

SCHOOL DISTRICT
OF
OAKLYN



Oaklyn Board of Education
Oaklyn, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

**Comprehensive Annual
Financial Report**

of the

Oaklyn Board of Education

Oaklyn, New Jersey

For the Fiscal Year Ended June 30, 2015

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

OAKLYN SCHOOL DISTRICT

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Introductory Section



OAKLYN PUBLIC SCHOOL DISTRICT
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Oaklyn, New Jersey 08107
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Superintendent
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Beth Ann Coleman RSBA
Business Administrator/Board Secretary
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Ms. Jennifer Boulden
Principal
856.858.0335 x226

November 27, 2015

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, 2015, 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 9. 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</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>
2014-15	384
2013-14	413
2012-13	442
2011-12	469
2010-11	432

For fiscal year 2014-15, 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 7:00 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. Oaklyn and our sending district Hi Nella have agreed to sever their send/receive relationship. As a result, 2014-15 saw another decrease in enrollment. Enrollments will continue to decline due to the loss of Hi Nella into 2016. In 16-17, there will no longer be any pupils from Hi Nella attending the Oaklyn Public School.

The Oaklyn Board of Education has been approved by the Department of education as Choice district. Unfortunately, the Department of Education has limited the number of choice pupils Oaklyn may accept.

At the request of the Board of Education, a study for the Oaklyn school district was completed by the Camden County Office of Education in the fall of 2014.

In May, 2015 the Board issued an RFP for an Educational Consultant to prepare a feasibility study regarding the educational options available for the Oaklyn Public School district. As of this date, the firm of Porzio, Bromberg & Newman P.C. has been hired by the Board of Education to prepare the study.

Goals and Reflections:

1. Develop a concrete set of expectations for each stage of Balanced Literacy Implementation so that teachers are aware which elements (read aloud, Guided Reading, elements of the Workshop) they are expected to Implement following each training opportunity. Each teacher (K-6) will receive at least three opportunities for feedback as it pertains to their balanced literacy implementation.

This goal was completed. Chart of expectation was updated throughout the year.

2. Work with County and State officials to develop a sustainable plan to ensure that the Borough of Oaklyn is able to continue to educate its children beyond the 2016-2017 school year.

The Administrators worked with a committee of the board as well as NJDOE Officials, County Office Officials and Elected Legislators to brainstorm ideas. A report was provided by the Camden County Office of Education. The Board has issued an RFP for an Educational Consultant to perform a feasibility study.

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.

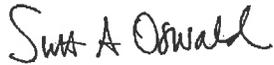
Independent Audit

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,

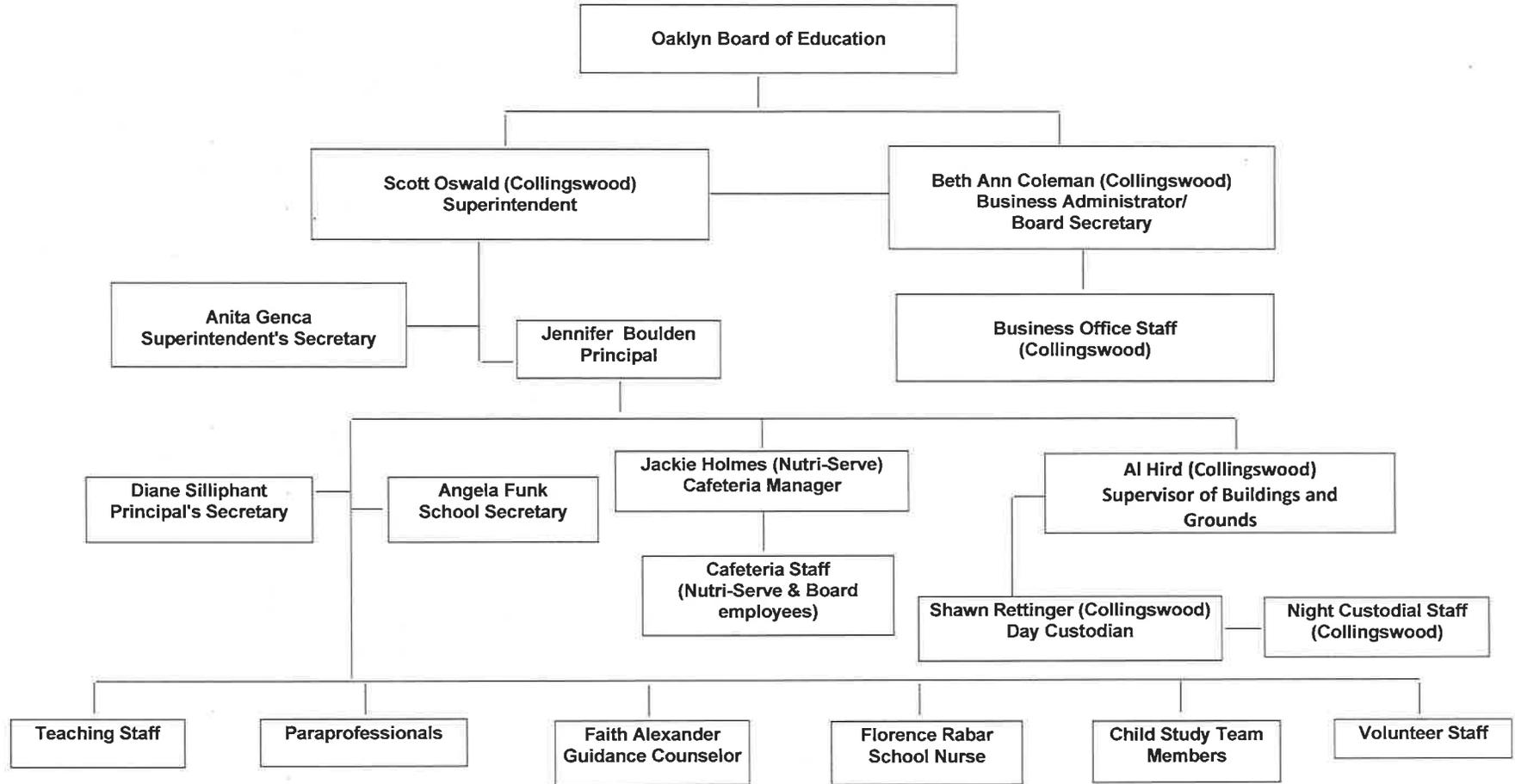


Dr. Scott Oswald
Superintendent



Beth Ann Coleman
Business Administrator/Board Secretary

OAKLYN PUBLIC SCHOOL DISTRICT
Organizational Chart



OAKLYN SCHOOL DISTRICT

Roster of Officials

June 30, 2015

Members of the Board of Education:

Term Expires

William Stauts, President	2016
Jennifer Cassel, Vice President	2017
Krista Egan	2015
Colleen Faupel	2017
Matthew Hale	2015
Christine Reily	2016
Todd Schaefer	2016
Robert Skowronek	2015
Gina Wilson	2017

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
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Attorney

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

Architect

Garrison Architects
1400 F. Commerce Parkway
Mount Laurel, NJ 08054

Official Depository

1st Colonial National Bank
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Certified Public Accountants

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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, 2015, 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 of 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, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey OMB's Circular 04-04 and/or 15-08, as applicable, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements.

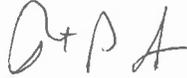
The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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 information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2015 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 and 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

Marlton, New Jersey
November 27, 2015

INVERSO & STEWART, LLC
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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 and the standards applicable to financial 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 year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey 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

Marlton, New Jersey
November 27, 2015

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, 2015**

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, 2015. 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 \$811,351 (*net position*).
- Governmental activities have an unrestricted deficit balance of \$900,005. 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 \$644,414, or a 44% decrease from the prior fiscal year-end balance. This decrease is due to the adoption of GASB 68.
- Fund balance of the School District's governmental funds increased by \$344,400 resulting in an ending fund balance of \$640,069. The increase is a direct result of the School District reducing its level of spending from prior year, additional efficiencies through shared services with the Collingswood Public School District and the sale of the Administration building.
- Business-type activities have an unrestricted balance of \$105,034, 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 \$5,304 which is the result of changes in compensated absences.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2015. 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 2015.

The assets of the primary government activities exceeded liabilities by \$811,351 with an unrestricted deficit balance of \$825,318. 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 \$1,030,419 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 127% of the School District's net position. The change is due to the adoption of GASB 68. The balance of \$606,250 has been restricted as follows:

Restricted for year-end encumbrances	\$3,378
Restricted for subsequent year's budget	\$91,415
Reserved for future budget appropriations	\$253,457
Maintenance reserve	\$158,000
Capital reserve	\$100,000
Total	\$606,250

**Comparative Summary of Net Position
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current assets	\$ 709,586	\$ 348,980	\$ 77,928	\$ 62,654	\$ 787,514	\$ 411,634
Capital assets	1,000,072	1,180,300	30,347	-	1,030,419	1,180,300
Total assets	<u>1,709,658</u>	<u>1,529,280</u>	<u>108,275</u>	<u>62,654</u>	<u>1,817,933</u>	<u>1,591,934</u>
Deferred Outflow	53,417				53,417	
LIABILITIES						
Current liabilities	76,517	43,311	3,241	634	79,758	43,945
Noncurrent liabilities	798,252	92,224			798,252	92,224
Total liabilities	<u>874,769</u>	<u>135,535</u>	<u>3,241</u>	<u>634</u>	<u>878,010</u>	<u>136,169</u>
Deferred Inflows	181,989				181,989	
Net Position	<u>\$ 706,317</u>	<u>\$ 1,393,745</u>	<u>\$ 105,034</u>	<u>\$ 62,020</u>	<u>\$ 811,351</u>	<u>\$ 1,455,765</u>
Net Position Consists of:						
Invested in Capital Assets	\$ 1,000,072	\$ 1,180,300	\$ 30,347	\$ -	\$ 1,030,419	\$ 1,180,300
Restricted Assets	606,250	298,218			606,250	298,218
Unrestricted Assets	<u>(900,005)</u>	<u>(84,773)</u>	<u>74,687</u>	<u>62,020</u>	<u>(825,318)</u>	<u>(22,753)</u>

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Revenues:						
Charges for services	\$ 27,733	\$ 413,291	\$ 136,218	\$ 145,021	\$ 163,951	\$ 558,312
Operating grants and contributions	782,289	749,920	93,845	105,537	876,134	855,457
Property taxes	4,664,481	4,452,813			4,664,481	4,452,813
State aid - unrestricted	2,643,199	2,454,574			2,643,199	2,454,574
Other revenues	95,993	23,857	132	96	96,125	23,953
Total Revenues	8,213,695	8,094,455	230,195	250,654	8,443,890	8,345,109
Expenses:						
Governmental Activities:						
Instruction	2,675,719	2,595,798			2,675,719	2,595,798
Tuition	2,102,218	2,094,612			2,102,218	2,094,612
Related services	793,141	777,675			793,141	777,675
Administrative services	457,310	437,001			457,310	437,001
Operations and Maintenance	473,347	488,857			473,347	488,857
Transportation	170,406	144,970			170,406	144,970
Employee benefits	1,337,229	1,375,200			1,337,229	1,375,200
Other	38,808	25,890			38,808	25,890
Loss (Gain) on disposal of capital assets					-	-
Business-Type Activities:						
Food Service			219,021	232,572	219,021	232,572
Total Expenses	8,048,178	7,940,003	219,021	232,572	8,267,199	8,172,575
Increase (Decrease) in Net Position before transfers		154,452		18,082	176,691	172,534
Transfers						
Change in Net Position	165,517	154,452	11,174	18,082	176,691	172,534
Net Position, July 1	540,800	1,239,293	93,860	43,938	634,660	1,283,231
Net Position, June 30	\$ 706,317	\$ 1,393,745	\$ 105,034	\$ 62,020	\$ 811,351	\$ 1,455,765

Governmental Activities

Governmental activities increased the net position of the School District by \$165,517 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Reduction of expenses
- Sale of the Administration Building.

