

**SCHOOL DISTRICT  
OF**

**OAKLYN**

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Oaklyn Board of Education**

**Oaklyn, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

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

# OAKLYN SCHOOL DISTRICT

## INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

## FINANCIAL SECTION

<b>Independent Auditor's Report</b>	10
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	14
<b>Basic Financial Statements</b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	34
B-8 Statement of Changes in Fiduciary Net Position	35
<b>Notes to the Financial Statements</b>	36

**Required Supplementary Information - Part II**

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	69
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	76

**Notes to the Required Supplementary Information**

C-3	Budget-to-GAAP Reconciliation	77
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**Required Supplementary Information - Part III**

L.	Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	79
L-2	Schedule of the District Contributions - Public Employees Retirement System	80
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	81
M.	Schedule Related to Accounting and Reporting for OPEB (GASB-75)	
M-1	Schedule of Changes in the District's Total OPEB Liability Share of the Net OPEB Liability and Related Ratios	82

	<b>Notes to the Required Supplementary Information - Part III</b>	83
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**Other Supplementary Information**

D.	School Level Schedules :	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	86
E-2	Preschool Education Aid Expenditures	88
F.	Capital Projects Fund:	
F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	91
F-2	Summary Statement of Project Expenditures	93
G.	Proprietary Fund:	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	95
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	96
G-3	Combining Statement of Cash Flows	97
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	99
H-2	Combining Statement of Changes in Fiduciary Net Position	100
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	101
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	102

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	104
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Budgetary Comparison Schedule	105

**STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	107
J-2	Changes in Net Position, Last Ten Fiscal Years	108
J-3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	110
J-4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	111
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	112
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	113
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	114
J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	115
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	116
J-10	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	117
J-11	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	118
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2019	119
J-13	Legal Debt Margin Information, Last Ten Fiscal Years	120
J-14	Demographic and Economic Statistics	121
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	122
J-17	Operating Statistics, Last Ten Fiscal Years	123
J-18	School Building Information, Last Ten Fiscal Years	124
J-19	Schedule of Required Maintenance, Last Ten Fiscal Years	125
J-20	Insurance Schedule	126

**SINGLE AUDIT SECTION**

K-1	Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	128
K-2	Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by New Jersey Circular 15-08-OMB	130
K-3	Schedule of Expenditures of Federal Awards, Schedule A	132
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	133
K-5	Notes to the Schedules of Awards and Financial Assistance	134
K-6	Schedule of Findings and Questioned Costs	136
K-7	Financial Statement Findings	138
K-7	Federal Awards and State Financial Assistance Findings and Questioned Costs	139
K-8	Summary Schedule of Prior Audit Findings	140

## **Introductory Section**



# OAKLYN PUBLIC SCHOOL DISTRICT

156 Kendall Boulevard  
Oaklyn, New Jersey 08107  
[www.oaklyn.k12.nj.us](http://www.oaklyn.k12.nj.us)

Dr. Scott Oswald  
Superintendent  
856.858.0335 x500

Beth Ann Coleman RSBA  
Business Administrator/Board Secretary  
856.962.5720

Ms. Jennifer Boulden  
Principal  
856.858.0335 x226

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December 18, 2020

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Oaklyn Public School District for the fiscal year ended June 30, 2020, is hereby submitted. This CAFR includes the District's basic financial statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designated to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

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

## Reporting Entity and Its Services

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

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2019-20	285
2018-19	247
2017-18	358
2016-17	366
2015-16	386

For fiscal year 2019-20, the district administrative structure included a shared superintendent, a shared business administrator/board secretary, and a principal. The nine-member Board of Education is an elected body consisting of nine members from Oaklyn. The Board of Education meets on the third Tuesday of each month for its regular Board meetings (with some exceptions). During its Board meetings, the Board determines district goals and priorities and conducts business of the Board of Education. Board meetings are open to the public and begin at 6:30 pm.

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

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

## Economic Condition and Outlook

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

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



## **Goals and Reflections:**

1. Continued emphasis on STEAM content.
2. Implement trauma informed practices.

## **Internal Accounting Controls**

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

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

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

## **Budgetary Controls**

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

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

## **Accounting System and Reports**

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

## **Management's Discussion and Analysis**

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

## **Cash Management**

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

## **Risk Management**

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

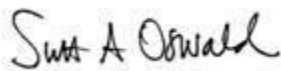
## **Independent Audit**

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

## **Acknowledgements**

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

Respectfully submitted,



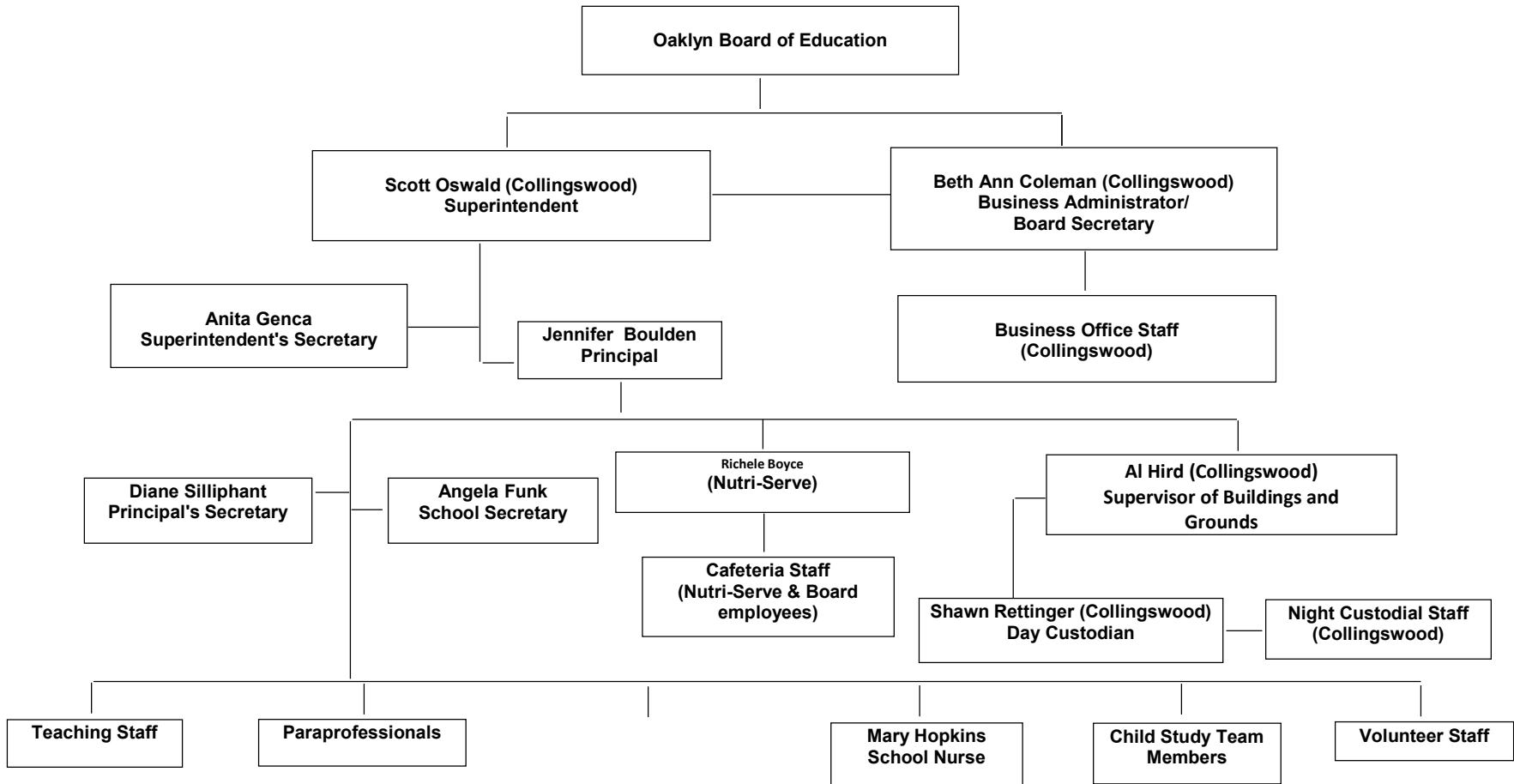
Dr. Scott Oswald  
Superintendent



Beth Ann Coleman  
Business Administrator/Board Secretary

# OAKLYN PUBLIC SCHOOL DISTRICT

Organizational Chart



# OAKLYN SCHOOL DISTRICT

## Roster of Officials

June 30, 2020

### Members of the Board of Education:

### Term Expires

William Stauts, President	12/31/2022
Jennifer Cassel, Vice President	12/31/2020
Denise Buczko	12/31/2021
Colleen Faupel	12/31/2020
Robert Fink	12/31/2020
Therese Marmion	12/31/2021
Christine Reily	12/31/2022
Todd Schaefer	12/31/2022
Richard Taibi	12/31/2020

### Other Officials:

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

**OAKLYN SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Inverso & Stewart, LLC  
651 Route 73 North, Suite 402  
Marlton, NJ 08053

**Attorney**

Capehart & Scatchard, P.A.  
Robert A. Muccilli, Esq.  
8000 Midlantic Drive  
Mount Laurel, NJ 08054

**Architect**

Garrison Architects  
713 Creek Road  
Bellmawr, NJ 08031

**Official Depository**

1st Colonial National Bank  
1150 Haddon Avenue  
Collingswood, NJ 08108

**Financial Section**

***INVERSO & STEWART, LLC***  
Certified Public Accountants

651 Route 73 North, Suite 402  
Marlton, New Jersey 08053  
(856) 983-2244  
Fax (856) 983-6674  
E-Mail: rinverso@inversocpa.com

-Member of-  
American Institute of CPAs  
New Jersey Society of CPAs

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oaklyn School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2020 on my consideration of the Oaklyn School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oaklyn School District's internal control over financial reporting and compliance.

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
December 18, 2020

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Oaklyn School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

As management of the Board of Education of the Borough of Oaklyn, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,253,210.
- Governmental activities have an unrestricted deficit balance of \$369,127. The accounting treatments in the governmental funds for compensated absences payable, the June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68 are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$1,690,998, or a 57.43% decrease from the prior fiscal year-end balance. This decrease is due operations in the general fund, decreased investment in our school building and decrease in our capital reserve account.
- Fund balance of the School District's governmental funds increased by \$1,596,710 resulting in an ending fund balance of \$3,366,595. The increase is a direct result of the School District recognizing Bond proceeds.
- Business-type activities have an unrestricted balance of \$50,831, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations increased by \$3,385,533 which is the result of bond proceeds.

## Overview of the Basic Financial Statements

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

### District-wide Financial Statements

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

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

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

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

### Fund Financial Statements

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

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

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

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

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

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

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

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

### **Notes to the Basic Financial Statements**

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

### **Other Information**

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

### **District-wide Financial Analysis**

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

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

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

The assets of the primary government activities exceeded liabilities by \$1,149,201 with an unrestricted deficit balance of \$369,127. The net position of the primary government does not include internal balances. As mentioned earlier, deficit unrestricted balance is primarily due to the accounting treatment for compensated absences payable the delayed June state aid payments, state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance and the adoption of GASB 68.

A net investment of (\$1,789,682) in land, improvements, buildings and equipment which provide the services to the Oaklyn School District's public school students, represents 167.58% of the School District's net position. The change is due to the adoption of GASB 68 and bond proceeds. The balance of \$1,044,214 has been restricted as follows:

Restricted for subsequent year's budget	\$ 221,257
Reserved for future budget appropriations	\$ 302,319
Maintenance reserve	\$ 205,581
Tuition Reserve	\$ 150,000
Capital reserve	\$ 157,280
Year-end encumbrances	<u>\$ 7,777</u>
- Total	\$1,044,214

**Comparative Summary of Net Position  
As of June 30, 2020 and 2019**

	Governmental Activities		Business Type Activities		District Wide	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current Assets	\$3,419,313	\$ 1,923,493	\$ 72,717	\$ 106,907	\$3,492,030	\$2,030,400
Capital Assets	\$1,610,318	\$ 1,597,741	\$ 53,178	\$ 54,640	\$1,663,496	\$1,652,381
<b>Total Assets</b>	<b>\$5,029,631</b>	<b>\$ 3,521,234</b>	<b>\$ 125,895</b>	<b>\$ 161,547</b>	<b>\$5,155,526</b>	<b>\$3,682,781</b>
Deferred Outflow	\$ 59,337	\$ 82,230		\$ -	\$ 59,337	\$ 82,230
<b>Liabilities</b>						
Current Liabilities	\$ 174,621	\$ 166,302	\$ 21,886	\$ 52,779	\$ 196,507	\$ 219,081
Noncurrent liabilities	\$3,601,627	\$ 323,094		\$ -	\$3,601,627	\$ 323,094
<b>Total Liabilities</b>	<b>\$3,776,248</b>	<b>\$ 489,396</b>	<b>\$ 21,886</b>	<b>\$ 52,779</b>	<b>\$3,798,134</b>	<b>\$ 542,175</b>
Deferred Inflows	\$ 163,519	\$ 278,628		\$ -	\$ 163,519	\$ 278,628
<b>Net Position</b>	<b>\$1,149,201</b>	<b>\$2,835,440</b>	<b>\$104,009</b>	<b>\$ 108,768</b>	<b>\$1,253,210</b>	<b>\$2,944,208</b>
Net position consists of						
Invested in Capital Assets	(\$1,789,682)	\$1,597,741	\$ 53,178	\$ 54,640	(\$1,736,504)	\$1,652,381
Restricted Assets	\$3,308,010	\$1,740,359			\$3,308,010	\$1,740,359
Unrestricted Assets	(\$369,127)	(\$502,660)	\$ 50,831	\$ 54,128	(\$318,296)	(\$448,532)
<b>Net Position</b>	<b>\$1,149,201</b>	<b>\$2,835,440</b>	<b>\$104,009</b>	<b>\$108,768</b>	<b>\$1,253,210</b>	<b>\$2,944,208</b>

**Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		District-Wide	
	2019	2019	2019	2019	2019	2019
<b>Revenues:</b>						
Charges for services	\$ -	\$ -	\$ 74,441	\$ 102,607	\$ 74,441	\$ 102,607
Operating grants and contributions	2,419,565	2,581,814	73,132	62,837	2,492,697	2,644,651
Property taxes	5,192,649	5,079,691			5,192,649	5,079,691
State aid - unrestricted	2,523,835	2,605,907			2,523,835	2,605,907
Other revenues	115,339	14,946	-	393	115,339	15,339
<b>Total Revenues</b>	<b>10,251,388</b>	<b>10,282,358</b>	<b>147,573</b>	<b>165,837</b>	<b>10,398,961</b>	<b>10,448,195</b>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
Instruction	2,556,675	2,214,447			2,556,675	2,214,447
Tuition	3,668,808	2,937,061			3,668,808	2,937,061
Related services	999,778	1,075,512			999,778	1,075,512
Administrative services	333,364	323,358			333,364	323,358
Operations and Maintenance	2,210,431	533,510			2,210,431	533,510
Transportation	250,232	151,524			250,232	151,524
Employee benefits	1,905,559	2,624,961			1,905,559	2,624,961
Other and charter	12,780	24,556			12,780	24,556
Loss (Gain) on disposal of capital assets					-	-
<b>Business-Type Activities:</b>						
Food Service			152,332	179,111	152,332	179,111
<b>Total Expenses</b>	<b>11,937,627</b>	<b>9,884,929</b>	<b>152,332</b>	<b>179,111</b>	<b>12,089,959</b>	<b>10,064,040</b>
Increase (Decrease) in Net Position before transfers	(1,686,239)	397,429	(4,759)	(13,274)	(1,690,998)	384,155
Transfers		-				
<b>Change in Net Position</b>	<b>(1,686,239)</b>	<b>397,429</b>	<b>(4,759)</b>	<b>(13,274)</b>	<b>(1,690,998)</b>	<b>384,155</b>
Net Position, July 1	2,835,440	2,438,011	108,768	122,042	2,944,208	2,560,053
<b>Net Position, June 30</b>	<b>\$ 1,149,201</b>	<b>\$ 2,835,440</b>	<b>\$ 104,009</b>	<b>\$ 108,768</b>	<b>\$ 1,253,210</b>	<b>\$ 2,944,208</b>

**Governmental Activities**

Governmental activities decreased the net position of the School District by \$1,686,239 during the current fiscal year. Key elements of the decrease in net position for governmental activities are as follows:

- Bond Sale

**Business-type Activities**

Business-type activities decreased the School District's net position by \$4,759. Key elements of the increase in net position for Business Type activities are as follows:

- Results of operation of the food service program.



