,126,760	1,331,215	1,282,833	1,307,977
General administration	108,446	102,771	96,075	86,535	150,485	150,538	165,980	103,314	162,959	161,033
School administrative services	39,423	33,588	40,864	85,018	33,154	35,925	36,579	121,423	57,504	41,394
Central services	159,199	176,146	165,199	179,755	195,157	183,050	184,248	148,236	190,159	154,387
Administrative information technology	3,106									
Plant operations and maintenance	353,448	419,274	554,972	452,740	521,471	494,033	354,303	384,686	370,370	464,485
Pupil transportation	296,860	235,537	219,504	161,476	150,701	198,103	190,855	203,937	213,386	264,409
Employee benefits	876,098	777,928	731,242	883,170	893,119	969,171	1,156,265	1,326,799	2,020,947	1,909,694
Interest on long-term debt	122,117	71,817	67,018	61,542	54,942	48,267	41,467	34,592	27,592	19,842
Capital outlay	27,361	6,455	1,998	103,059	4,777	13,793	16,485	16,585	6,977	33,494
Unallocated depreciation	127,377	129,200	126,983	199,277	160,932	173,886	174,472	178,729	189,682	189,600
Total governmental activities expenses	4,998,315	4,476,766	4,735,195	5,085,028	5,152,504	4,973,618	5,318,808	5,557,326	6,335,917	6,461,018