Business-type Activities

Business-type activities increased the School District's net position by \$11,174. Key elements of the increase in net position for governmental 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 \$640,069, an increase of \$334,400 in comparison with the prior year. This increase is due to an effort to reduce spending and the sale of the Administration building.

The unassigned fund balance for the School District at the end of the fiscal year is \$33,819. The remainder of the fund balance is assigned to indicate that it is not available for new spending because it has already been committed: 1) appropriated as a revenue source in the subsequent year's budget (\$91,415) 2) reserved for year-end encumbrances (\$3,378) 3) Maintenance reserve (\$158,000) 4) reserved for future budget appropriation in accordance with State statute (\$253,457) and 5) capital reserve (\$100,000).

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned 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 unrestricted 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, unassigned fund balance (budgetary basis) of the general fund was \$276,552 while total fund balance (budgetary basis) was \$882,802. As a measure of the general fund's liquidity, it may be useful to compare both unassigned 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 \$7,623,805. Unassigned fund balance (budgetary basis) represents 3.6% of expenditures while total fund balance (budgetary basis) represents 11% 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, 2015 totaled \$1,030,419 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and

equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$149,881 or a 13% decrease.

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

- Depreciation expense for the current fiscal year was \$60,125
- Capital additions for the current fiscal year was \$0
- Capital deletions for the current fiscal year was \$120,103

**Capital Asset (net of accumulated depreciation)
June 30, 2014 and 2013**

	Governmental Activities		Business-Typel Activities		District-Wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 272,182	\$ 272,182			\$ 272,182	\$ 272,182
Const. in Progress					-	-
Site Improvements	12,230	7,051			12,230	7,051
Building and Building Improvements	575,989	908,922			575,989	908,922
Equipment	139,671	(7,855)	\$ 30,347		170,018	(7,855)
Net Assets	<u>\$ 1,000,072</u>	<u>\$ 1,180,300</u>	<u>\$ 30,347</u>		<u>\$ 1,030,419</u>	<u>\$ 1,180,300</u>

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, 2015, the School District had \$97,528 in compensated absences payable.

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 2015-2016 fiscal year.

- The district has taken steps to mitigate the effects of its financial situation, including but not limited to becoming a choice district, utilizing shared service opportunities with Collingswood School District and reducing spending where appropriate.
- The Board of Education has engaged educational consultants to perform a feasibility study to determine possible next steps.

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, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 619,890	\$ 67,083	\$ 686,973
Receivables, net	89,696	6,639	96,335
Inventory		4,206	4,206
Capital Assets, net (Note 5)	1,000,072	30,347	1,030,419
Total Assets	1,709,658	108,275	1,817,933
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	53,417		53,417
LIABILITIES:			
Accounts Payable	53,205	2,940	56,145
Intergovernmental Payable	12,812		12,812
Unearned revenue	3,500	301	3,801
Noncurrent Liabilities:			
Due within one year	7,000		7,000
Due beyond one year	90,528		90,528
Net pension liability	707,724		707,724
Total Liabilities	874,769	3,241	878,010
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of resources from pensions	181,989		181,989
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	1,000,072	30,347	1,030,419
Restricted for:			
Other Purposes	606,250		606,250
Unrestricted (Deficit)	(900,005)	74,687	(825,318)
Total Net Position	\$ 706,317	\$ 105,034	\$ 811,351

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,952,554	\$ 27,733	\$ 98,363	\$ -	\$ (1,826,458)	\$ -	\$ (1,826,458)
Special education	553,821		118,590		(435,231)		(435,231)
Other instruction	169,344				(169,344)		(169,344)
Support Services:							
Tuition	2,102,218				(2,102,218)		(2,102,218)
Student & instruction related services	793,141		38,537		(754,604)		(754,604)
General administrative services	175,565				(175,565)		(175,565)
School administrative services	173,974				(173,974)		(173,974)
Central services	107,771				(107,771)		(107,771)
Plant operations and maintenance	473,347				(473,347)		(473,347)
Pupil transportation	170,406				(170,406)		(170,406)
Employee benefits	1,337,229		526,799		(810,430)		(810,430)
Transfer of funds to charter school	32,542				(32,542)		(32,542)
Unallocated depreciation and amortization	6,266				(6,266)		(6,266)
Total Governmental Activities	<u>8,048,178</u>	<u>27,733</u>	<u>782,289</u>		<u>(7,238,156)</u>		<u>(7,238,156)</u>
Business-Type Activities:							
Food service	219,021	136,218	93,845			11,042	11,042
Total Business-Type Activities	<u>219,021</u>	<u>136,218</u>	<u>93,845</u>			<u>11,042</u>	<u>11,042</u>
Total Primary Government	<u>\$ 8,267,199</u>	<u>\$ 163,951</u>	<u>\$ 876,134</u>	<u>\$ -</u>	<u>(7,238,156)</u>	<u>11,042</u>	<u>(7,227,114)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					4,664,481		4,664,481
Federal and State aid not restricted					2,643,199		2,643,199
Miscellaneous income					95,993	132	96,125
Total general revenues, special items, extraordinary items and transfers					<u>7,403,673</u>	<u>132</u>	<u>7,403,805</u>
Change in Net Position					165,517	11,174	176,691
Net Position - July 1, 2014, as restated (Note 19)					540,800	93,860	634,660
Net Position - June 30, 2015					<u>\$ 706,317</u>	<u>\$ 105,034</u>	<u>\$ 811,351</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, 2015

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 619,890	\$ -	\$ -	\$ -	\$ 619,890
Receivables, net					
Intergovernmental	40,207	42,885			83,092
Interfunds	8,978				8,978
Other	6,604				6,604
Total Assets	675,679	42,885	-	-	718,564
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	32,110	21,095			53,205
Intergovernmental payable		12,812			12,812
Interfund payable		8,978			8,978
Unearned revenue	3,500				3,500
Total Liabilities	35,610	42,885			78,495
Fund Balances:					
Assigned to:					
Year end encumbrances	3,378				3,378
Capital Reserve	100,000				100,000
Maintenance reserve	158,000				158,000
Subsequent year's budget	91,415				91,415
Excess Surplus	253,457				253,457
Unassigned (Deficit)	33,819				33,819
Total Fund Balances	640,069	-	-	-	640,069
Total Liabilities and Fund Balances	\$ 675,679	\$ 42,885	\$ -	\$ -	

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 \$3,516,893 and the accumulated depreciation is \$2,516,821. 1,000,072

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	53,417	
Net Pension Liability	(707,724)	
Deferred Inflows of resources from Pensions	(181,989)	(836,296)

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

Compensated Absences	(97,528)
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Net position of governmental activities	\$ 706,317
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The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 4,664,481	\$ -	\$ -	\$ -	\$ 4,664,481
Tuition	27,733				27,733
Miscellaneous	95,993				95,993
Total local sources	4,788,207				4,788,207
State sources	3,156,190				3,156,190
Federal sources	13,808	255,490			269,298
Total Revenues	7,958,205	255,490			8,213,695
EXPENDITURES:					
Current expense:					
Regular instruction	1,731,739	98,363			1,830,102
Special education instruction	435,231	118,590			553,821
Other instruction	169,344				169,344
Support services and undistributed costs:					
Tuition	2,102,218				2,102,218
Student & instruction related services	754,604	38,537			793,141
General administrative services	162,048				162,048
School administrative services	173,974				173,974
Central services	107,771				107,771
Plant operations and maintenance	428,290				428,290
Pupil transportation	170,406				170,406
Employee benefits	1,353,878				1,353,878
Capital Outlay	1,760				1,760
Transfer of Funds to Charter School	32,542				32,542
Total Expenditures	7,623,805	255,490			7,879,295
Excess (Deficiency) of Revenues over (under) Expenditures	334,400				334,400
Net Change in Fund Balances	334,400				334,400
Fund Balances - July 1, 2014	305,669				305,669
Fund Balances - June 30, 2015	\$ 640,069	\$ -	\$ -	\$ -	\$ 640,069

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, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	334,400
<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	\$ (60,125)	
Loss on disposal of capital assets	(120,103)	
Capital outlays capitalized in accordance with District's policies	(180,228)	(180,228)
<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>		
		16,649
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		(5,304)
Change in Net Position of Governmental Activities	\$	165,517

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, 2015

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 67,083
Intergovernmental receivables:	
State	183
Federal	5,389
Other	1,067
Inventories	<u>4,206</u>
Total current assets	<u>77,928</u>
Noncurrent assets:	
Equipment	120,971
Less - accumulated depreciation	<u>(90,624)</u>
Total noncurrent assets	<u>30,347</u>
Total Assets	<u>\$ 108,275</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 2,940
Unearned revenue	<u>301</u>
Total current liabilities	<u>3,241</u>
NET POSITION:	
Net investment in capital assets	30,347
Unrestricted	<u>74,687</u>
Total Net Position	<u>\$ 105,034</u>

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

OAKLYN SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 40,829
Other governmental entities	74,953
Non-reimbursable programs	20,436
	136,218
Operating Expenses:	
Salaries and fringe benefits	84,064
Supplies and materials	9,171
Other costs	24,128
Depreciation	4,450
Cost of sales	97,208
	219,021
Operating Income (Loss)	(82,803)
Non-Operating Revenues:	
State sources:	
State school lunch program	1,801
Federal sources:	
National school lunch program	64,557
National school breakfast program	10,750
Food distribution program	16,737
Local sources:	
Interest earned	132
	93,977
Income (Loss) before Contributions and Transfers	11,174
Gain on disposal of capital assets	11,174
Change in Net Position	11,174
Net Position Restated - July 1, 2014	93,860
Net Position - June 30, 2015	\$ 105,034

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, 2015

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 144,198
Cash payments to employees for services	(81,419)
Cash payments to suppliers for goods and services	(114,948)
Net Cash Provided by (used for) Operating Activities	(52,169)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,895
Cash received from federal sources	77,337
Net Cash Provided by (used for) Noncapital Financing Activities	79,232
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of Equipment	(2,957)
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	132
Net Increase (Decrease) in Cash and Cash Equivalents	24,238
Cash and Cash Equivalents - July 1, 2014	42,845
Cash and Cash Equivalents - June 30, 2015	\$ 67,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (82,803)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	4,450
Commodities	16,737
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	8,314
(Increase) Decrease in Inventories	(1,474)
Increase (Decrease) in Accounts Payables	2,940
Increase (Decrease) in Interfund Payable	
Increase (Decrease) in Unearned Revenue	(333)
Net Cash Provided by (used for) Operating Activities	\$ (52,169)
Noncash Noncapital Financing Activities:	
During the year the District received \$16,737 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, 2015

	Trust Funds	
	Unemployment Compensation Trust	Agency Funds
ASSETS:		
Cash and cash equivalents	\$ 5,702	\$ 39,271
Total Assets	\$ 5,702	\$ 39,271
 LIABILITIES:		
Payroll deductions and withholdings	\$ -	\$ 20,421
Accounts payable	78	
Due to student groups		18,850
Total Liabilities	78	\$ 39,271
 NET POSITION:		
Held in trust for unemployment claims and other purposes	\$ 5,624	

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

OAKLYN SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee	\$ 4,397
Employer	-
Total contributions	<u>4,397</u>
Investment earnings:	
Interest	3
Net investment earnings	<u>3</u>
Total Additions	<u>4,400</u>
DEDUCTIONS:	
Unemployment claims	<u>2,110</u>
Total Deductions	<u>2,110</u>
Change in Net Position	2,290
Net Position - July 1, 2014	<u>3,334</u>
Net Position - June 30, 2015	<u>\$ 5,624</u>

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

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 K through 9. Students in grades 10 through 12 attend the Collingswood High School District on a tuition basis. The Oaklyn School District has an approximate enrollment at June 30, 2015 of 376 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. 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. 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.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, Exhibit C-2 and Exhibit I-3, 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.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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, 2015 and 2014 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, 2015.