## **Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,366,595, an increase of \$1,596,710 in comparison with the prior year. This increase is due to an increase in our tuition and miscellaneous revenues and proceeds of bond sale.

The unassigned fund balance for the School District at the end of the fiscal year is \$58,585. The remainder of the fund balance is designated to indicate that it is not available for new spending because it has already been committed: 1) \$7,777 reserved for encumbrances, 2) \$302,319 appropriated as a revenue source in the subsequent year's budget 3) \$205,581 Maintenance reserve 4) \$150,000 Tuition reserve 5) \$221,257 reserved for future budget appropriation in accordance with State statute 6) \$157,280 capital reserve, 7) reserve for capital projects \$2,263,918, 8) \$10,834 reserved for debt service, and 9) a deficit fund balance of \$10,956 in the Special Revenue Fund.

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

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

### **General Fund Budgetary Highlights**

At the end of the current fiscal year, undesignated fund balance (budgetary basis) of the general fund was \$309,806 while total fund balance (budgetary basis) was \$1,354,020. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$8,723,931. Undesignated fund balance (budgetary basis) represents 3.55% of expenditures while total fund balance (budgetary basis) represents 15.52% of that same amount.

## Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totaled \$1,663,496 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The net increase in the District's investment in capital assets for the current fiscal year was \$11,115 or a 0.67% increase.

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

- Depreciation expense for the current fiscal year was \$40,903
- Capital additions for the current fiscal year was \$52,018

### Capital Asset (net of accumulated depreciation) June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		District-Wide	
	2020	2019	2020	2019	2020	2019
Land	\$ 272,182	\$ 272,182			\$ 272,182	\$ 272,182
Const. in Progress					-	-
Site Improvements	52,255	11,002			52,255	11,002
Building and Building Improvements	1,090,813	1,140,688			1,090,813	1,140,688
Equipment	195,068	173,869	\$ 53,178	\$ 54,640	248,246	228,509
<b>Net Assets</b>	<b>\$ 1,610,318</b>	<b>\$ 1,597,741</b>	<b>\$ 53,178</b>	<b>\$ 54,640</b>	<b>\$ 1,663,496</b>	<b>\$ 1,652,381</b>

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

**Long-term debt** – During the fiscal year ended June 30, 2020, the School District had \$3,400,000 in serial bonds payable, \$73,482 in compensated absences payable and \$235,145 in net pension liability.

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

### Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2020-2021 fiscal year.

- In July 2020, The State of New Jersey once again notified Oaklyn that their State Aid for the upcoming school year would be reduced by \$73,074. This amount equates to 1% of Oaklyn's overall budget. The Board of Education unanimously voted to transfer funds from its maintenance reserve into the budget to support scheduled maintenance projects. This cut in aid is the first in what will be a seven-year phase in of additional

cuts to the Oaklyn School District. The Board and Administration continue to take steps to mitigate the effects of the cuts on our community.

### **Requests for Information**

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

## Basic Financial Statements

District-Wide Financial Statements

**OAKLYN SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,904,889	\$ 61,083	\$ 2,965,972
Receivables, net	151,563	3,124	154,687
Inventory		8,510	8,510
Restricted Cash	362,861		362,861
Capital Assets, net (Note 5)	1,610,318	53,178	1,663,496
Total Assets	5,029,631	125,895	5,155,526
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources from pensions	59,337		59,337
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,088,968</b>	<b>125,895</b>	<b>5,214,863</b>
<b>LIABILITIES:</b>			
Accounts Payable			
Related to pensions	14,903		14,903
Other	65,447	1,306	66,753
Intergovernmental Payable	(18,429)	18,429	
Unearned revenue	5,700	2,151	7,851
Noncurrent Liabilities:			
Due within one year	107,000		107,000
Due beyond one year	3,601,627		3,601,627
Total Liabilities	3,776,248	21,886	3,798,134
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of resources from pensions	163,519		163,519
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>3,939,767</b>	<b>21,886</b>	<b>3,961,653</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	(1,789,682)	53,178	(1,736,504)
Restricted for:			
Other Purposes	3,308,010		3,308,010
Unrestricted (Deficit)	(369,127)	50,831	(318,296)
Total Net Position	\$ 1,149,201	\$ 104,009	\$ 1,253,210

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 1,942,908	\$ -	\$ 589,734	\$ -	\$ (1,353,174)	\$ -	\$ (1,353,174)
Special education	404,868		114,353		(290,515)		(290,515)
Other instruction	208,899				(208,899)		(208,899)
Support Services:							
Tuition	3,668,808				(3,668,808)		(3,668,808)
Student & instruction related services	999,778		242,831		(756,947)		(756,947)
General administrative services	108,973				(108,973)		(108,973)
School administrative services	158,518				(158,518)		(158,518)
Central services	65,873				(65,873)		(65,873)
Plant operations and maintenance	2,210,431		91,140		(2,119,291)		(2,119,291)
Pupil transportation	250,232				(250,232)		(250,232)
Employee benefits	1,905,559		1,381,507		(524,052)		(524,052)
Summer School	108				(108)		(108)
Transfer of funds to charter school	11,110				(11,110)		(11,110)
Unallocated depreciation and amortization	1,562				(1,562)		(1,562)
Total Governmental Activities	<u>11,937,627</u>		<u>2,419,565</u>		<u>(9,518,062)</u>		<u>(9,518,062)</u>
Business-Type Activities:							
Food service	152,332	74,441	73,132			(4,759)	(4,759)
Total Business-Type Activities	<u>152,332</u>	<u>74,441</u>	<u>73,132</u>			<u>(4,759)</u>	<u>(4,759)</u>
Total Primary Government	<u>\$ 12,089,959</u>	<u>\$ 74,441</u>	<u>\$ 2,492,697</u>	<u>\$ -</u>	<u>(9,518,062)</u>	<u>(4,759)</u>	<u>(9,522,821)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					5,192,649		5,192,649
Federal and State aid not restricted					2,523,835		2,523,835
Miscellaneous income					115,339		115,339
Total general revenues, special items, extraordinary items and transfers					<u>7,831,823</u>		<u>7,831,823</u>
Change in Net Position					<u>(1,686,239)</u>	<u>(4,759)</u>	<u>(1,690,998)</u>
Net Position - July 1, 2019					<u>2,835,440</u>	<u>108,768</u>	<u>2,944,208</u>
Net Position - June 30, 2020					<u>\$ 1,149,201</u>	<u>\$ 104,009</u>	<u>\$ 1,253,210</u>

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

Fund Financial Statements



**OAKLYN SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

<b>ASSETS</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 630,137	\$ -	\$ 2,274,752	\$ -	\$ 2,904,889
Receivables, net					
Intergovernmental	77,897	52,804			130,701
Interfunds	39,836			10,834	50,670
Other	20,862				20,862
Restricted cash	362,861				362,861
<b>Total Assets</b>	<b>1,131,593</b>	<b>52,804</b>	<b>2,274,752</b>	<b>10,834</b>	<b>3,469,983</b>
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	25,094	40,353			65,447
Intergovernmental payable					-
Interfund payable		21,407	10,834		32,241
Unearned revenue	3,700	2,000			5,700
<b>Total Liabilities</b>	<b>28,794</b>	<b>63,760</b>	<b>10,834</b>	<b>-</b>	<b>103,388</b>
Fund Balances:					
Assigned to:					
Year end encumbrances	7,777		2,173,405		2,181,182
Capital Reserve	157,280				157,280
Maintenance Reserve	205,581				205,581
Tuition Reserve	150,000				150,000
Subsequent year's budget	41,002				41,002
Excess Surplus - Designated for subsequent year's budget	261,317				261,317
Excess Surplus	221,257				221,257
Unassigned	58,585	(10,956)	90,513	10,834	148,976
<b>Total Fund Balances</b>	<b>1,102,799</b>	<b>(10,956)</b>	<b>2,263,918</b>	<b>10,834</b>	<b>3,366,595</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,131,593</b>	<b>\$ 52,804</b>	<b>\$ 2,274,752</b>	<b>\$ 10,834</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,401,127 and the accumulated depreciation is \$2,790,809. 1,610,318

Accounts payable related to the April 1, 2021 required PERS contribution that is not to be liquidated with current financial resources (14,903)

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

Deferred Outflows of resources from Pensions	\$ 59,337	
Net Pension Liability	(235,145)	
Deferred Inflows of resources from Pensions	(163,519)	(339,327)

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:

Serial Bonds	\$ (3,400,000)	
Compensated Absences	(73,482)	(3,473,482)

Net position of governmental activities **\$ 1,149,201**

**OAKLYN SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 5,192,649	\$ -	\$ -	\$ -	\$ 5,192,649
Tuition	46,723				46,723
Maintenance reserve interest	1,023				1,023
Capital reserve interest	782				782
Miscellaneous	55,977		10,834		66,811
Total local sources	5,297,154	-	10,834	-	5,307,988
State sources	3,319,751	698,244			4,017,995
Federal sources	28,740	254,417			283,157
Total Revenues	8,645,645	952,661	10,834	-	9,609,140
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	1,169,596	600,690			1,770,286
Special education instruction	290,515	114,353			404,868
Other instruction	208,899				208,899
Support services and undistributed costs:					
Tuition	3,668,808				3,668,808
Student & instruction related services	756,947	242,831			999,778
General administrative services	102,724				102,724
School administrative services	158,518				158,518
Central services	65,873				65,873
Plant operations and maintenance	490,351				490,351
Pupil transportation	250,232				250,232
Employee benefits	1,398,496	91,140			1,489,636
Summer School	108				108
Capital Outlay	32,557	33,800	1,724,882		1,791,239
Transfer of Funds to Charter School	11,110				11,110
Total Expenditures	8,604,734	1,082,814	1,724,882	-	11,412,430
Excess (Deficiency) of Revenues over (under) Expenditures	40,911	(130,153)	(1,714,048)	-	(1,803,290)
Other Financing Sources (Uses):					
Transfers in		119,197	588,800	10,834	718,831
Transfers out	(707,997)		(10,834)		(718,831)
Bond proceeds			3,400,000		3,400,000
Total other financing sources (uses)	(707,997)	119,197	3,977,966	10,834	3,400,000
Net Change in Fund Balances	(667,086)	(10,956)	2,263,918	10,834	1,596,710
Fund Balances - July 1, 2019	1,769,885				1,769,885
Fund Balances - June 30, 2020	\$ 1,102,799	\$ (10,956)	\$ 2,263,918	\$ 10,834	\$ 3,366,595

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

**OAKLYN SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 1,596,710
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (78,109)	
Loss on Disposal of Assets	(2,764)	
Capital outlays capitalized in accordance with District's policies	93,450	12,577
<p>The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.</p>		
		(3,400,000)
<p>Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.</p>		
		107,128
<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>		
		(2,654)
Change in Net Position of Governmental Activities		\$ (1,686,239)

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Food Service Fund</b>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 61,083
Intergovernmental receivables:	
State	301
Federal	2,823
Inventories	8,510
Total current assets	72,717
Noncurrent assets:	
Equipment	154,976
Less - accumulated depreciation	(101,798)
Total noncurrent assets	53,178
Total Assets	125,895
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	1,306
Interfund payable	18,429
Unearned revenue	2,151
Total current liabilities	21,886
<b>NET POSITION:</b>	
Net investment in capital assets	53,178
Unrestricted	50,831
Total Net Position	\$ 104,009

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Food Service Fund</b>
<b>Operating Revenues:</b>	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 12,459
Other governmental entities	41,937
Non-reimbursable programs	20,045
 Total Operating Revenue	 74,441
<b>Operating Expenses:</b>	
Salaries	57,061
Employee benefits	12,547
Supplies and materials	4,440
Management Fee	14,377
Other costs	5,985
Depreciation	8,769
Cost of sales - reimburseable programs	25,860
Cost of sales - nonreimburseable programs	23,293
 Total Operating Expenses	 152,332
 Operating Income (Loss)	 (77,891)
<b>Non-Operating Revenues:</b>	
State sources:	
State school lunch program	1,183
Federal sources:	
National school lunch program	41,414
National school breakfast program	15,912
Food distribution program	14,281
Interest earned	342
 Total Non-Operating Revenues	 73,132
 Change in Net Position	 (4,759)
Net Position - July 1, 2019	108,768
Net Position - June 30, 2020	\$ 104,009

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Food Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 75,461
Cash payments to employees for services	(50,609)
Cash payments to suppliers for goods and services	(112,180)
Net cash provided by (used for) operating activities	(87,328)
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	950
Cash received from federal sources	57,941
Net cash provided by (used for) noncapital financing activities	58,891
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	(7,307)
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	342
Net increase (decrease) in cash and cash equivalents	(35,402)
Cash and cash equivalents - July 1, 2019	96,485
Cash and cash equivalents - June 30, 2020	\$ 61,083
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>	
Operating income (loss)	\$ (77,891)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	8,769
Commodities	14,281
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	-
(Increase) decrease in inventories	(1,594)
Increase (decrease) in accounts payables	(19,742)
Increase (decrease) in interfund payables	(12,171)
Increase (decrease) in unearned revenue	1,020
Net cash provided by (used for) operating activities	\$ (87,328)
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District received \$14,281 of food commodities from the U.S. Department of Agriculture.	