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Food service	105,420	91,193	100,238	112,847	103,682	103,676	95,399	114,556	103,577	102,148
Childcare	14,750	14,508	18,792	18,025	22,823	21,489	27,828	35,526	23,166	39,344
Total business-type activities expense	120,170	105,701	119,030	130,872	126,505	125,165	123,227	150,082	126,743	141,492
Total district expenses	\$ 5,118,485	\$ 4,582,467	\$ 4,854,225	\$ 5,215,900	\$ 5,279,009	\$ 5,098,783	\$ 5,442,035	\$ 5,707,408	\$ 6,462,660	\$ 6,602,510
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
Shared services	\$ 101,900	\$ 107,000	\$ 108,000	\$ 115,000	\$ 129,364	\$ 126,000	\$ 73,000	\$ 48,860	\$ 80,301	
Operating grants and contributions	154,694	134,333	124,661	166,728	150,263	157,503	167,778	149,983	124,905	\$ 188,155
Total governmental activities program revenues	256,594	241,333	232,661	281,728	279,627	283,503	240,778	198,843	205,206	188,155
Business-type activities:										
Charges for services:										
Food service	41,355	46,376	50,257	47,009	41,739	43,797	40,393	30,904	30,978	32,858
Childcare	16,274	9,537	19,367	19,068	34,926	24,601	29,988	44,100	36,694	58,413
Operating grants and contributions	36,754	37,330	43,205	52,878	55,421	58,099	61,589	49,548	43,673	41,473
Total business-type activities program revenues	94,383	93,243	112,829	118,955	132,086	126,497	131,970	124,552	111,345	132,744
Total district program revenue	\$ 350,977	\$ 334,576	\$ 345,490	\$ 400,683	\$ 411,713	\$ 410,000	\$ 372,748	\$ 323,395	\$ 316,551	\$ 320,899
Net (expense) revenue:										
Governmental activities	\$ (4,741,721)	\$ (4,235,433)	\$ (4,502,534)	\$ (4,803,300)	\$ (4,872,877)	\$ (4,690,115)	\$ (5,078,030)	\$ (5,358,483)	\$ (6,130,711)	\$ (6,272,863)
Business-type activities	(25,787)	(12,458)	(6,201)	(11,917)	5,581	1,332	8,743	(25,530)	(15,398)	(8,748)
Total district-wide net expense	\$ (4,767,508)	\$ (4,247,891)	\$ (4,508,735)	\$ (4,815,217)	\$ (4,867,296)	\$ (4,688,783)	\$ (5,069,287)	\$ (5,384,013)	\$ (6,146,109)	\$ (6,281,611)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Position
Last Ten Years
For the Fiscal Year Ended June 30, 2019
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for government purposes	\$ 2,532,249	\$ 2,493,989	\$ 2,357,014	\$ 2,398,882	\$ 2,437,372	\$ 2,456,466	\$ 2,663,290	\$ 2,632,498	\$ 2,884,061	\$ 2,941,742
Taxes levied for debt service	168,992	157,935	151,826	165,167	160,301	159,122	154,109	152,782	147,622	146,148
Unrestricted grants and contributions	2,067,184	1,905,490	2,040,483	2,131,480	2,293,664	2,387,484	2,500,705	2,568,507	2,695,906	3,099,885
Tuition charges	2,000	87,602								
Transportation charges	30,218	29,485	27,280	32,249	22,560	25,395	15,050	25,610	25,580	
Investment earnings	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892	2,195	2,522
Miscellaneous income	94,047	20,373	123,653	158,898	29,438	28,886	19,969	22,165	45,494	29,947
Loss on disposal of assets	(15,505)			(1,188)		(24,685)				
Premium on issuance of refunding bonds	110,667									
Other						(1,098)				
Transfers	(15,818)	(3,296)	(3,504)	(2,202)					(4,917)	(2,460)
Total governmental activities	<u>4,977,821</u>	<u>4,695,086</u>	<u>4,700,045</u>	<u>4,885,891</u>	<u>4,945,212</u>	<u>5,033,151</u>	<u>5,358,113</u>	<u>5,403,454</u>	<u>5,795,941</u>	<u>6,217,784</u>
Business-type activities:										
Miscellaneous income	53	57	61	39	38	54	60	46	10	1
Transfers	15,818	3,296	3,504	2,202					4,917	2,460
Investment in fixed assets		6,455					1,350		2,000	
Loss on disposal of assets		(1,260)								
Total business-type activities	<u>15,871</u>	<u>8,548</u>	<u>3,565</u>	<u>2,241</u>	<u>38</u>	<u>54</u>	<u>1,410</u>	<u>46</u>	<u>6,927</u>	<u>2,461</u>
Total district-wide	<u>\$ 4,993,692</u>	<u>\$ 4,703,634</u>	<u>\$ 4,703,610</u>	<u>\$ 4,888,132</u>	<u>\$ 4,945,250</u>	<u>\$ 5,033,205</u>	<u>\$ 5,359,523</u>	<u>\$ 5,403,500</u>	<u>\$ 5,802,868</u>	<u>\$ 6,220,245</u>