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.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2015.

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.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 February 2015, the GASB issued Statement 72, Fair Value Measurement and Application. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This Statement is effective for financial statements for periods beginning after June 15, 2016 and will not have any effect on the District's financial reporting.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria. This Statement is effective for financial statements for periods beginning after June 15, 2016. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

In June, 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for financial statements for periods beginning after June 15, 2017. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued) - In June 2016, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for financial statements for periods beginning after June 15, 2015 and will not have any effect on the District's financial reporting.

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 \$817,697 as of June 30, 2015, \$250,000 was insured under FDIC and the remaining balance of \$567,697 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, 2014 to June 30, 2015 fiscal year is as follows:

Balance – July 1, 2014	\$	-
Increased by:		
Board resolution		100,000
		100,000
Decreased by:		
Budget withdrawal		-
Balance – June 30, 2015	\$	100,000

The June 30, 2015 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.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2015 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.

Accounts receivable at June 30, 2015 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	\$ 34,812	\$ -	\$ 183	\$ 34,995
Federal	5,395	42,885	5,389	53,669
Other	6,604		1,067	7,671
Total	\$ 46,811	\$ 42,885	\$ 6,639	\$ 96,335

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Adjustments/ Deletions	Balance June 30, 2015
Governmental Activities:				
Land	\$ 272,182	\$ -	\$ -	\$ 272,182
Construction in Progress				
Total Capital Assets not being Depreciated	272,182			272,182
Land Improvements	119,782			119,782
Building and Improvements	2,691,838		(419,201)	2,272,637
Equipment	359,627		492,665	852,292
Total Historical Cost	3,443,429	-	73,464	3,516,893
Less Accumulated Depreciation:				
Land Improvements	112,731	2,267	(7,446)	107,552
Building and Improvements	1,782,916	20,322	(106,590)	1,696,648
Equipment	367,482	37,536	307,603	712,621
Total Accumulated Depreciation	2,263,129	60,125	193,567	2,516,821
Governmental Activities Capital Assets, Net	\$ 1,180,300	\$ (60,125)	\$ (120,103)	\$ 1,000,072
Business-Type Activities:				
Equipment	\$ 155,662	\$ 2,957	\$ (37,648)	\$ 120,971
Less - Accumulated Depreciation	(123,822)	(4,450)	37,648	(90,624)
Business-Type Activities Capital Assets, Net	\$ 31,840	\$ (1,493)	\$ -	\$ 30,347

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

5. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$60,125 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 39,082
Administration	4,509
Plant operations & maintenance	15,031
Unallocated	1,503
<hr/>	
Total depreciation expense	<u>\$ 60,125</u>

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 3,359
Supplies	<u>847</u>
	<u>\$ 4,206</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 92,224	\$ 5,304	\$ -	\$ 97,528	\$ 7,000
	<u>\$ 92,224</u>	<u>\$ 5,304</u>	<u>\$ -</u>	<u>\$ 97,528</u>	<u>\$ 7,000</u>

Bonds and Notes Authorized but not Issued

As of June 30, 2015 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, 2015**

8. OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$15,890 for the fiscal year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 12,648
2017	4,098
2018	4,098
2019	4,098
	<u> </u>
	<u>\$ 24,942</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), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). 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)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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.

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.

For the year ended June 30, 2015, the District recognized pension expense of \$806,834 and revenue of \$806,834 for support provided by the State. Although the 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 district.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

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.

	06/30/14	06/30/13
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	1,763,205,593	-
Collective net pension liability (Non-Employer – State of New Jersey)	53,446,745,367	50,539,213,484
State's portion of the net pension liability that was associated with the district	14,994,301	13,959,949
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	.0280546567%	.0276220142%

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation: 2.5%
- Salary Increases: Varies based on experience
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

9. PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	0.50%
Core Fixed Income	00.00%	2.19%
Core Bonds	01.00%	1.38%
Short-Term Bonds	00.00%	1.00%
Intermediate Term Bonds	11.20%	2.60%
Long-Term Bonds	00.00%	3.23%
Mortgages	02.50%	2.84%
High Yield Bonds	05.50%	4.15%
Non US Fixed Income	00.00%	1.41%
Inflation Indexed Bonds	02.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	00.00%	5.62%
Mid Cap US Equities	00.00%	6.39%
Small Cap US Equities	00.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	06.50%	8.90%
Private Equity	08.25%	9.15%
Hedge Funds/Absolute Ret	12.25%	3.85%
Real Estate (Property)	03.20%	4.43%
Real Estate (REITS)	00.00%	5.58%
Commodities	02.50%	3.60%
Long Credit Bonds	00.00%	3.74%

Discount rate. The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District has no proportionate share of the net pension liability, because of the special funding situation, the district would not be sensitive to any changes in the discount rate.

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

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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 and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5%.

An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2015	\$ 5,188	\$ -	\$ 23,997	\$ 1,977	\$ 31,162
2014	10,352	(3,973)	28,043	585	35,007
2013	10,001		23,914	2,019	35,934

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.

For the year ended June 30, 2015, the District recognized pension expense of \$10,685. At June 30, 2015, the District reported a liability of \$707,724 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	\$ -	\$ -
Changes of assumptions	22,255	
Net difference between projected and actual earnings on pension plan investments		42,177
Changes in proportion and differences between District contributions and proportionate share of contributions		139,812
District contributions subsequent to the measurement Date	31,162	
Total	\$ 53,417	\$ 181,989

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$31,162 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net liability in the year ended June 30, 2015. 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 Inflow of Resources:
2016	\$ 31,947
2017	31,947
2018	31,947
2019	31,947
2020	31,946
Total	\$ 159,734

Additional Information

Collective balances at June 30, 2014 and 2013 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 952,194,675	\$ (1)
Collective deferred inflows of resources	\$ 1,479,224,662	\$ (1)
Collective net pension liability	\$ 18,722,735,003	\$ 19,111,986,911
District's Proportion	.0037800273%	.0046460450%

(1) – Information not available.

Actuarial assumptions – The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

- Inflation rate: 3.01%
- Salary Increases:
 - 2012-2021: 2.15-4.40% based on age
 - Thereafter: 3.15-5.40% based on age
- Investment Rate of Return: 7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	06.00%	00.80%
Core Bonds	01.00%	02.49%
Intermediate Term Bonds	11.20%	02.26%
Mortgages	02.50%	02.17%
High Yield Bonds	05.50%	04.82%
Inflation Indexed Bonds	02.50%	03.51%
Broad US Equities	25.90%	08.22%
Developed Foreign Equities	12.70%	08.12%
Emerging Market Equities	06.50%	09.91%
Private Equity	08.25%	13.02%
Hedge Funds/Absolute Ret	12.25%	04.92%
Real Estate (Property)	03.20%	05.80%
Commodities	02.50%	05.35%

Discount rate. The discount rate used to measure the State's total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5/39%, as well as what the 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 (4.39%) or 1 percentage point higher (6.39%) than the current rate:

	<u>1% Decrease (4.39%)</u>	<u>Current Discount Rate (5.39%)</u>	<u>1% Increase (6.39%)</u>
District's proportionate share of the net pension liability	\$ 890,341	\$ 707,724	\$ 554,372

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.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

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

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

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2015	\$ 720	\$ 720
2014	1,526	1,526
2013	275	275

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2015 was \$217,857, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures \$137,233 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$171,709 for 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, 2015

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 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 School Alliance 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>
2015	\$ -	\$ 4,397	\$ 3	\$ 2,110	\$ 5,624
2014		5,131	28	30,166	3,334
2013	5,716	2,127		17,212	28,341

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.

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, 2015, the liability for compensated absences in the governmental activities fund was \$97,528.

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

15. INTERFUND BALANCES AND TRANSFERS

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, 2016. The following interfund balances were recorded on the various balance sheets as of June 30, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 8,978	\$ -
Special Revenue		8,978
Total	<u>\$ 8,978</u>	<u>\$ 8,978</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, 2015, 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. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2015, a deficit of \$900,005 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 as follows:

Balances, June 30, 2015:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 33,819
Liabilities:	
Net Pension Differences	(836,296)
Compensated Absences	<u>(97,528)</u>
Unrestricted Net Position (Deficit)	<u>\$ (900,005)</u>

18. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$253,457 presented on the budgetary basis of accounting (Exhibit C-1).

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

18. FUND BALANCES (Continued)

Capital Reserve Account – As of June 30, 2015, the balance in the maintenance reserve account is \$100,000. The entire amount 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, 2015, the balance in the maintenance reserve account is \$158,000. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

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:

Other Purposes – At June 30, 2015 the School District has \$3,378 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$91,415 of general fund balance at June 30, 2015.

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, 2015, the fund balance of the general fund was \$33,819, thus resulting in the fund balance classification of unassigned.

19. RESTATEMENT OF NET POSITION

Governmental Activities

Net position on the government-wide Statement of Activities as of July 1, 2014, has been restated for implementation of GASB-68.

The government-wide and fund financial statements were restated as follows:

	Government -wide Statements
	Governmental Activities
Net Position as of June 30, 2014, as previously reported	\$ 1,393,745
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability	(887,952)
Deferred Outflows - District's Contribution made during fiscal year 2014	35,007
Net Position as Restated, July 1, 2014	\$ 540,800

**Oaklyn School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

19. RESTATEMENT OF NET POSITION (Continued)

Business-type Activities

As a result of adjusting accumulated depreciation in the Food Service Fund, net position as of June 30, 2014 has been restated as follows:

Net Position, June 30, 2014	\$	62,020
Adjustment to Accumulated Depreciation		<u>31,840</u>
Net Position, June 30, 2014 (Restated)	\$	<u>93,860</u>

20. LITIGATION

The District is involved in two legal proceedings. The outcome or potential liability exposure from this litigation is unknown at this time.