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Trust Funds</b>	<b>Agency Funds</b>
	<b>Unemployment Compensation Trust</b>	
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 27,043	\$ 30,823
 Total Assets	 \$ 27,043	 \$ 30,823
 <b>LIABILITIES:</b>		
Payroll deductions and withholdings	\$ -	\$ 21,507
Due to student groups	-	9,316
 Total Liabilities	 -	 \$ 30,823
 <b>NET POSITION:</b>		
Held in trust for unemployment claims and other purposes	\$ 27,043	

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

**OAKLYN SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS:</b>	
Contributions:	
Employee	\$ 3,924
Total contributions	3,924
Investment earnings:	
Interest	-
Net investment earnings	-
Total Additions	3,924
<b>DEDUCTIONS:</b>	
Unemployment claims	-
Total Deductions	-
Change in Net Position	3,924
Net Position - July 1, 2019	23,119
Net Position - June 30, 2020	\$ 27,043

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



**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Oaklyn School District (“School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades PK through 5. Students in grades 6 through 12 attend the Collingswood High School District on a tuition basis. The Oaklyn School District has an approximate enrollment at June 30, 2020 of 283 students.

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

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

**Basis of Presentation**

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The School District’s enterprise funds are:

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

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

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

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

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

**Measurement Focus**

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Basis of Accounting**

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

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

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

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Tuition Payable** - Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Prepaid Expenses** - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

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

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

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

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 20209.

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

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

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

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

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

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

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

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



**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Recently Issued Accounting Pronouncements** – In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

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

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

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. This Statement should have no impact on the District’s financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. This Statement should have no impact on the District’s financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**2. CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$3,859,110 as of June 30, 2020, \$250,000 was insured under FDIC and the remaining balance of \$3,609,110 was collateralized under GUDPA.

**3. CAPITAL RESERVE ACCOUNT**

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

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

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance – July 1, 2019		\$ 745,298
Increased by:		
Interest earned	\$ 782	
Original budget 2019/2020	-	
Unspent budget appropriation	-	
Board resolution	-	782
		746,080
Decreased by:		
Budget withdrawal		588,800
Balance – June 30, 2020		\$ 157,280

The June 30, 2020 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were utilized to fund facilities projects approved by the New Jersey Department of Education, consistent with the School District’s LRFP.

**4. ACCOUNTS RECEIVABLES**

Accounts receivables at June 30, 2020 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**4. ACCOUNTS RECEIVABLES (Continued)**

Accounts receivable at June 30, 2020 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental				
State	\$ 66,944	\$ -	\$ 301	\$ 67,245
Federal	-	52,804	2,823	55,627
Other	31,815	-	-	31,815
Total	<u>\$ 98,759</u>	<u>\$ 52,804</u>	<u>\$ 3,124</u>	<u>\$ 154,687</u>

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<b>Governmental Activities:</b>				
Land	\$ 272,182	\$ -	\$ -	\$ 272,182
Construction in Progress	-	-	-	-
Total Capital Assets not being				
Depreciation	272,182	-	-	272,182
Land Improvements	129,282	44,168	-	173,450
Building and Improvements	2,958,229	-	-	2,958,229
Equipment	975,624	49,282	(27,640)	997,266
Total Historical Cost	<u>4,335,317</u>	<u>93,450</u>	<u>(27,640)</u>	<u>4,401,127</u>
Less Accumulated Depreciation:				
Land Improvements	118,280	2,915	-	121,195
Building and Improvements	1,817,541	49,875	-	1,867,416
Equipment	801,755	25,319	(24,876)	802,198
Total Accumulated Depreciation	<u>2,737,576</u>	<u>78,109</u>	<u>(24,876)</u>	<u>2,790,809</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,597,741</u>	<u>\$ 15,341</u>	<u>\$ (2,764)</u>	<u>\$ 1,610,318</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 168,768	\$ 7,307	\$ 21,099	\$ 154,976
Less - Accumulated Depreciation	114,128	5,710	(18,040)	101,798
Business-Type Activities Capital Assets, Net	<u>\$ 54,640</u>	<u>\$ 1,597</u>	<u>\$ 3,059</u>	<u>\$ 53,178</u>

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense in the amount of \$78,109 was charged to governmental functions as follows:

Function	Amount
Instruction	\$ 50,771
Administration	6,249
Plant operations & maintenance	19,527
Unallocated	1,562
Total depreciation expense	\$ 78,109

**6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 7,465
Supplies	1,045
	\$ 8,510

**7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations:

	Principal Outstanding June 30, 2019	Additions	Reductions	Principal Outstanding June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds Payable	\$ -	\$ 3,400,000	\$ -	\$ 3,400,000	\$ 100,000
Compensated Absences	70,828	9,662	7,008	73,482	7,000
Net Pension Liability	252,266		17,121	235,145	
	\$ 323,094	\$ 3,409,662	\$ 24,129	\$ 3,708,627	\$ 107,000

**Bonds and Notes Authorized but not Issued**

As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences**

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**8. OPERATING LEASES**

At June 30, 2020, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$11,461 for the fiscal year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

<u>Ending June 30,</u>	<u>Amount</u>
2021	\$ 9,354
2022	9,354
2023	9,354
2024	<u>9,354</u>
	<u>\$ 37,416</u>

**9. PENSION PLANS**

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

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

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

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

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

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

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$475,262 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$147,837.

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

At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2020, the School District recognized pension expense of \$855,629 and revenue of \$855,629 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

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

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

	<u>06/30/19</u>	<u>06/30/18</u>
Collective deferred outflows of resources	\$ 9,932,767,606	\$ 12,473,998,870
Collective deferred inflows of resources	17,539,845,423	16,180,773,643
Collective net pension liability (Non-Employer – State of New Jersey)	61,519,112,443	63,617,852,031
State's portion of the net pension liability that was associated with the School District	14,506,441	14,494,447
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0236373109%	.0227836160%

*Actuarial assumptions* – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55- 4.45%
	based on years of service
Thereafter	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

*Discount rate.* The discount rate used to measure the State's total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 5.60%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.60%) or 1 percentage point higher (6.60%) that the current rate:



**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

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

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	17,106,305	14,506,441	12,349,375
	\$ 17,106,305	\$ 14,506,441	\$ 12,349,375

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

**Public Employees' Retirement System (PERS)**

*Plan Description* - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Contributions* - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate was 7.50% in State fiscal year 2019. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.75% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$12,694 and was paid by April 1, 2020. School District employee contributions to the pension plan during the fiscal year ended June 30, 2020 were \$7,576.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2020	\$ 1,175	\$ 10,870	\$ 649	\$ 12,694
2019	1,593	10,572	579	12,744
2018	1,367	8,515	506	10,388

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

At June 30, 2020, the School District reported a liability of \$235,145 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

For the year ended June 30, 2020, the School District recognized pension expense of (\$96,644). At June 30, 2020, the School District reported a liability of \$235,145 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,221	\$ 1,039
Changes of assumptions	23,480	81,618
Net Difference between projected and actual earnings on pension plan investments		3,712
Changes in proportion	31,636	77,150
District contributions subsequent to the measurement date	14,903	
<b>Total</b>	<b>\$ 74,240</b>	<b>\$ 163,519</b>

\$14,903 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, 2020, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net liability in the year ended June 30, 2020.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2021	\$ (30,140)
2022	(31,067)
2023	(18,528)
2024	(19,279)
2025	(5,168)
<b>Total</b>	<b>\$ (104,182)</b>

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

**Additional Information**

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,645,087,574	\$ 7,646,736,226
Collective net pension liability	\$ 18,143,832,135	\$ 19,689,501,539
School District's Proportion	.0013050200%	.0012812200%

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Actuarial assumptions* – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**9. PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

*Discount rate.* The discount rate used to measure the State's total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.28%) or 1 percentage point higher (7.28%) than the current rate:

	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
School District's proportionate share of the net pension liability	\$ 297,026	\$ 235,145	\$ 183,001

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

**Defined Contribution Retirement Program (DCRP)**

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

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

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

<b>Fiscal Year</b>	<b>Total Liability</b>	<b>Paid by School District</b>
2020	\$ 1,918	\$ 1,918
2019	1,086	1,086
2018	196	196

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan (the “OPEB Plan”) is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in accordance with GASBS No. 75 – Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the “Division”) and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Contributions**

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the “State”) in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 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), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS). 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.

**Plan Membership**

As of June 30, 2018, the program membership consisted of the following:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	364,943

**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 Plan for qualified retired PERS, TPAF and PFRS participants. The School Districts’ 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.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

*Actuarial assumptions and other imputes* - The total nonemployer OPEB liability as of the June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on age	3.25 – 15.25% based on age
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the Pub-2010 Healthy Teacher’s (TPAF), and “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using the Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

*Health Care Trend Assumptions* - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate* - The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Changes in the Total Nonemployer OPEB Liability**

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

	<u>Total OPEB Liability</u>
Balance as of June 30, 2018	\$ 15,346,163
Changes for the years'	
Service Cost	374,293
Interest	601,579
Changes of benefit terms	
Differences between expected and actual experience	(4,229,540)
Changes in assumptions	177,657
Gross Benefit Payments	(365,762)
Contributions from the Non-employer	N/A
Contributions from the Member	10,842
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (3,430,931)</u>
Balance at 06/30/2019	<u><u>\$ 11,915,232</u></u>

**Sensitivity of the total nonemployer OPEB liability to changes in the discount rate** - The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, associated with the School District, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 14,076,598	\$ 11,915,232	\$ 10,198,362

**Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate** - The following presents the total nonemployer OPEB liability as of June 30, 2019, associated with the School District, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage -point lower or 1percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 14,461,015	\$ 11,915,232	\$ 9,663,243

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

For the year ended June 30, 2020, the School District recognized (\$235,934) 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, 2019 measurement date.

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

At June 30, 2020, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and		
actual experiences	\$ -	\$ 2,993,854
Changes of assumptions	-	2,421,798
<b>Total</b>	<b>\$ -</b>	<b>\$ 5,415,652</b>

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

For the year ended:	
2020	\$ (727,130)
2021	(727,130)
2022	(727,130)
2023	(727,130)
2024	(727,130)
Therafter	(1,780,003)
<b>Total</b>	<b>\$ (5,415,653)</b>

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

**11. ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$428,735, \$159,053, and \$341, respectively. In addition, \$143,088 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**12. RISK MANAGEMENT**

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

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

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

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ -	\$ 3,924	\$ -	\$ -	\$ 27,043
2019	-	3,277	-	-	23,119
2018	-	5,030	-	-	19,842

**13. DEFERRED COMPENSATION**

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

**14. COMPENSATED ABSENCES**

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

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**14. COMPENSATED ABSENCES (Continued)**

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2020, the liability for compensated absences in the governmental activities fund was \$73,482.

**15. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2021. The following interfund balances were recorded on the various balance sheets as of June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 39,836	\$ -
Special Revenue		21,407
Capital Projects		10,834
Debt Service	10,834	
Enterprise		18,429
	<u>\$ 50,670</u>	<u>\$ 50,670</u>

**16. CONTINGENCIES**

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

At June 30, 2020, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**17. TAX ABATEMENTS**

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

**Oaklyn School District  
Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**17. TAX ABATEMENTS (Continued)**

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

As of December 31, 2019, the Borough of Oaklyn had no tax abatements.

**18. DEFICIT UNASSIGNED FUND BALANCE**

The School District has a deficit unassigned fund balance of \$10,956 in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$10,956 in the Special Revenue Fund is equal to or less than the June state aid payment.

**19. DEFICIT UNRESTRICTED NET POSITION**

As of June 30, 2020, a deficit of \$369,127 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2020:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 58,585
Liabilities:	
Net Pension Differences	(354,230)
Compensated Absences	(73,482)
Unrestricted Net Position (Deficit)	\$ (369,127)

**20. FUND BALANCES**

*RESTRICTED*

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

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**20. FUND BALANCES (CONTINUED)**

Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund:**

**Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$221,257 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$261,317 of excess fund balance generated during the 2018-2019 fiscal year has been restricted and designated for utilization in the 2020-2021 budget.

**Capital Reserve Account** – As of June 30, 2020, the balance in the capital reserve account is \$157,280. The balance is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

**Maintenance Reserve Account** – As of June 30, 2020, the balance in the maintenance reserve account is \$205,581. Of this amount \$73,074 will be been appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 due to a State Aid reduction in 2020-21. The remaining funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**Tuition Reserve** – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2020 in the amount of \$150,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. This amount of \$150,000 has been appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021.

*ASSIGNED*

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

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021, \$41,002 of general fund balance at June 30, 2020.

**Other Purposes** – At June 30, 2020 the School District has \$7,777 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Capital Projects Fund:**

**Other Purposes** – At June 30, 2020 the School District has \$2,173,405 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Oaklyn School District**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**20. FUND BALANCES (CONTINUED)**

*UNASSIGNED*

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

**General Fund** – As of June 30, 2020, the unassigned fund balance of the general fund was \$58,585.

**Special Revenue Fund** – As of June 30, 2020, there was a deficit of \$10,956. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 18).

**Capital Projects Fund** – As of June 30, 2020, the unassigned fund balance of the capital projects fund was \$90,513.

**Debt Service Fund** – As of June 30, 2020, the unassigned fund balance of the debt service fund was \$10,834.

**21. SUBSEQUENT EVENTS**

COVID-19 - the management of the School District has evaluated its financial statements for subsequent events through the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the School District. While the impact that COVID-19 will have is currently expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

Required Supplementary Information - Part II



Budgetary Comparison Schedules

**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local Tax Levy	\$ 5,192,649	\$ -	\$ 5,192,649	\$ 5,192,649	\$ -
Tuition - from individuals	-	-	-	-	-
Tuition - from other LEA's within State	-	-	-	-	-
Rent and Royalties	26,892	-	26,892	46,723	19,831
Maintenance Reserve interest	400	-	400	1,023	623
Capital Reserve interest	800	-	800	782	(18)
Unrestricted misc. revenues	3,768	-	3,768	55,977	52,209
<b>Total local sources</b>	<b>5,224,509</b>	<b>-</b>	<b>5,224,509</b>	<b>5,297,154</b>	<b>72,645</b>
State sources:					
School Choice Aid	49,361	-	49,361	49,361	-
Categorical special education aid	275,669	-	275,669	275,669	-
Equalization aid	2,128,979	-	2,128,979	2,128,979	-
Categorical security aid	48,228	-	48,228	48,228	-
Categorical transportation aid	16,236	-	16,236	16,236	-
Extraordinary Aid	-	-	-	59,806	59,806
On-behalf TPAF pension contrib. (non-budgeted)	-	-	-	428,735	428,735
On-behalf TPAF post retirement medical (non-budgeted)	-	-	-	159,053	159,053
On-behalf TPAF - LTDI (non-budgeted)	-	-	-	341	-
Reimbursed TPAF social security contribution (non-budgeted)	-	-	-	143,088	143,088
<b>Total state sources</b>	<b>2,518,473</b>	<b>-</b>	<b>2,518,473</b>	<b>3,309,496</b>	<b>790,682</b>
Federal Sources:					
Medicaid Reimbursement	10,801	-	10,801	28,740	17,939
<b>Total federal sources</b>	<b>10,801</b>	<b>-</b>	<b>10,801</b>	<b>28,740</b>	<b>17,939</b>
<b>TOTAL REVENUES</b>	<b>7,753,783</b>	<b>-</b>	<b>7,753,783</b>	<b>8,635,390</b>	<b>881,266</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool		390	390		390
Kindergarten	124,100	(8,251)	115,849	115,849	-
Grades 1-5	885,391	(20,077)	865,314	864,791	523
Regular Programs - Home Instruction:					
Salaries of teachers	2,000	(1,357)	643	-	643
Purchased professional - educational services	2,000	-	2,000	-	2,000
Regular Programs - Undistributed Instruction:					
Used Vacation Payment to Term/Ret Staff		7,000	7,000	7,000	
Purchased professional - educational services	58,097	9,750	67,847	67,020	827
Purchased technical services	41,500	-	41,500	33,678	7,822
Other purchased services	33,537	(4,000)	29,537	19,973	9,564
General supplies	72,782	(36,987)	35,795	35,053	742
Textbooks	29,300	(3,000)	26,300	26,192	108
Other objects	165	-	165	40	125
<b>Total - regular programs - instruction</b>	<b>1,248,872</b>	<b>(56,532)</b>	<b>1,192,340</b>	<b>1,169,596</b>	<b>22,744</b>