Change in net position										
Governmental activities	\$ 236,100	\$ 459,653	\$ 197,511	\$ 82,591	\$ 72,335	\$ 343,036	\$ 280,083	\$ 44,971	\$ (334,770)	\$ (55,079)
Business-type activities	(9,916)	(3,910)	(2,636)	(9,676)	5,619	1,386	10,153	(25,484)	(8,471)	(6,287)
Total district	<u>\$ 226,184</u>	<u>\$ 455,743</u>	<u>\$ 194,875</u>	<u>\$ 72,915</u>	<u>\$ 77,954</u>	<u>\$ 344,422</u>	<u>\$ 290,236</u>	<u>\$ 19,487</u>	<u>\$ (343,241)</u>	<u>\$ (61,366)</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 For the Fiscal Year Ended June 30, 2019
 Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Reserved	\$ 356,886									
Unreserved	109,370									
Restricted		\$ 461,900	\$ 462,893	\$ 439,124	\$ 344,807	\$ 335,315	\$ 557,920	\$ 800,308	\$ 1,116,105	\$ 1,118,296
Assigned		282,395	480,086	399,116	384,009	339,636	268,495	19,845	14,193	62,596
Unrestricted		113,197	101,213	85,074	64,458	55,020	57,322	57,700	53,892	48,151
Total general fund	<u>\$ 466,256</u>	<u>\$ 857,492</u>	<u>\$ 1,044,192</u>	<u>\$ 923,314</u>	<u>\$ 793,274</u>	<u>\$ 729,971</u>	<u>\$ 883,737</u>	<u>\$ 877,853</u>	<u>\$ 1,184,190</u>	<u>\$ 1,229,043</u>
All other governmental funds:										
Unreserved, reported in:										
Debt service fund	<u>\$ 28,489</u>	<u>\$ 23,119</u>								
Total all other governmental funds	<u>\$ 28,489</u>	<u>\$ 23,119</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES:										
Tax levy	\$ 2,701,241	\$ 2,651,924	\$ 2,508,840	\$ 2,564,049	\$ 2,597,673	\$ 2,615,588	\$ 2,817,399	\$ 2,785,280	\$ 3,031,683	\$ 3,087,890
Tuition charges	2,000	87,602								
Transportation charges	30,218	29,485	27,280	32,249	22,560	25,395	15,050	25,610	25,580	
Interest earnings	3,787	3,508	3,293	2,605	1,877	1,581	4,990	1,892	2,195	2,522
Miscellaneous	94,447	20,373	123,653	159,898	29,938	28,886	19,969	22,953	46,576	36,272
State sources	1,864,331	1,905,490	1,980,303	2,131,480	2,293,664	2,387,484	2,500,705	2,568,507	2,695,906	2,754,896
Federal sources	357,147	134,333	184,841	165,728	149,763	157,503	167,778	149,195	123,823	181,830
Total revenue	5,053,171	4,832,715	4,828,210	5,056,009	5,095,475	5,216,437	5,525,891	5,553,437	5,925,763	6,063,410
EXPENDITURES:										
Instruction:										
Regular	1,035,449	975,562	1,132,426	1,258,053	1,397,932	1,473,371	1,545,358	1,477,374	1,609,547	1,625,922
Special	349,051	228,270	232,265	258,209	249,514	257,525	279,984	216,014	177,761	263,922
Other	59,733	69,045	69,358	1,320	17,218	27,555	16,638	10,028		
School sponsored/other instructional	15,851	13,670	16,447	14,550	18,584	19,011	19,626	6,822	21,546	13,899
Undistributed:										
Student & instruction related services	1,417,888	1,264,825	1,267,927	1,338,967	1,303,087	921,887	1,130,201	1,328,633	1,280,417	1,306,821
General administration	106,666	102,801	97,105	85,859	148,625	150,795	165,199	103,314	164,070	161,033
School administration	38,873	33,091	41,981	86,535	32,666	33,691	36,150	121,007	57,789	40,415
Central services	97,718	100,584	109,080	111,664	115,916	116,521	125,561	99,873	119,934	153,889
Administration information technology	3,106									
Operations and maintenance of plant services	329,598	394,434	504,307	402,177	465,738	462,049	352,629	384,664	367,715	464,071
Student transportation	280,036	213,238	192,741	158,597	147,514	164,865	161,803	181,548	187,882	240,333
Employee benefits	876,098	777,928	731,242	883,170	893,119	969,794	1,127,893	1,164,910	1,407,746	1,497,969
Capital outlay	116,252	124,604	42,396	351,534	218,152	465,728	202,033	257,884	19,852	49,573
Debt service expenditures										
Principal	165,000	160,000	160,000	165,000	165,000	170,000	170,000	175,000	175,000	180,000
Interest	69,017	68,650	63,850	59,050	52,450	45,850	39,050	32,250	25,250	18,250
Total expenditures	4,960,336	4,526,702	4,661,125	5,174,685	5,225,515	5,278,642	5,372,125	5,559,321	5,614,509	6,016,097