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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 4,664,481	\$ -	\$ 4,664,481	\$ 4,664,481	\$ -
Tuition - from individuals	17,500		17,500	10,390	(7,110)
Tuition - from other LEA's	21,839		21,839	17,343	(4,496)
Unrestricted misc. revenues	4,500		4,500	95,993	91,493
Total local sources	4,708,320		4,708,320	4,788,207	79,887
State sources:					
School Choice Aid	134,022		134,022	134,022	
Categorical special education aid	271,990		271,990	271,990	
Equalization aid	2,142,965		2,142,965	2,142,965	
Categorical security aid	20,660		20,660	20,660	
Categorical transportation aid	6,655		6,655	6,655	
Under Adequacy aid	16,232		16,232	16,232	
PARCC Readiness Aid	5,210		5,210	5,210	
Per Pupil Growth Aid	5,210		5,210	5,210	
Extraordinary Aid				26,552	26,552
Extraordinary Aid - additional prior year				1	1
On-behalf TPAF pension contrib. (non-budgeted)				137,233	137,233
On-behalf TPAF post retirement medical. (non-budgeted)				217,857	217,857
Reimbursed TPAF social security contribution (non-budgeted)				171,709	171,709
Total state sources	2,602,944	-	2,602,944	3,156,296	553,352
Federal Sources:					
Medicaid Reimbursement	9,061	-	9,061	13,808	4,747
Total federal sources	9,061	-	9,061	13,808	4,747
TOTAL REVENUES	7,320,325	-	7,320,325	7,958,311	637,986
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/kindergarten	136,113	668	136,781	123,795	12,986
Grades 1-5	755,491	24,403	779,894	750,135	29,759
Grades 6-8	538,424	9,367	547,791	546,729	1,062
Grades 9-12	153,723	3,006	156,729	152,954	3,775
Regular Programs - Home Instruction:					
Salaries of teachers	3,000	-	3,000	2,232	768
Purchased professional - educational services	3,000	(2,700)	300		300
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	10,500	583	11,083	6,632	4,451
Purchased technical services	20,322	(142)	20,180	20,179	1
Other purchased services	29,083	8,419	37,502	37,502	-
General supplies	92,609	(6,018)	86,591	83,664	2,927
Textbooks	8,897	-	8,897	7,917	980
Other objects	800	-	800		800
Total - regular programs - instruction	1,751,962	37,586	1,789,548	1,731,739	57,809

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 101,199	\$ 1,743	\$ 102,942	\$ 102,005	\$ 937
General supplies	1,141		1,141	927	214
Total learning and/or language disabilities	<u>102,340</u>	<u>1,743</u>	<u>104,083</u>	<u>102,932</u>	<u>1,151</u>
Multiple Disabilities:					
Salaries of teachers	27,400	(1,500)	25,900	24,306	1,594
General supplies	2,117	(350)	1,767	627	1,140
Total multiple disabilities	<u>29,517</u>	<u>(1,850)</u>	<u>27,667</u>	<u>24,933</u>	<u>2,734</u>
Resource room/resource center:					
Salaries of teachers	179,385	11,845	191,230	191,230	-
Purchased professional - educational services	24,700	1,000	25,700	23,518	2,182
General supplies	576	350	926	429	497
Total resource room/resource center	<u>204,661</u>	<u>13,195</u>	<u>217,856</u>	<u>215,177</u>	<u>2,679</u>
Preschool Disabilities - Part Time					
Salaries of teachers	59,327	1,461	60,788	60,559	229
Purchased professional - educational services	24,800	2,183	26,983	26,983	-
General supplies	750	-	750	651	99
Total preschool disabilities - part time	<u>84,877</u>	<u>3,644</u>	<u>88,521</u>	<u>88,193</u>	<u>328</u>
Home Instruction:					
Salaries of teachers	1,500	(1,200)	300		300
Purchased professional - educational services	800	3,900	4,700	3,996	704
Total home instruction	<u>2,300</u>	<u>2,700</u>	<u>5,000</u>	<u>3,996</u>	<u>1,004</u>
Total special education - instruction	<u>423,695</u>	<u>19,432</u>	<u>443,127</u>	<u>435,231</u>	<u>7,896</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	59,565	7,581	67,146	67,143	3
Purchased professional - educational services	2,500	150	2,650	2,624	26
Other purchased services	454	-	454		454
General supplies	400		400	136	264
Total basic skills/remedial - instruction	<u>62,919</u>	<u>7,731</u>	<u>70,650</u>	<u>69,903</u>	<u>747</u>
Bilingual Education - Instruction					
Salaries of teachers	54,510	2,925	57,435	57,435	-
General supplies	800	-	800	290	510
Total bilingual education - instruction	<u>55,310</u>	<u>2,925</u>	<u>58,235</u>	<u>57,725</u>	<u>510</u>
School-Sponsored Co/Extra-Curr. Act - Instruction:					
Salaries	21,185	4,466	25,651	25,651	-
Supplies and materials	120	(120)			-
Other objects	485	(400)	85	85	-
Total school-sponsored cocurr. act. - instruct.	<u>21,790</u>	<u>3,946</u>	<u>25,736</u>	<u>25,736</u>	<u>-</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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Purchased services	\$ 9,000	\$ -	\$ 9,000	\$ 9,000	\$ -
Total school-sponsored athletics - instruct.	9,000	-	9,000	9,000	-
Summer School - Instruction:					
Salaries of teachers	1,728	174	1,902	1,902	
Other salaries of instruction	-	1,792	1,792	1,792	-
General supplies	-	189	189	188	1
Total summer school - instruction	1,728	2,155	3,883	3,882	1
Summer School - Support Services:					
Salaries	1,440	(18)	1,422	1,422	
Purchased professional - technical services	1,792	(1,792)			
Supplies and materials	296	(296)			
Total summer school - instruction	3,528	(2,106)	1,422	1,422	-
Total summer school	5,256	49	5,305	5,304	1
Community serv. Programs/operations					
Salaries	1,300	376	1,676	1,676	
Total Instruction	2,331,232	72,045	2,403,277	2,336,314	65,369
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	1,492,657	13,368	1,506,025	1,506,025	-
Tuition to other LEAs within the state - spec	185,044	(19,139)	165,905	161,082	4,823
Tuition to County Voc. School Dist. - reg.	23,400	-	23,400	21,112	2,288
Tuition to County Voc. School Dist. - special	7,500	(7,000)	500		500
Tuition to CSSD & Reg. Day schools	99,430	3,532	102,962	71,538	31,424
Tuition to priv. sch. for the disabled w/in state	331,046	(70,649)	260,397	254,551	5,846
Tuition - state facilities	35,465	-	35,465	35,465	-
Tuition - other	52,900	-	52,900	52,445	455
Total undistributed expenditures - instruction	2,227,442	(79,888)	2,147,554	2,102,218	45,336
Attendance and social work:					
Salaries	11,232	288	11,520	11,520	
Purchased professional and technical services	1,400	318	1,718	1,718	
Total attendance and social work	12,632	606	13,238	13,238	
Health Services:					
Salaries	57,275	4,089	61,364	61,364	
Purchased professional and technical services	4,100	-	4,100	3,483	617
Other purchased services	350	(100)	250		250
Supplies and materials	1,496	593	2,089	1,925	164
Total health services	63,221	4,582	67,803	66,772	1,031

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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services					
Salaries	\$ 53,682	\$ 3,270	\$ 56,952	\$ 37,231	\$ 19,721
Purchased professional - educational services	68,409	(17,395)	51,014	50,875	139
Supplies and materials	1,696	-	1,696	1,251	445
Total speech, ot, pt & related services	<u>123,787</u>	<u>(14,125)</u>	<u>109,662</u>	<u>89,357</u>	<u>20,305</u>
Other Support Services Students - Extra. Serv.					
Purchased professional - educational services	138,000	18,273	156,273	156,271	2
Total other support services students - extra. serv.	<u>138,000</u>	<u>18,273</u>	<u>156,273</u>	<u>156,271</u>	<u>2</u>
Guidance:					
Salaries of other professional staff	51,827	2,450	54,277	41,930	12,347
Other purchased services	50	-	50	-	50
Supplies and materials	406	-	406	188	218
Other objects	20	-	20	-	20
Total guidance	<u>52,303</u>	<u>2,450</u>	<u>54,753</u>	<u>42,118</u>	<u>12,635</u>
Child Study Teams:					
Salaries of other professional staff	720	377	1,097	1,097	-
Salaries of secretarial & clerical assistants	17,069	463	17,532	17,532	-
Purchased professional - educational services	240,104	300	240,404	240,392	12
Other purchased prof. and tech. services	4,600	-	4,600	1,667	2,933
Miscellaneous purchased services	4,510	(600)	3,910	1,817	2,093
Supplies and materials	3,139	(70)	3,069	3,068	1
Total child study teams	<u>270,142</u>	<u>470</u>	<u>270,612</u>	<u>265,573</u>	<u>5,039</u>
Improvement of Instructional Services:					
Salaries of other professional staff	13,000	1,440	14,440	9,052	5,388
Other purchased services	4,200	-	4,200	2,995	1,205
Total improvement of instructional services	<u>17,200</u>	<u>1,440</u>	<u>18,640</u>	<u>12,047</u>	<u>6,593</u>
Educational Media Services/School Library:					
Salaries	53,827	1,130	54,957	54,872	85
Purchased professional & technical services	49,380	-	49,380	49,380	-
Other purchased services	168	-	168	164	4
Supplies and materials	3,182	-	3,182	2,867	315
Other objects	50	-	50	50	-
Total educational media services/school library	<u>106,607</u>	<u>1,130</u>	<u>107,737</u>	<u>107,333</u>	<u>404</u>
Instructional Staff Training Services:					
Purchased professional - educational services	-	2,095	2,095	1,895	200
Supplies and materials	500	(250)	250	-	250
Total instructional staff training services	<u>500</u>	<u>1,845</u>	<u>2,345</u>	<u>1,895</u>	<u>450</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, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Legal services	\$ 9,000	\$ 2,636	\$ 11,636	\$ 9,091	\$ 2,545
Audit fees	21,900	-	21,900	21,900	-
Other purchased professional services	105,761	3,400	109,161	108,251	910
Purchased technical services	750	1,250	2,000	2,000	-
Communications / telephone	5,500	(1,558)	3,942	3,632	310
Misc. purchased services	12,427	1,058	13,485	13,482	3
General Supplies	500	(269)	231	231	-
Miscellaneous expenditures	150	(127)	23	23	-
BOE membership dues and fees	3,550	(111)	3,439	3,438	1
Total support services - general administration	159,538	6,279	165,817	162,048	3,769
Support Services - School Administration:					
Salaries of principals/assist. principal	121,000	(519)	120,481	120,481	-
Salaries of secretarial and clerical assistants	47,884	1,892	49,776	49,776	-
Purchased professional and technical services	500	(350)	150	150	-
Other purchased services	1,000	(710)	290	-	290
Supplies and materials	1,856	300	2,156	2,144	12
Other objects	2,200	(300)	1,900	1,423	477
Total support services - school administration	174,440	313	174,753	173,974	779
Central Services:					
Purchased professional services	98,924	700	99,624	99,299	325
Purchased technical services	7,700	700	8,400	8,394	6
Supplies and materials	1,000	(921)	79	78	1
Miscellaneous expenditures	250	(250)	-	-	-
Total central services	107,874	229	108,103	107,771	332
Required Maintenance for School Facilities:					
Cleaning, repair and maintenance services	25,000	10,842	35,842	35,830	12
Total required maintenance for school facilities	25,000	10,842	35,842	35,830	12
Custodial Services:					
Cleaning, repair and maintenance services	232,871	500	233,371	233,152	219
Other purchased property services	10,570	10,174	20,744	20,687	57
Insurance	28,000	(1,980)	26,020	25,968	52
Energy (natural gas)	33,000	-	33,000	28,664	4,336
Energy (electricity)	105,000	(11,560)	93,440	82,234	11,206
Other objects	170	-	170	170	-
Total custodial services	409,611	(2,866)	406,745	390,705	16,040