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	\$ 74,952	\$ (15,353)	\$ 59,599	\$ 58,706	\$ 893
General supplies	10,700	(4,300)	6,400	5,724	676
Total multiple disabilities	<u>85,652</u>	<u>(19,653)</u>	<u>65,999</u>	<u>64,430</u>	<u>1,569</u>
Resource room/resource center:					
Salaries of teachers	217,343	(35,010)	182,333	181,997	336
Purchased professional - educational services	24,000	18,725	42,725	42,725	-
General supplies	4,500	(2,500)	2,000	1,363	637
Total resource room/resource center	<u>245,843</u>	<u>(18,785)</u>	<u>227,058</u>	<u>226,085</u>	<u>973</u>
Preschool Disabilities - Part Time					
Salaries of teachers	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
General supplies	-	-	-	-	-
Total preschool disabilities - part time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home Instruction:					
Salaries of teachers	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Total home instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special education - instruction	<u>331,495</u>	<u>(38,438)</u>	<u>293,057</u>	<u>290,515</u>	<u>2,542</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	108,550	13,400	121,950	121,950	-
Purchased professional - educational services	2,500	-	2,500	2,500	-
Other purchased services	300	-	300	-	300
General supplies	200	-	200	-	200
Total basic skills/remedial - instruction	<u>111,550</u>	<u>13,400</u>	<u>124,950</u>	<u>124,450</u>	<u>500</u>
Bilingual Education - Instruction					
Salaries of teachers	67,986	1,090	69,076	67,787	1,289
General supplies	100	-	100	-	100
Total bilingual education - instruction	<u>68,086</u>	<u>1,090</u>	<u>69,176</u>	<u>67,787</u>	<u>1,389</u>
School-Sponsored Co/Extra-Curr. Act - Instruction:					
Salaries	11,210	-	11,210	11,210	-
Supplies and materials	-	-	-	-	-
Other objects	250	-	250	20	230
Total school-sponsored cocurr. act. - instruct.	<u>11,460</u>	<u>-</u>	<u>11,460</u>	<u>11,230</u>	<u>230</u>

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -
Total school-sponsored athletics - instruct.	-	-	-	-	-
Summer School - Instruction:					
Salaries of teachers	2,100	(480)	1,620	1,620	-
Purchased professional - technical services	1,000	913	1,913	1,913	-
General supplies	150	-	150	-	150
Total summer school - instruction	3,250	433	3,683	3,533	150
Summer School - Support Services:					
Salaries	1,800	(630)	1,170	1,170	-
Total summer school - instruction	1,800	(630)	1,170	1,170	-
Total summer school	5,050	(197)	4,853	4,703	150
Community serv. Programs/operations					
Salaries	1,500	(90)	1,410	729	681
Total Instruction	1,778,013	(80,767)	1,697,246	1,669,010	28,236
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	3,367,154	-	3,367,154	3,367,154	-
Tuition to other LEAs within the state - spec	178,894	(29,100)	149,794	147,958	1,836
Tuition to County Voc. School Dist. - reg.	32,059	-	32,059	32,059	-
Tuition to CSSD & Reg. Day schools	-	-	-	-	-
Tuition to priv. sch. for the disabled w/in state	54,218	64,069	118,287	117,137	1,150
Tuition - state facilities	4,500	-	4,500	4,500	-
Tuition - other	-	-	-	-	-
Total undistributed expenditures - instruction	3,636,825	34,969	3,671,794	3,668,808	2,986
Attendance and social work:					
Salaries	25,455	-	25,455	25,454	1
Total attendance and social work	25,455	-	25,455	25,454	1
Health Services:					
Salaries	48,374	558	48,932	48,120	812
Purchased professional and technical services	3,750	-	3,750	3,601	149
Supplies and materials	2,230	(100)	2,130	407	1,723
Total health services	54,354	458	54,812	52,128	2,684

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services					
Purchased professional - educational services	\$ 150,950	\$ (57,721)	\$ 93,229	\$ 93,186	\$ 43
Supplies and materials	5,750	(2,000)	3,750	2,560	1,190
Total speech, ot, pt & related services	156,700	(59,721)	96,979	95,746	1,233
Other Support Services Students - Extra. Serv.					
Purchased professional - educational services	165,000	88,537	253,537	248,893	4,644
Total other support services students - extra. serv.	165,000	88,537	253,537	248,893	4,644
Guidance:					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	27,000	1,752	28,752	28,752	-
Supplies and materials	600	-	600	-	600
Other objects	-	-	-	-	-
Total guidance	27,600	1,752	29,352	28,752	600
Child Study Teams:					
Salaries of other professional staff	720	(558)	162	36	126
Salaries of secreterial & clerical assistants	25,054	-	25,054	25,054	-
Purchased professional - educational services	120,954	43,917	164,871	164,371	500
Other purchased prof. and tech. services	26,500	(24,238)	2,262	2,185	77
Miscellaneous purchased services (400-500 series)	5,400	(250)	5,150	3,764	1,386
Supplies and materials	5,600	-	5,600	1,964	3,636
Total child study teams	184,228	18,871	203,099	197,374	5,725
Improvement of Instructional Services:					
Salaries of other professional staff	5,064	-	5,064	1,944	3,120
Purchased professional - educational services	45,820	(4,650)	41,170	31,570	9,600
Other purchased services	3,300	-	3,300	2,189	1,111
Supplies and materials	200	-	200	72	128
Total improvement of instructional services	54,384	(4,650)	49,734	35,775	13,959
Educational Media Services/School Library:					
Salaries	64,302	(63,102)	1,200	395	805
Purchased professional & technical services	42,438	28,752	71,190	71,190	-
Other purchased services	180	-	180	-	180
Supplies and Materials	3,755	(2,000)	1,755	1,240	515
Other objects	65	-	65	-	65
Total educational media services/school library	110,740	(36,350)	74,390	72,825	1,565
Instructional Staff Training Services:					
Purchased professional - educational services	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Total instructional staff training services	-	-	-	-	-

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Legal services	\$ 25,000	\$ (15,070)	\$ 9,930	\$ 3,168	\$ 6,762
Audit fees	23,500	300	23,800	23,800	-
Other purchased professional services	52,600	(2,175)	50,425	43,770	6,655
Purchased technical services	3,300	2,000	5,300	2,000	3,300
Communications / telephone	7,500	-	7,500	5,575	1,925
Misc. purchased services	17,023	2,000	19,023	18,744	279
General Supplies	300	-	300	273	27
Miscellaneous expenditures	250	(100)	150	131	19
BOE membership dues and fees	3,500	1,825	5,325	5,263	62
Total support services - general administration	<u>132,973</u>	<u>(11,220)</u>	<u>121,753</u>	<u>102,724</u>	<u>19,029</u>
Support Services - School Administration:					
Salaries of principals/assist. principal	98,148	6,884	105,032	105,032	-
Salaries of secretarial and clerical assistants	50,810	-	50,810	50,509	301
Other purchased services	2,300	(1,400)	900	900	900
Supplies and materials	3,300	(1,400)	1,900	1,897	3
Other objects	1,400	-	1,400	1,080	320
Total support services - school administration	<u>155,958</u>	<u>4,084</u>	<u>160,042</u>	<u>158,518</u>	<u>1,524</u>
Central Services:					
Purchased professional services	50,743	2,000	52,743	50,883	1,860
Purchased technical services	14,550	-	14,550	13,497	1,053
Supplies and materials	1,500	-	1,500	1,493	7
Miscellaneous expenditures	150	-	150	-	150
Total central services	<u>66,943</u>	<u>2,000</u>	<u>68,943</u>	<u>65,873</u>	<u>3,070</u>
Required Maintenance for School Facilities:					
Cleaning, repair and maintenance services	68,400	(49,215)	19,185	14,189	4,996
General Supplies	1,600	-	1,600	-	1,600
Total required maintenance for school facilities	<u>70,000</u>	<u>(49,215)</u>	<u>20,785</u>	<u>14,189</u>	<u>6,596</u>
Custodial Services:					
Salaries - Non instructional aides	7,500	(7,500)	-	-	-
Cleaning, repair and maintenance services	320,327	4,754	325,081	311,596	13,485
Other purchased property services	15,500	10,750	26,250	21,264	4,986
Insurance	36,224	(2,300)	33,924	32,567	1,357
Energy (natural gas)	30,000	1,210	31,210	31,206	4
Energy (Electricity)	69,500	(2,960)	66,540	66,529	11
Other objects	200	-	200	-	200
Total custodial services	<u>479,251</u>	<u>3,954</u>	<u>483,205</u>	<u>463,162</u>	<u>20,043</u>

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care & Upkeep of Grounds:					
Cleaning, repair & maintenance services	\$ 13,000	\$ -	\$ 13,000	\$ 13,000	\$ -
Total care & upkeep of grounds	13,000	-	13,000	13,000	-
Security:					
General supplies	-	-	-	-	-
Total Security	-	-	-	-	-
Total operation & maint. of plant services	562,251	(45,261)	516,990	490,351	26,639
Student Transportation Services:					
Management fee - ESC & CTSA Trans. programs	7,000	5,470	12,470	12,469	1
Contr. serv. (Oth than Bet Home & Sch) - Vend	7,000	(5,123)	1,877	1,877	-
Contr. serv. (Reg. Students) - ESCs & CTSA	-	-	-	-	-
Contr. serv. (Spl. Ed. Students) - ESCs & CTSA	140,000	95,930	235,930	235,886	44
Total student transportation services	154,000	96,277	250,277	250,232	45
Unallocated Benefits - Employee Benefits:					
Social security contributions	19,500	(414)	19,086	15,220	3,866
Other retirement contributions - PERS	12,500	200	12,700	12,694	6
Other retirement contributions - regular	300	(200)	100	-	100
Unemployment compensation	-	6,798	6,798	6,751	47
Workmen's compensation	16,000	400	16,400	16,102	298
Health benefits	674,478	(68,724)	605,754	600,758	4,996
Tuition reimbursement	9,000	-	9,000	7,254	1,746
Other employee benefits	2,500	5,586	8,086	8,086	-
Unused Sick Payments to Terminated/Retired Staff	-	414	414	414	-
Total unallocated benefits - employee benefits	734,278	(55,940)	678,338	667,279	11,059
On-behalf TPAF pension contr. (non-budgeted)	-	-	-	428,735	(428,735)
On-behalf TPAF post retirement medical (non-budgeted)	-	-	-	159,053	(159,053)
On-behalf TPAF - LTDI (non-budgeted)	-	-	-	341	(341)
Reimbursed TPAF social security contr. (non-budgeted)	-	-	-	143,088	(143,088)
Total Employee Benefits	734,278	(55,940)	678,338	1,398,496	(719,817)
Total Undistributed Expenditures	6,221,689	33,806	6,255,495	6,891,949	(636,113)
Total General Current Expense	7,999,702	(46,961)	7,952,741	8,560,959	(607,877)

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

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**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed Exp. - Non-Instructional Services	\$ -	\$ 30,798	\$ 30,798	\$ 30,797	\$ 1
Equipment	-	30,798	30,798	30,797	1
Facilities acquisition and construction services:					
Construction services	-	-	-	-	-
Assessment for debt service on SDA funding	1,760	-	1,760	1,760	-
Total fac acq and constr services	1,760	-	1,760	1,760	-
Total Capital Outlay	1,760	30,798	32,558	32,557	1
Summer School - Instruction:					
Salaries	-	108	108	108	-
Purchased prof. and tech. services	-	-	-	-	-
General Supplies	-	-	-	-	-
Total Summer School	-	108	108	108	-
Transfer of funds to Charter Schools	11,110	16,055	27,165	11,110	16,055
<b>TOTAL EXPENDITURES</b>	<b>8,012,572</b>	<b>-</b>	<b>8,012,572</b>	<b>8,604,734</b>	<b>(591,821)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(258,789)	-	(258,789)	30,656	289,445
Other Financing Sources (Uses):					
Operating transfer out - Special Revenue Fund	(119,197)		(119,197)	(119,197)	
Operating transfer out - Capital Projects Fund		(588,800)	(588,800)	(588,800)	
Total Other Financing Sources (Uses):	(119,197)	(588,800)	(707,997)	(707,997)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(377,986)	(588,800)	(966,786)	(677,341)	289,445
Fund Balance - July 1, 2019	2,031,361		2,031,361	2,031,361	-
Fund Balance - June 30, 2020	<u>\$ 1,653,375</u>	<u>\$ (588,800)</u>	<u>\$ 1,064,575</u>	<u>\$ 1,354,020</u>	<u>\$ 289,445</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Capital Reserve				\$ 157,280	
Tuition Reserve				150,000	
Maintenance Reserve				205,581	
Excess Surplus - Designated for Subsequent Year's Expenditures				261,317	
Excess Surplus - Current Year				221,257	
Assigned Fund Balance:					
Year-end encumbrances				7,777	
Designated for subsequent year's expenditures				41,002	
Undesignated				309,806	
				<u>1,354,020</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(251,221)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,102,799</u>	