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess deficiency of revenues over (under) expenditures	92,835	306,013	(44,366)	(118,676)	(130,040)	(62,205)	153,766	(5,884)	311,254	47,313
Other financing sources (uses)										
Prior year receivable canceled						(1,098)				
Capital leases		83,149								
Transfers out	(15,818)	(3,296)	(3,504)	(2,202)	(2,202)				(4,917)	(2,460)
Total other financing sources (uses)	(15,818)	79,853	(3,504)	(2,202)	(2,202)	(1,098)			(4,917)	(2,460)
Net change in fund balance	<u>\$ 77,017</u>	<u>\$ 385,866</u>	<u>\$ (47,870)</u>	<u>\$ (120,878)</u>	<u>\$ (132,242)</u>	<u>\$ (63,303)</u>	<u>\$ 153,766</u>	<u>\$ (5,884)</u>	<u>\$ 306,337</u>	<u>\$ 44,853</u>
Debt service as a percentage of noncapital expenditures	4.83%	5.19%	4.85%	4.65%	4.34%	4.48%	4.04%	3.91%	3.58%	3.32%

Source: District Records

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

Fiscal Year Ended June 30,	Prior Year Refunds	Miscellaneous	Sale of Equipment	Forfeiture of 125 Plan Exp.	Annual Totals
2010	\$ 73,355	\$ 1,125		\$ 9,276	\$ 83,756
2011	12,725	3		7,645	20,373
2012	112,438	1,000		10,215	123,653
2013	150,423	209		8,266	158,898
2014	15,208	1,000	\$ 13,230		29,438
2015	3,281	1,000	2,950	21,655	28,886
2016	10,466	1,000		8,503	19,969
2017	10,000	3,989		8,176	22,165
2018	34,770	1,863		8,861	45,494
2019	3,334	13,392		13,221	29,947
	<u>\$ 426,000</u>	<u>\$ 24,581</u>	<u>\$ 16,180</u>	<u>\$ 95,818</u>	<u>\$ 562,579</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2010	10,909,200	106,258,000	22,848,700	3,337,600	12,187,000	63,519,400	0	219,059,900	63,927,700	637,641	219,697,541	200,598,845	1.2530
2011	13,201,000	106,720,400	22,707,200	3,298,000	12,155,400	52,830,100	0	210,912,100	74,210,700	718,240	211,630,340	216,473,060	1.2650
2012	12,813,000	108,360,400	22,586,200	3,308,600	12,155,400	50,230,100	0	209,453,700	72,254,400	575,607	210,029,307	183,317,715	1.2330
2013	12,437,500	113,503,700	21,986,700	3,310,000	12,155,400	43,730,100	0	207,123,400	72,838,000	611,783	207,735,183	223,406,889	1.2170
2014	10,491,900	118,596,300	21,900,200	3,297,800	12,155,400	53,046,900	0	219,488,500	66,159,200	577,861	220,066,361	262,702,584	1.1730
2015	8,665,800	121,725,500	22,016,900	3,290,400	11,160,000	54,628,100	0	221,486,700	48,785,000	508,079	221,994,779	243,840,964	1.1740
2016	8,453,300	121,370,000	21,630,500	3,224,100	10,130,800	67,783,200	0	232,591,900	62,177,900	524,568	233,116,468	243,417,867	1.1650
2017	9,662,800	121,384,300	21,736,200	3,219,600	9,920,600	67,783,200	0	233,706,700	126,458,400	549,257	234,255,957	226,136,964	1.1960
2018	11,156,900	122,305,700	21,377,800	3,176,800	10,823,300	68,296,700	0	237,137,200	126,467,400	502,357	237,639,557	240,009,759	1.2240
2019	17,368,500	122,347,600	21,319,700	3,088,500	10,823,300	66,130,600	0	241,078,200	136,667,200	0	241,078,200	250,760,272	1.2700

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

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

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
				Township of Oldmans	Salem County	
2010	1.175	0.078	1.253	0.150	1.470	2.873
2011	1.190	0.075	1.265	0.200	1.410	2.875
2012	1.158	0.075	1.233	0.230	1.580	3.043
2013	1.139	0.078	1.217	0.140	0.811	2.168
2014	1.101	0.072	1.173	0.183	1.153	2.509
2015	1.103	0.071	1.174	0.192	1.048	2.414
2016	1.101	0.064	1.165	0.182	1.042	2.389
2017	1.130	0.066	1.196	0.182	1.049	2.427
2018	1.164	0.060	1.224	0.191	1.174	2.589
2019	1.210	0.060	1.270	0.190	1.231	2.691

