

Oldmans Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

OLDMANS TOWNSHIP SCHOOL DISTRICT

PEDRICKTOWN, NEW JERSEY 08067

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

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

For the Fiscal Year Ended June 30, 2011

Prepared by:

**Oldmans Township School
Board of Education Administration**

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INTRODUCTORY SECTION

Oldmans Township School District

ADMINISTRATIVE OFFICES
(856-)299-4240

10 FREED ROAD
(856)299-4243

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

Holly Kirk
Board President

David T. Lindenmuth
Superintendent

Gary R. Moore
Board Secretary
School Business Administrator

August 12, 2011

Honorable President and
Members of the Board of Education
Oldmans Township School District
County of Salem, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Oldmans Township School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the State O.M.B. Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and its Services:

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 197 students, which is 20 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2010-2011	197	11.3%
2009-2010	177	-10.6%
2008-2009	198	-5.3%
2007-2008	209	-5.9%
2006-2007	222	-6.3%

2. Economic Condition and Outlook:

Oldmans Township is a rural farming community with some general businesses and light industry. The Pedricktown Industrial Complex provides the largest source of employment in the community. Currently, there are three residential developments in planning stages which have gained local planning board approvals. When constructed, this will have an impact on daily enrollments once occupied by residents. The Gateway Industrial Park that has been in the planning stages since 2000 has finally begun development. Three commercial warehouses as of June 30, 2009, have completed construction of new facilities and began operations. There are now four more additional warehouses in the planning/approval stage.

3. Major Initiatives:

With the start of the FY 2002-2003 school year, the \$4,800,000 building project, which provided an additional 31,000 square feet of space that began in February, 2000, was complete with the exception of an expansion to the existing septic system being finished in October, 2004. This addition added eight regular classrooms, two resource center rooms, several small group instruction areas, science lab, art room, library/media center, cafeteria and kitchen along with additional storage areas and a central custodial storage area. The project also included renovations to the existing "middle school" building that included retrofitting the pod to accommodate students in grades K-2, creating rooms for speech, guidance and basic skills and adding a storage area in the music room. It also provided a state of the art H.V.A.C. geothermal heating/cooling system. Since November 13, 2001, all students in Oldmans Township now attend school at one location/school known as Oldmans Township School. School building capacity is now rated at 445. The Board continues to seek approval for the installation of a 525KW renewable energy project which will include a solar panel field and a small wind turbine unit.

With the enactment of S1701, in the 2005-06 school year, the Board of Education aggressively pursued to provide shared services to other school districts for both Superintendent and Business Administration services. As of June 30, 2011, a one year contractual agreement was renewed with both the Greenwich School District (Cumberland County) and the Stow Creek School District (Cumberland County) for providing Business Administrator services for the 2011-12 school year.

3. Major Initiatives: (Continued)

In addition to the business services above, Oldmans School District also serves as the LEA for the following Joint Purchase and Shared Service ventures: 1) County Wide bid/purchase for custodial supplies; 2) Transportation of pupils to various remote locations; 3) Purchase of diesel fuel, copy paper, and custodial supplies for the local municipality; and 4) Provide Custodial Services to the Greenwich School District.

4. Internal Accounting Controls:

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

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

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

5. Budgetary Controls:

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

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

6. Accounting System and Reports:

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

7. Cash Management:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("G.U.D.P.A."). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

7. Cash Management: (Continued)

The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. Risk Management:

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

9. Other Information:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related O.M.B. Circular A-133 and State O.M.B. Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards - The District will not apply to the Association of School Business Officials (A.S.B.O.) for its Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials.

10. Acknowledgements:

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

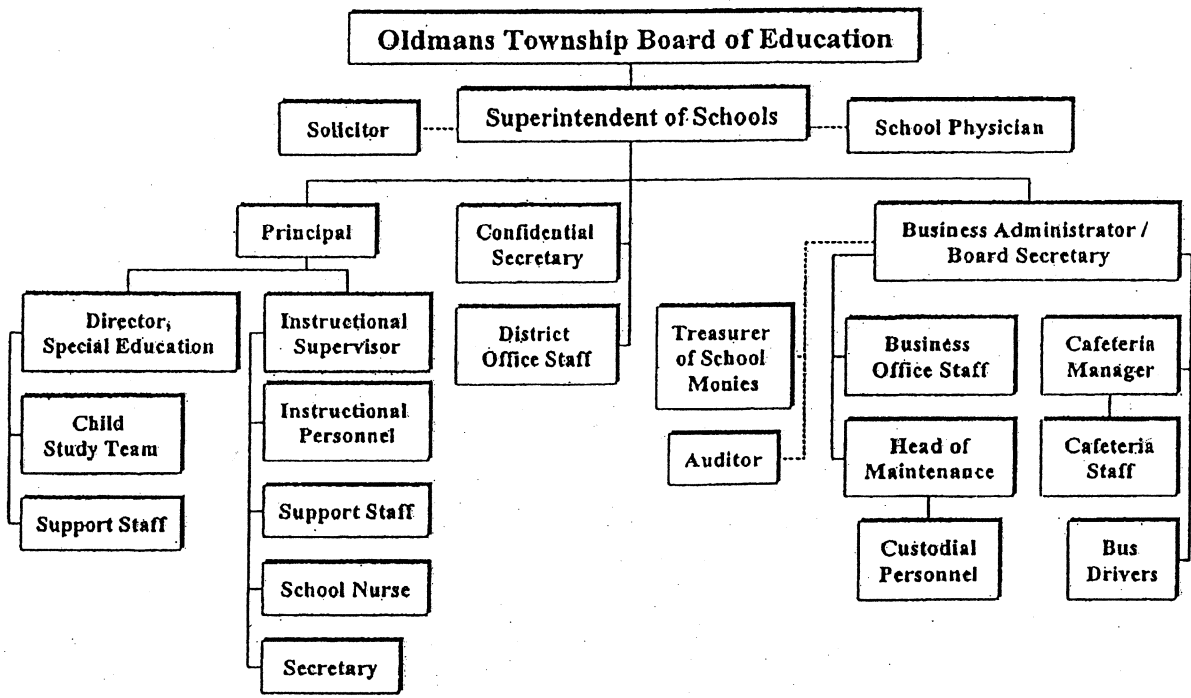
Respectfully submitted,

David T. Lindenmuth

David T. Lindenmuth
Superintendent

Gary R. Moore

Gary R. Moore
Board Secretary/School Business Administrator



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

**ROSTER OF OFFICIALS
June 30, 2011**

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Holly Kirk	President	2012
Gary Green	Vice President	2014
Christy Myers	Board Member	2011
Patricia Gaskill	Board Member	2012
Kathryn Moore	Board Member	2013
Jeffrey Newman	Board Member	2013
Kelley Piel	Board Member	2013
Douglas Strickland	Board Member	2014
V. Corydon Taylor	Board Member	2012
Randall Tyler	Board Member	2014

OTHER OFFICIALS

David T. Lindenmuth, Superintendent

Gary R. Moore, School Business Administrator/Board Secretary

James R. Hackett, Treasurer

OLDMANS TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Auditor

Petroni & Associates LLC
21 W. High Street
Glassboro, NJ 08028
Contact: Nick Petroni

Attorney and Labor Relations Consultant

John D. Jordon Esquire
111-113 N. Broadway
Pennsville, NJ 08070

Architect

John F. McKerman Jr. Architects and Associates, LLC.
100 Dobbs Lane, Suite 204
Cherry Hill, NJ 08034

Engineer

J & B Engel
1196 U.S. Route 40
Pilesgrove, NJ 08098

Depository

The Bank
221 Shell Road
Carneys Point, NJ 08069

Pennsville National Bank
Mill & Railroad Avenue
Pedricktown, NJ 08067

Negotiations Consultant

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

AHERA Consultant

Environmental Remediation & Management, Inc.
P.O. Box 9026
Trenton, NJ 08650

Insurance Broker

Bollinger Insurance
994 West Sherman Avenue, Building No. 2
Vineland, NJ 08360

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

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

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Oldmans Township School Board of Education's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our 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 audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Oldmans Township School Board of Education, in the County of Salem, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2011, on our consideration of the Oldmans Township School Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information referenced in the outline of C.A.F.R. are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oldmans Township School Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey O.M.B.'s Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and the schedules of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

September 16, 2011

Required Supplementary Information – Part I

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

This section of the Oldmans Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

Financial Highlights

- The assets of the Oldmans Township School District exceeded its liabilities at the close of the most recent fiscal year by \$4,100,587 (net assets) see exhibit A-1.
- The Oldmans Township School District's total net assets increased by \$455,743. This increase is not the result of any one specific occurrence, but a net result of multiple, insignificant changes in the listed balance sheet items reported.
- As of the close of the current fiscal year, the Oldmans Township School District's governmental funds reported combined ending fund balances of \$880,611, an increase of \$385,866 in comparison with the prior year (see Exhibit B-1). Most of the increase was attributable to actual expenditures for the year being less than appropriated for the 2010-2011 school year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$113,197, (see Exhibit B-1) approximately a 3 percent increase from that of the prior fiscal year of \$109,370, which was attributable in part to additional state aid payment being deferred in the amount of \$24,623 (see Exhibit C-3).
- The Oldmans Township School District's total serial bonds decreased by \$160,000 as a result of budgeted debt payments.

Overview of the Financial Statements

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

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited) (Continued)

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

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

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

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

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

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

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited) (Continued)

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Oldmans Township School District, assets exceeded liabilities by \$4,100,587 at the close of fiscal year 2010-2011 (see Exhibit A-1).

The largest portion of the Oldmans Township School District's net assets (80 percent) reflects its investment in capital assets (i.e., land, buildings, equipment); less any related debt used to acquire those assets that are still outstanding. The Oldmans Township School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Oldmans Township School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

OLDMANS TOWNSHIP SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>
Current and other assets	\$ 993,837	\$ 655,172	\$ 28,335	\$ 32,654	\$ 1,022,172	\$ 687,826
Capital assets	4,817,579	4,892,307	41,758	46,728	4,859,337	\$ 4,939,035
Total assets	5,811,416	5,547,479	70,093	79,382	5,881,509	5,626,861
Long-term liabilities outstanding	1,689,134	1,833,383	1,750	1,819	1,690,884	1,835,202
Other liabilities	85,086	136,553	4,952	10,262	90,038	146,815
Total liabilities	1,774,220	1,969,936	6,702	12,081	1,780,922	1,982,017
Net assets:						
Invested in capital assets,						
Net of related debt	3,243,327	3,209,371	41,758	46,728	3,285,085	3,256,099
Restricted	563,236	362,717			563,236	362,717
Unrestricted	230,633	5,455	21,633	20,573	252,266	26,028
Total net assets	\$ 4,037,196	\$ 3,577,543	\$ 63,391	\$ 67,301	\$ 4,100,587	\$ 3,644,844

An additional portion of the Oldmans Township School District's net assets (10 percent) represents resources that are subject to external restrictions on how they may be used.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited) (Continued)

Governmental Activities - Governmental activities increased the Oldmans Township School District's net assets by \$459,653, thereby accounting for 12 percent of the total increase in net assets of the Oldmans Township School District. Key elements of this are as follows:

OLDMANS TOWNSHIP SCHOOL DISTRICT'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Revenues:						
Program revenues:						
Charges for services	\$ 107,000	\$ 101,900	\$ 55,913	\$ 57,629	\$ 162,913	\$ 159,529
Operating grants and contributions	134,333	154,694	37,330	36,754	171,663	191,448
General revenues:						
Property taxes	2,651,924	2,701,241			2,651,924	2,701,241
Grants and contributions not Restricted to specific programs	1,905,490	2,067,184			1,905,490	2,067,184
Other	140,968	225,214	5,252	53	146,220	225,267
Total revenues	4,939,715	5,250,233	98,495	94,436	5,038,210	5,344,669
Expenses:						
Instruction	1,258,422	1,465,851			1,258,422	1,465,851
Support services	3,010,872	3,255,609			3,010,872	3,255,609
Interest on long-term debt	71,817	122,117			71,817	122,117
Other	135,655	154,738			135,655	154,738
Food service			91,193	105,420	91,193	105,420
School age child care			14,508	14,750	14,508	14,750
Total expenses	4,476,766	4,998,315	105,701	120,170	4,582,467	5,118,485
Increase in net assets before transfers	462,949	251,918	(7,206)	(25,734)	455,743	226,184
Transfers	(3,296)	(15,818)	3,296	15,818	-	-
Increase in net assets	459,653	236,100	(3,910)	(9,916)	455,743	226,184
Net assets, July 1	3,577,543	3,162,903	67,301	89,430	3,644,844	3,252,333
Net assets, June 30	<u>\$ 4,037,196</u>	<u>\$ 3,399,003</u>	<u>\$ 63,391</u>	<u>\$ 79,514</u>	<u>\$ 4,100,587</u>	<u>\$ 3,478,517</u>

- *Property taxes* decreased by \$49,317 (1.8 percent) during the year. This decrease is the product of state imposed budget caps over the prior year.

The overall decrease in expenses of \$536,018 was attributable to across the board cuts for the 2010-2011 school year.

Business-Type Activities - Business-type activities decreased the Oldmans Township School District's net assets by \$3,910. The key element of this decrease is as follows:

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited) (Continued)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Oldmans Township School District's Governmental Funds reported combining ending fund balances of \$880,611, an increase of \$385,866 in comparison with the prior year. This increase is primarily a result of expenditure cuts for the 2010-2011 year.