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, 2015

(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
General supplies	500	(400)	100		100
Total care & upkeep of grounds	13,500	(400)	13,100	-	13,100
Security:					
Salaries		1,924	1,924	1,755	169
Cleaning, repair & maintenance services	850	-	850		850
General supplies	500	-	500		500
Total Security	1,350	1,924	3,274	1,755	1,519
Total operation & maint. of plant services	449,461	9,500	458,961	428,290	30,671
Student Transportation Services:					
Management fee - ESC & CTSA Trans. programs	3,700	4,033	7,733	7,714	19
Contr. serv. (Oth than Bet Home & Sch) - Vend	1,700	3,418	5,118	5,118	-
Contr. serv. (Reg. Students) - ESCs & CTSA	14,000	(10,653)	3,347	3,296	51
Contr. serv. (Spl. Ed. Students) - ESCs & CTSA	125,000	29,278	154,278	154,278	-
Total student transportation services	144,400	26,076	170,476	170,406	70
Unallocated Benefits - Employee Benefits:					
Social security contributions	20,932	643	21,575	21,575	-
Other retirement contributions - PERS	11,400	19,762	31,162	31,162	-
Other retirement contributions - regular	900	-	900	720	180
Unemployment Compensation	28,000	(20,262)	7,738		7,738
Workmen's compensation	38,591	-	38,591	22,426	16,165
Health benefits	942,931	(75,480)	867,451	729,991	137,460
Tuition reimbursement	13,500	-	13,500	6,900	6,600
Other employee benefits	23,840	-	23,840	14,305	9,535
Total unallocated benefits - employee benefits	1,080,094	(75,337)	1,004,757	827,079	177,678
On-behalf TPAF pension contr. (non-budgeted)		-		137,233	(137,233)
On-behalf TPAF post retirement medical (non-budgeted)		-		217,857	(217,857)
Reimbursed TPAF social security contr. (non-budgeted)		-		171,709	(171,709)
Total Personal Services - Employee Benefits	1,080,094	(75,337)	1,004,757	1,353,878	(349,121)
Total Undistributed Expenditures	5,127,641	(96,157)	5,031,484	5,253,189	(221,705)
Total General Current Expense	7,458,873	(24,112)	7,434,761	7,589,503	(154,742)

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

(CONTINUED TO NEXT PAGE)

OAKLYN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Facilities acquisition and 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	-	1,760	1,760	-
Transfer of funds to Charter Schools	8,573	24,112	32,685	32,542	143
TOTAL EXPENDITURES	7,469,206	-	7,469,206	7,623,805	(154,599)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(148,881)	-	(148,881)	334,506	483,387
Fund Balance - July 1, 2014	548,296		548,296	548,296	-
Fund Balance - June 30, 2015	<u>\$ 399,415</u>	<u>\$ -</u>	<u>\$ 399,415</u>	<u>\$ 882,802</u>	<u>\$ 483,387</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Reserve for Excess Surplus				\$ 253,457	
Capital Reserve				100,000	
Maintenance Reserve				158,000	
Assigned Fund Balance:					
Year-end encumbrances				3,378	
Designated for subsequent year's expenditures				91,415	
Unassigned Fund Balance				<u>276,552</u>	
				882,802	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(242,733)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 640,069</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, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources					
Federal sources	\$ 262,712	\$ -	\$ 262,712	\$ 255,490	\$ (7,222)
Total Revenues	<u>262,712</u>	<u>-</u>	<u>262,712</u>	<u>255,490</u>	<u>(7,222)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	97,676	-	97,676	97,660	16
Purchased professional technical services	4,418	-	4,418	4,418	-
Tuition	114,172	-	114,172	114,172	-
Supplies and materials	748	-	748	703	45
Total Instruction	<u>217,014</u>	<u>-</u>	<u>217,014</u>	<u>216,953</u>	<u>61</u>
Support Services:					
Salaries	3,703	-	3,703	3,703	-
Personal services - employee benefits	25,678	-	25,678	21,095	4,583
Purchased professional services	14,500	-	14,500	13,600	900
Other purchased services	1,817	-	1,817	139	1,678
Supplies and materials	-	-	-	-	-
Total Support Services	<u>45,698</u>	<u>-</u>	<u>45,698</u>	<u>38,537</u>	<u>7,161</u>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Total Facilities Acq. and Const. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>262,712</u>	<u>-</u>	<u>262,712</u>	<u>255,490</u>	<u>7,222</u>
Total Outflows	<u>262,712</u>	<u>-</u>	<u>262,712</u>	<u>255,490</u>	<u>7,222</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, 2015

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 7,958,311	\$ 255,490
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.	242,627	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(242,733)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 7,958,205	\$ 255,490
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,623,805	\$ 255,490
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	\$ 7,623,805	\$ 255,490

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions (GASB 68)

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

	June 30, 2015
District's proportion of the net pension liability (asset)	0.0037800273%
District's proportionate share of the net pension liability (asset)	\$ 707,724
District's covered-employee payroll	75,943
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	931.91%
Plan fiduciary net position as a percentage of the total pension liability	42.74%

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

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

	June 30, 2015
Contractually required contribution	\$ 31,162
Contributions in relation to the contractually required contributions	(31,162)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	75,943
Contributions as a percentage of covered-employee payroll	41.03%

This schedule does not contain ten years of information as GASB 68 was implemented during this 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 Fiscal Year

	June 30, 2015
District's proportion of the net pension liability (asset)	<u>0.0280546567%</u>
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>\$ 14,994,301</u>
Total	<u>\$ 14,994,301</u>
District's covered-employee payroll	2,349,786
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

**Oaklyn School District
Notes to Required Supplementary Information
Pension Schedules
For the Fiscal Year Ended June 30, 2015**

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

Changes of benefit terms. 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 for 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.

Changes of assumptions: Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

2. Public Employees' Retirement System (PERS)

Changes of benefit terms. 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 for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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, 2015

	<u>Title I</u>	<u>Title II A</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Total</u>
REVENUES:					
State sources					
Federal sources	\$ 123,161	\$ 13,739	\$ 114,172	\$ 4,418	\$ 255,490
Total Revenues	<u>123,161</u>	<u>13,739</u>	<u>114,172</u>	<u>4,418</u>	<u>255,490</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	97,660				97,660
Tuition			114,172		114,172
Purchased Prof & Tech Services				4,418	4,418
General Supplies	703				703
Total Instruction	<u>98,363</u>	<u></u>	<u>114,172</u>	<u>4,418</u>	<u>216,953</u>
Support Services:					
Salaries	3,703				3,703
Personal services-employee benefits	21,095				21,095
Purchased prof-technical services					
Other purchased services		139			139
Purchased prof services		13,600			13,600
Supplies and Materials					
Total Support Services	<u>24,798</u>	<u>13,739</u>	<u></u>	<u></u>	<u>38,537</u>
Facilities Acquisition and Const. Serv.:					
Instructional equipment					
Total Facilities Acq. and Const. Serv.	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total Expenditures	<u>123,161</u>	<u>13,739</u>	<u>114,172</u>	<u>4,418</u>	<u>255,490</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Proprietary Funds

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2015

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 67,083
Accounts receivable:	
State	183
Federal	5,389
Other	1,067
Inventories	<u>4,206</u>
Total Current Assets	<u>77,928</u>
Noncurrent Assets:	
Equipment	120,971
Less - accumulated depreciation	<u>(90,624)</u>
Total Noncurrent Assets	<u>30,347</u>
Total Assets	<u>\$ 108,275</u>
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 2,940
Unearned revenue	<u>301</u>
Total Current Liabilities	<u>3,241</u>
 NET POSITION:	
Net investment in capital assets	30,347
Unrestricted	<u>74,687</u>
Total Net Position	<u>\$ 105,034</u>

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 39,085
School breakfast	1,744
Daily sales non-reimbursable programs	
Other governmental units	74,953
Adult and a la carte sales	18,923
Miscellaneous	1,513
	<u>136,218</u>
Total Operating Revenues	
OPERATING EXPENSES:	
Salaries and fringe benefits	84,064
Supplies and materials	9,171
Other costs	24,128
Depreciation	4,450
Cost of sales	97,208
	<u>219,021</u>
Total Operating Expenses	
Operating Income (Loss)	<u>(82,803)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,801
Federal sources:	
National school lunch program	64,557
National school breakfast program	10,750
Food distribution program	16,737
Local sources:	
Interest earned	132
	<u>93,977</u>
Total Non-Operating Revenues	
Income (Loss) before Contributions and Transfers	11,174
Gain on disposal of capital assets	<u> </u>
Changes in Net Position	11,174
Net Position Restated - July 1, 2014	<u>93,860</u>
Net Position - June 30, 2015	<u>\$ 105,034</u>

OAKLYN SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 144,198
Cash payments to employees for services	(81,419)
Cash payments to suppliers for goods and services	<u>(114,948)</u>
Net cash provided by (used for) operating activities	<u>(52,169)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,895
Cash received from federal sources	<u>77,337</u>
Net cash provided by noncapital financing activities	<u>79,232</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u>(2,957)</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>132</u>
Net increase (decrease) in cash and cash equivalents	24,238
Cash and cash equivalents - July 1, 2014	<u>42,845</u>
Cash and cash equivalents - June 30, 2015	<u>\$ 67,083</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (82,803)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	4,450
Commodities	16,737
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	8,314
(Increase) decrease in inventories	(1,474)
Increase (decrease) in accounts payable	2,940
Increase (decrease) in interfund payable	
Increase (decrease) in unearned revenue	<u>(333)</u>
Net cash provided by (used for) operating activities	<u>\$ (52,169)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$16,737 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, 2015

	Trust Funds	Agency Funds		
	Unemployment Compensation	Student Activity	Payroll	Total
ASSETS:				
Cash and cash equivalents	\$ 5,702	\$ 18,850	\$ 20,421	\$ 44,973
Total Assets	\$ 5,702	\$ 18,850	\$ 20,421	\$ 44,973
 LIABILITIES:				
Liabilities:				
Accounts Payable	\$ 78	\$ -	\$ -	\$ 78
Payroll deductions payable			20,421	20,421
Due to student groups		18,850		18,850
Total Liabilities	78	\$ 18,850	\$ 20,421	39,349
 NET POSITION:				
Held in trust for unemployment claims	5,624			5,624
Total Net Position	\$ 5,624			\$ 5,624

**OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015**

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Interest on investments	\$ 3
Employee withholdings	<u>4,397</u>
Total Additions	<u>4,400</u>
 Deductions:	
Unemployment compensation insurance claims	<u>2,110</u>
Total Deductions	<u>2,110</u>
Change in Net Position	2,290
Net Position - July 1, 2014	<u>3,334</u>
Net Position - June 30, 2015	<u>\$ 5,624</u>

OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2015</u>
Elementary/Middle School	\$ 17,791	\$ 21,850	\$ 20,791	\$ -	\$ 18,850
Total all schools	<u>\$ 17,791</u>	<u>\$ 21,850</u>	<u>\$ 20,791</u>	<u>\$ -</u>	<u>\$ 18,850</u>

**OAKLYN SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 22,611	\$ 2,876,240	\$ 2,878,430	\$ 20,421
Total Assets	<u>\$ 22,611</u>	<u>\$ 2,876,240</u>	<u>\$ 2,878,430</u>	<u>\$ 20,421</u>
 LIABILITIES:				
Net payroll	\$ -	\$ 1,455,514	\$ 1,455,514	\$ -
Payroll deductions and withholdings	22,611	1,420,726	1,422,916	20,421
Total Liabilities	<u>\$ 22,611</u>	<u>\$ 2,876,240</u>	<u>\$ 2,878,430</u>	<u>\$ 20,421</u>