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



**OAKLYN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 722,456	\$ 48,034	\$ 770,490	\$ 709,200	\$ (61,290)
Federal sources	265,873	107,228	373,101	254,417	(118,684)
Total revenues	<u>988,329</u>	<u>155,262</u>	<u>1,143,591</u>	<u>963,617</u>	<u>(179,974)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	387,434	41,626	429,060	407,455	21,605
Purchased professional services	130,245	16,995	147,240	147,240	-
Other purchased services	4,672	-	4,672	-	4,672
Tuition	100,000	13,732	113,732	107,488	6,244
Supplies and materials	88,644	26,803	115,447	52,860	62,587
Total instruction	<u>710,995</u>	<u>99,156</u>	<u>810,151</u>	<u>715,043</u>	<u>95,108</u>
Support services:					
Salaries of program director	31,280	-	31,280	31,280	-
Salaries of other professional staff	15,251	-	15,251	15,251	-
Salaries of community parent involvement spec	1,800	-	1,800	-	1,800
Personal services - employee benefits	91,000	45,377	136,377	91,140	45,237
Purchased prof. - educational services	179,700	1,080	180,780	180,780	-
Other purchased services	4,000	2,700	6,700	5,326	1,374
Purchased professional services	10,000	9,213	19,213	9,075	10,138
Supplies and materials	12,500	(1,064)	11,436	1,119	10,317
Total support services	<u>345,531</u>	<u>57,306</u>	<u>402,837</u>	<u>333,971</u>	<u>68,866</u>
Facilities acquisition and const. services:					
Instructional equipment	51,000	(1,200)	49,800	33,800	16,000
Total facilities acq. and const. services	<u>51,000</u>	<u>(1,200)</u>	<u>49,800</u>	<u>33,800</u>	<u>16,000</u>
Total expenditures	<u>1,107,526</u>	<u>155,262</u>	<u>1,262,788</u>	<u>1,082,814</u>	<u>179,974</u>
Other financing sources (uses)					
Transfer in from General Fund	119,197	-	119,197	119,197	-
Total other financing sources (uses)	<u>119,197</u>	<u>-</u>	<u>119,197</u>	<u>119,197</u>	<u>-</u>
Total outflows	<u>988,329</u>	<u>155,262</u>	<u>1,143,591</u>	<u>963,617</u>	<u>179,974</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**OAKLYN SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the Fiscal Year Ended June 30, 2020**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 8,635,390	\$ 963,617
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	261,476	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(251,221)	(10,956)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 8,645,645	\$ 952,661
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,604,734	\$ 1,082,814
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 8,604,734	\$ 1,082,814

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportionate share of the net pension liability (asset)	0.0013050200%	0.0012812200%	0.0011213381%	0.0011039124%	0.0010626570%	0.0037800273%	0.0046460450%
District's proportionate share of the net pension liability (asset)	\$ 235,145	\$ 252,266	\$ 261,030	\$ 326,947	\$ 238,545	\$ 707,724	\$ 887,952
District's covered-employee payroll	101,016	98,588	91,356	89,976	77,688	75,943	77,788
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	232.78%	255.88%	285.73%	363.37%	307.06%	931.91%	1141.50%
Plan fiduciary net position as a percentage of the total pension liability	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 14,903	\$ 12,694	\$ 12,744	\$ 10,388	\$ 9,807	\$ 9,136	\$ 31,162
Contributions in relation to the contractually required contributions	<u>(14,903)</u>	<u>(12,694)</u>	<u>(12,744)</u>	<u>(10,388)</u>	<u>(9,807)</u>	<u>(9,136)</u>	<u>(31,162)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	101,016	98,588	91,356	89,976	77,688	75,943	77,788
Contributions as a percentage of covered-employee payroll	14.75%	12.88%	13.95%	11.55%	12.62%	12.03%	40.06%

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

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

	June 30, 2020	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)	0.0236373109%	0.0227836160%	0.0225398375%	0.0234931008%	0.0253835940%	0.0280546567%	0.0276220142%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 14,506,441</u>	<u>\$ 14,494,447</u>	<u>\$ 15,197,171</u>	<u>\$ 18,481,169</u>	<u>\$ 16,043,515</u>	<u>\$ 14,994,301</u>	<u>\$ 13,959,949</u>
<b>Total</b>	<u><u>\$ 14,506,441</u></u>	<u><u>\$ 14,494,447</u></u>	<u><u>\$ 15,197,171</u></u>	<u><u>\$ 18,481,169</u></u>	<u><u>\$ 16,043,515</u></u>	<u><u>\$ 14,994,301</u></u>	<u><u>\$ 13,959,949</u></u>
District's covered-employee payroll	1,971,152	1,830,139	2,585,821	2,501,892	2,380,748	2,349,786	2,406,886
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.03%	0.03%	0.03%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 11,915,232	\$ 15,346,163	\$ 18,484,960
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 11,915,232</u>	<u>\$ 15,346,163</u>	<u>\$ 18,484,960</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%
	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 374,293	\$ 457,748	\$ 551,897
Interest	601,579	671,120	584,216
Difference between expected and actual experiences	(4,229,540)	(2,110,447)	
Changes of assumptions	177,657	(1,761,049)	(2,390,422)
Member Contributions	10,842	14,182	15,766
Benefit payments	<u>(365,762)</u>	<u>(410,351)</u>	<u>(428,151)</u>
<b>Net Change in total OPEB Liability</b>	<b>\$ (3,430,931)</b>	<b>\$ (3,138,797)</b>	<b>\$ (1,666,694)</b>
<b>Total OPEB Liability - beginning</b>	<b>\$ 15,346,163</b>	<b>\$ 18,484,960</b>	<b>\$ 20,151,654</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 11,915,232</b>	<b>\$ 15,346,163</b>	<b>\$ 18,484,960</b>
District's covered-employee payroll	2,072,168	1,928,727	2,677,177
Total OPEB Liability as a percentage of covered-employee payroll	575.01%	795.66%	690.46%

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

**Oaklyn School District**  
**Notes to Required Supplementary Information – Part III**  
**For the Fiscal Year Ended June 30, 2020**

**Teacher’s Pension and Annuity Fund (TPAF)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 5.60% as of June 30, 2019 from 4.86% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

**Public Employees’ Retirement System (PERS)**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 6.28% as of June 30, 2019 from 5.66% as of June 30, 2018 and the long-term rate of return remained at 7.00%.

**Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund**

*Changes of benefit term:* There were none.

*Changes of assumptions:* The discount rate changed to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.



Other Supplementary Information

Special Revenue Fund

**OAKLYN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2020**

	IDEA Basic	IDEA Preschool	CARES Act	Total Other Prog. (See-E-1A)	Total
<b>REVENUES:</b>					
State sources	\$ -	\$ -	\$ -	\$ 709,200	\$ 709,200
Federal sources	114,353		883	139,181	254,417
<b>Total revenues</b>	<b>114,353</b>	<b>-</b>	<b>883</b>	<b>848,381</b>	<b>963,617</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers				407,455	407,455
Purchased professional services				147,240	147,240
Tuition	107,488			-	107,488
General supplies	6,865			45,995	52,860
<b>Total instruction</b>	<b>114,353</b>	<b>-</b>	<b>-</b>	<b>600,690</b>	<b>715,043</b>
Support services:					
Salaries of program director				31,280	31,280
Salaries of other professional staff				15,251	15,251
Personal services - employee benefits				91,140	91,140
Purchased prof. - educational services				180,780	180,780
Other purchased services				5,326	5,326
Purchased prof. services				9,075	9,075
Supplies and materials			883	236	1,119
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>883</b>	<b>333,088</b>	<b>333,971</b>
Facilities acquisition and const. serv.:					
Instructional equipment				33,800	33,800
<b>Total facilities acq. and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,800</b>	<b>33,800</b>
<b>Total expenditures</b>	<b>114,353</b>	<b>-</b>	<b>883</b>	<b>967,578</b>	<b>1,082,814</b>
Other financing sources (uses)					
Transfer in from General Fund	-	-	-	119,197	119,197
<b>Total other financing sources (uses)</b>					
<b>Total outflows</b>	<b>114,353</b>	<b>-</b>	<b>883</b>	<b>848,381</b>	<b>963,617</b>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OAKLYN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2020**

	Title I	Title II A	Title IV	Preschool Expansion Aid	Total
<b>REVENUES:</b>					
State sources	\$ -	\$ -	\$ -	\$ 709,200	\$ 709,200
Federal sources	122,756	6,256	10,169	-	139,181
Total revenues	122,756	6,256	10,169	709,200	848,381
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	80,711	540		326,204	407,455
Purchased professional services				147,240	147,240
General supplies	4,597		10,169	31,229	45,995
Total instruction	85,308	540	10,169	504,673	600,690
Support services:					
Salaries of program director				31,280	31,280
Salaries of other professional staff				15,251	15,251
Personal services - employee benefits	29,048	41		62,051	91,140
Purchased prof. - educational services				180,780	180,780
Other purchased services		5,000		326	5,326
Purchased prof. services	8,400	675			9,075
Supplies and materials				236	236
Total support services	37,448	5,716	-	289,924	333,088
Facilities acquisition and const. serv.:					
Instructional equipment				33,800	33,800
Total facilities acq. and const. serv.	-	-	-	33,800	33,800
Total expenditures	122,756	6,256	10,169	828,397	967,578
Other financing sources (uses)					
Transfer in from General Fund	-	-	-	119,197	119,197
Total other financing sources (uses)	-	-	-	119,197	119,197
Total outflows	122,756	6,256	10,169	709,200	848,381

**Oaklyn School District  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Preschool - All Programs  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	\$ 326,352	\$ 9,997	\$ 336,349	\$ 326,204	\$ 10,145
Purchased professional & technical services	130,245	16,995	147,240	147,240	-
Other purchased services (400-500 series)	672	-	672	-	672
General supplies	34,853	(2,989)	31,864	31,229	635
<b>Total instruction</b>	<b>492,122</b>	<b>24,003</b>	<b>516,125</b>	<b>504,673</b>	<b>11,452</b>
<b>Support services:</b>					
Salaries of program directors	31,280	-	31,280	31,280	-
Salaries of other professional staff	15,251	-	15,251	15,251	-
Salaries of community parent involvement spec.	1,800	-	1,800	-	1,800
Personal services - employee benefits	80,000	25,215	105,215	62,051	43,164
Purchased professional - educational services	179,700	1,080	180,780	180,780	-
Other purchased services	4,000	1,200	5,200	326	4,874
Supplies & materials	2,500	(2,264)	236	236	-
<b>Total support services</b>	<b>314,531</b>	<b>25,231</b>	<b>339,762</b>	<b>289,924</b>	<b>49,838</b>
<b>Facilities acquisition and cont. serv:</b>					
Instructional equipment	35,000	(1,200)	33,800	33,800	-
<b>Total facilities acquisition and cont. serv.</b>	<b>35,000</b>	<b>(1,200)</b>	<b>33,800</b>	<b>33,800</b>	<b>-</b>
<b>Contribution to charter schools</b>					
<b>Transfer to general fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 841,653</b>	<b>\$ 48,034</b>	<b>\$ 889,687</b>	<b>\$ 828,397</b>	<b>\$ 61,290</b>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2019-20 PreK Aid Allocation	\$ 722,456
Add: Actual PreK/ECPA Aid Carryover June 30, 2019	48,034
Add: Budgeted Transfer From General Fund	119,197
Total Funds Available for 2019-20 Budget	889,687
Less: 2018-19 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(889,687)
Available & Unbudgeted Funds as of June 30, 2020	-
Add: June 30, 2020 Unexpended PreK Aid	61,290
2020 - Actual Carryover - PreK Aid	<u>\$ 61,290</u>
2019-20 PreK Aid Carryover Budgeted in 2020-21	<u>                    </u>

Oaklyn School District  
 Special Revenue Fund  
 Schedule of Preschool Education Aid Expenditures  
 Preschool - Full Day 3yr & 4 yr - Regular  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	\$ 326,352	\$ 9,997	\$ 336,349	\$ 326,204	\$ 10,145
Purchased professional & technical services	130,245	16,995	147,240	147,240	-
Other purchased services (400-500 series)	672	-	672	-	672
General supplies	34,853	(2,989)	31,864	31,229	635
<b>Total instruction</b>	<b>492,122</b>	<b>24,003</b>	<b>516,125</b>	<b>504,673</b>	<b>11,452</b>
<b>Support services:</b>					
Salaries of program directors	31,280	-	31,280	31,280	-
Salaries of other professional staff	15,251	-	15,251	15,251	-
Salaries of community parent involvement spec.	1,800	-	1,800	-	1,800
Personal services - employee benefits	80,000	25,215	105,215	62,051	43,164
Purchased professional - educational services	179,700	1,080	180,780	180,780	-
Other purchased services	4,000	1,200	5,200	326	4,874
Supplies & materials	2,500	(2,264)	236	236	-
<b>Total support services</b>	<b>314,531</b>	<b>25,231</b>	<b>339,762</b>	<b>289,924</b>	<b>49,838</b>
<b>Facilities acquisition and cont. serv:</b>					
Instructional equipment	35,000	(1,200)	33,800	33,800	-
<b>Total facilities acquisition and cont. serv.</b>	<b>35,000</b>	<b>(1,200)</b>	<b>33,800</b>	<b>33,800</b>	<b>-</b>
<b>Total program expenditures</b>	<b>\$ 841,653</b>	<b>\$ 48,034</b>	<b>\$ 889,687</b>	<b>\$ 828,397</b>	<b>\$ 61,290</b>

Capital Projects Fund  
Detail Statements

**OAKLYN SCHOOL DISTRICT  
Capital Projects Fund  
Summary Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year ended June 30, 2020**

**Revenues and Other Financing Sources:**

Proceeds of Serial Bonds	\$ 3,400,000
Transfer from Capital Projects Fund	588,800
Interest earned on investments	10,834
Total revenues and other financing sources	3,999,634

**Expenditures and Other Financing (Uses):**

Purchased professional services	\$ 305,018
Construction services	1,419,864
Transfer to Debt Service Fund	10,834
Total expenditures and other financing (uses)	1,735,716

Excess (deficiency) or revenues over (under) expenditures	2,263,918
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Fund Balance - July 1, 2019	_____
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Fund Balance - June 30, 2020	\$ 2,263,918
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**OAKLYN SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Statement of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**Construction and Various Improvements to the District's Facilities**  
**From Inception and for the Fiscal Year ended June 30, 2020**

	Prior Periods	Current Year	Total	Revised Authorized Costs
<b>Revenues and Other Financing Sources:</b>				
Bond proceeds	\$ -	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000
Transfer from Capital Reserve		588,800	588,800	588,800
	-	3,988,800	3,988,800	3,988,800
 <b>Expenditures and Other Financing Uses:</b>				
Purchased professional services	\$ -	\$ 305,018	\$ 305,018	\$ 305,018
Construction services	-	1,419,864	1,419,864	1,419,864
	-	1,724,882	1,724,882	1,724,882
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 2,263,918	\$ 2,263,918	\$ 2,263,918

**Additional project information:**

Bond Authorization Date	9/24/2019
Bonds Authorized	\$ 3,400,000
Bonds Issued	\$ 3,400,000
Transfer from Capital Reserve	\$ 588,800
Original Authorized Cost	\$ 3,988,800
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,988,800
Percentage Increase over Original	
Authorized Cost	0.00%
Percentage Completion	47.00%
Original target completion date	10/31/20
Revised target completion date	N/A

**OAKLYN SCHOOL DISTRICT**  
**Capital Projects Fund**  
 Summary Statement of Project Expenditures  
 Year Ended June 30, 2020

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Total</u>	<u>Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Construction and Various Improvements to the District's Facilities	\$ 3,988,800	\$ -	\$ 1,724,882	\$ 1,724,882	\$ 2,263,918
	<u>\$ 3,988,800</u>	<u>\$ -</u>	<u>\$ 1,724,882</u>	<u>\$ 1,724,882</u>	<u>\$ 2,263,918</u>