Of the combined ending fund balances of \$880,611, over 27 percent constitutes unreserved fund balance in the amount of \$136,316. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$204,178, (2) to be appropriated in the following years budget to reduce property tax \$171,947, (3) \$300,000 maintenance reserve, and (4) excess surplus- current year of \$68,170.

The General Fund is the main operating fund of the Oldmans Township School District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$113,197, while total fund balance was \$857,492.

The Debt Service Fund has a total fund balance of \$23,119, all of which is to be utilized for the payment of debt service.

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

Unrestricted net assets consisted of the following: a balance of \$20,902 for the Food Service Program and a balance of \$731 for the School Age Child Care Program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Oldmans Township School District's Business-type activities.

General Fund Budgetary Highlights

During the course of the 2011 fiscal year, the Oldmans Township School District modified its General Fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and the additional federal aid which was offset by a decrease in the same amount for state aid.

The final budgetary basis revenue appropriation estimate was \$4,157,021 which was an increase of \$54,863 over the original budgeted estimate of \$4,102,158 and fund balance budgeted of \$154,200.

During fiscal year 2011, the Oldmans Township School District budgeted \$2,651,924 and \$1,583,169, for property taxes (local tax levy) and state aid revenues, respectively. The Oldmans Township School District also received \$108,072 and \$107,820 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2011
 (Unaudited) (Continued)

General Fund Budgetary Highlights (Continued)

The final budgetary basis expenditure estimate was \$4,311,221 which includes a transfer to cover deficit in Food Service of \$9,054 and prior year's encumbrances of \$22,658. The original budgeted estimate was \$4,256,358.

The Oldmans Township School District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions of \$108,072 and \$107,820, respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

Capital Asset and Debt Administration

Capital Assets - The Oldmans Township School District's investment in capital assets for its Governmental and Business-type activities as of June 30, 2011, amounts to \$4,859,337 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. The total decrease in the Oldmans Township School District's investment in capital assets for the current fiscal year was 1.6 percent.

OLDMANS TOWNSHIP SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>
Land	\$ 38,000	\$ 38,000			\$ 38,000	\$ 38,000
Building improvements	4,525,637	4,649,791			4,525,637	4,649,791
Equipment	253,942	204,516	\$ 41,758	\$ 46,728	295,700	251,244
Total	\$ 4,817,579	\$ 4,892,307	\$ 41,758	\$ 46,728	\$ 4,859,337	\$ 4,939,035

Additional information on the Oldmans Township School District's capital assets can be found as Note 5 to the financial statements.

Long-term Debt - At the end of the current fiscal year, the Oldmans Township School District had total bonded debt outstanding of \$1,545,000 for the 2009 Series Bonds. The entire Oldmans Township School District's bonded debt is governmental as opposed to business-type. The bonds will mature on February 15, 2020.

Economic Factors and Next Year's Budget

For the 2010-2011 school year, the Oldmans Township School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 54.9 percent of total revenue is from local tax levy, while 42.2 percent of the Oldmans Township School District's revenue is from federal, state and local aid (restricted and not restricted). One of the most important factors affecting the Oldmans Township School District's budget is its enrollment. The 2010-2011 budget was adopted March 2010 based in part on the state education aid the Oldmans Township School District anticipated receiving. This aid was based on the State's projected enrollment for the District on October 15, 2010, of 160. Since State Aid was held harmless (not increased for additional enrollment), any future increase in enrollments will put an additional burden on the taxpayers of Oldmans Township.

The Oldmans Township School District anticipates a slight increase in enrollment to 175 students for the 2011-2012 fiscal year.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited) (Continued)

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	FY 2011
<u>ASSETS</u>			
Cash and cash equivalents	582,669	17,974	600,643
Interfunds receivable	15,386		15,386
Receivables	29,822	4,904	34,726
Deferred - debt issuance costs (net)	42,841		42,841
Inventory		5,457	5,457
Restricted assets:			
Restricted cash and cash equivalents	323,119		323,119
Capital assets:			
Non-depreciable	38,000		38,000
Assets net of depreciation	4,779,579	41,758	4,821,337
Total assets	<u>5,811,416</u>	<u>70,093</u>	<u>5,881,509</u>
<u>LIABILITIES</u>			
Cash overdraft	7,001		7,001
Interfunds payable	4,599		4,599
Accounts payable	43,182	134	43,316
Payable to state government	1,215		1,215
Payable to federal government	2,585		2,585
Deferred revenue	2,560	4,818	7,378
Accrued interest	23,944		23,944
Noncurrent liabilities:			
Due within one year	183,578		183,578
Due beyond one year	1,505,556	1,750	1,507,306
Total liabilities	<u>1,774,220</u>	<u>6,702</u>	<u>1,780,922</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	3,243,327	41,758	3,285,085
Restricted for:			
Debt service	23,119		23,119
Other purposes	540,117		540,117
Unrestricted	230,633	21,633	252,266
Total net assets	<u>4,037,196</u>	<u>63,391</u>	<u>4,100,587</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	948,214			(948,214)		(948,214)
Special education	227,493		51,620	(175,873)		(175,873)
Other special education	69,045			(69,045)		(69,045)
Other instruction	13,670			(13,670)		(13,670)
Support services:						
Tuition	919,467			(919,467)		(919,467)
Student & instructional related services	346,161		79,017	(267,144)		(267,144)
General administrative services	102,771			(102,771)		(102,771)
School administrative services	33,588			(33,588)		(33,588)
Central services	176,146	63,000		(113,146)		(113,146)
Plant operations & maintenance	419,274	44,000		(375,274)		(375,274)
Pupil transportation	235,537			(235,537)		(235,537)
Employee benefits	777,928		3,696	(774,232)		(774,232)
Interest on long-term debt	71,817			(71,817)		(71,817)
Capital outlay	6,455			(6,455)		(6,455)
Unallocated depreciation	129,200			(129,200)		(129,200)
Total governmental activities	4,476,766	107,000	134,333	(4,235,433)		(4,235,433)
Business-type activities:						
Food service	91,193	46,376	37,330		(7,487)	(7,487)
Other activities	14,508	9,537			(4,971)	(4,971)
Total business-type activities	105,701	55,913	37,330		(12,458)	(12,458)
Total primary government	4,582,467	162,913	171,663	(4,235,433)	(12,458)	(4,247,891)
General revenues:						
Property taxes, levied for general purpose, net				2,493,989		2,493,989
Taxes levied for debt service				157,935		157,935
Federal and state aid not restricted				1,905,490		1,905,490
Tuition charges				87,602		87,602
Transportation fees				29,485		29,485
Investment earnings				3,508	57	3,565
Miscellaneous income				20,373		20,373
Transfers				(3,296)	3,296	
Investment in fixed assets					6,455	6,455
Loss on disposal of fixed assets					(1,260)	(1,260)
Total general revenues, special items, extraordinary items and transfers				4,695,086	8,548	4,703,634
Change in net assets				459,653	(3,910)	455,743
Net assets - beginning				3,577,543	67,301	3,644,844
Net assets - end				4,037,196	63,391	4,100,587

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Totals FY 2011
	General Fund	Special Revenue Fund	Debt Service Fund	
<u>ASSETS</u>				
Cash and cash equivalents	573,426		23,119	596,545
Interfunds receivable	15,386			15,386
Receivables from other governments	16,461	13,361		29,822
Restricted cash and cash equivalents	300,000			300,000
Total Assets	<u>905,273</u>	<u>13,361</u>	<u>23,119</u>	<u>941,753</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Cash overdraft		7,001		7,001
Interfunds payable	4,599			4,599
Accounts payable	43,182			43,182
Payable to state government		1,215		1,215
Payable to federal government		2,585		2,585
Deferred revenue		2,560		2,560
Total liabilities	<u>47,781</u>	<u>13,361</u>		<u>61,142</u>
Fund Balances:				
Restricted for:				
Maintenance reserve	300,000			300,000
Excess surplus - designated for subsequent year's expenditures	93,730			93,730
Excess surplus - current year	68,170			68,170
Committed to:				
Other purposes	204,178			204,178
Assigned to:				
Designated by the B.O.E. for subsequent year's expenditures	78,217			78,217
Unassigned:				
General fund	113,197			113,197
Debt Service Fund			23,119	23,119
Total fund balances	<u>857,492</u>		<u>23,119</u>	<u>880,611</u>
Total liabilities and fund balances	<u>905,273</u>	<u>13,361</u>	<u>23,119</u>	

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. The costs of assets is \$7,214,403 and the accumulated depreciation is \$2,396,824 (See note 5).	4,817,579
Internal Service Funds are used by management to charge the costs of certain activities, such as business and custodial services to other districts. Assets and liabilities of the Internal Service Fund of \$9,243 are included in the governmental activities in the Statement of Net Assets.	9,243
Deferred bond issuance costs are expenses in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets.	42,841
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(23,944)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds (See note 6).	(1,689,134)
	<u>4,037,196</u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds		Non-Major	FY 2011
	General Fund	Special Revenue Fund	Debt Service Fund	
REVENUES				
Local tax levy	2,493,989		157,935	2,651,924
Tuition charges	87,602			87,602
Transportation fees	29,485			29,485
Interest earned on investments	3,508			3,508
Miscellaneous	20,373			20,373
	2,634,957		157,935	2,792,892
State sources	1,840,145		65,345	1,905,490
Federal sources		134,333		134,333
Total revenues	4,475,102	134,333	223,280	4,832,715
EXPENDITURES				
Current:				
Regular instruction	975,562			975,562
Special education instruction	176,650	51,620		228,270
Other special instruction	69,045			69,045
Other instruction	13,670			13,670
Support services & undistributed costs:				
Tuition	919,467			919,467
Student & instruction related services	266,341	79,017		345,358
General administrative services	102,801			102,801
School administrative services	33,091			33,091
Central services	100,584			100,584
Plant operations and maintenance	394,434			394,434
Pupil transportation	213,238			213,238
Employee benefits	774,232	3,696		777,928
Debt service:				
Principal			160,000	160,000
Interest and other charges			68,650	68,650
Capital outlay	124,604			124,604
Total expenditures	4,163,719	134,333	228,650	4,526,702
Excess (deficiency) of revenues over expenditures	311,383		(5,370)	306,013
OTHER FINANCING SOURCES (USES)				
Transfer out for food service	(3,296)			(3,296)
Capital leases - (non-budgeted)	83,149			83,149
Total other financing sources and uses	79,853			79,853
Net change in fund balances	391,236		(5,370)	385,866
Fund balance - July 1	466,256		28,489	494,745
Fund balance - June 30	857,492		23,119	880,611

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)		385,866
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlay	83,149	
Depreciation expense	<u>(157,877)</u>	(74,728)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.</p>		
Bond principal payments		160,000
Capital lease obligation principal payments		35,000
Capital lease obligation proceeds		(83,149)
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
		(4,967)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		1,800
<p>Internal Service Funds are used by management to charge costs of certain activities, such as shared business and custodial services. The operating income of \$7,433 are included in the governmental activities and Statement of Net Assets (see Exhibit B-5).</p>		
		7,433
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>32,398</u>
Change in net assets of governmental activities		<u><u>459,653</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	Totals FY 2011	
ASSETS:				
Current assets:				
Cash and cash equivalents	17,109	865	17,974	9,243
Accounts receivable	4,904		4,904	
Inventories	5,457		5,457	
Total current assets	<u>27,470</u>	<u>865</u>	<u>28,335</u>	<u>9,243</u>
Noncurrent assets:				
Furniture, machinery & equipment	147,355	6,600	153,955	
Less: accumulated depreciation	(108,732)	(3,465)	(112,197)	
Total noncurrent assets	<u>38,623</u>	<u>3,135</u>	<u>41,758</u>	
Total assets	<u><u>66,093</u></u>	<u><u>4,000</u></u>	<u><u>70,093</u></u>	
LIABILITIES:				
Current liabilities:				
Accounts payable		134	134	
Deferred revenue:				
Lunches	1,476		1,476	
U.S.D.A. commodities	3,342		3,342	
Total current liabilities	<u>4,818</u>	<u>134</u>	<u>4,952</u>	
Noncurrent liabilities:				
Compensated absences	<u>1,750</u>		<u>1,750</u>	
NET ASSETS:				
Invested in capital assets, net of related debt	38,623	3,135	41,758	
Unrestricted	20,902	731	21,633	9,243
Total net assets	<u><u>59,525</u></u>	<u><u>3,866</u></u>	<u><u>63,391</u></u>	<u><u>9,243</u></u>

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2011

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2011	
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	42,015		42,015	
Daily sales non-reimbursable programs	4,361		4,361	
Tuition		9,537	9,537	
Other charges and fees				107,000
Total operating revenue	46,376	9,537	55,913	107,000
OPERATING EXPENSES:				
Salaries	36,534	12,527	49,061	75,281
Employee benefits	3,124	958	4,082	24,286
Supplies and materials	2,496	693	3,189	
Purchased professional services	5,000		5,000	
Depreciation	9,835	330	10,165	
Cost of sales	34,204		34,204	
Total operating expenses	91,193	14,508	105,701	99,567
Operating income (loss)	(44,817)	(4,971)	(49,788)	7,433
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	980		980	
Federal sources:				
National school lunch program	24,429		24,429	
School breakfast program	3,766		3,766	
National snack program	154		154	
Food distribution program	8,001		8,001	
Interest revenue	57		57	
Loss on disposal of asset	(1,260)		(1,260)	
Total non-operating revenues (expenses)	36,127		36,127	
Net income (loss) before transfers	(8,690)	(4,971)	(13,661)	7,433
Board contribution	3,296		3,296	
Investment in fixed assets	6,455		6,455	
Net income (loss)	1,061	(4,971)	(3,910)	7,433
Total net assets - beginning	58,464	8,837	67,301	1,810
Total net assets - ending	59,525	3,866	63,391	9,243