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

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Mexichem Specialty Resins, Inc. (Polyone)	22,000,000	9.13%	30,500,000	14.41%
MHG Gateway Properties, LLC	11,113,600	4.61%		
Goya Foods Inc.	10,630,100	4.41%		
Sciva, LLC & Scivb	8,643,000	3.59%		
Oxy Vinyls	4,500,000	1.87%	7,000,000	3.31%
Pedricktown Cogen	3,000,000	1.25%	5,000,000	2.36%
Paverstone LLC	2,953,300	1.23%		
Noveon Inc. (Lubrizol Advanced Materials)	2,500,000	1.04%	5,100,000	2.41%
Ndev LLC	2,345,100	0.97%		
BOC Group Inc.	1,950,000	0.81%	1,950,000	0.92%
Sun Refining & Marketing Company			4,226,000	2.00%
Perkintown Road Associates			1,940,700	0.92%
Branchville Road, LLC			2,090,800	0.99%
JE Berkowitz			1,567,300	0.74%
Garden State Freezers			1,497,300	0.71%
	<u>69,635,100</u>	<u>28.91%</u>	<u>60,872,100</u>	<u>28.76%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2010	\$ 2,701,241	\$ 2,701,241	100.00%	-
2011	2,651,924	2,651,924	100.00%	-
2012	2,508,840	2,508,840	100.00%	-
2013	2,564,049	2,564,049	100.00%	-
2014	2,597,673	2,597,673	100.00%	-
2015	2,615,588	2,615,588	100.00%	-
2016	2,817,399	2,817,399	100.00%	-
2017	2,785,280	2,785,280	100.00%	-
2018	3,031,683	3,031,683	100.00%	-
2019	3,087,890	3,087,890	100.00%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities Capital Leases	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases	Bond Anticipation Notes			
2010	\$ 1,705,000					\$ 1,705,000	2.43%
2011	1,545,000		\$ 48,149			1,593,149	2.18%
2012	1,385,000		24,571			1,409,571	1.83%
2013	1,220,000					1,220,000	1.58%
2014	1,055,000					1,055,000	1.36%
2015	885,000					885,000	1.13%
2016	715,000					715,000	0.88%
2017	540,000					540,000	0.66%
2018	365,000					365,000	0.43%
2019	185,000					185,000	N/A

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2010	\$ 1,705,000		\$ 1,705,000	0.78%	959
2011	1,545,000		1,545,000	0.73%	855
2012	1,385,000		1,385,000	0.66%	753
2013	1,220,000		1,220,000	0.59%	657
2014	1,055,000		1,055,000	0.48%	572
2015	885,000		885,000	0.40%	485
2016	715,000		715,000	0.31%	395
2017	540,000		540,000	0.23%	300
2018	365,000		365,000	0.15%	203
2019	185,000		185,000	N/A	N/A

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

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

See J-6 for property tax data.

Population data can be found in J-14.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2018
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<hr/>			
Debt repaid with property taxes			
Township of Oldmans	\$ 1,172,000	100.00%	\$ 1,172,000
Salem County General Obligation Debt	39,640,364	4.98%	1,974,316
			<hr/>
Subtotal, overlapping debt			3,146,316
Oldmans Township School District			185,000
			<hr/>
Total direct and overlapping debt			<u><u>\$ 3,331,316</u></u>

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

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

	Year		Equalized Valuation Basis	
	2018		\$ 231,850,548	
	2017		236,263,027	
	2016		229,596,915	
			<u>\$ 697,710,490</u>	
Average equalized valuation of taxable property			\$ 232,570,163	
Debt limit (3% of average equalized value)			6,977,105	
Total net debt applicable to limit			185,000	
Legal debt margin			<u>\$ 6,792,105</u>	

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 6,019,070	\$ 6,325,875	\$ 6,440,672	\$ 6,607,372	\$ 6,729,011	\$ 6,944,057	\$ 6,815,736	\$ 6,793,981	\$ 6,861,174	\$ 6,977,105
Total net debt applicable to limit	1,705,000	1,545,000	1,385,000	1,220,000	1,055,000	885,000	715,000	540,000	365,000	185,000
Legal debt margin	<u>\$ 4,314,070</u>	<u>\$ 4,780,875</u>	<u>\$ 5,055,672</u>	<u>\$ 5,387,372</u>	<u>\$ 5,674,011</u>	<u>\$ 6,059,057</u>	<u>\$ 6,100,736</u>	<u>\$ 6,253,981</u>	<u>\$ 6,496,174</u>	<u>\$ 6,792,105</u>
Total net debt applicable to the limit as a percentage of debt limit	28.33%	24.42%	21.50%	18.46%	15.68%	12.74%	10.49%	7.95%	5.32%	2.65%

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2010	1,777	\$ 70,058,225	\$ 39,425	10.2%
2011	1,807	73,046,168	40,424	9.6%
2012	1,840	77,022,400	41,860	9.8%
2013	1,857	77,345,907	41,651	5.4%
2014	1,843	77,453,918	42,026	5.4%
2015	1,824	78,588,864	43,086	4.8%
2016	1,812	81,520,068	44,989	5.0%
2017	1,801	81,999,530	45,530	4.2%
2018	1,795	84,707,845	47,191	3.8%
2019	1,795 *	N/A	N/A	N/A