Proprietary Funds

**OAKLYN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Food Service Fund</b>
<b>ASSETS:</b>	
Current Assets:	
Cash and cash equivalents	\$ 61,083
Accounts receivable:	
State	301
Federal	2,823
Other	-
Inventories	8,510
Total Current Assets	72,717
Noncurrent Assets:	
Equipment	154,976
Less - accumulated depreciation	(101,798)
Total Noncurrent Assets	53,178
Total Assets	125,895
 <b>LIABILITIES:</b>	
Current Liabilities:	
Accounts payable	1,306
Interfund payable	18,429
Unearned revenue	2,151
Total Current Liabilities	21,886
 <b>NET POSITION:</b>	
Net investment in capital assets	53,178
Unrestricted	50,831
Total Net Position	\$ 104,009

**OAKLYN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Food Service Fund</u>
<b>Operating Revenues:</b>	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 12,165
School breakfast	294
Daily sales non-reimbursable programs	
Other governmental units	41,937
Adult and a la carte sales	9,447
Miscellaneous	<u>10,598</u>
Total Operating Revenues	<u>74,441</u>
<b>Operating Expenses:</b>	
Salaries	57,061
Employee benefits	12,547
Supplies and materials	4,440
Management Fee	14,377
Other costs	5,985
Depreciation	8,769
Cost of sales - reimburseable programs	25,860
Cost of sales - nonreimburseable programs	<u>23,293</u>
Total Operating Expenses	<u>152,332</u>
Operating Income (Loss)	<u>(77,891)</u>
<b>Non-Operating Revenues (Expenses):</b>	
State sources:	
State school lunch program	1,183
Federal sources:	
National school lunch program	41,414
National school breakfast program	15,912
Food distribution program	14,281
Interest earned	<u>342</u>
Total Non-Operating Revenues (Expenses)	<u>73,132</u>
Changes in Net Position	(4,759)
Net Position - July 1, 2019	<u>108,768</u>
Net Position - June 30, 2020	<u><u>\$ 104,009</u></u>

**OAKLYN SCHOOL DISTRICT**  
**Enterprise Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Food Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from customers	\$ 75,461
Cash payments to employees for services	(50,609)
Cash payments to suppliers for goods and services	(112,180)
Net cash provided by (used for) operating activities	(87,328)
<b>Cash Flows from Noncapital Financing Activities:</b>	
Cash received from state sources	950
Cash received from federal sources	57,941
Net cash provided by noncapital financing activities	58,891
<b>Cash Flows Used by Capital and Related Financing Activities:</b>	
Purchase of equipment	(7,307)
<b>Cash Flow Provided by Investing Activities:</b>	
Interest on cash equivalents	342
Net increase (decrease) in cash and cash equivalents	(35,402)
Cash and cash equivalents - July 1, 2019	96,485
Cash and cash equivalents - June 30, 2020	\$ 61,083
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)</b>	
<b>Operating Activities:</b>	
Operating income (loss)	\$ (77,891)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	8,769
Commodities	14,281
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	-
(Increase) decrease in inventories	(1,594)
Increase (decrease) in accounts payable	(19,742)
Increase (decrease) in interfund payable	(12,171)
Increase (decrease) in unearned revenue	1,020
Net cash provided by (used for) operating activities	\$ (87,328)
<b>Noncash Noncapital Financing Activities:</b>	
During the year the District received \$14,281 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds

**OAKLYN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2020**

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 27,043	\$ 9,316	\$ 21,507	\$ 57,866
Total Assets	<u>\$ 27,043</u>	<u>\$ 9,316</u>	<u>\$ 21,507</u>	<u>\$ 57,866</u>
<b>LIABILITIES:</b>				
Liabilities:				
Payroll deductions payable	\$ -	\$ -	\$ 21,507	\$ 21,507
Due to student groups	<u>-</u>	<u>9,316</u>	<u>-</u>	<u>9,316</u>
Total Liabilities	<u>-</u>	<u>\$ 9,316</u>	<u>\$ 21,507</u>	<u>30,823</u>
<b>NET POSITION:</b>				
Held in trust for unemployment claims	<u>27,043</u>			<u>27,043</u>
Total Net Position	<u>\$ 27,043</u>			<u>\$ 27,043</u>



**OAKLYN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Unemployment Compensation Insurance Trust Fund</u>
<b>Additions:</b>	
Employee withholdings	<u>\$ 3,924</u>
Total Additions	<u>3,924</u>
 <b>Deductions:</b>	
Unemployment compensation insurance claims	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	3,924
Net Position - July 1, 2019	<u>23,119</u>
Net Position - June 30, 2020	<u><u>\$ 27,043</u></u>

**OAKLYN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2020</u>
Elementary School	\$ 9,120	\$ 5,805	\$ 5,609	\$ -	\$ 9,316
Total all schools	<u>\$ 9,120</u>	<u>\$ 5,805</u>	<u>\$ 5,609</u>	<u>\$ -</u>	<u>\$ 9,316</u>

**OAKLYN SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 19,762	\$ 2,364,915	\$ 2,363,170	\$ 21,507
Total Assets	<u>\$ 19,762</u>	<u>\$ 2,364,915</u>	<u>\$ 2,363,170</u>	<u>\$ 21,507</u>
 <b>LIABILITIES:</b>				
Net payroll	\$ -	\$ 1,206,941	\$ 1,206,941	\$ -
Payroll deductions and withholdings	19,762	1,144,948	1,143,203	21,507
Interfund Payable		13,026	13,026	-
Total Liabilities	<u>\$ 19,762</u>	<u>\$ 2,364,915</u>	<u>\$ 2,363,170</u>	<u>\$ 21,507</u>

## Long-Term Debt Schedules

**OAKLYN SCHOOL DISTRICT**  
**Statement of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2020**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance June 30, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
School Bonds	11/26/2019	\$ 14,775,000	9/15/2020	\$ 100,000	2.000%	\$ -	\$ 3,400,000	\$ -	\$ 3,400,000
			9/15/2021	135,000	2.000%				
			9/15/2022	140,000	2.000%				
			9/15/2023	140,000	2.000%				
			9/15/2024	145,000	2.000%				
			9/15/2025	150,000	2.750%				
			9/15/2026	155,000	2.750%				
			9/15/2027	160,000	2.750%				
			9/15/2028	165,000	2.750%				
			9/15/2029	170,000	2.750%				
			9/15/2030	175,000	2.750%				
			9/15/2031	180,000	2.750%				
			9/15/2032	190,000	2.750%				
			9/15/2033	195,000	2.750%				
			9/15/2034	200,000	2.750%				
			9/15/2035	200,000	2.750%				
			9/15/2036	200,000	2.750%				
			9/15/2037	200,000	2.750%				
			9/15/2038	200,000	2.750%				
			9/15/2039	200,000	2.750%				
						\$ -	\$ 3,400,000	\$ -	\$ 3,400,000

**OAKLYN SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular debt service:					
Redemption of principal					
Interest					
Total regular debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	-		-	-	
Other Financing Sources:					
Operating transfers in	<u>-</u>			<u>10,834</u>	<u>10,834</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	-	-	-	10,834	10,834
Fund Balance - July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,834</u>	<u>\$ 10,834</u>

**Statistical Section**

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

J-1

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 1,056,272	\$ 1,021,685	\$ 1,273,842	\$ 1,180,300	\$ 1,000,072	\$ 958,984	\$ 1,204,524	\$ 1,349,597	\$ 1,597,741	\$ (1,789,682)
Restricted for:										
Capital reserve										
Other purposes	639,322	218,701	48,287	298,218	606,250	1,114,021	1,538,023	1,714,671	1,740,359	3,308,010
Unrestricted	(163,241)	(222,495)	(82,836)	(84,773)	(900,005)	(865,994)	(700,193)	(626,257)	(502,660)	(369,127)
Total governmental activities net position	<u>\$ 1,532,353</u>	<u>\$ 1,017,891</u>	<u>\$ 1,239,293</u>	<u>\$ 1,393,745</u>	<u>\$ 706,317</u>	<u>\$ 1,207,011</u>	<u>\$ 2,042,354</u>	<u>\$ 2,438,011</u>	<u>\$ 2,835,440</u>	<u>\$ 1,149,201</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 13,338	\$ 14,108	\$ 3,731	\$ -	\$ 30,347	\$ 24,471	\$ 44,851	\$ 39,221	\$ 54,640	\$ 53,178
Unrestricted	28,581	23,369	40,207	62,020	74,687	76,258	76,059	82,821	54,128	50,831
Total business-type activities net position	<u>\$ 41,919</u>	<u>\$ 37,477</u>	<u>\$ 43,938</u>	<u>\$ 62,020</u>	<u>\$ 105,034</u>	<u>\$ 100,729</u>	<u>\$ 120,910</u>	<u>\$ 122,042</u>	<u>\$ 108,768</u>	<u>\$ 104,009</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 1,069,610	\$ 1,035,793	\$ 1,277,573	\$ 1,180,300	\$ 1,030,419	\$ 983,455	\$ 1,249,375	\$ 1,388,818	\$ 1,652,381	\$ (1,736,504)
Restricted:										
Capital reserve										
Other purposes	639,322	218,701	48,287	298,218	606,250	1,114,021	1,538,023	1,714,671	1,740,359	3,308,010
Unrestricted	(134,660)	(199,126)	(42,629)	(22,753)	(825,318)	(789,736)	(624,134)	(543,436)	(448,532)	(318,296)
Total district net position	<u>\$ 1,574,272</u>	<u>\$ 1,055,368</u>	<u>\$ 1,283,231</u>	<u>\$ 1,455,765</u>	<u>\$ 811,351</u>	<u>\$ 1,307,740</u>	<u>\$ 2,163,264</u>	<u>\$ 2,560,053</u>	<u>\$ 2,944,208</u>	<u>\$ 1,253,210</u>



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

J-2

	<b>Fiscal Year Ending June 30,</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 1,952,471	\$ 1,788,834	\$ 1,883,242	\$ 1,847,021	\$ 1,952,554	\$ 1,845,935	\$ 1,800,295	\$ 1,950,285	\$ 1,501,012	\$ 1,942,908
Special education	480,657	658,098	742,918	527,532	553,821	555,701	691,559	670,737	522,911	404,868
Other instruction	213,103	248,386	232,451	221,245	169,344	232,312	237,233	255,465	190,524	208,899
Support Services:										
Tuition	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400	1,177,942	1,425,888	2,937,061	3,668,808
Student & instruction related services	687,035	686,512	740,122	777,675	793,141	987,706	1,045,735	1,151,253	1,075,512	999,778
General and business administrative services	434,810	400,691	363,236	268,240	175,565	216,362	169,478	193,891	188,229	174,846
School administrative services	159,393	155,071	163,362	168,761	281,745	315,537	332,805	341,276	135,129	158,518
Plant operations and maintenance	368,307	795,890	119,363	488,857	473,347	474,837	564,487	522,818	533,510	2,210,431
Pupil transportation	71,114	83,438	153,324	144,970	170,406	172,123	151,934	132,973	151,524	250,232
Business and other support services										
Employee benefits	1,609,173	1,610,968	1,601,551	1,375,200	1,337,229	1,327,448	1,463,518	1,610,839	2,624,961	1,905,559
Special schools						1,728	2,728	1,728	12,306	108
Transfer of funds to charter school				23,495	32,542	54,648	56,933	29,888	10,866	11,110
Interest on long-term debt										
Unallocated depreciation	201,800	49,410	2,571	2,395	6,266	1,265	951	1,068	1,384	1,562
Total governmental activities expenses	<u>8,317,872</u>	<u>8,333,909</u>	<u>7,959,944</u>	<u>7,940,003</u>	<u>8,048,178</u>	<u>7,775,002</u>	<u>7,695,598</u>	<u>8,288,109</u>	<u>9,884,929</u>	<u>11,937,627</u>
Business-type activities:										
Food service	212,460	266,531	256,108	232,572	219,021	242,204	242,234	236,479	179,111	152,332
Total business-type activities expense	<u>212,460</u>	<u>266,531</u>	<u>256,108</u>	<u>232,572</u>	<u>219,021</u>	<u>242,204</u>	<u>242,234</u>	<u>236,479</u>	<u>179,111</u>	<u>152,332</u>
Total district expenses	<u>\$ 8,530,332</u>	<u>\$ 8,600,440</u>	<u>\$ 8,216,052</u>	<u>\$ 8,172,575</u>	<u>\$ 8,267,199</u>	<u>\$ 8,017,206</u>	<u>\$ 7,937,832</u>	<u>\$ 8,524,588</u>	<u>\$ 10,064,040</u>	<u>\$ 12,089,959</u>
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 910,398	\$ 651,098	\$ 596,664	\$ 413,291	\$ 27,733	\$ 17,237	\$ 9,362	\$ 12,000	\$ -	\$ -
Operating grants and contributions	630,461	700,536	836,239	749,920	782,289	834,128	912,610	1,010,996	2,581,814	2,419,565
Total governmental activities program revenues	<u>1,540,859</u>	<u>1,351,634</u>	<u>1,432,903</u>	<u>1,163,211</u>	<u>810,022</u>	<u>851,365</u>	<u>921,972</u>	<u>1,022,996</u>	<u>2,581,814</u>	<u>2,419,565</u>

(Continued)