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities Enterprise Funds - Major Funds			Governmental Activities Internal Service Fund
	Food Service	Latchkey Program	FY 2011	
Cash flows from operating activities:				
Receipts from customers	47,582	9,537	57,119	107,000
Payments to suppliers	(34,837)	(5,324)	(40,161)	
Payments to employees	(36,604)	(12,527)	(49,131)	(75,281)
Payments for employee benefits	(3,124)	(958)	(4,082)	(24,286)
Net cash provided (used) by operating activities	(26,983)	(9,272)	(36,255)	7,433
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	31,583		31,583	
Net cash provided by non-capital financing activities	31,583		31,583	
Cash flows from investing activities:				
Interest on investments	57		57	
Payment to general fund	(8,053)		(8,053)	
Capital expenditures	6,455		6,455	
Board contribution	3,296		3,296	
Net cash provided by investing activities	1,755		1,755	
Net increase in cash and cash equivalents	6,355	(9,272)	(2,917)	7,433
Cash and cash equivalents - July 1	10,754	10,137	20,891	1,810
Cash and cash equivalents - June 30	17,109	865	17,974	9,243
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(44,817)	(4,971)	(49,788)	7,433
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	9,835	330	10,165	
Food Distribution Program	8,001		8,001	
Change in assets and liabilities:				
(Increase) decrease in accts. receivable	609		609	
(Increase) decrease in inventory	138		138	
Increase (decrease) in accounts payable	(1,153)	(4,631)	(5,784)	
Increase (decrease) in deferred revenue	474		474	
Increase in compensated absences	(70)		(70)	
	(26,983)	(9,272)	(36,255)	7,433

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Statement of Fiduciary Net Assets
 Proprietary Funds
 June 30, 2011

	Unemployment Trust Fund	Agency Funds	Totals FY 2011
ASSETS:			
Current assets:			
Cash and cash equivalents	39,893	112,887	152,780
Intrafund receivable:			
Payroll agency	64,882		64,882
Total assets	104,775	112,887	217,662
 LIABILITIES			
Current liabilities:			
Payroll deductions and withholdings		12,192	12,192
Due to student groups		20,427	20,427
Intrafund payable:			
Unemployment trust		64,882	64,882
Interfund payable:			
General fund		15,386	15,386
Total current liabilities		112,887	112,887
 NET ASSETS			
Unreserved	104,775		104,775

See accompanying notes to the basic financial statements.

OLDMANS TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
June 30, 2011

	Unemployment Trust Fund	FY 2011
ADDITIONS:		
Contributions:		
General fund budget	30,000	30,000
Employee payroll deductions	3,311	3,311
Total contributions	<u>33,311</u>	<u>33,311</u>
Investment earnings:		
Interest	153	153
Total investment earnings	<u>153</u>	<u>153</u>
Total additions	<u>33,464</u>	<u>33,464</u>
DEDUCTIONS:		
Unemployment claims	36,277	36,277
Change in net assets	<u>(2,813)</u>	<u>(2,813)</u>
Net assets - beginning of year	<u>107,588</u>	<u>107,588</u>
Net assets - end of year	<u><u>104,775</u></u>	<u><u>104,775</u></u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

The financial statements of the Board of Education of Oldmans Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

A. Reporting Entity

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

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

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

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

B. Government-wide Statements

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

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

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

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

The District does allocate indirect costs such as depreciation expense, on-behalf T.P.A.F. Pension contributions, and T.P.A.F. Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Fund Financial Statements

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

The District reports the following governmental funds:

GOVERNMENTAL FUNDS

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

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

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

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

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

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

PROPRIETARY FUNDS

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

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

The District's Enterprise Fund are comprised of the Food Service Fund, Before and After School Fund and the Preschool Program Fund.

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

FIDUCIARY FUNDS

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. G.A.S.B. No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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

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

D. Basis of Accounting

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

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

E. Cash and Cash Equivalents

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

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

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

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

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

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2011, consisted of the following:

Food - commodities	3,342
Food	<u>2,115</u>
	<u><u>5,457</u></u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories (Continued)

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

G. Capital Assets

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

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

H. Revenues

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASB No. 33. In applying G.A.S.B. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, are met and reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures

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

J. Compensated Absences

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

K. Interfund Receivables/Payables

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

L. Accrued Salaries and Wages

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

M. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

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

N. Encumbrances

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

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

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

O. Deferred Revenue

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

P. Accrued Liabilities and Long-term Obligations

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items

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

S. Use of Estimates

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

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Depository Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2011 and 2010, was \$1,069,541 and \$719,562. As of June 30, 2011 and 2010, \$0 of the District's bank balance of \$1,088,519 and \$490,754, respectively, was exposed to custodial credit risk.

NOTE 3: INVESTMENTS

As of June 30, 2011 and 2010, the District did not have any investments.

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

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 3: INVESTMENTS (CONTINUED)

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2011, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
State Aid	16,461	
Other		305
Intergovernmental	15,386	4,599
Federal Aid	13,361	
	<u>45,208</u>	<u>4,904</u>

NOTE 5: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2011.

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2011</u>
Governmental activities:				
Capital assets not being depreciated				
Sites (land)	38,000			38,000
Total capital assets not being depreciated	38,000			38,000
Land improvements	58,640			58,640
Building & building improvements	6,416,945			6,416,945
Machinery & equipment	617,669	83,149		700,818
Totals at historical cost	7,093,254	83,149	None	7,176,403
Less: accumulated depreciation				
Land improvements	(58,640)			(58,640)
Building & building improvements	(1,767,154)	(124,154)		(1,891,308)
Machinery & equipment	(413,153)	(33,723)		(446,876)
Total accumulated depreciation	(2,238,947)	(157,877)	None	(2,396,824)
Governmental activities capital assets, net	<u>4,892,307</u>	<u>(74,728)</u>	<u>None</u>	<u>4,817,579</u>
Business-type activities:				
Machinery & equipment	152,900	6,455	5,400	153,955
Less: accumulated depreciation	(106,172)	(10,165)	4,140	(112,197)
Business-type capital assets, net	<u>46,728</u>	<u>(3,710)</u>	<u>9,540</u>	<u>41,758</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation was charged to the following governmental programs:

Instruction - regular	4,243
Support administration	1,643
Transportation	22,029
Operation and maintenance	762
Unallocated	129,200
Total	<u>157,877</u>

NOTE 6: GENERAL LONG-TERM DEBT

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

Advance Refunding

On December 15, 2009, the District issued Refunding School Bonds in the amount of \$1,725,000 with interest rates varying from 3% to 5% to advance refund bonds in the amount of \$1,736,000 with interest rates varying from 5.5% to 5.75%. After paying issuance costs the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments until the bonds are called. The bonds were called on February 15, 2010. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$179,188.33. Interest is paid semi-annually and final maturity is through February 15, 2020. The balance remaining as of June 30, 2011, was \$1,545,000.

Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2011, are as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due within</u> <u>one year</u>
Compensated absences	128,383	1,852	34,250	95,985	
Capital leases		83,149	35,000	48,149	23,578
Serial bonds payable	1,705,000		160,000	1,545,000	160,000
	<u>1,833,383</u>	<u>85,001</u>	<u>229,250</u>	<u>1,689,134</u>	<u>183,578</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6: GENERAL LONG-TERM DEBT (CONTINUED)

Bonds Payable

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

Year Ended			
June 30	Principal	Interest	Total
2012	160,000	63,850	223,850
2013	165,000	59,050	224,050
2014	165,000	52,450	217,450
2015	170,000	45,850	215,850
2016	170,000	39,050	209,050
2017-2020	715,000	85,000	800,000
	<u>1,545,000</u>	<u>345,250</u>	<u>1,890,250</u>

The District has a two year capital lease for a bus. The interest rate is 4.13% see Exhibit I-2.

The following is a schedule of the future minimum lease payments under the lease.

Year Ended			
June 30	Principal	Interest	Total
2012	23,578	2,027	25,605
2013	24,571	1,034	25,605
	<u>48,149</u>	<u>3,061</u>	<u>51,210</u>

Bonds Authorized but Not Issued

As of June 30, 2011, the Board has \$0 of bonds authorized but not issued.

Deferred Bond Issuance Costs and Premiums on Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds. The costs associated with the Series 2009 are detailed below.

The unamortized deferred amount on refunding resulting from the 2009 refunding of the outstanding series of 2000 school bonds is being amortized straight-line over the remaining life of the specific bonds (10 years) and is reflected in the District-wide financial statement as reduction of the related debt.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6: GENERAL LONG-TERM DEBT (CONTINUED)

Deferred Bond Issuance Costs and Premiums on Bonds (Continued)

	<u>DEFERRED BOND ISSUANCE COSTS</u>					
	Useful Lives	Costs	Balance 7/1/2010	Amortization Issuance Costs	Current Year	Balance 6/30/2011
Series 2009	10	50,498	<u>47,808</u>	None	<u>4,967</u>	<u>42,841</u>

Other

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

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

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

For the year ended June 30, 2011, it is not necessary for the Board to establish a liability for arbitrage rebate.

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

NOTE 7: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (P.E.R.S.), or Teachers' Pension and Annuity Fund (T.P.A.F.) a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 7: PENSION FUNDS (CONTINUED)

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers'

Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified titles.

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

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provides for employee contributions of 5.5% of employees' annual compensation, as defined. T.P.A.F. provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S. and T.P.A.F. The P.E.R.S. rates in effect for April 2011, are 11.05% of covered payroll respectively, as reported on June 30, 2009. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to P.E.R.S. for the years ending June 30, 2011, 2010 and 2009 were \$44,479, \$34,457 and \$24,062 respectively, equal to the required contributions for each year. The School District's contributions to T.P.A.F. for the years ending June 30, 2011, 2010 and 2009 were \$107,820, \$112,675 and \$110,750 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2011, 2010 and 2009 were \$1,957,766, \$2,126,374, and \$2,112,368, respectively. Covered payroll was \$1,383,530, \$1,549,676 and \$1,540,356 for T.P.A.F. and \$386,750, \$436,043 and \$398,430 for P.E.R.S.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. 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.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 7: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (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. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's DCRP contributions for the year ending June 30, 2011, was \$86 for one employee. The School District did not make any contributions for the fiscal year 2010 or 2009, as no employees participated in the plan.

NOTE 8: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.

NOTE 9: POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), 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 T.P.A.F. and P.E.R.S. 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. 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 premiums 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 free health benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 10: COMPENSATED ABSENCES

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 10: COMPENSATED ABSENCES (CONTINUED)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to the total number of vacation days earned per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

School District employees who are employed for ten months are entitled to ten paid sick days per fiscal school year. Employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are also entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget. The District uses the vesting method to record the liability.

For the District-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for compensated absences in the governmental fund at June 30, 2011, is \$95,985.

The liability for compensated absences in the food service fund at June 30, 2011, is \$1,750.

NOTE 11: RISK MANAGEMENT

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2011, the District did not incur claims in excess of their coverage.

The District is a member of the New Jersey School Boards Association Insurance Group - ERIC – South. The purpose of this is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

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

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 11: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance:

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

Fiscal Year	District Contributions	Employee Contributions	Amount of Claims	Ending Balance
2010-2011	30,153	3,311	36,277	104,775
2009-2010	50,867	3,516	19,898	107,588
2008-2009	35,528	3,522	38,810	72,905

NOTE 12: OTHER EMPLOYEE BENEFITS PLAN

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

NOTE 13: LABOR CONTRACTS

As of June 30, 2011, the District's employees are organized in the Oldmans Education Association collective bargaining unit which is set to expire June 30, 2014.

NOTE 14: OPERATING LEASES

The District has a commitment to lease copy machines under non-cancelable operating leases spanning 48 months. The monthly payment is \$712 a month. Total lease payments made during the year ended June 30, 2011, amounted to \$8,550. Future minimum lease payments are as follows:

Year Ended June 30	Amount
2012	8,550
2013	8,550
2014	8,550
	<u>25,650</u>

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15: FUND BALANCE APPROPRIATED

General Fund – (Exhibit B-1) Of the \$857,492 fund balance at June 30, 2011, \$204,178 is reserved for encumbrances; \$161,900 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$93,730 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$300,000 has been reserved in the maintenance reserve account; \$78,217 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and \$113,197 is unreserved and undesignated.

Debt Service Fund - There was \$23,119 fund balance at June 30, 2011.

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance – Excess surplus is a required calculation pursuant N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011, is \$161,900.

NOTE 17: ECONOMIC DEPENDENCY

The District is heavily reliant on federal and state sources to fund the District operations. Federal and state sources funded approximately 42.2% of the District's 2010-2011 governmental operations.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet at June 30, 2011:

	Interfund	
	Receivable	Payable
General fund	15,386	4,599
Food service fund	4,599	
Unemployment trust	64,882	
Payroll and agency fund		80,268
	84,867	84,867

The General Fund interfund is a result of interest earned during the year, section 125 forfeitures and 1.5% employee withholdings. The Unemployment interfund is a result of claims and District's budget being run through the payroll agency account. The Food Service interfund is the result of the June 2010 and June 2011 reimbursement not being transferred.