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

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

* Estimate

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

Employer	2019		2010	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
JE Berkowitz	225	12.32%	275	28.12%
Five Below	160	8.76%		
Walt's Bus Service			115	11.76%
Goya Foods	100	5.47%	100	10.22%
Mullica Hill Cold Storage	183	10.02%	50	5.11%
Oldmans Township School	55	3.01%	59	6.03%
Lubrizol	41	2.24%	41	4.19%
Lacy's Express	38	2.08%	35	3.58%
Oxy Vinyls	47	2.57%	31	3.17%
Unico	20	1.09%	20	2.04%
Polyone			91	9.30%
	<u>869</u>	<u>47.56%</u>	<u>817</u>	<u>83.54%</u>

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

N/A not available

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	17.0	14.0	15.0	17.0	18.0	19.0	20.5	21.2	21.7	22.5
Special	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other special education	1.0	1.0	3.0	3.0	3.0	3.0	2.0	2.0	2.2	2.2
Other instruction	5.0	3.0	1.0	1.0	1.0	2.0	1.5	0.5	3.0	3.0
Support services:										
Student & instruction related services	4.0	4.0	4.0	5.0	6.0	6.0	5.0	9.4	7.6	7.4
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8	1.0	1.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Plants operations and maintenance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Pupil transportation	5.0	5.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
Food service	4.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0
Childcare	6.0	3.0	3.0	3.0	4.0	4.0	2.0	0.2	2.0	2.0
Total	<u>54.0</u>	<u>44.0</u>	<u>44.0</u>	<u>47.0</u>	<u>50.0</u>	<u>52.0</u>	<u>47.0</u>	<u>52.1</u>	<u>54.5</u>	<u>54.1</u>

Source: District personnel records

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2010	185	\$ 4,610,067	\$ 24,919	48.95%	22.0	16.5	177.2	168.9	-10.28%	95.32%
2011	193	4,173,448	21,624	-13.22%	21.0	16.1	196.8	190.6	11.06%	96.85%
2012	230	4,394,879	19,108	-11.63%	18.0	16.4	228.4	218.8	16.06%	95.80%
2013	231	4,599,101	19,910	4.19%	20.0	13.6	229.7	220.2	0.57%	95.86%
2014	253	4,789,913	18,932	-4.91%	21.0	13.9	250.7	240.0	9.14%	95.73%
2015	268	4,597,064	17,153	-9.40%	22.0	12.2	265.8	255.7	6.02%	96.20%
2016	287	4,961,042	17,286	0.77%	22.5	12.8	287.4	275.1	8.12%	95.73%
2017	271	5,094,187	18,798	8.75%	23.2	11.7	271.4	259.2	-5.56%	95.51%
2018	287	5,394,407	18,796	-0.01%	23.2	11.9	275.9	262.0	1.65%	94.98%
2019	284	5,768,274	20,311	8.06%	24.5	11.6	283.7	270.4	2.84%	95.32%

Source: District records

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

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

Elementary/Middle School	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	177	197	228	229	251	268	287	271	276	284
Square feet	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000

Source: District records per Long Range Facilities Plan.

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2019

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

	Gross Square Footage	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
* School Facilities	56,000	\$ 48,236	\$ 68,803	\$ 172,107	\$ 106,803	\$ 171,300	\$ 146,302	\$ 59,998	\$ 46,118	\$ 12,876	\$ 118,803	\$ 951,346

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2019
Unaudited

Gloucester Cumberland Salem School Districts JIF

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

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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Deanna L. Roller, CPA, RMA

EXHIBIT K-1

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

Independent Auditor's Report

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Oldmans Township School District's basic financial statements, and have issued our report thereon dated November 14, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oldmans Township School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the schedule of findings and questioned costs as item 2019-003.

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

PETRONI & ASSOCIATES LLC



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

November 14, 2019

PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Oldmans Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Oldmans Township School District's major state programs for the year ended June 30, 2019. The Oldmans Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the Oldmans Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB's Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2019-004. Our opinion on each major state program is not modified with respect to these matters. Oldmans Township School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Mantua Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-004 that we consider to be significant deficiencies.