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

J-2

	<b>Fiscal Year Ending June 30,</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 139,777	\$ 139,983	\$ 141,567	\$ 145,021	\$ 136,218	\$ 140,270	\$ 155,306	\$ 147,180	\$ 102,607	\$ 74,441
Operating grants and contributions	75,314	118,105	120,913	105,537	93,845	97,465	91,475	90,225	62,837	73,132
Capital grants and contributions							15,493			
Total business type activities program revenues	<u>215,091</u>	<u>258,088</u>	<u>262,480</u>	<u>250,558</u>	<u>230,063</u>	<u>237,735</u>	<u>262,274</u>	<u>237,405</u>	<u>165,444</u>	<u>147,573</u>
Total district program revenues	<u>\$ 1,755,950</u>	<u>\$ 1,609,722</u>	<u>\$ 1,695,383</u>	<u>\$ 1,413,769</u>	<u>\$ 1,040,085</u>	<u>\$ 1,089,100</u>	<u>\$ 1,184,246</u>	<u>\$ 1,260,401</u>	<u>\$ 2,747,258</u>	<u>\$ 2,567,138</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (6,777,013)	\$ (6,982,275)	\$ (6,527,041)	\$ (6,776,792)	\$ (7,238,156)	\$ (6,923,637)	\$ (6,773,626)	\$ (7,265,113)	\$ (7,303,115)	\$ (9,518,062)
Business-type activities	2,631	(8,443)	6,372	17,986	11,042	(4,469)	20,040	926	(13,667)	(4,759)
Total district-wide net expense	<u>\$ (6,774,382)</u>	<u>\$ (6,990,718)</u>	<u>\$ (6,520,669)</u>	<u>\$ (6,758,806)</u>	<u>\$ (7,227,114)</u>	<u>\$ (6,928,106)</u>	<u>\$ (6,753,586)</u>	<u>\$ (7,264,187)</u>	<u>\$ (7,316,782)</u>	<u>\$ (9,522,821)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706	\$ 4,882,440	\$ 4,980,089	\$ 5,079,691	\$ 5,192,649
Taxes levied for debt service										
Unrestricted grants and contributions	2,246,165	2,326,444	2,451,903	2,454,574	2,643,199	2,624,865	2,682,776	2,662,103	2,605,907	2,523,835
Investment earnings										
Miscellaneous income	20,044	23,221	11,495	23,857	95,993	12,760	43,753	18,578	14,946	115,339
Loss on disposal of assets		(20,819)	-	-	-	-	-	-	-	-
Total governmental activities	<u>6,338,316</u>	<u>6,467,813</u>	<u>6,748,443</u>	<u>6,931,244</u>	<u>7,403,673</u>	<u>7,424,331</u>	<u>7,608,969</u>	<u>7,660,770</u>	<u>7,700,544</u>	<u>7,831,823</u>
Business-type activities:										
Investment earnings	165	163	99	96	132	164	-	206	393	-
Gain on disposal of assets		3,838	-	-	-	-	-	-	-	-
Total business-type activities	<u>165</u>	<u>4,001</u>	<u>99</u>	<u>96</u>	<u>132</u>	<u>164</u>	<u>-</u>	<u>206</u>	<u>393</u>	<u>-</u>
Total district-wide	<u>\$ 6,338,481</u>	<u>\$ 6,471,814</u>	<u>\$ 6,748,542</u>	<u>\$ 6,931,340</u>	<u>\$ 7,403,805</u>	<u>\$ 7,424,495</u>	<u>\$ 7,608,969</u>	<u>\$ 7,660,976</u>	<u>\$ 7,700,937</u>	<u>\$ 7,831,823</u>
<b>Change in Net Position:</b>										
Governmental activities	\$ (438,697)	\$ (514,462)	\$ 221,402	\$ 154,452	\$ 165,517	\$ 500,694	\$ 835,343	\$ 395,657	\$ 397,429	\$ (1,686,239)
Business-type activities	2,796	(4,442)	6,471	18,082	11,174	(4,305)	20,040	1,132	(13,274)	(4,759)
Total district-wide	<u>\$ (435,901)</u>	<u>\$ (518,904)</u>	<u>\$ 227,873</u>	<u>\$ 172,534</u>	<u>\$ 176,691</u>	<u>\$ 496,389</u>	<u>\$ 855,383</u>	<u>\$ 396,789</u>	<u>\$ 384,155</u>	<u>\$ (1,690,998)</u>

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

J-3

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted for:										
Year-end Encumbrances	\$ 704	\$ -	\$ 28,287	\$ 58,043	\$ 3,378	\$ 13,250	\$ 17,452	\$ -	\$ -	\$ 7,777
Capital reserve	-	-	-	-	100,000	300,000	627,302	724,701	745,298	157,280
Maintenance reserve	-	-	-	58,000	158,000	258,000	258,000	258,000	221,590	205,581
Future tuition payments	200,000	200,000	-	-	-	-	-	128,000	278,000	150,000
Excess surplus	-	-	-	91,337	253,457	262,762	358,568	212,404	473,721	221,257
Designated for subsequent year's budget	438,618	18,701	20,000	90,838	91,415	280,009	276,701	391,566	21,750	302,319
Unassigned	(81,599)	(130,336)	21,509	7,451	33,819	16,648	26,743	9,328	29,526	58,585
Total general fund	<u>\$ 557,723</u>	<u>\$ 88,365</u>	<u>\$ 69,796</u>	<u>\$ 305,669</u>	<u>\$ 640,069</u>	<u>\$ 1,130,669</u>	<u>\$ 1,564,766</u>	<u>\$ 1,723,999</u>	<u>\$ 1,769,885</u>	<u>\$ 1,102,799</u>
All Other Governmental Funds										
Restricted for:										
Year-end Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,173,405
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	\$ (10,956)
Capital projects fund	-	-	-	-	-	-	-	-	-	90,513
Debt service fund	-	-	-	-	-	-	-	-	-	10,834
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263,796</u>

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

J-4

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax levy	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481	\$ 4,786,706	\$ 4,882,440	\$ 4,980,089	\$ 5,079,691	\$ 5,192,649
Tuition charges	910,398	651,098	596,664	413,291	27,733	17,237	26,064	22,981	-	46,723
Interest earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	20,044	23,221	11,495	23,857	95,993	12,760	27,051	7,597	14,946	68,616
State sources	2,597,754	2,760,821	3,023,657	2,922,401	3,156,190	3,197,215	3,301,770	3,398,143	3,795,335	4,017,995
Federal sources	278,872	266,159	264,485	282,093	269,298	261,778	293,616	274,956	230,792	283,157
Total revenue	<u>7,879,175</u>	<u>7,840,266</u>	<u>8,181,346</u>	<u>8,094,455</u>	<u>8,213,695</u>	<u>8,275,696</u>	<u>8,530,941</u>	<u>8,683,766</u>	<u>9,120,764</u>	<u>9,609,140</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction	1,940,038	1,778,317	1,804,215	1,796,879	1,830,102	1,774,953	1,840,629	1,900,364	1,464,790	1,770,286
Special education instruction	480,657	658,098	742,918	527,532	553,821	555,701	691,559	670,737	522,911	404,868
Other instruction	213,103	248,386	232,451	221,245	169,344	232,312	237,233	255,465	190,524	208,899
Support Services:										
Tuition	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218	1,589,400	1,177,942	1,425,888	2,937,061	3,668,808
Student & instruction related services	687,035	686,512	740,122	777,675	793,141	987,706	1,045,735	1,151,253	1,075,512	999,778
General and business admin.services	434,810	400,691	355,524	261,056	162,048	212,568	165,674	189,617	182,694	168,597
School administrative services	159,393	155,071	163,362	168,761	281,745	315,537	332,805	341,276	135,129	158,518
Plant operations and maintenance	526,584	481,433	439,912	465,397	428,290	469,930	508,747	492,208	497,369	490,351
Pupil transportation	71,114	83,438	153,324	144,970	170,406	172,123	151,934	132,973	151,524	250,232
Other support services	1,609,173	1,610,968	1,601,551	1,375,200	1,353,878	1,416,730	1,547,981	1,717,383	1,558,016	1,489,636
Special schools	-	-	-	-	-	1,728	2,728	1,728	12,306	108
Capital outlay	8,932	350,099	8,732	1,760	1,760	1,760	336,944	215,753	336,176	1,791,239
Transfer to Charter School	-	-	-	23,495	32,542	54,648	56,933	29,888	10,866	11,110
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>8,270,848</u>	<u>8,309,624</u>	<u>8,199,915</u>	<u>7,858,582</u>	<u>7,879,295</u>	<u>7,785,096</u>	<u>8,096,844</u>	<u>8,524,533</u>	<u>9,074,878</u>	<u>11,412,430</u>
Excess (Deficiency) of revenues over (under) expenditures	(391,673)	(469,358)	(18,569)	235,873	334,400	490,600	434,097	159,233	45,886	(1,803,290)
<b>Other Financing sources (uses)</b>										
Donor proceeds	-	-	-	-	-	-	-	-	-	3,400,000
Transfers in	-	-	-	-	-	-	-	-	-	718,831
Transfers out	-	-	-	-	-	-	-	-	-	(718,831)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,400,000</u>
Net change in fund balances	<u>\$ (391,673)</u>	<u>\$ (469,358)</u>	<u>\$ (18,569)</u>	<u>\$ 235,873</u>	<u>\$ 334,400</u>	<u>\$ 490,600</u>	<u>\$ 434,097</u>	<u>\$ 159,233</u>	<u>\$ 45,886</u>	<u>\$ 1,596,710</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

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

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Donations</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>E-Rate</u>	<u>Sale of Asset</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 12,309	\$ 910,398	\$ 100	\$ 4,551	\$ 451	\$ 2,413	\$ -	\$ 220	\$ 930,442
2012	4,279	651,098	2,600	11,495	451	4,172	-	224	674,319
2013	2,595	596,664	-	5,349	-	-	-	3,551	608,159
2014	2,033	413,291	-	20,624	1,200	-	-	-	437,148
2015	2,337	27,733	-	8,125	1,100	-	83,782	649	123,726
2016	3,428	17,237	-	9,325	-	-	-	7	29,997
2017	4,303	26,064	-	20,675	1,550	-	-	523	53,115
2018	6,540	22,981	-	832	-	-	-	225	30,578
2019	11,721	-	-	528	-	-	-	2,697	14,946
2020	8,156	46,723	-	47,821	-	-	-	-	102,700
	<u>\$ 57,701</u>	<u>\$ 2,712,189</u>	<u>\$ 2,700</u>	<u>\$ 129,325</u>	<u>\$ 4,752</u>	<u>\$ 6,585</u>	<u>\$ 83,782</u>	<u>\$ 8,096</u>	<u>\$ 3,005,130</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>o</sup>	Estimated Actual (County Equalized) Value
2011	\$ 1,018,400	\$ 134,825,300	\$ 15,315,400	\$ 169,000	\$ 8,159,000	\$ 159,487,100	\$ 133,538	\$ 159,620,638	\$ 11,281,200	\$ 2.593	\$ 297,389,439
2012	1,193,400	134,722,000	14,890,000	169,000	8,134,200	159,108,600		159,108,600	11,209,200	2.693	288,870,428
2013	R 1,018,700	218,723,400	24,478,400	262,600	13,963,300	258,446,400		258,446,400	22,797,600	1.722	268,470,877
2014	941,800	218,044,600	24,478,400	262,600	13,476,600	257,204,000		257,204,000	23,400,900	1.813	280,588,536
2015	1,060,800	217,896,700	23,211,400	262,600	13,203,500	255,635,000		255,635,000	23,416,100	1.872	283,527,565
2016	1,130,800	216,850,500	22,626,600	262,600	13,203,500	254,074,000		254,074,000	23,757,900	1.921	279,227,621
2017	1,123,300	216,706,700	22,392,300	262,600	13,203,500	253,688,400		253,688,400	23,916,800	1.963	271,050,008
2018	1,143,600	215,765,600	22,115,000	262,600	13,203,500	252,490,300		252,490,300	24,387,900	2.011	273,438,717
2019	1,303,800	215,558,600	21,516,300	262,600	13,203,500	251,844,800		251,844,800	24,408,700	2.062	279,917,559
2020	1,078,800	216,632,700	21,393,800	262,600	13,119,100	252,487,000		252,487,000	24,024,800	2.190	284,923,385

Source:  
 Municipal Tax Assessor

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

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

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

J-7

Fiscal Year Ended June 30,	Oaklyn School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Oaklyn	Camden County	
2011	\$ 2.593	\$ -	\$ 2.593	\$ 1.999	\$ 1.323	\$ 5.915
2012	2.693	-	2.693	2.034	1.397	6.124
2013	1.722	-	1.722	1.286	0.862	3.870
2014	1.813	-	1.813	1.326	0.930	4.069
2015	1.872	-	1.872	1.383	0.972	4.227
2016	1.921	-	1.921	1.413	0.973	4.307
2017	1.963	-	1.963	1.441	0.953	4.357
2018	2.011	-	2.011	1.492	0.946	4.449
2019	2.062	-	2.062	1.494	0.964	4.520
2020	2.130	0.060	2.190	1.522	0.959	4.671

**Source:** Municipal Tax Collector

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

J-8

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
2 Oaklyn Properties LLC	\$ 2,314,200	0.92%	Oaklyn Associates	\$ 1,650,000	1.03%
Everall LLC	1,128,600	0.45%	Peter and Joan Corelli	1,072,300	0.67%
Castle Lynne LLC	1,100,000	0.44%	Allan & Sandra Vogelsson	768,000	0.48%
BK WHP Realty LLC	1,064,600	0.42%	TD Bank	751,700	0.47%
Oaklyn Equities, LLC - CVS	1,025,000	0.41%	Rose Holdings of NJ, Inc.	750,000	0.47%
TD Bank	900,000	0.36%	Oaklyn Equities, LLC - CVS	730,000	0.46%
Heights Investment Property, LLC	844,700	0.33%	BK WHP Realty, LLC	676,100	0.42%
Catherine Mitchell Real Estate Assoc	818,300	0.32%	HRE Gas, LLC	543,200	0.34%
Individual #1	796,900	0.32%	Catherine Mitchell Real Estate Assoc	503,700	0.32%
James H. Galligan Living Trust	750,000	0.30%	James Saultz	473,800	0.30%
<b>Total</b>	<b>\$ 10,742,300</b>	<b>4.25%</b>		<b>\$ 7,918,800</b>	<b>4.96%</b>

**Source:** Municipal Tax Assessor



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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 4,072,107	\$ 4,072,107	100.00%	-
2012	4,138,967	4,138,967	100.00%	-
2013	4,285,045	4,285,045	100.00%	-
2014	4,452,813	4,452,813	100.00%	-
2015	4,664,481	4,664,481	100.00%	-
2016	4,786,706	4,786,706	100.00%	-
2017	4,882,440	4,882,440	100.00%	-
2018	4,980,089	4,980,089	100.00%	-
2019	5,079,691	5,079,691	100.00%	-
2020	5,192,649	5,192,649	100.00%	-

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

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

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

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Capital Leases	Capital Leases				
2011	\$ -	\$ -	\$ -		\$ -	d	d
2012	-	-	-		-	d	d
2013	-	-	-		-	d	d
2014	-	-	-		-	d	d
2015	-	-	-		-	d	d
2016	-	-	-		-	d	d
2017	-	-	-		-	d	d
2018	-	-	-		-	d	d
2019	-	-	-		-	d	d
2020	3,400,000				3,400,000	e	e

**Sources:**

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

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

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>a</sup>		
2011	\$ -	\$ -	\$ -	d	d
2012	-	-	-	d	d
2013	-	-	-	d	d
2014	-	-	-	d	d
2015	-	-	-	d	d
2016	-	-	-	d	d
2017	-	-	-	d	d
2018	-	-	-	d	d
2019	-	-	-	d	d
2020	3,400,000	-	3,400,000	1.35%	e

Sources:

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

Oaklyn School District  
Ratios of Overlapping Governmental Activities Debt  
As of December 31, 2019

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Oaklyn	\$ 9,259,372	100.000%	\$ 9,259,372
Camden County General Obligation Debt	357,727,729	0.719%	2,572,062
Subtotal, overlapping debt			11,831,434
Oaklyn School District Direct Debt			3,400,000
<b>Total direct and overlapping debt</b>			<b>\$ 15,231,434</b>

**Sources:**

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2019 Equalized Valuation. The source for this computation was the 2019 County Abstract of Ratables, provided by the County Board of Taxation.