NOTE 19: RECENT ACCOUNTING PRONOUNCEMENT

In February 2009, the Governmental Accounting Standards Board (G.A.S.B.) adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement is effective for fiscal periods beginning after June 15, 2010. The effective date for the District is the fiscal year beginning July 1, 2010. The objective of the statement is to enhance the usefulness of fund balance information providing clearer fund balance classifications and clarifying the existing fund balance type definitions.

**OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 20: CONTINGENT LIABILITIES

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	2,493,989		2,493,989	2,493,989	
Tuition from individuals		6,455		25,000	25,000
Tuition from other LEA's		48,408		62,602	62,602
Transportation fees	20,000		20,000	29,485	9,485
Interest on investments	5,000		5,000	3,508	(1,492)
Miscellaneous				20,373	20,373
Total - local sources	2,518,989	54,863	2,518,989	2,634,957	115,968
State sources:					
Equalization aid	879,777		879,777	879,777	
Transportation aid	136,216		136,216	136,216	
Special education categorical aid	127,633		127,633	127,633	
Security aid	24,463		24,463	24,463	
Adjustment aid	415,080		415,080	415,080	
Extraordinary aid				14,498	14,498
Nonpublic transportation aid				1,963	1,963
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				4,848	4,848
T.P.A.F. post-retirement (on-behalf non-budgeted)				102,972	102,972
Reimbursed T.P.A.F. social security contributions (non-budgeted)				108,072	108,072
Total - state sources	1,583,169		1,583,169	1,815,522	232,353
Total revenues	4,102,158	54,863	4,102,158	4,450,479	348,321

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	101,878	(2,500)	99,378	98,925	453
Grades 1-5	541,620	(43,100)	498,520	497,337	1,183
Grades 6-8	311,552	(17,000)	294,552	294,000	552
Regular programs - home instruction:					
Salaries of teachers	1,000	500	1,500	1,500	
Regular programs - undistributed instruction:					
Other salaries for instruction	1,000	5,800	6,800	6,524	276
Purchased technical services	4,500	(3,000)	1,500	288	1,212
Other purchased services (400-500 series)	32,100		32,100	32,100	
General supplies	47,882	2,700	50,582	43,294	7,288
Textbooks	8,500	42,408	50,908	1,594	49,314
Total regular programs	1,050,032	(14,192)	1,035,840	975,562	60,278
Resource room:					
Salaries of teachers	181,050	(26,200)	154,850	154,394	456
Other salaries for instruction		21,295	21,295	21,295	
General supplies	5,100	(4,100)	1,000	961	39
Textbooks	1,000	(1,000)			
Total resource room	187,150	(10,005)	177,145	176,650	495
Total special education	187,150	(10,005)	177,145	176,650	495
Basic skills/remedial:					
Salaries of teachers	53,930	13,900	67,830	67,747	83
Other salaries for instruction		3,000	3,000	1,298	1,702
Total basic skills/remedial	53,930	16,900	70,830	69,045	1,785
School sponsored co-curricular activities:					
Salaries	8,450		8,450	8,300	150
Total school sponsored co-curricular activities	8,450		8,450	8,300	150
School sponsored athletics - instruction:					
Salaries	3,400		3,400	3,398	2
Purchased services (300-500 series)	2,800		2,800	1,972	828
General supplies	500		500		500
Total school sponsored athletics - instruction	6,700		6,700	5,370	1,330
Total other instructional programs	69,080	16,900	85,980	82,715	3,265
Total - instruction	1,306,262	(7,297)	1,298,965	1,234,927	64,038

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures:					
Instruction:					
Tuition to Other LEA's within state regular	550,984	(50,000)	500,984	458,144	42,840
Tuition to Other LEA's within state special	283,006	18,228	301,234	301,234	
Tuition to county special services district/ regional day schools	45,176	(11,428)	33,748	33,715	33
Tuition to private schools for the disabled - in state	229,550	(69,400)	160,150	108,675	51,475
Tuition state facilities	17,699		17,699	17,699	
Total undistributed expenditures - instruction	1,126,415	(112,600)	1,013,815	919,467	94,348
Attendance & social work					
Salaries	17,520		17,520	17,154	366
Total attendance & social work	17,520		17,520	17,154	366
Health services:					
Salaries	58,800	(6,000)	52,800	52,420	380
Purchased professional/technical services	3,400		3,400	1,612	1,788
Other purchased services (400-500 series)	100		100		100
Supplies and materials	1,450		1,450	1,023	427
Total health services	63,750	(6,000)	57,750	55,055	2,695
Related services:					
Salaries of other professional staff	30,800		30,800	30,381	419
General supplies	550		550	293	257
Total related services	31,350		31,350	30,674	676
Extraordinary services:					
Purchased professional-education services	20,592	(6,000)	14,592	6,431	8,161
Total extraordinary services	20,592	(6,000)	14,592	6,431	8,161
Guidance services					
Salaries of other professional staff	38,429	23,000	61,429	59,844	1,585
Total guidance services	38,429	23,000	61,429	59,844	1,585
Child study team					
Purchased professional-educational services	3,000		3,000	1,100	1,900
Total child study team	3,000		3,000	1,100	1,900

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational media services/school library:					
Salaries	90,116	(36,900)	53,216	52,597	619
Purchased professional-technical services	1,400		1,400		1,400
Purchased services (400-500 series)	1,100		1,100	1,099	1
Supplies and materials	3,990		3,990	3,342	648
Total educational media services/school library	96,606	(36,900)	59,706	57,038	2,668
Instructional staff training:					
Salaries of supervisor of instruction		27,100	27,100	26,940	160
Salaries of secretarial and clerical assistants	12,270		12,270	11,352	918
Purchased professional-technical services	1,400	(1,000)	400	75	325
Purchased services (400-500 series)	1,000		1,000	678	322
Total instructional staff training	14,670	26,100	40,770	39,045	1,725
Support services general administration:					
Salaries	61,602	1,000	62,602	62,402	200
Legal services	3,000	(1,800)	1,200	613	587
Audit Fees	12,000	400	12,400	11,800	600
Other purchased professional services	2,000	7,500	9,500	8,320	1,180
Communications/telephone	5,500	(2,000)	3,500	1,944	1,556
B.O.E. other purchased services	800		800	28	772
Other purchased services (400-500 series)	20,180	(5,100)	15,080	12,468	2,612
Supplies and materials	1,700		1,700	478	1,222
B.O.E. Member dues/fees	5,000		5,000	4,748	252
Total support services general administration	111,782		111,782	102,801	8,981
Support services school administration:					
Salaries of secretarial and clerical assistants	29,657		29,657	29,657	
Supplies and materials	6,100		6,100	3,434	2,666
Total support services school administration	35,757		35,757	33,091	2,666
Central services:					
Salaries	93,595	(450)	93,145	92,289	856
Other purchased services (400-500 series)	5,400	812	6,212	6,212	
Supplies and materials	1,500	(412)	1,088	1,053	35
Other objects	1,000	50	1,050	1,030	20
Total central services	101,495		101,495	100,584	911
Required maintenance:					
Cleaning, repair and maintenance services	73,400	134,000	207,400	68,803	138,597
Total required maintenance	73,400	134,000	207,400	68,803	138,597

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation & maintenance of plant services:					
Other salaries	97,581	20,400	117,981	117,452	529
Purchased professional - technical services	28,211	21,500	49,711	42,099	7,612
Cleaning, repair and maintenance services	17,800	6,500	24,300	23,830	470
Other purchased property services	1,800		1,800	1,619	181
Insurance	10,000	2,100	12,100	12,035	65
Other purchased services (400-500 series)	3,500	(750)	2,750	2,491	259
General supplies	11,000	7,750	18,750	16,944	1,806
Energy (heat and electricity)	98,650	15,000	113,650	109,161	4,489
Total other operation & maintenance of plant services	268,542	72,500	341,042	325,631	15,411
Total operation & maintenance of plant services	341,942	206,500	548,442	394,434	154,008
Student transportation services:					
Salaries for pupil transportation - between home and school - regular	61,422	9,000	70,422	67,158	3,264
Salaries for pupil transportation - between home and school - special	5,500	(4,000)	1,500	838	662
Salaries for pupil transportation - other than between home and school	5,500	(1,450)	4,050	4,050	
Cleaning, repair and maintenance services	13,500	15,000	28,500	25,892	2,608
Contracted services (other than between home and school) - vendors		7,585	7,585	7,380	205
Contracted services (special education students) E.S.C.'s and C.T.S.A.	104,710	(38,000)	66,710	61,319	5,391
Aid in lieu	5,484		5,484	4,661	823
Miscellaneous purchased service - transportation	13,500	(2,500)	11,000	5,653	5,347
Supplies and materials	23,750	13,000	36,750	36,287	463
Total student transportation services	233,366	(1,365)	232,001	213,238	18,763
Regular programs - instructional - employee benefits					
Social security contributions	9,282	(1,510)	7,772	2,929	4,843
Other retirement regular	47,193	3,786	50,979	44,565	6,414
Unemployment compensation	60,000	(30,000)	30,000	30,000	
Workmen's compensation	17,968		17,968	8,932	9,036
Health benefits	297,758	(46,320)	251,438	221,313	30,125
Tuition reimbursement	8,000		8,000	4,344	3,656
Other employee benefits	18,301	7,330	25,631	11,736	13,895
Total regular programs instructional - employee benefits	458,502	(66,714)	391,788	323,819	67,969
Special programs - instructional - employee benefits					
Social security contributions	1,597		1,597	1,597	
Workmen's compensation	3,396		3,396	1,358	2,038
Health benefits	32,103	4,215	36,318	36,318	
Other employee benefits	4,413		4,413	3,463	950
Total special programs instructional - employee benefits	41,509	4,215	45,724	42,736	2,988

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance services - employee benefits					
Social security contributions	1,063	210	1,273	1,263	10
Workmen's compensation	185		185	111	74
Health benefits	5,719		5,719		5,719
Other employee benefits	230	15	245	245	
Total attendance services - employee benefits	7,197	225	7,422	1,619	5,803
Health services - employee benefits					
Workmen's compensation	782		782	469	313
Health benefits	8,380	516	8,896	8,896	
Other employee benefits	1,100		1,100	1,100	
Total health services - employee benefits	10,262	516	10,778	10,465	313
Related services - employee benefits					
Workmen's compensation	615		615	369	246
Health benefits	21,099	1,299	22,398	22,398	
Other employee benefits	660		660	660	
Total related services - employee benefits	22,374	1,299	23,673	23,427	246
Guidance services - employee benefits					
Health benefits		8,959	8,959	8,959	
Other employee benefits		1,080	1,080	1,080	
Total guidance services - employee benefits		10,039	10,039	10,039	
Educational media services/school library - employee benefits					
Social security contributions	4,467		4,467	3,672	795
Workmen's compensation	3,042		3,042	1,217	1,825
Health benefits	20,112		20,112	17,792	2,320
Other employee benefits	1,390		1,390	950	440
Total educational media services/school library - employee benefits	29,011		29,011	23,631	5,380
Instructional staff training - employee benefits					
Social security contributions	1,063		1,063	866	197
Workmen's compensation	185		185	111	74
Health benefits	5,719	196	5,915	5,915	
Other employee benefits	213		213	180	33
Total instructional staff training - employee benefits	7,180	196	7,376	7,072	304

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration - employee benefits					
Social security contributions	456		456	303	153
Workmen's compensation	846		846	508	338
Health benefits	12,660	779	13,439	13,439	
Other employee benefits	1,620	455	2,075	2,075	
Total support services general administration - employee benefits	15,582	1,234	16,816	16,325	491
Support services school administration - employee benefits					
Social security contributions	2,269		2,269	2,217	52
Workmen's compensation	394		394	236	158
Health benefits	13,839		13,839	13,802	37
Other employee benefits	455		455		455
Total support services school administration - employee benefits	16,957		16,957	16,255	702
Central services - employee benefits					
Social security contributions	1,918		1,918	1,617	301
Workmen's compensation	1,343		1,343	806	537
Health benefits	16,557		16,557	12,455	4,102
Other employee benefits	3,660		3,660	3,660	
Total central services - employee benefits	23,478		23,478	18,538	4,940
Operation and maintenance of plant services - employee benefits					
Social security contributions	7,541	1,300	8,841	8,821	20
Workmen's compensation	7,137		7,137	4,282	2,855
Health benefits	18,573	10,040	28,613	28,613	
Other employee benefits	1,180	620	1,800	1,800	
Total operation and maintenance of plant services - employee benefits	34,431	11,960	46,391	43,516	2,875
Student transportation services - employee benefits					
Social security contributions	5,349		5,349	5,116	233
Workmen's compensation	5,062		5,062	3,037	2,025
Health benefits	13,952		13,952	11,565	2,387
Other employee benefits	1,180		1,180	1,180	
Total student transportation services employee benefits	25,543		25,543	20,898	4,645
Total allocated benefits	692,026	(37,030)	654,996	558,340	96,656