Statistical Section

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

J-1

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 574,539	\$ 587,906	\$ 635,298	\$ 866,271	\$ 1,090,863	\$ 1,056,272	\$ 1,021,685	\$ 1,273,842	\$ 1,180,300	\$ 1,000,072
Restricted for:										
Capital reserve	1,166	60,468	162,859	128,843						
Other purposes	160,000	463,480	725,835	569,888	879,864	639,322	218,701	48,287	298,218	606,250
Unrestricted	(47,737)	51,166	36,279	45,544	323	(163,241)	(222,495)	(82,836)	(84,773)	(900,005)
Total governmental activities net position	<u>\$ 687,968</u>	<u>\$ 1,163,020</u>	<u>\$ 1,560,271</u>	<u>\$ 1,610,546</u>	<u>\$ 1,971,050</u>	<u>\$ 1,532,353</u>	<u>\$ 1,017,891</u>	<u>\$ 1,239,293</u>	<u>\$ 1,393,745</u>	<u>\$ 706,317</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 30,861	\$ 27,301	\$ 23,741	\$ 24,588	\$ 18,963	\$ 13,338	\$ 14,108	\$ 3,731	\$ -	\$ 30,347
Unrestricted	37,687	40,039	40,921	28,009	20,160	28,581	23,369	40,207	62,020	74,687
Total business-type activities net position	<u>\$ 68,548</u>	<u>\$ 67,340</u>	<u>\$ 64,662</u>	<u>\$ 52,597</u>	<u>\$ 39,123</u>	<u>\$ 41,919</u>	<u>\$ 37,477</u>	<u>\$ 43,938</u>	<u>\$ 62,020</u>	<u>\$ 105,034</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 605,400	\$ 615,207	\$ 659,039	\$ 890,859	\$ 1,109,826	\$ 1,069,610	\$ 1,035,793	\$ 1,277,573	\$ 1,180,300	\$ 1,030,419
Restricted:										
Capital reserve	1,166	60,468	162,859	128,843						
Other purposes	160,000	463,480	725,835	569,888	879,864	639,322	218,701	48,287	298,218	606,250
Unrestricted	(10,050)	91,205	77,200	73,553	20,483	(134,660)	(199,126)	(42,629)	(22,753)	(825,318)
Total district net position	<u>\$ 756,516</u>	<u>\$ 1,230,360</u>	<u>\$ 1,624,933</u>	<u>\$ 1,663,143</u>	<u>\$ 2,010,173</u>	<u>\$ 1,574,272</u>	<u>\$ 1,055,368</u>	<u>\$ 1,283,231</u>	<u>\$ 1,455,765</u>	<u>\$ 811,351</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,965,498	\$ 1,950,027	\$ 2,080,680	\$ 2,051,445	\$ 2,011,533	\$ 1,952,471	\$ 1,788,834	\$ 1,883,242	\$ 1,847,021	\$ 1,952,554
Special education	376,504	428,758	467,551	537,202	523,602	480,657	658,098	742,918	527,532	553,821
Other instruction	56,441	75,458	79,429	121,515	194,869	213,103	248,366	232,451	221,245	169,344
Support Services:										
Tuition	2,071,237	1,796,749	1,669,569	1,786,848	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218
Student & instruction related services	530,208	592,590	630,723	671,234	694,869	687,035	686,512	740,122	777,675	793,141
General and business administrative services	374,947	415,954	486,120	436,524	442,144	434,810	400,691	363,236	268,240	175,565
School administrative services	123,932	135,941	90,914	96,309	142,836	159,393	155,071	163,362	168,761	281,745
Plant operations and maintenance	331,597	373,506	527,107	397,411	480,869	368,307	795,890	119,363	488,857	473,347
Pupil transportation	189,112	142,417	111,693	86,134	50,579	71,114	83,438	153,324	144,970	170,406
Business and other support services										
Employee benefits	1,052,258	1,356,004	1,468,417	1,401,577	1,519,193	1,609,173	1,610,968	1,601,551	1,375,200	1,337,229
Special schools			19,653	28,480						
Transfer of funds to charter school									23,495	32,542
Interest on long-term debt	10,887	4,075	2,708							
Unallocated depreciation	11,510	11,511	8,264	79,452	69,731	201,800	49,410	2,571	2,395	6,266
Total governmental activities expenses	<u>7,094,131</u>	<u>7,282,990</u>	<u>7,642,828</u>	<u>7,694,131</u>	<u>7,829,878</u>	<u>8,317,872</u>	<u>8,333,909</u>	<u>7,959,944</u>	<u>7,940,003</u>	<u>8,048,178</u>
Business-type activities:										
Food service	216,264	175,324	194,405	210,471	204,350	212,460	266,531	256,108	232,572	219,021
Total business-type activities expense	<u>216,264</u>	<u>175,324</u>	<u>194,405</u>	<u>210,471</u>	<u>204,350</u>	<u>212,460</u>	<u>266,531</u>	<u>256,108</u>	<u>232,572</u>	<u>219,021</u>
Total district expenses	<u>\$ 7,310,395</u>	<u>\$ 7,458,314</u>	<u>\$ 7,837,233</u>	<u>\$ 7,904,602</u>	<u>\$ 8,034,228</u>	<u>\$ 8,530,332</u>	<u>\$ 8,600,440</u>	<u>\$ 8,216,052</u>	<u>\$ 8,172,575</u>	<u>\$ 8,267,199</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 639,322	\$ 671,703	\$ 700,336	\$ 664,519	\$ 811,283	\$ 910,398	\$ 651,098	\$ 596,664	\$ 413,291	\$ 27,733
Operating grants and contributions	716,127	927,033	1,001,985	603,890	717,601	630,461	700,536	836,239	749,920	782,280
Total governmental activities program revenues	<u>1,355,449</u>	<u>1,598,736</u>	<u>1,702,321</u>	<u>1,268,409</u>	<u>1,528,884</u>	<u>1,540,859</u>	<u>1,351,634</u>	<u>1,432,903</u>	<u>1,163,211</u>	<u>810,022</u>

(Continued)

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

	Fiscal Year Ending June 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type activities:										
Charges for services:										
Food service	\$ 151,153	\$ 126,159	\$ 140,823	\$ 135,277	\$ 118,656	\$ 139,777	\$ 139,983	\$ 141,567	\$ 145,021	\$ 136,218
Operating grants and contributions	48,077	46,598	49,473	56,042	71,902	75,314	118,105	120,913	105,537	93,845
Capital grants and contributions										
Total business type activities program revenues	<u>199,230</u>	<u>172,757</u>	<u>190,296</u>	<u>191,319</u>	<u>190,558</u>	<u>215,091</u>	<u>258,088</u>	<u>262,480</u>	<u>250,558</u>	<u>230,063</u>
Total district program revenues	<u>\$ 1,554,679</u>	<u>\$ 1,771,493</u>	<u>\$ 1,892,617</u>	<u>\$ 1,459,728</u>	<u>\$ 1,719,442</u>	<u>\$ 1,755,950</u>	<u>\$ 1,609,722</u>	<u>\$ 1,695,383</u>	<u>\$ 1,413,769</u>	<u>\$ 1,040,085</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (5,738,682)	\$ (5,684,254)	\$ (5,940,507)	\$ (6,425,722)	\$ (6,300,994)	\$ (6,777,013)	\$ (6,982,275)	\$ (6,527,041)	\$ (6,776,792)	\$ (7,238,156)
Business-type activities	(17,034)	(2,567)	(4,109)	(19,152)	(13,792)	2,631	(8,443)	6,372	17,986	11,042
Total district-wide net expense	<u>\$ (5,755,716)</u>	<u>\$ (5,686,821)</u>	<u>\$ (5,944,616)</u>	<u>\$ (6,444,874)</u>	<u>\$ (6,314,786)</u>	<u>\$ (6,774,382)</u>	<u>\$ (6,990,718)</u>	<u>\$ (6,520,669)</u>	<u>\$ (6,758,806)</u>	<u>\$ (7,227,114)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,469,824	\$ 3,851,946	\$ 3,942,222	\$ 3,951,826	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481
Taxes levied for debt service	72,946	69,304	65,017							
Unrestricted grants and contributions	2,193,793	2,177,973	2,268,755	2,524,714	2,499,812	2,246,165	2,326,444	2,451,903	2,454,574	2,643,199
Investment earnings	2,853	52	2,392	3,615						
Miscellaneous income	39,182	60,031	59,372	25,761	21,173	20,044	23,221	11,495	23,857	95,993
Loss on disposal of assets				(29,919)	(87,492)		(20,819)			
Total governmental activities	<u>5,778,598</u>	<u>6,159,306</u>	<u>6,337,758</u>	<u>6,475,997</u>	<u>6,442,076</u>	<u>6,338,316</u>	<u>6,467,813</u>	<u>6,748,443</u>	<u>6,931,244</u>	<u>7,403,673</u>
Business-type activities:										
Investment earnings	1,056	1,359	1,431	615	318	165	163	99	96	132
Gain on disposal of assets				6,472			3,838			
Total business-type activities	<u>1,056</u>	<u>1,359</u>	<u>1,431</u>	<u>7,087</u>	<u>318</u>	<u>165</u>	<u>4,001</u>	<u>99</u>	<u>96</u>	<u>132</u>
Total district-wide	<u>\$ 5,779,654</u>	<u>\$ 6,160,665</u>	<u>\$ 6,339,189</u>	<u>\$ 6,483,084</u>	<u>\$ 6,442,394</u>	<u>\$ 6,338,481</u>	<u>\$ 6,471,814</u>	<u>\$ 6,748,542</u>	<u>\$ 6,931,340</u>	<u>\$ 7,403,805</u>
Change in Net Position:										
Governmental activities	\$ 39,916	\$ 475,052	\$ 397,251	\$ 50,275	\$ 141,082	\$ (438,697)	\$ (514,462)	\$ 221,402	\$ 154,452	\$ 165,517
Business-type activities	(15,978)	(1,208)	(2,678)	(12,065)	(13,474)	2,796	(4,442)	6,471	18,082	11,174
Total district-wide	<u>\$ 23,938</u>	<u>\$ 473,844</u>	<u>\$ 394,573</u>	<u>\$ 38,210</u>	<u>\$ 127,608</u>	<u>\$ (435,901)</u>	<u>\$ (518,904)</u>	<u>\$ 227,873</u>	<u>\$ 172,534</u>	<u>\$ 176,691</u>