Oaklyn School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

J-13

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized valuation basis (1):	
2017	\$ 274,079,948
2018	279,984,808
2019	<u>283,545,147</u>
	<u>\$ 837,609,903</u>
Average equalized valuation of taxable property	
	<u>\$ 279,203,301</u>
Debt limit 2.5%	6,980,083
Net bonded school debt (3)	<u>3,400,000</u>
Legal debt margin	<u>\$ 3,580,083</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 10,838,222	\$ 10,535,486	\$ 10,076,009	\$ 9,890,583	\$ 9,841,962	\$ 9,870,174	\$ 9,748,322	\$ 9,626,181	\$ 9,623,203	\$ 6,980,083
Total net debt applicable to limit (3)	-	-	-	-	-	-	-	-	-	3,400,000
Legal debt margin	<u>\$ 10,838,222</u>	<u>\$ 10,535,486</u>	<u>\$ 10,076,009</u>	<u>\$ 9,890,583</u>	<u>\$ 9,841,962</u>	<u>\$ 9,870,174</u>	<u>\$ 9,748,322</u>	<u>\$ 9,626,181</u>	<u>\$ 9,623,203</u>	<u>\$ 3,580,083</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	48.71%

Sources:

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

**Oaklyn School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**J-14**

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2011	4,026	\$ 176,318,670	\$ 43,795	7.7%
2012	4,015	179,036,880	44,592	7.7%
2013	3,991	180,536,876	45,236	8.8%
2014	3,974	186,400,470	46,905	6.1%
2015	3,967	193,950,597	48,891	5.5%
2016	3,969	199,100,916	50,164	4.9%
2017	3,962	205,437,624	51,852	4.2%
2018	3,959	214,193,777	54,103	4.1%
2019	3,955	e	e	3.2%
2020	e	e	e	e

**Source:**

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

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

J-16

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	29.5	29.5	29.0	28.0	28.0	29.0	28.0	28.0	21.0	22.0
Special education	11.5	12.0	12.0	12.0	12.0	8.0	10.0	10.0	5.0	5.0
Support Services:										
Student & instruction related services	12.3	11.6	12.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
School administrative services	2.6	3.0	2.6	2.3	2.3	2.3	2.3	2.3	2.3	2.3
General administrative services	1.8	1.8	1.0	-	-	-	-	-	-	-
Plant operations and maintenance	0.8	0.8	-	-	-	-	-	-	-	-
Business and other support services	2.0	1.8	1.0	-	-	-	-	-	-	-
Food Service	1.5	1.5	1.5	1.0	-	-	-	-	-	-
Total	<u>62.0</u>	<u>62.0</u>	<u>59.1</u>	<u>48.3</u>	<u>47.3</u>	<u>44.3</u>	<u>44.3</u>	<u>44.3</u>	<u>32.3</u>	<u>33.3</u>

**Source:**

District Personnel Records

Oaklyn School District  
 Operating Statistics,  
 Last Ten Fiscal Years

J-17

Fiscal Year	Resident Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	432	\$ 8,261,916	\$ 19,125	5.93%	41	1:10	429.2	407.1	0.56%	94.85%
2012	469	7,959,525	16,971	-11.26%	41	1:11	459.2	434.2	6.99%	94.56%
2013	440	8,191,183	18,616	9.69%	41	1:10	442.4	417.8	-3.66%	94.44%
2014	510	7,856,822	15,406	-17.25%	40	1:12	410.0	389.2	-7.32%	94.93%
2015	468	7,877,535	16,832	9.26%	40	1:11	376.2	356.9	-8.24%	94.87%
2016	444	7,783,336	17,530	4.14%	37	1:12	384.1	365.2	2.09%	95.10%
2017	445	7,759,900	17,438	-0.53%	38	1:11	365.1	346.5	-4.95%	94.91%
2018	445	8,308,780	18,671	7.07%	38	1:11	358.4	340.6	-1.84%	95.03%
2019	441	8,738,702	19,816	6.13%	27	1:16	246.8	234.6	-31.14%	95.08%
2020	466	9,740,388	20,902	5.48%	27	1:17	283.1	274.1	14.70%	96.85%

Sources: District records

Note: Enrollment based on annual October district count.

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



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

J-18

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<u>Elementary</u>										
Oaklyn Elementary (1926)										
Square Feet	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260	74,260
Capacity (students)	540	540	540	540	540	540	540	540	540	540
Enrollment	432	469	440	413	376	386	376	358	247	283
<u>Other</u>										
Administration (1932)										
Square Feet	920	920	920	920	920					

Number of Schools at June 30, 2020  
Elementary = 1

**Source:** District Facilities Office

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

	Fiscal Year Ending June 30,										Total	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
* School Facilities												
Oaklyn Public School	\$ 82,597	\$ 37,297	\$ 48,851	\$ 45,826	\$ 35,830	\$ 57,698	\$ 88,295	\$ 81,562	\$ 65,684	\$ 14,189	\$ 557,829	
Total School Facilities	<u>\$ 82,597</u>	<u>\$ 37,297</u>	<u>\$ 48,851</u>	<u>\$ 45,826</u>	<u>\$ 35,830</u>	<u>\$ 57,698</u>	<u>\$ 88,295</u>	<u>\$ 81,562</u>	<u>\$ 65,684</u>	<u>\$ 14,189</u>	<u>\$ 557,829</u>	

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

Source: District records

Oaklyn School District  
 Insurance Schedule  
 June 30, 2020

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
Boiler and Machinery	125,000,000		1,000
Crime	500,000	250,000	500
General and Automobile Liability	20,000,000	250,000	
Workers' compensation	Statutory	250,000	
Educators Legal Liability	20,000,000	250,000	
Pollution Legal Liability	3,000,000		25,000
Pollution Legal Liability - mold incident	3,000,000		100,000
Cyber Liability	2,000,000		10,000
Violent Malicious Acts	1,000,000		15,000
Disaster Management Services	2,000,000		15,000
Student Accident (2)	1,000,000		
Surety Bonds (3)			
Board Secretary	200,000		

- (1) Burlington County Insurance Pool Joint Insurance Fund
- (2) Catlin Insurance Company
- (3) Liberty Mutual

Source: District records

**Single Audit Section**

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 New Jersey Society of CPAs

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

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oaklyn School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated December 18, 2020.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

***INVERSO & STEWART, LLC***  
Certified Public Accountants



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

Marlton, New Jersey  
December 18, 2020

***INVERSO & STEWART, LLC***  
**Certified Public Accountants**

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major State Program**

I have audited Oaklyn School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2020. The School District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### Opinion on Each Major State Program

In my opinion, the Oaklyn School District, in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

### Report on Internal Control Over Compliance

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

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

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

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

**INVERSO & STEWART, LLC**

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey  
December 18, 2020



OAKLYN SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2019			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020					
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor			
<b>U.S. Department of Education</b>																		
<b>Passed-through State Department of Education:</b>																		
Special Revenue Fund:																		
Title I:																		
Fiscal Year 2020	84.010A	S010A190030	ESSA377020	\$ 125,538	7/1/19 - 9/30/20	\$ -	\$ -	\$ -	\$ -	\$ 85,636	\$ (122,756)	\$ -	\$ (37,120)	\$ -	\$ -			
Fiscal Year 2019	84.010A	S010A180030	ESSA377019	119,130	7/1/18 - 6/30/19	(47,634)				47,634								
Title II A:																		
Fiscal Year 2020	84.367A	S367A190029	ESSA377020	14,474	7/1/19 - 9/30/20					5,535	(6,256)		(721)					
Fiscal Year 2019	84.367A	S367A180029	ESSA377019	14,821	7/1/18 - 6/30/19	(803)				803								
Title IV:																		
Fiscal Year 2020	84.424	S424A190031	ESSA377020	15,253	7/1/19 - 9/30/20					6,611	(10,169)		(3,558)					
Fiscal Year 2019	84.424	S424A180031	ESSA377019	11,080	7/1/18 - 6/30/19	(1,442)				1,442								
I.D.E.A. Part B - Basic:																		
Fiscal Year 2020	84.027	H027A190100	IDEA377020	123,732	7/1/19 - 9/30/20					103,831	(114,353)		(10,522)					
Fiscal Year 2019	84.027	H027A180100	IDEA377019	111,018	7/1/18 - 6/30/19	(3,543)				3,543								
I.D.E.A. Part B - Preschool:																		
Fiscal Year 2020	84.173	H173A190114	IDEA377020	4,313	7/1/19 - 9/30/20								-					
Fiscal Year 2019	84.173	H173A180114	IDEA377019	4,571	7/1/18 - 6/30/19	(78)				78								
CARES Act																		
Fiscal Year 2020	93.224		N/A	89,791	7/1/19 - 9/30/20						(883)		(883)					
Total Department of Education						(53,500)				255,113	(254,417)		(52,804)					
<b>U.S. Department of Agriculture</b>																		
<b>Passed-through State Department of Education:</b>																		
Enterprise Fund:																		
Food Distribution Program																		
National School Breakfast:	10.565	201NJ304N1099	N/A	14,281	7/1/19 - 6/30/20					14,281	(14,281)							
Fiscal Year 2020	10.553	201NJ304N1099	N/A	15,912	7/1/19 - 6/30/20					14,819	(15,912)		(1,093)					
Fiscal Year 2019	10.553	191NJ304N1099	N/A	9,876	7/1/18 - 6/30/19	(817)				817								
National School Lunch Program:																		
Fiscal Year 2020	10.555	201NJ304N1099	N/A	41,414	7/1/19 - 6/30/20					39,684	(41,414)		(1,730)					
Fiscal Year 2019	10.555	191NJ304N1099	N/A	38,765	7/1/18 - 6/30/19	(2,621)				2,621								
Total Department of Agriculture						(3,438)				72,222	(71,607)		(2,823)					
<b>U.S. Department of Health and Human Services</b>																		
<b>Passed-through State Department of Human Services:</b>																		
General Fund:																		
Medicaid Assistance Program																		
Fiscal Year 2020	93.778	2005NJ5MAP	N/A	28,739	7/1/19 - 6/30/20					28,740	(28,740)							
Total Department of Health and Human Services										28,740	(28,740)							
Total Federal Awards						\$ (56,938)	\$ -	\$ -	\$ -	\$ 356,075	\$ (354,764)	\$ -	\$ (55,627)	\$ -	\$ -			

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

OAKLYN SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2020

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2019			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2020		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	20-495-034-5120-078	\$ 2,128,979	7/1/19- 6/30/20	\$ -	\$ -	\$ -	\$ -	\$ 1,916,611	\$ (2,128,979)	\$ -	\$ (212,368)	\$ -	\$ -
Equalization Aid	19-495-034-5120-078	2,145,996	7/1/18- 6/30/19	(220,973)				220,973			-		
School Choice Aid	20-495-034-5120-068	49,361	7/1/19- 6/30/20					44,437	(49,361)		(4,924)		
School Choice Aid	19-495-034-5120-068	53,210	7/1/18- 6/30/19	(5,479)				5,479			-		
Categorical Special Education Aid	20-495-034-5120-089	275,669	7/1/19- 6/30/20					248,171	(275,669)		(27,498)		
Categorical Special Education Aid	19-495-034-5120-089	275,669	7/1/18- 6/30/19	(28,386)				28,386			-		
Categorical Transportation Aid	20-495-034-5120-014	16,236	7/1/19- 6/30/20					14,616	(16,236)		(1,620)		
Categorical Transportation Aid	19-495-034-5120-014	16,236	7/1/18- 6/30/19	(1,672)				1,672			-		
Categorical Security Aid	20-495-034-5120-084	48,228	7/1/19- 6/30/20					43,417	(48,228)		(4,811)		
Categorical Security Aid	19-495-034-5120-084	48,228	7/1/18- 6/30/19	(4,966)				4,966			-		
Extraordinary Special Education Aid	20-495-034-5120-044	59,806	7/1/19- 6/30/20						(59,806)		(59,806)		
Extraordinary Special Education Aid	19-495-034-5120-044	21,750	7/1/18- 6/30/19	(41,002)				41,002			-		
On-behalf TPAF Pension Contribution	20-495-034-5094-002	428,735	7/1/19- 6/30/20					428,735	(428,735)		-		
On-behalf TPAF Post Retirement Medical	20-495-034-5094-001	159,053	7/1/19- 6/30/20					159,053	(159,053)		-		
On-behalf TPAF LTDI	20-495-034-5094-004	341	7/1/19- 6/30/20					341	(341)		-		
Reimbursed TPAF Social Security Contr.	20-495-034-5094-003	143,088	7/1/19- 6/30/20					135,951	(143,088)		(7,137)		
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	134,222	7/1/18- 6/30/19	(6,724)				6,724			-		
Total General Fund				(309,202)	-	-	-	3,300,534	(3,309,496)	-	(318,164)	-	-
Special Revenue Fund:													
Preschool Expansion Aid	20-495-034-5120-086	889,687	7/1/19- 9/30/20				48,034	650,210	(828,397)	119,197	(72,246)	61,290	
Preschool Expansion Aid	19-495-034-5120-086	437,426	7/1/18- 6/30/19	(43,743)	48,034	-	(48,034)	43,743		-	-		
Total Special Revenue Fund				(43,743)	48,034	-	-	693,953	(828,397)	119,197	(72,246)	61,290	-
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Program:													
Fiscal Year 2020	20-100-010-3350-023	1,183	7/1/19- 6/30/20					882	(1,183)		(301)		
Fiscal Year 2019	19-100-010-3350-023	1,042	7/1/18- 6/30/19	(68)		-		68			-		
Total Enterprise Fund				(68)	-	-	-	950	(1,183)	-	(301)	-	-
Total State Financial Assistance				\$ (353,013)	\$ 48,034	\$ -	\$ -	\$ 3,995,437	\$ (4,139,076)	\$ 119,197	\$ (390,711)	\$ 61,290	\$ -
Less: State Financial Expenditures Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)									428,735				
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)									159,053				
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)									341				
Total State Financial Expenditures Subject to Major Program Determination									\$ (3,550,947)				

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

**Oaklyn School District  
Notes to Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2020**

**I. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$10,255 in the general fund and (\$10,956) in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 28,740	\$ 3,319,751	\$ 3,348,491
Special Revenue	254,417	817,441	1,071,858
Food Service	71,607	1,183	72,790
Total	<u>\$ 354,764</u>	<u>\$ 4,138,375</u>	<u>\$ 4,493,139</u>

**Oaklyn School District  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2020  
(Continued)**

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

**6. MAJOR PROGRAMS**

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

**7. ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>State</u>	<u>Federal</u>
Transfer to Special Revenue Fund From General Fund	\$ 119,197	\$ -
	\$ 119,197	\$ -

**OAKLYN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Section 1 -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes   X   no

Significant deficiencies identified? \_\_\_\_\_ yes   X   none reported

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

**Federal Awards**

**NOT APPLICABLE**

Internal Control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes \_\_\_\_\_ no

Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

OAKLYN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**State Awards**

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

Material weaknesses identified?   yes  X  no

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

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>20-495-034-5120-078</u>	<b>State Aid Public Cluster:</b> <u>Equalization Aid</u>
<u>20-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>20-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
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**OAKLYN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section 2 -- Schedule of Financial Statement Findings**

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

No findings identified.

**OAKLYN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**FEDERAL AWARDS:**

A federal single audit was not required.

**STATE AWARDS:**

No findings identified.



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

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

**FINANCIAL STATEMENT FINDINGS**

There were no prior year audit findings

**FEDERAL AWARDS**

A federal single audit was not required.

**STATE AWARDS**

There were no prior year audit findings.