OLDMANS TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Teachers' Pension and Annuity Fund (on-behalf non-budgeted)				4,848	(4,848)
T.P.A.F. post-retirement (on-behalf non-budgeted)				102,972	(102,972)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				108,072	(108,072)
Total non-budgeted				215,892	(215,892)
Total undistributed expenditures	2,928,700	55,705	2,984,405	2,804,188	180,217
Total expenditures - current expense	4,234,962	48,408	4,283,370	4,039,115	244,255
CAPITAL OUTLAY:					
Equipment: - undistributed expenditures:					
School buses - regular	35,000		35,000	35,000	
Non-instructional equipment		6,455	6,455	6,455	
Total equipment	35,000	6,455	41,455	41,455	
Assets acquired under capital leases (non-budgeted)				83,149	(83,149)
Total capital outlay	35,000	6,455	41,455	124,604	(83,149)
Total expenditures	4,269,962	54,863	4,324,825	4,163,719	161,106
Excess (deficiency) of revenues over (under) expenditures	(167,804)		167,804	286,760	509,427
Other financing sources (uses):					
Transfer to food service to cover deficit	(9,054)		(9,054)	(3,296)	(5,758)
Capital leases - (non-budgeted)				83,149	(83,149)
Total other financing sources (uses)	(9,054)		(9,054)	79,853	(88,907)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(176,858)		176,858	366,613	420,520
Fund balances - July 1	644,143		644,143	644,143	
Fund balances - June 30	467,284		821,001	1,010,756	420,520
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				300,000	
Excess surplus - designated for subsequent year's expenditures				93,730	
Excess surplus - current year				68,170	
Committed Fund Balance:					
Year-end encumbrances				204,178	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				78,217	
Unassigned Fund Balance					
				266,461	
				1,010,756	
Reconciliation to Governmental Fund Statements (G.A.A.P.)					
Last State Aid Payment not recognized on G.A.A.P. Basis				(153,264)	
Fund Balance per Governmental Funds (G.A.A.P.)				857,492	

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources	103,575	46,626	150,201	134,333	15,868
Total revenues	<u>103,575</u>	<u>46,626</u>	<u>150,201</u>	<u>134,333</u>	<u>15,868</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction	18,842	5,223	24,065	22,499	1,566
Other purchased services (400-500 series)		541	541	282	259
General supplies	9,852	25,874	35,726	28,839	6,887
Total Instruction	<u>28,694</u>	<u>31,638</u>	<u>60,332</u>	<u>51,620</u>	<u>8,712</u>
Support services:					
Personal services - employee benefits		8,498	8,498	3,696	4,802
Purchased professional - educational services	74,881	1,654	76,535	76,533	2
Other purchased services (400-500 series)		4,836	4,836	2,484	2,352
Total support services	<u>74,881</u>	<u>14,988</u>	<u>89,869</u>	<u>82,713</u>	<u>7,156</u>
Total expenditures	<u>103,575</u>	<u>46,626</u>	<u>150,201</u>	<u>134,333</u>	<u>15,868</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-G.A.A.P. Reconciliation
 Note to R.S.I.
 For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] 4,450,479	[C-2] 134,333
Difference - budget to G.A.A.P.		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for budgetary purposes, not recognized for G.A.A.P. statements.	(153,264)	
State aid payment recognized for G.A.A.P. statements in the current year, previously recognized for budgetary purposes.	177,887	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 4,475,102	[B-2] 134,333
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] 4,163,719	[C-2] 134,333
Difference - budget to G.A.A.P.		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] 4,163,719	[B-2] 134,333

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Total Brought Forward Ex. E-1a	Rural Education Achievement Program			Totals	
		2008-2009	2009-2010	2010-2011	FY 2011	FY 2010
REVENUES:						
Federal sources	105,494	2,160	12,156	14,523	134,333	154,294
Local sources						400
Total revenues	105,494	2,160	12,156	14,523	134,333	154,694
EXPENDITURES:						
Instruction:						
Salaries of teachers						4,637
Other salaries for instruction	22,499				22,499	20,072
Other purchased services (400-500 series)	282				282	
General supplies		2,160	12,156	14,523	28,839	25,168
Total instruction	22,781	2,160	12,156	14,523	51,620	49,877
Support services:						
Personal services - employee benefits	3,696				3,696	795
Purchased professional - educational services	76,533				76,533	74,881
Other purchased services (400-500 series)	2,484				2,484	1,780
Total support services	82,713				82,713	77,456
Facilities acquisition and construction services						
Instructional equipment						27,361
Total facilities acquisition and construction services						27,361
Total expenditures	105,494	2,160	12,156	14,523	134,333	154,694

OLDMANS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Title I Part A	Title II, Part A Teacher & Principal Training & Recruiting	I.D.E.A. - Part B - Basic Reg. Prog.	I.D.E.A. Preschool	Total Carried Forward
REVENUES:					
Federal sources	26,195	2,484	75,452	1,363	105,494
Total revenues	26,195	2,484	75,452	1,363	105,494
EXPENDITURES:					
Instruction:					
Other salaries for instruction	22,499				22,499
Other purchased services (400-500 series)			282		282
Total instruction	22,499		282		22,781
Support services:					
Personal services - employee benefits	3,696				3,696
Purchased professional - educational services			75,170	1,363	76,533
Other purchased services (400-500 series)		2,484			2,484
Total support services	3,696	2,484	75,170	1,363	82,713
Total expenditures	26,195	2,484	75,452	1,363	105,494

PROPRIETARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2011</u>	<u>FY 2010</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	17,109	865	17,974	20,891
Accounts receivable:				
State				144
Federal				2,110
Intergovernmental	4,599		4,599	
Other	305		305	3,914
Inventory	5,457		5,457	5,595
Total current assets	27,470	865	28,335	32,654
Noncurrent assets:				
Machinery and equipment	147,355	6,600	153,955	152,900
Less: accumulated depreciation	(108,732)	(3,465)	(112,197)	(106,172)
Total noncurrent assets	38,623	3,135	41,758	46,728
Total assets	66,093	4,000	70,093	79,382
LIABILITIES AND FUND EQUITY:				
Current liabilities:				
Accounts payable		134	134	5,918
Deferred revenue:				
Lunches	1,476		1,476	879
U.S.D.A. commodities	3,342		3,342	3,465
Compensated absences	1,750		1,750	1,819
Total current liabilities	6,568	134	6,702	12,081
Fund equity:				
Invested in capital assets, net of related debt	38,623	3,135	41,758	46,728
Unrestricted	20,902	731	21,633	20,573
Total net assets	59,525	3,866	63,391	67,301

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>FY 2011</u>	<u>FY 2010</u>
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:	42,015		42,015	37,829
Daily sales non-reimbursable programs	4,361		4,361	3,526
Tuition		9,537	9,537	16,274
Total operating revenue	46,376	9,537	55,913	57,629
OPERATING EXPENSES:				
Salaries	36,534	12,527	49,061	56,345
Employee benefits	3,124	958	4,082	4,054
Supplies and materials	2,496	693	3,189	8,129
Purchased professional services	5,000		5,000	
Depreciation	9,835	330	10,165	9,950
Cost of sales	34,204		34,204	41,692
Total operating expenses	91,193	14,508	105,701	120,170
Operating income (loss)	(44,817)	(4,971)	(49,788)	(62,541)
NON-OPERATING REVENUES:				
State sources:				
National school lunch program - state	980		980	1,181
School breakfast program				478
Federal sources:				
National school lunch program	24,429		24,429	20,098
School breakfast program	3,766		3,766	4,385
National snack program	154		154	217
Food distribution program	8,001		8,001	10,395
Interest revenue	57		57	53
Loss on disposal of asset	(1,260)		(1,260)	
Total non-operating revenues (expenses)	36,127		36,127	36,807
Net income (loss) before transfers	(8,690)	(4,971)	(13,661)	(25,734)
Board contribution	3,296		3,296	15,818
Investment in fixed assets	6,455		6,455	
Net income (loss)	1,061	(4,971)	(3,910)	(9,916)
Total net assets - July 1	58,464	8,837	67,301	77,217
Total net assets - June 30	59,525	3,866	63,391	67,301

OLDMANS TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Food Service Fund</u>	<u>Latchkey Program</u>	<u>FY 2011</u>	<u>FY 2010</u>
Cash flows from operating activities:				
Receipts from customers	47,582	9,537	57,119	56,479
Payments to suppliers	(34,837)	(5,324)	(40,161)	(34,954)
Payments to employees	(36,604)	(12,527)	(49,131)	(56,299)
Payments for employee benefits	(3,124)	(958)	(4,082)	(4,054)
Net cash provided (used) by operating activities	<u>(26,983)</u>	<u>(9,272)</u>	<u>(36,255)</u>	<u>(38,828)</u>
Cash flows from non-capital financing activities:				
Cash received from state & federal reimbursements	31,583		31,583	25,892
Net cash provided by non-capital financing activities	<u>31,583</u>		<u>31,583</u>	<u>25,892</u>
Cash flows from investing activities:				
Interest income	57		57	53
Payments to general fund	(8,053)		(8,053)	
Capital expenditures	6,455		6,455	
Board contribution	3,296		3,296	15,818
Net cash provided by investing activities	<u>1,755</u>		<u>1,755</u>	<u>15,871</u>
Net increase in cash and cash equivalents	6,355	(9,272)	(2,917)	2,935
Cash and cash equivalents - July 1	10,754	10,137	20,891	17,956
Cash and cash equivalents - June 30	<u>17,109</u>	<u>865</u>	<u>17,974</u>	<u>20,891</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(44,817)	(4,971)	(49,788)	(62,541)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	9,835	330	10,165	9,950
Food distribution program	8,001		8,001	10,395
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	609		609	(3,430)
(Increase) decrease in inventory	138		138	(2,023)
Increase (decrease) in accounts payable	(1,153)	(4,631)	(5,784)	5,839
Increase (decrease) in deferred revenue	474		474	2,936
Increase (decrease) in compensated absences	(70)		(70)	46
	<u>(26,983)</u>	<u>(9,272)</u>	<u>(36,255)</u>	<u>(38,828)</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Internal Service Fund
 Combining Schedule of Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2011</u>	<u>FY 2010</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	3,594	5,649	9,243	1,810
Total assets	3,594	5,649	9,243	1,810
NET ASSETS				
Unrestricted	3,594	5,649	9,243	1,810
Total net assets	3,594	5,649	9,243	1,810

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2011</u>	<u>FY 2010</u>
OPERATING REVENUES:				
Local sources:				
Other charges and fees	63,000	44,000	107,000	101,900
Total operating revenue	<u>63,000</u>	<u>44,000</u>	<u>107,000</u>	<u>101,900</u>
OPERATING EXPENSES:				
Salaries	48,757	26,524	75,281	77,428
Employee benefits	12,459	11,827	24,286	26,952
Total operating expenses	<u>61,216</u>	<u>38,351</u>	<u>99,567</u>	<u>104,380</u>
Operating income (loss)	<u>1,784</u>	<u>5,649</u>	<u>7,433</u>	<u>(2,480)</u>
Total net assets - July 1	<u>1,810</u>		<u>1,810</u>	<u>4,290</u>
Total net assets - June 30	<u><u>3,594</u></u>	<u><u>5,649</u></u>	<u><u>9,243</u></u>	<u><u>1,810</u></u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Business-type Activities</u>		<u>Totals</u>	
	<u>Business Services</u>	<u>Custodial Services</u>	<u>FY 2011</u>	<u>FY 2010</u>
Cash flows from operating activities:				
Receipts from customers	63,000	44,000	107,000	101,900
Payments to employees	(48,757)	(26,524)	(75,281)	(77,428)
Payments for employee benefits	(12,459)	(11,827)	(24,286)	(26,952)
Net cash provided (used) by operating activities	<u>1,784</u>	<u>5,649</u>	<u>7,433</u>	<u>(2,480)</u>
Net increase in cash and cash equivalents	1,784	5,649	7,433	(2,480)
Cash and cash equivalents - July 1	<u>1,810</u>		<u>1,810</u>	<u>4,290</u>
Cash and cash equivalents - June 30	<u>3,594</u>	<u>5,649</u>	<u>9,243</u>	<u>1,810</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	1,784	5,649	7,433	(2,480)
	<u>1,784</u>	<u>5,649</u>	<u>7,433</u>	<u>(2,480)</u>

FIDUCIARY FUNDS

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment Trust Fund	Agency Funds	Totals	
			FY 2011	FY 2010
ASSETS:				
Cash and cash equivalents	39,893	112,887	152,780	146,705
Intrafund receivable:				
Agency	64,882		64,882	67,848
Total assets	<u>104,775</u>	<u>112,887</u>	<u>217,662</u>	<u>214,553</u>
LIABILITIES:				
Payroll deductions and withholdings		12,192	12,192	22,927
Due to student groups		20,427	20,427	15,696
Intrafund payable:				
Unemployment trust		64,882	64,882	67,848
Interfund payables:				
General fund		15,386	15,386	494
Total liabilities		<u>112,887</u>	<u>112,887</u>	<u>106,965</u>
NET ASSETS:				
Unreserved	<u>104,775</u>		<u>104,775</u>	<u>107,588</u>
Total net assets	<u><u>104,775</u></u>		<u><u>104,775</u></u>	<u><u>107,588</u></u>

EXHIBIT H-2

OLDMANS TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Unemployment	Totals	
	Trust Fund	FY 2011	FY 2010
ADDITIONS:			
Contributions:			
General fund budget	30,000	30,000	50,867
Employee payroll deductions	3,311	3,311	3,516
Total contributions	33,311	33,311	54,383
Investment earnings:			
Interest	153	153	198
Total investment earnings	153	153	198
Total additions	33,464	33,464	54,581
DEDUCTIONS:			
Unemployment Claims	36,277	36,277	19,898
Change in net assets	(2,813)	(2,813)	34,683
Net assets - beginning of year	107,588	107,588	72,905
Net assets - end of year	104,775	104,775	107,588

EXHIBIT H-3

OLDMANS TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
ACTIVITIES:				
Oldmans School	15,696	28,070	23,339	20,427
	15,696	28,070	23,339	20,427