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

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

We have audited the financial statements Oldmans Township School District as of and for the year ended June 30, 2019, and have issued our report thereon dated November 14, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of Management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

November 14, 2019

OLDMANS TOWNSHIP 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		Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2019			MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A180030	ESEA386019	\$ 81,276	07/01/18 - 06/30/19				\$ 21,363	\$ (27,546)	\$ 388 *		\$ (5,795)			\$ 27,546
Title I - Part A	84.010	S010A170030	ESEA386018	61,797	07/01/17 - 06/30/18	\$ (22,097)			22,097							27,842
Title I - Part A	84.010	S010A160030	NCLB386017	47,384	07/01/16 - 06/30/17	1,396									\$ 1,396	32,529
Subtotal						(20,701)			43,460	(27,546)	388		(5,795)		1,396	87,917
Title II A, Teacher & Principal Training	84.367	S367A180029	ESEA386018	6,787	07/01/18 - 06/30/19				6,787	(6,787)						6,787
Title II A, Teacher & Principal Training	84.367	S367A170029	ESEA386018	7,114	07/01/17 - 06/30/18	(6,800)			6,800							6,800
Subtotal						(6,800)			13,587	(6,787)						13,587
Title IV-Student Support & Academic Enrichment	84.424	S424A180031	ESEA386019	15,406	07/01/18 - 06/30/19					(9,016)			(9,016)			9,016
Title IV-Student Support & Academic Enrichment	84.424	S424A170031	ESEA386018	10,000	07/01/17 - 06/30/18	(4,198)			4,198							4,593
Subtotal						(4,198)			4,198	(9,016)			(9,016)			13,609
Special Education Cluster																
IDEA Part B, Basic Regular	84.027A	H027A180100	IDEA386019	80,358	07/01/18 - 06/30/19				63,911	(80,358)			(16,447)			80,358
IDEA Part B, Preschool	84.173	H173A180114	IDEA386019	1,416	07/01/18 - 06/30/19				1,133	(1,416)			(283)			1,416
Total Special Education Cluster									65,044	(81,774)			(16,730)			81,774
Rural Education Achievement Program	84.358A	S358B180030	S358A182874	58,334	07/01/18 - 09/30/19				28,131	(56,451)	375 *		(27,945)			56,451
Rural Education Achievement Program	84.358A	S358B170030	S358A171784	31,642	07/01/17 - 09/30/18	(3,509)			3,509							3,509
Subtotal						(3,509)			31,640	(56,451)	375		(27,945)			
Total Special Revenue Fund						(35,208)			157,929	(181,574)	763		(59,486)		1,396	196,887
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	171NJ304N1099	n/a	9,522	07/01/18 - 06/30/19				9,522	(9,009)			\$ 513			9,009
Food Distribution Program	10.555	171NJ304N1099	n/a	10,772	07/01/17 - 06/30/18	215				(215)						10,772
National School Lunch Program	10.555	171NJ304N1099	n/a	26,135	07/01/18 - 06/30/19				24,928	(26,135)			(1,207)			26,135
National School Lunch Program	10.555	171NJ304N1099	n/a	26,701	07/01/17 - 06/30/18	(1,589)			1,589							26,701
School Breakfast Program	10.553	171NJ304N1099	n/a	4,246	07/01/18 - 06/30/19				4,038	(4,246)			(208)			4,246
School Breakfast Program	10.553	171NJ304N1099	n/a	4,781	07/01/17 - 06/30/18	(263)			263							4,781
After School Snack Program	10.558	171NJ304N2020	n/a	772	07/01/18 - 06/30/19				726	(772)			(46)			772
After School Snack Program	10.558	171NJ304N2020	n/a	567	07/01/17 - 06/30/18	(35)			35							567
Total Enterprise Fund/Child Nutrition Cluster						(1,672)			41,101	(40,377)			(1,461)	513		82,983
Total Federal Financial Awards						\$ (36,880)			\$ 199,030	\$ (221,951)	\$ 763		\$ (60,947)	\$ 513	1,396	\$ 279,870

* Prior year purchase order canceled

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2019**

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,741) for the General Fund and (\$395) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,702,794	\$ 2,702,794
Special Revenue Fund	\$ 181,830		181,830
Debt Service Fund		52,102	52,102
Food Service Fund	40,675	798	41,473
Total Financial Assistance	<u>\$ 222,505</u>	<u>\$ 2,755,694</u>	<u>\$ 2,978,199</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2019, Oldmans Township School District has food commodities totaling \$513 in inventory.