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

J-3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:										
Restricted for:										
Year-end Encumbrances		\$ 237,092	\$ 267,600	\$ 53,802	\$ 25,991	\$ 704	\$ -	\$ 28,287	\$ 58,043	\$ 3,378
Capital reserve	\$ 1,166	60,468	162,859	116,474						100,000
Maintenance reserve									58,000	158,000
Future tuition payments	48,000	48,000	148,000	200,000	131,000	200,000	200,000			
Excess surplus		138,388	138,460	21,910	42,261				91,337	253,457
Designated for subsequent year's budget	112,000	40,000	171,775	294,176	680,612	438,618	18,701	20,000	90,838	91,415
Unassigned	70,829	183,355	167,230	153,996	69,532	(81,599)	(130,336)	21,509	7,451	33,819
Total general fund	<u>\$ 231,995</u>	<u>\$ 707,303</u>	<u>\$ 1,055,924</u>	<u>\$ 840,358</u>	<u>\$ 949,396</u>	<u>\$ 557,723</u>	<u>\$ 88,365</u>	<u>\$ 69,796</u>	<u>\$ 305,669</u>	<u>\$ 640,069</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (1,295)	\$ (1,475)	\$ (4,045)							
Capital projects fund				\$ 12,369						
Total all other governmental funds	<u>\$ (1,295)</u>	<u>\$ (1,475)</u>	<u>\$ (4,045)</u>	<u>\$ 12,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 3,542,770	\$ 3,921,250	\$ 4,007,239	\$ 3,951,826	\$ 4,008,583	\$ 4,072,107	\$ 4,138,967	\$ 4,285,045	\$ 4,452,813	\$ 4,664,481
Tuition charges	639,322	671,703	700,336	664,519	811,283	910,398	651,098	596,664	413,291	27,733
Interest earnings	2,853	52	2,392	3,615	17,130					
Miscellaneous	39,182	60,031	59,372	25,761	4,043	20,044	23,221	11,495	23,857	95,993
State sources	2,667,235	2,861,659	3,033,796	2,902,548	2,506,022	2,597,754	2,760,821	3,023,657	2,922,401	3,156,190
Federal sources	242,685	243,347	236,944	226,056	735,376	278,872	266,159	264,485	282,093	269,298
Total revenue	7,134,047	7,758,042	8,040,079	7,774,325	8,082,437	7,879,175	7,840,266	8,181,346	8,094,455	8,213,695
Expenditures										
Instruction										
Regular Instruction	1,850,818	1,869,649	2,018,382	2,015,033	2,050,775	1,940,038	1,778,317	1,804,215	1,796,879	1,830,102
Special education instruction	376,504	428,758	467,551	537,202	523,603	480,657	658,098	742,918	527,532	553,821
Other instruction	56,441	75,458	79,429	121,515	167,597	213,103	248,386	232,451	221,245	169,344
Support Services:										
Tuition	2,071,237	1,796,749	1,669,569	1,786,848	1,699,653	2,140,009	1,856,611	1,957,804	2,094,612	2,102,218
Student & instruction related services	530,208	592,590	630,723	671,234	694,871	687,035	686,512	740,122	777,675	793,141
General and business admin. services	366,684	407,691	429,939	429,666	442,144	434,810	400,691	355,524	261,056	162,048
School administrative services	123,932	135,941	90,914	96,309	142,836	159,393	155,071	163,362	168,761	281,745
Plant operations and maintenance	331,597	373,506	527,107	397,411	480,869	526,584	481,433	439,912	465,397	428,290
Pupil transportation	189,112	142,417	111,693	86,134	50,579	71,114	83,438	153,324	144,970	170,406
Other support services	1,052,258	1,356,004	1,468,417	1,401,577	1,519,190	1,609,173	1,610,968	1,601,551	1,375,200	1,353,878
Special schools			19,653	28,480	27,273					
Capital outlay	40,997		82,943	402,068	318,308	8,932	350,099	8,732	1,760	1,760
Transfer to Charter School									23,495	32,542
Debt service:										
Principal	96,000	96,000	95,000							
Interest and other charges	13,623	8,151	2,708							
Total expenditures	7,099,411	7,282,914	7,694,028	7,973,477	8,117,698	8,270,848	8,309,624	8,199,915	7,858,582	7,879,295
Excess (Deficiency) of revenues over (under) expenditures	34,636	475,128	346,051	(199,152)	(35,261)	(391,673)	(469,358)	(18,569)	235,873	334,400
Other Financing sources (uses)										
Prior year state aid canceled					(87,492)					
Transfers in				50,000	147,895					
Transfers out				(50,000)	(147,895)					
Total other financing sources (uses)	-	-	-	-	(87,492)	-	-	-	-	-
Net change in fund balances	\$ 34,636	\$ 475,128	\$ 346,051	\$ (199,152)	\$ (122,753)	\$ (391,673)	\$ (469,358)	\$ (18,569)	\$ 235,873	\$ 334,400
Debt service as a percentage of noncapital expenditures	1.55%	1.43%	1.28%	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)

<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>
2006	\$ 29,588	\$ 639,322	\$ -	\$ 12,444	\$ -	\$ -	\$ -	\$ 3	\$ 681,357
2007	46,785	671,703		12,815	450			33	731,786
2008	52,454	700,336	100	6,266	501			2,443	762,100
2009	25,476	664,519	100	1,660	451	1,547		142	693,895
2010	17,130	811,283	50	1,538	451	1,940		64	832,456
2011	12,309	910,398	100	4,551	451	2,413		220	930,442
2012	4,279	651,098	2,600	11,495	451	4,172		224	674,319
2013	2,595	596,664		5,349				3,551	608,159
2014	2,033	413,291		20,624	1,200				437,148
2015	2,337	27,733		8,125	1,100		83,782	649	123,726
	<u>\$ 194,986</u>	<u>\$ 6,086,347</u>	<u>\$ 2,950</u>	<u>\$ 84,867</u>	<u>\$ 5,055</u>	<u>\$ 10,072</u>	<u>\$ 83,782</u>	<u>\$ 7,329</u>	<u>\$ 6,475,388</u>

Source: District records

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

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Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Value
2005	\$ 1,067,600	\$ 133,331,400	\$ 16,218,000	\$ 672,700	\$ 7,870,600	\$ 159,160,300	\$ 223,389	\$ 159,383,689	\$ 11,053,400	2.223	\$ 205,251,373
2006	997,700	134,197,500	16,680,500	169,000	7,870,600	159,915,300	178,847	160,094,147	10,960,700	2.449	233,404,115
2007	1,156,200	134,829,500	16,037,000	169,000	8,030,500	160,222,200	156,173	160,378,373	10,972,700	2.498	274,963,066
2008	1,086,000	135,022,000	16,266,300	169,000	8,030,500	160,573,800	151,582	160,725,382	11,049,400	2.459	302,861,269
2009	1,123,200	135,307,600	16,065,300	169,000	7,555,500	160,220,600	159,479	160,380,079	11,349,400	2.499	315,076,809
2010	1,090,400	135,287,000	15,693,200	169,000	7,670,000	159,909,600	150,750	160,060,350	11,246,400	2.544	317,686,785
2011	1,018,400	134,825,300	15,315,400	169,000	8,159,000	159,487,100	133,538	159,620,638	11,281,200	2.593	297,389,439
2012	1,193,400	134,722,000	14,890,000	169,000	8,134,200	159,108,600		159,108,600	11,209,200	2.693	288,870,428
2013	R 1,018,700	218,723,400	24,478,400	262,600	13,963,300	258,446,400		258,446,400	22,797,600	1.722	268,470,877
2014	941,800	218,044,600	24,478,400	262,600	13,476,600	257,204,000		257,204,000	23,400,900	1.813	280,588,536
2015	1,060,800	217,896,700	23,211,400	262,600	13,203,500	255,635,000		255,635,000	23,416,100	1.872	283,527,565

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	
2006	\$ 2.406	\$ 0.043	\$ 2.449	\$ 1.332	\$ 1.182	\$ 4.963
2007	2.458	0.040	2.498	1.491	1.206	5.195
2008	2.419	0.040	2.459	1.661	1.198	5.318
2009	2.499	-	2.499	1.818	1.215	5.532
2010	2.544	-	2.544	1.901	1.292	5.737
2011	2.593	-	2.593	1.999	1.323	5.915
2012	2.693	-	2.693	2.034	1.397	6.124
2013	1.722	-	1.722	1.286	0.862	3.870
2014	1.813	-	1.813	1.326	0.930	4.069
2015	1.872	-	1.872	1.383	0.972	4.227

Source: Municipal Tax Collector

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

J-8

86

Taxpayer	2014-2015		Taxpayer	2005-2006	
	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	0.91%	Oaklyn Associates	\$ 2,125,000	1.33%
Everall LLC	1,128,600	0.44%	Commerce Bank	1,199,200	0.75%
Allan & Sandra Vogelsson	1,100,000	0.43%	Peter & Joan Corelli	986,800	0.62%
BK WHP Reality LLC	1,064,600	0.42%	Oaklyn Associates	957,600	0.60%
Oaklyn Equities, LLC - CVS	1,025,000	0.40%	Allan & Sandra Vogelsson	768,000	0.48%
TD Bank	900,000	0.35%	Albert & Marilyn Gilbert	750,000	0.47%
PC Schell Portfolio LLC	872,300	0.34%	1006 White Horse Pike Assoc.	676,100	0.42%
Heights Investment Property, LLC	844,700	0.33%	Motiva Enterprises	543,200	0.34%
Catherine Mitchell Real Estate Assoc	818,300	0.32%	RJ Clegg	518,700	0.33%
Individual #2	796,900	0.31%	Catherine Mitchell Real Estate	503,000	0.32%
Total	\$ 10,864,600	4.25%		\$ 9,027,600	5.66%

Source: Municipal Tax Assessor

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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 3,542,770	\$ 3,542,770	100.00%	-
2007	3,921,250	3,921,250	100.00%	-
2008	4,007,239	4,007,239	100.00%	-
2009	3,951,826	3,951,826	100.00%	-
2010	4,008,583	4,008,583	100.00%	-
2011	4,072,107	4,072,107	100.00%	-
2012	4,138,967	4,138,967	100.00%	-
2013	4,285,045	4,285,045	100.00%	-
2014	4,452,813	4,452,813	100.00%	-
2015	4,664,481	4,664,481	100.00%	-

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 ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases				
2006	\$ 191,000	\$ -	\$ -		\$ 191,000	0.12%	47
2007	95,000	-	-		95,000	0.06%	23
2008	-	-	-		-	d	d
2009	-	-	-		-	d	d
2010	-	-	-		-	d	d
2011	-	-	-		-	d	d
2012	-	-	-		-	d	d
2013	-	-	-		-	d	d
2014	-	-	-		-	d	d
2015	-	-	-		-	d	d

Sources:

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

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

J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2006	\$ 191,000	\$ -	\$ 191,000	0.12%	47
2007	95,000	-	95,000	0.06%	23
2008	-	-	-	d	d
2009	-	-	-	d	d
2010	-	-	-	d	d
2011	-	-	-	d	d
2012	-	-	-	d	d
2013	-	-	-	d	d
2014	-	-	-	d	d
2015	-	-	-	d	d

Sources:

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

**Oaklyn School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2014**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Oaklyn	\$ 4,677,484	100.000%	\$ 4,677,484
Camden County General Obligation Debt	177,416,114	0.753%	1,335,943
Subtotal, overlapping debt			<u>6,013,427</u>
Oaklyn School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 6,013,427</u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2014 Equalized Valuation. The source for this computation was the 2014 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis (1):
2012	\$ 277,821,896
2013	281,225,680
2014	284,549,176
	<u>\$ 843,596,752</u>
Average equalized valuation of taxable property	<u>\$ 281,198,917</u>
Debt limit (3.5% of average equalized valuation) (2)	9,841,962
Net bonded school debt (3)	-
Legal debt margin	<u>\$ 9,841,962</u>

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	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 6,153,853	\$ 8,268,736	\$ 9,403,807	\$ 10,375,572	\$ 10,885,475	\$ 10,838,222	\$ 10,535,486	\$ 10,076,009	\$ 9,890,583	\$ 9,841,962
Total net debt applicable to limit (3)	<u>191,000</u>	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 5,962,853</u>	<u>\$ 8,173,736</u>	<u>\$ 9,403,807</u>	<u>\$ 10,375,572</u>	<u>\$ 10,885,475</u>	<u>\$ 10,838,222</u>	<u>\$ 10,535,486</u>	<u>\$ 10,076,009</u>	<u>\$ 9,890,583</u>	<u>\$ 9,841,962</u>
Total net debt applicable to the limit as a percentage of debt limit	3.10%	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources:

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

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

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2006	4,077	\$ 160,527,798	\$ 39,374	3.8%
2007	4,063	165,762,274	40,798	3.5%
2008	4,041	169,948,296	42,056	4.7%
2009	4,036	169,657,296	42,036	7.4%
2010	4,036	170,440,280	42,230	7.8%
2011	4,030	178,242,870	44,229	7.7%
2012	4,024	181,333,512	45,063	7.7%
2013	4,008	182,540,352	45,544	8.8%
2014	3,984	e	e	6.1%
2015	e	e	e	e

Source:

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

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

J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	29.0	29.0	29.0	29.5	28.5	29.5	29.5	29.0	28.0	28.0
Special education	10.0	10.0	10.0	12.0	11.5	11.5	12.0	12.0	12.0	12.0
Support Services:										
Student & instruction related services	10.0	12.0	12.5	11.5	12.2	12.3	11.6	12.0	5.0	5.0
School administrative services	2.0	2.5	2.5	2.5	2.5	2.6	3.0	2.6	2.3	2.3
General administrative services	2.0	2.5	2.5	2.5	2.5	1.8	1.8	1.0	-	-
Plant operations and maintenance	4.0	5.2	5.2	5.0	5.0	0.8	0.8	-	-	-
Business and other support services	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.0	-	-
Food Service	3.5	3.3	3.3	3.5	3.5	1.5	1.5	1.5	1.0	-
Total	62.5	66.5	67.0	68.5	67.7	62.0	62.0	59.1	48.3	47.3

Source:
District Personnel Records

Oaklyn School District
Operating Statistics,
Last Ten Fiscal Years

J-17

<u>Fiscal Year</u>	<u>Resident Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2005	451	6,531,979	14,483	17.36%	39	1:18	451.0	428.0	-9.26%	94.90%
2006	454	6,948,791	15,306	5.68%	39	1:18	454.0	431.0	-8.65%	94.93%
2007	433	7,178,763	16,579	8.32%	39	1:11	433.0	410.0	-3.99%	94.69%
2008	431	7,513,377	17,432	5.15%	40	1:11	429.8	408.7	-5.33%	95.09%
2009	418	7,571,409	18,113	3.91%	41	1:10	409.8	390.4	-4.65%	95.27%
2010	432	7,799,390	18,054	-0.33%	40	1:11	426.8	398.2	4.15%	93.30%
2011	432	8,261,916	19,125	5.93%	41	1:11	429.2	407.1	0.56%	94.85%
2012	469	7,959,525	16,971	-11.26%	41	1:11	459.2	434.2	6.99%	94.56%
2013	440	8,191,183	18,616	9.69%	41	1:11	442.4	417.8	-3.66%	94.44%
2014	413	7,856,822	19,024	2.19%	40	1:11	410.0	389.2	-7.32%	94.93%
2015	388	7,877,535	20,303	6.72%	40	1:11	376.2	356.9	8.24%	94.87%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

J-18

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>											
<u>Elementary</u>											
Oaklyn Elementary (1926)											
Square Feet	74,620	74,620	74,620	74,620	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	540
Enrollment	451	454	433	431	418	432	432	469	440	413	376
<u>Other</u>											
Administration (1932)											
Square Feet	920	920	920	920	920	920	920	920	920	920	920

Number of Schools at June 30, 2015
Elementary = 1

Source: District Facilities Office

Oaklyn School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
* School Facilities											
Oaklyn Public School	\$ 37,580	\$ 40,364	\$ 182,237	\$ 67,833	\$ 154,911	\$ 82,597	\$ 37,297	\$ 48,851	\$ 45,826	\$ 35,830	\$ 733,326
Total School Facilities	<u>\$ 37,580</u>	<u>\$ 40,364</u>	<u>\$ 182,237</u>	<u>\$ 67,833</u>	<u>\$ 154,911</u>	<u>\$ 82,597</u>	<u>\$ 37,297</u>	<u>\$ 48,851</u>	<u>\$ 45,826</u>	<u>\$ 35,830</u>	<u>\$ 733,326</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, 2015**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Blanket Real and Personal Property	\$ 5,000,000		\$ 2,500
Crime	5,000,000		2,500
General Liability	5,000,000		2,500
Automotive	5,000,000		1,000
Errors and Omissions	5,000,000		2,500
Workers' Compensation (2)	2,000,000		
Student Accident (3)	1,000,000		
Catastrophic Student Accident (3)	5,000,000		
Surety Bonds (4)			
Board Secretary	200,000		

- (1) School Alliance Insurance Fund
- (2) New Jersey School Boards Insurance Group
- (3) Markel Insurance Company
- (4) Liberty Mutual

Source: District records

Single Audit Section

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Certified Public Accountants

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 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
 REPORT ON INTERNAL CONTROL OVER COMPLIANCE
 AS REQUIRED BY OMB CIRCULAR A-133
 AND STATE OF NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

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 *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular OMB's 04-04 and/or 15-08 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, 2015.

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 programs and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB's Circular 04-04 and/or 15-08, 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's 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 OMB Circular A-133 and the New Jersey OMB's Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB 04-04 and/or 15-08

I have audited 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 year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. I have issued my report thereon dated November 27, 2015, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant

Marlton, New Jersey
November 27, 2015

OAKLYN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2014			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I:														
Fiscal Year 2015	84.010A	NCLB377015	\$ 127,805	7/1/14 - 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 92,072	\$ (123,161)	\$ -	\$ (31,089)	\$ -	\$ -
Fiscal Year 2014	84.010A	NCLB377014	124,036	7/1/13 - 6/30/14	(29,547)				29,547					
Title II A:														
Fiscal Year 2015	84.367A	NCLB377015	16,317	7/1/14 - 6/30/15					5,739	(13,739)		(8,000)		
Fiscal Year 2014	84.367A	NCLB377014	15,589	7/1/13 - 6/30/14	(6,289)				6,289					
I.D.E.A. Part B - Basic:														
Fiscal Year 2015	84.027	IDEA377015	114,172	7/1/14 - 6/30/15					110,376	(114,172)		(3,796)		
I.D.E.A. Part B - Preschool:														
Fiscal Year 2015	84.173	IDEA377015	4,418	7/1/14 - 6/30/15					4,418	(4,418)				
Race to the Top														
Fiscal Year 2015	84.413A	RTTT377015	6,046	9/1/11 - 11/30/15	(1,372)				1,372					
Total Department of Education					(37,208)				249,813	(255,490)		(42,885)		
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program														
National School Breakfast:	10.565	N/A	16,737	7/1/14 - 6/30/15					16,737	(16,737)				
Fiscal Year 2015	10.553	N/A	10,750	7/1/14 - 6/30/15					10,111	(10,750)		(639)		
Fiscal Year 2014	10.553	N/A	14,352	7/1/13 - 6/30/14	(1,136)				1,136					
National School Lunch Program:														
Fiscal Year 2015	10.555	N/A	64,557	7/1/14 - 6/30/15					59,807	(64,557)		(4,750)		
Fiscal Year 2014	10.555	N/A	72,344	7/1/13 - 6/30/14	(6,283)				6,283					
Total Department of Agriculture					(7,419)				94,074	(92,044)		(5,389)		
U.S. Department of Health and Human Services														
Passed-through State Department of Human Services:														
General Fund:														
Medicaid Assistance Program														
Fiscal Year 2015	93.778	N/A	13,808	7/1/14 - 6/30/15					8,413	(13,808)		(5,395)		
Total Department of Health and Human Services									8,413	(13,808)		(5,395)		
Total Federal Awards					\$ (44,627)	\$ -	\$ -	\$ -	\$ 352,300	\$ (361,342)	\$ -	\$ (53,669)	\$ -	\$ -

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, 2015

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State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance at June 30, 2014			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	15-495-034-5120-078	\$ 2,142,965	7/1/14- 6/30/15	\$ -	\$ -	\$ -	\$ -	\$ 1,943,127	\$ (2,142,965)	\$ -	\$ (199,838)	\$ -	\$ -
Equalization Aid	14-495-034-5120-078	2,142,965	7/1/13- 6/30/14	(211,487)				211,487					
School Choice Aid	15-495-034-5120-068	134,022	7/1/14- 6/30/15					121,524	(134,022)		(12,498)		
Categorical Special Education Aid	15-495-034-5120-089	271,990	7/1/14- 6/30/15					246,626	(271,990)		(25,364)		
Categorical Special Education Aid	14-495-034-5120-089	271,990	7/1/13- 6/30/14	(26,842)				26,842					
Categorical Transportation Aid	15-495-034-5120-014	6,655	7/1/14- 6/30/15					6,034	(6,655)		(621)		
Categorical Transportation Aid	14-495-034-5120-014	6,655	7/1/13- 6/30/14	(657)				657					
Categorical Security Aid	15-495-034-5120-084	20,660	7/1/14- 6/30/15					18,734	(20,660)		(1,926)		
Categorical Security Aid	14-495-034-5120-084	20,660	7/1/13- 6/30/14	(2,039)				2,039					
Under Adequacy Aid	15-495-034-5120-083	16,232	7/1/14- 6/30/15					14,718	(16,232)		(1,514)		
Under Adequacy Aid	14-495-034-5120-083	16,232	7/1/13- 6/30/14	(1,602)				1,602					
PARCC Readiness Aid	15-100-034-5120-098	5,210	7/1/14- 6/30/15					4,724	(5,210)		(486)		
Per Pupil Growth Aid	15-100-034-5120-097	5,210	7/1/14- 6/30/15					4,724	(5,210)		(486)		
Extraordinary Special Education Aid	15-100-034-5120-473	26,552	7/1/14- 6/30/15						(26,552)		(26,552)		
Extraordinary Special Education Aid	14-100-034-5120-473	79	7/1/13- 6/30/14	(78)				79	(1)				
On-behalf TPAF Pension Contribution	15-495-034-5094-006	137,233	7/1/14- 6/30/15					137,233	(137,233)				
On-behalf TPAF Post Retirement Medical	15-495-034-5094-001	217,857	7/1/14- 6/30/15					217,857	(217,857)				
Reimbursed TPAF Social Security Contr.	15-495-034-5094-003	171,709	7/1/14- 6/30/15					163,449	(171,709)		(8,260)		
Reimbursed TPAF Social Security Contr.	14-495-034-5094-003	171,127	7/1/13- 6/30/14	(8,522)				8,522					
Total General Fund				(251,227)	-	-	-	3,129,978	(3,156,296)	-	(277,545)	-	-
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	14-100-034-5120-064	494	7/1/13- 6/30/14			494					494		
Technology Aid	14-100-034-5120-373	180	7/1/13- 6/30/14			180					180		
Auxillary Services:													
Compensatory Education	15-100-034-5120-067	3,585	7/1/14- 6/30/15					3,583					3,583
Handicapped Services:													
Supplemental Instruction	15-100-034-5120-066	1,569	7/1/14- 6/30/15					1,569					1,569
Exam & Classification	15-100-034-5120-066	3,240	7/1/14- 6/30/15					3,242					3,242
Corrective Speech	15-100-034-5120-066	4,418	7/1/14- 6/30/15					4,418					4,418
Total Special Revenue Fund				-	-	674	-	12,812	-	674	-	-	12,812
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program:													
Fiscal Year 2015	15-100-010-3350-023	1,801	7/1/13- 6/30/14					1,618	(1,801)		(183)		
Fiscal Year 2014	14-100-010-3350-023	2,010	7/1/13- 6/30/14	(277)				277					
Total Enterprise Fund				(277)	-	-	-	1,895	(1,801)	-	(183)	-	-
Total State Financial Assistance				\$ (251,504)	\$ -	\$ 674	\$ -	\$ 3,144,685	\$ (3,158,097)	\$ 674	\$ (277,728)	\$ -	\$ 12,812

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, 2015**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Oaklyn School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, 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 OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$106) for the general fund and \$0 for 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. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 13,808	\$ 3,156,190	\$ 3,169,998
Special Revenue	255,490		255,490
Food Service	92,044	1,801	93,845
Total	<u>\$ 361,342</u>	<u>\$ 3,157,991</u>	<u>\$ 3,519,333</u>

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.

**Oaklyn School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015
(Continued)**

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, 2015. 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, 2015.

6. MAJOR PROGRAMS

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

**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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 04-04 and/or 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-100-010-3350-023</u>	<u>National School Lunch Program (State Share)</u>
<u> </u>	<u> </u>

**OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit.

No findings identified.

OAKLYN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04 and/or 15-08, as applicable

FEDERAL AWARDS:

A Federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

**OAKLYN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and NJOMB's Circular 04-04 and/or 15-08, as applicable.

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.