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	91,269	2,606,874	2,605,683	92,460
Total assets	91,269	2,606,874	2,605,683	92,460
LIABILITIES:				
Employees' net pay		1,123,835	1,123,835	
Payroll deductions and withholdings	22,927	1,434,618	1,445,353	12,192
Intrafund payable:				
Unemployment trust	67,848	33,311	36,277	64,882
Interfund payable				
General fund	494	15,110	218	15,386
Total liabilities	91,269	2,606,874	2,605,683	92,460

LONG-TERM DEBT

OLDMANS TOWNSHIP SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Refunded/ Issued	Retired	Balance June 30, 2011
			Date	Amount					
Refunding School Bonds, Series 2009	12/15/2009	1,725,000	02/15/12	160,000	3.000%	1,705,000	None	160,000	1,545,000
			02/15/13	165,000	4.000%				
			02/15/14	165,000	4.000%				
			02/15/15	170,000	4.000%				
			02/15/16	170,000	4.000%				
			02/15/17	175,000	4.000%				
			02/15/18	175,000	4.000%				
			02/15/19	180,000	5.000%				
			02/15/20	185,000	5.000%				
					<u>1,705,000</u>	<u>None</u>	<u>160,000</u>	<u>1,545,000</u>	
					<u>1,705,000</u>	<u>None</u>	<u>160,000</u>	<u>1,545,000</u>	

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u>	<u>Amount</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount</u>
			<u>Principal</u>	<u>Interest</u>		<u>Outstanding June 30, 2010</u>			<u>Outstanding June 30, 2011</u>
Bus	05/02/11	2 years	83,149	3,061	4.13%	None	83,149	35,000	48,149

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	157,935		157,935	157,935	
State sources:					
Debt service aid type II	65,345		65,345	65,345	
Total revenues	<u>223,280</u>		<u>223,280</u>	<u>223,280</u>	
EXPENDITURES:					
Regular debt service:					
Interest	68,650		68,650	68,650	
Redemption of principal	160,000		160,000	160,000	
Total regular debt service	<u>228,650</u>		<u>228,650</u>	<u>228,650</u>	
Total expenditures	<u>228,650</u>		<u>228,650</u>	<u>228,650</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(5,370)</u>		<u>(5,370)</u>	<u>(5,370)</u>	
Net changes in fund balance	<u>(5,370)</u>		<u>(5,370)</u>	<u>(5,370)</u>	
Fund balance - July 1	<u>28,489</u>		<u>28,489</u>	<u>28,489</u>	
Fund balance - June 30	<u>23,119</u>		<u>23,119</u>	<u>23,119</u>	

STATISTICAL SECTION
(UNAUDITED)

**OLDMANS TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	88-95
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	96-99
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	100-103
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	104-105
Operating Information These schedules contain service and infrasture data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	106-110

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Net Assets By Component
 Last Eight Fiscal Years
 For the Fiscal Year Ended June 30, 2011
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	3,036,808	3,027,311	2,903,670	2,912,756	2,852,157	3,044,184	3,209,371	3,243,327
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717	563,236
Unrestricted	(29,326)	(27,432)	(6,961)	76,099	211,077	28,780	5,455	230,633
Total governmental activities net assets	<u>3,149,732</u>	<u>3,098,768</u>	<u>3,107,684</u>	<u>3,179,145</u>	<u>3,162,903</u>	<u>3,341,443</u>	<u>3,577,543</u>	<u>4,037,196</u>
Business-type activities								
Invested in capital assets, net of related debt	124,628	113,132	86,528	76,578	66,628	56,678	46,728	41,758
Unrestricted	5,683	2,456	12,569	17,268	22,802	20,539	20,573	21,633
Total business-type activities net assets	<u>130,310</u>	<u>115,587</u>	<u>99,097</u>	<u>93,846</u>	<u>89,430</u>	<u>77,217</u>	<u>67,301</u>	<u>63,391</u>
District-wide								
Invested in capital assets, net of related debt	3,161,436	3,140,443	2,990,198	2,989,334	2,918,786	3,100,862	3,256,099	3,285,085
Restricted	142,250	98,889	210,975	190,289	99,669	268,479	362,717	563,236
Unrestricted	(23,643)	(24,977)	5,608	93,367	233,879	49,319	26,028	252,266
	<u>3,280,042</u>	<u>3,214,356</u>	<u>3,206,781</u>	<u>3,272,991</u>	<u>3,252,333</u>	<u>3,418,660</u>	<u>3,644,844</u>	<u>4,100,587</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Changes In Net Assets
 Last Eight Years
 For the Fiscal Year Ended June 30, 2011
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
Instruction								
Regular	1,081,223	1,190,837	1,231,719	1,272,280	1,285,847	1,211,994	1,042,066	948,214
Special education	222,129	232,872	218,152	234,869	256,001	283,455	348,201	227,493
Other special education	45,766	52,348	41,807	32,854	29,018	32,026	59,733	69,045
Other instruction	6,496	11,214	10,564	10,660	9,926	12,433	15,851	13,670
Support services								
Tuition	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467
Student and instruction and related services	185,224	239,049	290,133	276,235	278,249	304,057	364,138	346,161
School administrative services	52,244	156,809	32,217	42,953	58,461	41,116	39,423	33,588
General administration				120,150	104,775	116,552	108,446	102,771
Central services				184,900	188,333	159,339	159,199	176,146
Administrative information technology	174,060	185,695	261,331			4,000	3,106	
Plant operations and maintenance	260,888	266,534	283,846	294,448	304,163	364,242	353,448	419,274
Pupil transportation	146,941	167,165	181,754	197,100	196,908	260,379	296,860	235,537
Employee benefits		664,567	739,636	841,614	900,862	818,873	876,098	777,928
Unallocated benefits	713,542							
Interest on long-term debt	144,721	141,404	132,981	126,814	119,416	113,049	122,117	71,817
Capital outlay						2,154	27,361	6,455
Unallocated depreciation	128,624	128,624	130,268	158,088	192,782	134,808	127,377	129,200
Disposal of capital assets				3,300	1,484			
Amortization of debt issuance costs	1,332	1,332	1,332	1,332	1,332			
Total Governmental activities expenses	<u>4,260,224</u>	<u>4,399,247</u>	<u>4,481,817</u>	<u>5,011,467</u>	<u>5,212,585</u>	<u>4,925,242</u>	<u>4,998,315</u>	<u>4,476,766</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets
Last Eight Years
For the Fiscal Year Ended June 30, 2011
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Food service	12,088	110,777	109,379	116,511	119,301	118,909	105,420	91,193
Childcare	373	27,002	24,992	24,221	27,959	28,437	14,750	14,508
Total Business-type activities expense	12,461	137,779	134,371	140,732	147,260	147,346	120,170	105,701
Total District expenses	4,272,685	4,537,026	4,616,188	5,152,199	5,359,845	5,072,588	5,118,485	4,582,467
Program revenues								
Governmental activities								
Charges for services:								
Pupil transportation, shared services	24,769	22,835	40,799	117,457	107,984	95,152	101,900	107,000
Operating grants and contributions	141,203	137,281	121,036	172,091	136,504	140,888	154,694	134,333
Total Governmental activities program revenues	165,972	160,116	161,835	289,548	244,488	236,040	256,594	241,333
Business-type activities:								
Charges for services:								
Food service	47,983	50,949	49,697	47,976	46,988	42,925	41,355	46,376
Childcare	31,528	28,934	22,323	24,893	30,657	25,143	16,274	9,537
Operating grants and contributions	37,831	34,115	33,258	39,059	39,068	38,644	36,754	37,330
Total Business-type activities program revenues	117,341	113,998	105,278	111,928	116,712	106,712	94,383	93,243
Total District program revenue	283,313	274,114	267,113	401,476	361,200	342,752	350,977	334,576
Net (expense) revenue								
Governmental activities	(4,094,252)	(4,239,131)	(4,319,982)	(4,721,920)	(4,968,097)	(4,689,202)	(4,741,721)	(4,235,433)
Business-type activities	104,880	(23,781)	(29,093)	(28,804)	(30,548)	(40,634)	(25,787)	(12,458)
Total District-wide net expense	(3,989,372)	(4,262,912)	(4,349,075)	(4,750,724)	(4,998,645)	(4,729,836)	(4,767,508)	(4,247,891)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes In Net Assets
Last Eight Years
For the Fiscal Year Ended June 30, 2011
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
General revenues and other changes in net assets								
Governmental activities								
Property taxes levied for government purposes	2,230,597	2,106,674	2,383,444	2,569,891	2,602,464	2,634,769	2,532,249	2,493,989
Taxes levied for debt service	162,719	178,959	177,709	174,541	175,918	171,351	168,992	157,935
Unrestricted grants and contributions	1,797,993	1,861,020	1,903,264	2,020,170	2,140,962	2,046,255	2,067,184	1,905,490
Tuition charges							2,000	87,602
Transportation charges						20,204	30,218	29,485
Investment earnings						9,992	3,787	3,508
Miscellaneous income	11,121	50,014	30,436	51,821	58,004	15,216	94,047	20,373
Loss on disposal of assets						(1,862)	(15,505)	
Premium on issuance of refunding bonds							110,667	
Transfers	(12,500)	(8,500)	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	(3,296)
Total Governmental activities	4,189,930	4,188,167	4,465,853	4,793,380	4,951,856	4,867,742	4,977,821	4,695,086
Business-type activities								
Miscellaneous income		558	257	511	639	238	53	57
Transfers	12,500	8,500	29,000	23,042	25,492	28,183	15,818	3,296
Investment in fixed assets								6,455
Loss on disposal of assets								(1,260)
Total Business-type activities	12,500	9,058	29,257	23,553	26,132	28,421	15,871	8,548
Total District-wide	4,202,430	4,197,225	4,495,110	4,816,933	4,977,987	4,896,163	4,993,692	4,703,634
Change in net assets								
Governmental activities	95,678	(50,964)	145,871	71,461	(16,241)	178,540	236,100	459,653
Business-type activities	117,380	(14,723)	163	(5,251)	(4,416)	(12,213)	(9,916)	(3,910)
Total District	213,058	(65,687)	146,034	66,210	(20,658)	166,327	226,184	455,743

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Fund Balances, Governmental Funds
 Last Eight Fiscal Years
 For the Fiscal Year Ended June 30, 2011
 Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
General fund								
Reserved	22,926	72,790	164,871	127,531	121,141	300,817	356,886	744,295
Unreserved	99,511	57,926	94,077	183,386	316,849	111,541	109,370	113,197
Total general fund	<u>122,437</u>	<u>130,717</u>	<u>258,948</u>	<u>310,918</u>	<u>437,990</u>	<u>412,358</u>	<u>466,256</u>	<u>857,492</u>
All other governmental funds								
Reserved	53,674							
Unreserved, reported in:								
Special revenue fund		(2)						
Capital projects fund	70,842	93,690	88,127	88,127				
Debt service fund	5,619	5,201	6,556	6,379	9,527	5,370	28,489	23,119
Total all other governmental funds	<u>130,135</u>	<u>98,889</u>	<u>94,683</u>	<u>94,506</u>	<u>9,527</u>	<u>5,370</u>	<u>28,489</u>	<u>23,119</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	1,995,698	2,029,845	2,393,316	2,285,633	2,561,153	2,744,432	2,778,382	2,806,120	2,701,241	2,651,924
Tuition charges	4,000		24,769	22,835	25,799	19,157	19,892		2,000	87,602
Transportation charges	10,037	34,307						20,204	30,218	29,485
Interest earnings	43,010	5,003	3,252	4,289	19,875	29,671	31,317	9,992	3,787	3,508
Miscellaneous	4,978	13,909	7,869	15,825	10,561	22,150	24,779	15,716	94,447	20,373
State sources	1,645,032	1,743,381	1,806,583	1,872,119	1,909,874	2,024,895	2,145,747	2,046,255	1,864,331	1,905,490
Federal sources	111,492	134,991	132,613	126,182	114,426	167,366	131,719	140,388	357,147	134,333
Total revenue	<u>3,814,247</u>	<u>3,961,436</u>	<u>4,368,402</u>	<u>4,326,883</u>	<u>4,641,688</u>	<u>5,007,670</u>	<u>5,131,836</u>	<u>5,038,675</u>	<u>5,053,171</u>	<u>4,832,715</u>
Expenditures										
Instruction:										
Regular	937,266	969,055	1,111,150	1,136,146	1,228,319	1,272,280	1,285,847	1,198,004	1,035,449	975,562
Special	230,669	259,387	222,129	232,872	218,152	234,869	256,001	281,312	349,051	228,270
Other	38,783	25,099	45,766	52,348	41,807	32,854	29,018	32,026	59,733	69,045
School sponsored/other instructional	4,566	5,399	6,496	11,214	10,564	10,660	9,926	12,433	15,851	13,670
Community service	1,500	1,691								
Undistributed:										
Tuition	1,023,281	1,129,830	1,097,032	960,796	926,077	1,213,870	1,285,030	1,066,765	1,054,891	919,467
Student & instruction related services	237,735	248,843	261,925	239,049	290,133	276,235	278,249	300,526	362,997	345,358
General administration	170,253	171,184	169,562	285,022	245,447	120,150	104,775	114,138	106,666	102,801
School administration	50,119	51,638	52,243	52,984	32,217	42,953	58,461	40,412	38,873	33,091
Central services						96,603	92,232	95,433	97,718	100,584
Administration information technology						4,098	4,000	4,000	3,106	
Allowable maintenance for school facilities	64,652	35,211	34,812	21,300	33,812	31,297	38,700	66,182	48,236	68,803
Operations and maintenance of plant services	183,087	223,936	225,263	244,421	249,474	263,151	265,463	265,683	281,362	325,631
Student transportation	109,439	127,913	134,950	130,405	149,756	197,100	196,908	239,954	280,036	213,238
Business and other support services	102,922	105,878								
On-behalf T.P.A.F. pension contributions		44,800	75,259	90,326	124,010	234,791	249,128	110,750	112,675	107,820
Reimbursed T.P.A.F. social security contributions	97,145	102,365	112,037	112,676	118,006	119,588	125,611	117,856	117,609	108,072
Employee benefits	362,347	342,950	526,246	461,564	487,066	480,986	527,639	590,267	645,814	562,036
Capital outlay	154,896	24,806	96,882	77,107	72,403	41,807		249,870	116,252	124,604
Debt service expenditures										
Principal	105,000	110,000	115,000	120,000	125,000	130,000	135,000	140,000	165,000	160,000
Interest	161,169	155,394	149,344	143,019	136,419	129,544	122,264	114,670	69,017	68,650
Total expenditures	<u>4,034,829</u>	<u>4,135,379</u>	<u>4,436,096</u>	<u>4,371,249</u>	<u>4,488,663</u>	<u>4,932,835</u>	<u>5,064,250</u>	<u>5,040,281</u>	<u>4,960,336</u>	<u>4,526,702</u>