NOTE 6: OTHER

The amount reported as the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2019.

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

The amount reported as an adjustment on Schedule A in the amount of \$763 is the result of cancelation of prior year payable.

NOTE 8: INDIRECT COST RATE

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

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

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

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

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? Yes No

Federal Awards **N/A**

State Awards

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

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

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

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

Identification of major programs:

State Grant/Project Numbers	Name of State Program
495-034-5120-078	State Aid Public:
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Education Aid
495-034-5120-085	Security Aid
495-034-5120-068	Adjustment Aid
	School Choice Aid

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

Section II – Financial Statement Findings

Finding 2019-001

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

Condition - The payroll agency trial balance was not in agreement with the monthly/quarterly reports to the agencies.

Context – The payroll agency general ledger was not reconciled to the agency reports.

Effect - The payroll agency trial balance was not in agreement with the amounts reported to the agency reports.

Cause - The Business Administrator did not reconcile the trial balance to the agency reports.

Recommendation - The Business Administrator review the payroll agency trial balance monthly to ensure the accuracy of the various agency balances.

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

Finding 2019-002

Criteria - Bank accounts need to be reconciled to the general ledger at the end of each month to ensure the correct amount of cash is posted in the general ledger.

Condition - The bank accounts were not properly reconciled to the general ledger for the General Fund, Food Service Fund, Unemployment Trust Fund, Student Activity, Payroll, and Agency Funds.

Context - The cash recorded in the general ledger was not in agreement with the reconciled amounts.

Effect - Numerous adjustments were required to record the correct amount of cash in the general ledger.

Cause - The Treasurer did not properly reconcile the amount of cash posted in the general ledger with the amounts in the various bank accounts.

Recommendation - The Treasurer reconcile bank accounts to the general ledger on a monthly basis.

View of responsible Officials - The Business Administrator agrees with this finding and will develop procedures to reconcile the information.

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

Section II – Financial Statement Findings (Continued)

Finding 2019-003

Criteria - The Non-program Food Revenue Tool was created to help SFAs calculate the amount of revenue required to meet the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.

Condition - Failure to segregate adult sales and ala carte items in the accounting records.

Context - Section 206 requires adult sales and ala carte items as nonprogram revenue in order to allocate costs to the nonprogram sales.

Effect - Improper cost allocation to nonprogram revenues as required by Section 206 of the Healthy, Hunger-Free Kids Act of 2010.

Cause - The District software does not provide tracking of Non-Program Revenue.

Recommendation - The District software be updated to provide the proper accounting between program and non-program revenue to insure proper cost allocation.

View of responsible Officials - The Business Administrator agrees with this finding.

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

FEDERAL AWARDS

N/A

STATE AWARDS

State Aid Public - Equalization Aid 495-034-5120-078, Special Education Categorical Aid 495-034-5120-089, Security Aid 495-034-5120-084, School Choice Aid 495-034-5120-068, Adjustment Aid 495-034-5120-085.

Eligibility

Finding 2019-004

Criteria - The District must complete a set of work papers as of October 15th of each school year to provide information for filing the Application for State School Aid (ASSA).

Condition - The ASSA application did not agree to the supporting documentation provided by the District.

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

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

STATE AWARDS (CONTINUED)

Context - Low income students reported on the ASSA application were not in agreement with the supporting work papers.

Effect - Incorrect allocation of state aid provided by the SFRA.

Cause - The Business Administrator did not have appropriate procedures in place to reconcile the amounts reported on the ASSA application with work papers supporting the low income students.

Recommendation - The Business Administrator establish appropriate internal control procedures to ensure the accuracy of low income students reported on the ASSA report.

View of responsible Officials - The Business Administrator agrees with this finding.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Status of Prior Year Findings

Finding 2018-001:

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

Current status: Corrective action was not taken.

Finding 2018-002:

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

Current status: Corrective action was not taken.

Finding 2018-003:

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

Current status: Corrective action was not taken.