OLDMANS TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Excess (deficiency of revenues over (under) expenditures	(220,582)	(173,943)	(67,694)	(44,366)	153,025	74,835	67,587	(1,606)	92,835	306,013
Other financing sources (uses)										
Sale of capital assets				29,900						
Capital leases										83,149
Transfers out	(14,000)	(14,000)	(12,500)	(8,500)	(29,000)	(23,042)	(145,617)	(28,183)	(15,818)	(3,296)
Transfers in							120,125			
Total other financing sources (uses)	(14,000)	(14,000)	(12,500)	21,400	(29,000)	(23,042)	(25,492)	(28,183)	(15,818)	79,853
Net change in fund balance	<u>(234,582)</u>	<u>(187,943)</u>	<u>(80,194)</u>	<u>(22,966)</u>	<u>124,025</u>	<u>51,792</u>	<u>42,094</u>	<u>(29,789)</u>	<u>77,017</u>	<u>385,866</u>
Debt service as a percentage of noncapital expenditures	6.86%	6.46%	6.09%	6.13%	5.92%	5.31%	5.08%	5.32%	4.83%	5.19%

Source: District records.

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

Fiscal year ended June 30	Prior year Refunds	Miscellaneous	Sale of Equipment	Forfeiture of 125 Plan Exp.	Annual Totals
2002	4,021	957			4,978
2003	10,148	3,761			13,909
2004	2,988	2,881	2,000		7,869
2005	5,631			7,876	13,507
2006	10,032	530			10,561
2007	7,172	10,401			17,573
2008	18,137	1,691			19,828
2009	1,749	149	13,318		15,216
2010	73,355	1,125		9,276	83,756
2011	12,725	3		7,645	20,373
	<u>145,957</u>	<u>21,497</u>	<u>15,318</u>	<u>24,797</u>	<u>207,570</u>

Source: District records.

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

Fiscal year ended June 30	Vacant Land	Residential	Farm Reg.	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2002	3,148,300	51,709,350	10,039,300	3,143,250	5,984,700	34,752,670	0	108,777,570	22,155,900	512,070	109,289,640	136,954,436	1.8400
2003	3,031,900	52,058,100	10,149,700	3,159,650	6,010,600	35,125,870	0	109,535,820	22,157,900	553,049	110,088,869	134,641,054	2.0100
2004	2,995,200	52,106,700	10,178,900	3,179,070	6,010,600	35,125,870	0	109,596,340	22,857,900	475,710	110,072,050	145,018,150	2.1200
2005	2,976,000	52,674,200	10,581,500	3,175,570	6,020,500	35,155,870	0	110,583,640	22,778,300	411,821	110,995,461	159,283,727	2.1800
2006	2,930,200	53,538,700	11,237,200	3,174,170	5,334,600	35,155,870	0	111,370,740	22,778,300	357,955	111,728,695	165,991,547	2.3700
2007	3,506,700	53,707,900	10,864,800	3,164,670	5,218,400	35,137,370	0	111,599,840	22,778,300	363,147	111,962,987	166,934,527	2.4660
2008	4,577,310	54,299,400	10,813,600	3,032,070	6,695,000	35,137,370	0	114,554,750	27,958,100	339,607	114,894,357	195,809,144	2.4310
2009	10,909,200	106,258,000	22,848,700	3,337,600	12,187,000	63,519,400	0	219,059,900	63,927,700	637,641	219,697,541	200,598,845	1.2530
2010	13,201,000	106,720,400	22,707,200	3,298,000	12,155,400	52,830,100	0	210,912,100	74,210,700	718,240	211,630,340	216,473,060	1.2650
2011	12,813,000	108,360,400	22,586,200	3,308,600	12,155,400	50,230,100	0	209,453,700	72,254,400	575,607	210,029,307	n/a	1.2330

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

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

Fiscal year ended June 30	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
				Township of Oldmans	Salem County	
2002	1.680	0.160	1.840	0.120	1.260	3.220
2003	1.850	0.160	2.010	0.120	1.210	3.340
2004	1.960	0.160	2.120	0.120	1.310	3.550
2005	2.020	0.160	2.180	0.140	1.450	3.770
2006	2.210	0.160	2.370	0.150	1.470	3.990
2007	2.309	0.157	2.466	0.200	1.410	4.076
2008	2.277	0.154	2.431	0.230	1.580	4.241
2009	1.176	0.077	1.253	0.140	0.811	2.204
2010	1.186	0.079	1.265	0.140	0.808	2.213
2011	1.160	0.073	1.233	0.139	0.985	2.357

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

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

<u>Taxpayer</u>	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Polyone	30,500,000	14.52%	16,106,900	14.74%
Oxy Vinyls	6,500,000	3.09%	5,513,100	5.04%
Sun Refining & Marketing Company	4,226,000	2.01%	2,665,470	2.44%
Noveon Inc.	4,116,100	1.96%		
Pedricktown Cogen	4,000,000	1.90%	5,890,000	5.39%
PMD Group, Inc.			3,000,000	2.74%
Branchville Road, LLC.	2,090,800	1.00%		
BOC Group Inc.	1,950,000	0.93%	980,600	0.90%
Perkintown Road Associates	1,940,700	0.92%		
J.E. Berkowitz	1,567,300	0.75%		
Garden State Freezers	1,497,300	0.71%		
Exit 7 Realty Corp.			1,229,000	1.12%
Air Reduction Co., Inc.			590,200	0.54%
NJ Bell Atlantic Room 3137			512,070	0.47%
Taxpayer #1			380,100	0.35%
	<u>58,388,200</u>	<u>27.80%</u>	<u>36,867,440</u>	<u>33.73%</u>

Source: Municipal Tax Assessor.

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

<u>Fiscal year ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year Amount</u>	<u>Percent of Levy</u>	<u>Collections in Subsequent Year</u>
2002	1,995,698	1,995,698	100.00%	-
2003	2,029,845	2,029,845	100.00%	-
2004	2,393,316	2,393,316	100.00%	-
2005	2,285,633	2,285,633	100.00%	-
2006	2,561,153	2,561,153	100.00%	-
2007	2,744,432	2,744,432	100.00%	-
2008	2,778,382	2,778,382	100.00%	-
2009	2,806,120	2,806,120	100.00%	-
2010	2,701,241	2,701,241	100.00%	-
2011	2,651,924	2,651,924	100.00%	-

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

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

Fiscal year ended June 30	Governmental Activities				Business-type	Total District	Percentage of Personal Income
	General Obligation Bonds	State of New Jersey Safe Loan	Capital Leases	Bond Anticipation Notes	Activities Capital Leases		
2002	2,756,000					2,756,000	5.07%
2003	2,646,000					2,646,000	4.73%
2004	2,531,000					2,531,000	4.29%
2005	2,411,000					2,411,000	4.01%
2006	2,286,000					2,286,000	3.60%
2007	2,156,000					2,156,000	3.29%
2008	2,021,000					2,021,000	2.95%
2009	1,881,000					1,881,000	2.72%
2010	1,705,000					1,705,000	N/A
2011	1,545,000					1,545,000	N/A

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

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

N/A information not available at the completion of the C.A.F.R.

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

Fiscal year ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per capita
	General Obligation Bonds	Deductions			
2002	2,756,000		2,756,000	2.53%	1,531
2003	2,646,000		2,646,000	2.42%	1,477
2004	2,531,000		2,531,000	2.31%	1,407
2005	2,411,000		2,411,000	2.18%	1,334
2006	2,286,000		2,286,000	2.05%	1,265
2007	2,156,000		2,156,000	1.93%	1,196
2008	2,021,000		2,021,000	1.76%	1,121
2009	1,881,000		1,881,000	0.86%	1,040
2010	1,705,000		1,705,000	0.81%	N/A
2011	1,545,000		1,545,000	N/A	N/A

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

N/A information not available at the completion of the C.A.F.R.

See J-6 for property tax data.

Population data can be found in J-14.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010
 Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Township of Oldmans	None	100.00%	None
Salem County General Obligation Debt	40,991,000	3.69%	1,513,657
Subtotal, overlapping debt			1,513,657
Oldmans Township School District			1,545,000
Total direct and overlapping debt			<u>3,058,657</u>

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

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

	Year		Equalized Valuation Basis							
	2010		\$219,608,601							
	2009		\$216,419,581							
	2008		\$196,559,283							
			<u>\$632,587,465</u>							
Average equalized valuation of taxable property			210,862,488							
Debt limit (3% of average equalized value)			6,325,875							
Total net debt applicable to limit			<u>1,545,000</u>							
Legal debt margin			<u>4,780,875</u>							
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	3,938,084	3,958,344	4,094,543	4,303,942	4,617,479	4,848,582	5,178,661	5,515,389	6,019,070	6,325,875
Municipal borrowing capacity utilized										
Total net debt applicable to limit	<u>2,756,000</u>	<u>2,646,000</u>	<u>2,531,000</u>	<u>2,411,000</u>	<u>2,286,000</u>	<u>2,156,000</u>	<u>2,021,000</u>	<u>1,881,000</u>	<u>1,705,000</u>	<u>1,545,000</u>
Legal debt margin	<u>1,182,084</u>	<u>1,312,344</u>	<u>1,563,543</u>	<u>1,892,942</u>	<u>2,331,479</u>	<u>2,692,582</u>	<u>3,157,661</u>	<u>3,634,389</u>	<u>4,314,070</u>	<u>4,780,875</u>
Total net debt applicable to the limit as a percentage of debt limit	69.98%	66.85%	61.81%	56.02%	49.51%	44.47%	39.03%	34.10%	28.33%	24.42%

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

Fiscal year ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	1,800	54,306,000	30,170	4.90%
2003	1,791	55,993,824	31,264	4.90%
2004	1,799	59,012,597	32,803	3.90%
2005	1,807	60,124,311	33,273	4.30%
2006	1,807	63,479,910	35,130	4.40%
2007	1,802	65,594,602	36,401	4.40%
2008	1,803	68,555,469	38,023	5.60%
2009	1,808	69,266,288	38,311	9.60%
2010	n/a	n/a	n/a	10.2%
2011	n/a	n/a	n/a	n/a

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

n/a information not available at the completion of the C.A.F.R.

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

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
J.E. Berkowitz	275	28.77%		
Goya	100	10.46%		
Polyone	91	9.52%		
Walt's Bus Service	115	12.03%		
Oldmans Township	N/A			
Oldmans Township School	59	6.17%		
Mullica Hill Cold Storage	50	5.23%		
Lubrizol	41	4.29%		
Lacy's Express	35	3.66%		
Oxyvinyls	31	3.24%		
Unico	20	2.09%		
Ferrell's Oil Service	2	0.21%		
	<u>819</u>	<u>85.67%</u>	<u>N/A</u>	<u>0.00%</u>

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

N/A not available

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

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	19	19	19	19	19	20	19	18	17	14
Special	3	4	4	3	4	4	3	3	3	2
Other special education	1	1	1	1	1	1	1	1	1	1
Other instruction	1	1		13	4	4	5	5	5	3
Support services:										
Student & instruction related services			5	4	4	4	4	4	4	4
General administration			2	2	2	2	2	2	2	2
School administration			1	1	1	1	1	1	1	1
Business administrative services			2	2	2	3	3	3	3	3
Plants operations and maintenance			3	3	3	3	3	3	3	3
Pupil transportation			5	5	5	5	5	5	5	5
Food service	3	3	4	4	4	4	4	4	4	3
Childcare			6	6	6	6	6	6	6	3
Total	<u>27</u>	<u>28</u>	<u>52</u>	<u>63</u>	<u>55</u>	<u>57</u>	<u>56</u>	<u>55</u>	<u>54</u>	<u>44</u>

Source: District personnel records.

N/A not available

OLDMANS TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal year ended June 30	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (A.D.E.)	Average Daily Attendance (A.D.A.)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2002	216	3,613,764	16,730	5.09%	26	18.0	216.0	205.1	0.56%	94.95%
2003	200	3,845,179	19,226	14.92%	25	18.0	196.0	189.0	-9.26%	96.43%
2004	235	4,074,870	17,340	-9.81%	24	18.0	224.4	217.7	14.49%	97.01%
2005	255	4,031,123	15,808	-8.83%	24	17.7	245.6	232.9	9.45%	94.83%
2006	244	4,154,841	17,028	7.72%	26	17.7	237.2	225.5	-3.42%	95.07%
2007	219	4,631,485	21,148	24.20%	25	17.5	222.3	211.5	-6.28%	95.14%
2008	209	4,806,986	23,000	8.76%	23	13.9	209.3	206.5	-5.85%	98.66%
2009	203	4,535,741	22,344	-2.85%	22	16.5	197.5	187.6	-5.64%	94.99%
2010	185	4,610,067	24,919	11.53%	21	16.1	177.2	168.9	-10.28%	95.32%
2011	193	4,173,448	21,624	-13.22%	18	15.8	196.8	190.6	11.06%	96.85%

Source: District records.

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Elementary/Middle School</u>										
Oldmans Township School										
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	216	200	235	255	244	219	219	203	177	197
Square feet	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000

Source: District records per Long Range Facilities Plan.

Number of schools at June 30, 2011
 Elementary/Middle (K-8) = 1

OLDMANS TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance Expenditures by School Facility
For the Fiscal Year Ended June 30, 2011

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

* School Facilities	Gross Square Footage	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Oldmans Middle School	56,000	51,075	35,211	34,812	21,300	33,812	20,306	38,700	66,182	48,236	68,803	418,438
Pedricktown Elementary School	15,000	13,577										13,577
		<u>64,652</u>	<u>35,211</u>	<u>34,812</u>	<u>21,300</u>	<u>33,812</u>	<u>20,306</u>	<u>38,700</u>	<u>66,182</u>	<u>48,236</u>	<u>68,803</u>	<u>432,015</u>

* School facilities as defined under E.F.C.A.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

OLDMANS TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Way Insurance		
Property - blanket buildings & contents	8,035,128	500
Commercial general liability	2,000,000	
Commercial automobile liability	1,000,000	250 Comp. 500 Collision
Abuse/molestation	1,000,000	2,000,000 Aggregate
Business Computers Media - Selective Way Insurance		
Equipment: Building #1	120,000	500
Building #2	100,000	500
Media: Building #1	35,000	250
Boiler and Machinery - Selective Insurance		
Comprehensive coverage	Included in School Package Policy	
School Boards Liability - N.J. School Boards Association		
School Leaders Errors & Omissions Liability Policy Declarations - NJ School Boards Assoc.		
Insurance group		
Coverage A limit of liability	1,000,000	15,000
Coverage B limit of liability	300,000	15,000
Workers' Comp. and Employers' Liability Declarations - NJ School Boards Assoc. Insurance		
Group Policy		
Bodily injury by accident	2,000,000	
Bodily injury by disease	2,000,000	
Public Employees' Faithful Performance Bonds -		
Selective Insurance		
Employee theft	10,000	100
Position bond - James R. Hackett, Treasurer	160,000	
Position bond - Gary Moore, Bus. Admin./Board Secretary	15,000	

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Oldmans Township School District's basic financial statements and have issued our report thereon dated September 16, 2011. We conducted our 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 audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Oldmans Township School District, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Oldmans Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Oldmans Township School District Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

September 16, 2011

PETRONI & ASSOCIATES LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Oldmans Township School District, in the County of Salem, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (O.M.B.) Circular A-133 *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Oldmans Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Oldmans Township School District's management. Our responsibility is to express an opinion on the Oldmans Township School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey O.M.B.'s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, O.M.B. Circular A-133 and New Jersey O.M.B.'s Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the

Oldmans Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Oldmans Township School District's compliance with those requirements.

In our opinion, the Oldmans Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the Oldmans Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Oldmans Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with O.M.B. Circular A-133, and New Jersey O.M.B.'s Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Oldmans Township School District Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC

A handwritten signature in black ink, appearing to read "Nick L. Petroni", with a stylized flourish extending to the right.

Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

September 16, 2011

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust-ments	Repayment of prior Years' Balances	Balance at June 30, 2011			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
Ed Jobs Fund	84.410	n/a	59,903	09/1/10	09/30/12										
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I - Part A	84.010	NCLB386011	32,563	09/1/10	08/31/11			18,821	(26,195)			(7,374)			26,195
Title I - Part A	84.010	NCLB386010	22,167	09/1/09	08/31/10	(767)						(767)			20,375
Title I - Part A	84.010	NCLB386007	41,972	09/1/06	08/31/07	2,163					(2,163)				39,809
Title I - Part A	84.010	NCLB386006	25,185	09/1/05	08/31/06	14,944					(14,944)				10,241
Title I - Part A	84.010	NCLB386005	502	09/1/05	08/31/06	502					(502)				502
Title II A, Teacher & Principal Training	84.367	NCLB386011	4,774	09/1/10	08/31/11			1,584	(2,484)			(900)			2,484
Title II A, Teacher & Principal Training	84.367	NCLB386010	9,074	09/1/09	08/31/10	(231)		231							1,281
Title II A, Teacher & Principal Training	84.367	NCLB386009	10,789	09/1/08	08/31/09	(2,076)		1,827				(249)			4,566
Title II A, Teacher & Principal Training	84.367	NCLB386007	3,755	09/1/06	08/31/07	3,365					(3,365)				3,755
Title II A, Teacher & Principal Training	84.367	NCLB386007	9,323	09/1/06	08/31/07	1,515					(1,515)				9,323
Title II A, Teacher & Principal Training	84.367	NCLB386006	3,019	09/1/06	08/31/07	1,505					(1,505)				3,019
Title II A, Teacher & Principal Training	84.367	NCLB386005	5,550	09/1/05	08/31/06	2					(2)				5,550
Title II A, Teacher & Principal Training	84.367	NCLB386003	6,859	09/1/03	08/31/04	1,769					(1,769)				6,859
Title II D, Enhancing Education through Tech.	84.318	NCLB386011	62	09/1/10	08/31/11										
Title II D, Enhancing Education through Tech.	84.318	NCLB386010	2,880	09/1/09	08/31/10										
Title II D, Enhancing Education through Tech.	84.318	NCLB386009	191	09/1/08	08/31/09	(19)		19							35
Title II D, Enhancing Education through Tech.	84.318	NCLB386008	97	09/1/07	08/31/08										97
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386010	554	09/1/09	08/31/10										
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386009	613	09/1/08	08/31/09										613
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386006	1,125	09/1/06	08/31/07	117					(117)				1,008
Title IV-Safe & Drug Free Schools & Communities	84.186	NCLB386005	164	09/1/05	08/31/06	164					(164)				
Title V, Innovative Programs	84.298	NCLB386007	326	09/1/06	08/31/07	326					(326)				
Title V, Innovative Programs	84.298	NCLB386006	519	09/1/06	08/31/07	519					(519)				
Title V, Innovative Programs	84.298	NCLB386005	727	09/1/05	08/31/06	727					(727)				
Title V, Innovative Programs	84.298	NCLB386003	14	09/1/03	08/31/04	14					(14)				
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386010	75,711	09/1/10	08/31/11			75,170	(75,452)			(282)			75,452
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386009	80,018	09/1/08	08/31/09										80,018
I.D.E.A. Part B, Basic Regular	84.027A	IDEA386005	2,453	09/1/05	08/31/06	2,453								2,453	
I.D.E.A. Part B, Preschool	84.173	IDEA386011	1,365	09/1/10	08/31/11			1,365	(1,363)				2		1,363
ARRA - Title I	84.389	ARRA386010	6,181	07/1/09	08/31/11	(3,789)						(3,789)			3,789
ARRA - I.D.E.A. Part B	84.391	ARRA386010	55,161	07/1/09	08/31/11										39,155
ARRA - I.D.E.A. Part B, Preschool	84.392	ARRA386010	1,997	07/1/09	08/31/11										
Rural Education Achievement Program	84.358A	S358A103594	23,570	07/01/10	9/30/11			16,682	(14,523)				2,159		14,523
Rural Education Achievement Program	84.358A	S358A093594	22,921	07/01/09	9/30/10	(10,765)		22,921	(12,156)						22,921
Rural Education Achievement Program	84.358A	S358A093594	24,352	07/01/08	9/30/09			2,160	(2,160)						24,352
Rural Education Achievement Program	84.358A	S358A053594	26,991	09/1/05	08/31/06	132								132	26,859
Total Special Revenue Fund						12,570		140,780	(134,333)		(27,632)	(13,361)	2,161	2,585	424,144

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust-ments	Repayment of prior Years' Balances	Balance at June 30, 2011			MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	n/a	8,001	07/1/10	06/30/11			8,001	(4,659)				3,342		4,659
Food Distribution Program	10.550	n/a	10,395	07/1/09	06/30/10	3,465			(3,465)						10,395
National School Lunch Program	10.555	n/a	24,429	07/1/10	06/30/11			24,429	(24,429)						24,429
National School Lunch Program	10.555	n/a	20,098	07/1/09	06/30/10	(1,781)		1,781							20,098
School Breakfast Program	10.553	n/a	3,766	07/1/10	06/30/11			3,766	(3,766)						3,766
School Breakfast Program	10.553	n/a	4,385	07/1/09	06/30/10	(307)		307							4,385
After School Snack Program	10.558	n/a	154	07/1/10	06/30/11			154	(154)						154
After School Snack Program	10.558	n/a	217	07/1/09	06/30/10	(23)		23							217
Total Enterprise Fund						1,377		38,438	(36,473)				3,342		68,103
Total Federal Financial Awards						13,947		179,218	(170,806)		(27,632)	(13,361)	5,503	2,585	492,247

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Expenditures	Balance at June 30, 2011			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred	Due to	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	11-495-034-5120-078	879,777	07/1/10	- 06/30/11			879,777	(879,777)						85,170	879,777
Transportation Aid	11-495-034-5120-014	136,216	07/1/10	- 06/30/11			136,216	(136,216)						13,187	136,216
Special Education Aid	11-495-034-5120-089	127,633	07/1/10	- 06/30/11			127,633	(127,633)						12,356	127,633
Security Aid	11-495-034-5120-030	24,463	07/1/10	- 06/30/11			24,463	(24,463)						2,368	24,463
Adjustment Aid	11-495-034-5120-085	415,080	07/1/10	- 06/30/11			415,080	(415,080)						40,183	415,080
Extraordinary Aid	11-495-034-5120-044	14,498	07/1/10	- 06/30/11				(14,498)			(14,498)			14,498	
Extraordinary Aid	10-495-034-5120-044	35,707	07/1/09	- 06/30/10		(35,707)	35,707							35,707	
Reimbursement for Nonpublic Transportation	n/a	1,963	07/1/10	- 06/30/11				(1,963)			(1,963)			1,963	
Reimbursement for Nonpublic Transportation	n/a	1,550	07/1/09	- 06/30/10		(1,550)	1,550							1,550	
Reimbursed T.P.A.F. Social Security Contrib.	11-495-034-5095-002	108,072	07/1/10	- 06/30/11			108,072	(108,072)						108,072	
On-Behalf T.P.A.F. Pension Contribution	11-495-034-5095-007	4,848	07/1/10	- 06/30/11			4,848	(4,848)						4,848	
On-Behalf T.P.A.F. Postretirement Contribution	11-495-034-5095-001	102,972	07/1/10	- 06/30/11			102,972	(102,972)						102,972	
Total General Fund						(37,257)	1,836,318	(1,815,522)			(16,461)			153,264	1,852,779
Special Revenue Fund:															
Reaching everyone by exposing lies	n/a	3,000	07/1/07	- 06/30/08				1,215						1,215	1,785
Total Special Revenue Fund								1,215						1,215	1,785
Debt Service Fund:															
Debt Service Aid Type II	11-495-034-5120-017	65,345	07/1/10	- 06/30/11			65,345	(65,345)							65,345
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	11-100-010-3350-023	980	07/1/10	- 06/30/11			980	(980)							980
National School Lunch Program (State Share)	10-100-010-3350-023	1,181	07/1/09	- 06/30/10		(110)	110							1,181	
State School Breakfast	10-100-010-3350-021	478	07/1/09	- 06/30/10		(34)	34							478	
Total Enterprise Fund						(144)	1,124	(980)						2,639	
Total State Financial Assistance						(37,401)	1,215	1,902,787	(1,881,847)		(16,461)		1,215	153,264	1,922,548

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

OLDMANS TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is \$24,623 for the General Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	Federal	State	Total
General Fund		1,840,145	1,840,145
Special Revenue Fund	134,333		134,333
Debt Service Fund		65,345	65,345
Food Service Fund	36,350	980	37,330
Total Financial Assistance	170,683	1,906,470	2,077,153

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2011, Oldmans Township School District has food commodities totaling \$3,342 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. T.P.A.F. Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2011.

OLDMANS TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? Yes No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

N/A

State Awards

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

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? Yes No

Identification of major programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-030	Security Aid
495-034-5120-085	Adjustment Aid

OLDMANS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section II – Financial Statement Findings

None

Section III – State Financial Assistance Findings and Questioned Costs

None

OLDMANS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Finding 2010-1

Condition

During our test of transactions it was noted that the District misclassified operations and maintenance insurance as a miscellaneous purchased service instead insurance. The expenditure and related appropriation was reclassified for financial statement presentation.

Current year status: Corrective action has been taken.

Finding 2010-2

Condition:

The District did not file its annual report for the year ended June 30, 2009, in compliance with Securities and Exchange Commission Rule 15c2-12.

Current year status: Corrective action has been taken.

Finding 2010-3

Condition:

The District did not file its annual report with the County by August 1, 2010, as required by N.J.S.A. 18A:17-10.

Current year status: Corrective action has been taken.