

OAKLAND BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Oakland, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Oakland Board of Education
Oakland, New Jersey
For The Fiscal Year Ended June 30, 2008**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

THE OAKLAND PUBLIC SCHOOLS
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BUSINESS ADMINISTRATOR
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Vincent D. Yaniro
Interim Business Administrator/Board Secretary

September 15, 2008

Honorable President and Members
of the Board of Education
Borough of Oakland School District
County of Bergen
Oakland, NJ 07436

RE: ***Comprehensive Annual Financial Report - 2008***

Dear Board Members:

The comprehensive annual financial report of the Borough of Oakland School District for the fiscal year ended June 30, 2008, 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 (Board). 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 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 including the Management Discussion and Analysis. 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 United States Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

Oakland
A Learning Community Committed to Excellence

(1) REPORTING ENTITY AND ITS SERVICES: Oakland School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Oakland 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 kindergarten through eighth grade. These include regular, as well as special education for impaired and disabled students. The District completed the 2007-2008 fiscal year with an enrollment of 1,648 students, representing a decrease of 76 students from the previous year's enrollment.

Special Education needs continue to place an additional burden on the District's financial budget despite of out of district placements from 23 to 21. Of particular note is the increase in tuition associated with these placements with one such tuition exceeding \$100,000.00 in the 2007-2008 school year.

The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment	Present Change
2007/08	1,648	(4.41)%
2006/07	1,724	2.93%
2005/06	1,675	1.23%
2004/05	1,655	3.43%
2003/04	1,600	1.82%
2002/03	1,571	1.26%
2001/02	1,552	3.11%
2000/01	1,505	2.88%
1999/00	1,463	2.84%
1998/99	1,422	8.23%

(2) ECONOMIC CONDITION AND OUTLOOK: Oakland, a Bergen County suburban residential community situated on an 8.6 square mile land area in northwestern New Jersey, has a rising population of approximately 13,558 people. Adult residents are employed in various professions and diverse trades. The Borough's close proximity to New York City and its convenient access to major New Jersey highways enable most employed residents to easily work outside the Borough' borders.

The Borough's largest residential housing development in recent years, the Ramapo River Reserve, continues to impact the town's schools and population. During the 2002-2003 fiscal year, construction began on the Cotswold project, a subsection of the Reserve, which is expected to include 35 three and four bedroom single-family dwellings in the northern part of the borough.

The potential for continued growth in the town rests, in part, upon the proposed Pinnacle housing project located in the southern part of the Borough. This development, which could exceed 200 housing units, has gained considerable ground in pending litigations as it moves closer to realization in next few years. Additionally, other tracts of property have been identified as potential growth areas for development including the proposed Camp Todd development on land in the northwest section of Oakland could also add to the town's population with its planned 24 luxury single-family dwellings.

The expanded Borough library opened on November 19, 2005, increasing the availability of literature, technology and other resources for students and residents of the borough. Continued support for the Borough's local schools was again evidenced by voter approval for the 2008-2009 Budget by 28 votes or 51% approval.

(3) MAJOR INITIATIVES: High student achievement and a quality educational program remain the hallmarks of The Oakland Public Schools. Educational, facilities, and funding decisions support these goals, and the Board of Education, the administrators, the teachers, and the staff demonstrate unwavering commitment to excellence in the District.

During the 2008-2009 school year, focused teaching, implementation of a uniform curriculum, use of diagnostic/prescriptive analyses of testing data, and strong professional development resulted in very impressive student performance on the State's assessment instruments, including Grades 3 & 4 NJ ASK (NJ-Assessment of Skills and Knowledge). On the Grade 3 test, 95.1% of our total students demonstrated proficiency in Language Arts Literacy. Additionally, 21.4% of the students scored at the highest level of proficiency. In Mathematics, 94.7% of the students demonstrated proficiency, and 46.6% scored Advanced Proficient. In Grade 4, 93.5% of our students achieved proficiency in Language Arts Literacy; 92% met the standard in Mathematics; and, 95% of our total Grade 4 students scored Proficient in Science. Very impressively, 51.7 of fourth graders scored Advanced Proficient in Mathematics, and 63.7% of our students achieved that same high standard in Science. These assessment instruments are aligned with the New Jersey Core Curriculum Content Standards, and student performance reflects mastery of that which New Jersey students are expected to learn. The District is still awaiting the State's testing results for Grades 5 – 8.

In 2007-2008, Oakland's students' academic accomplishments often took them far beyond Oakland's borders. Our eighth grade Future City team earned the honor of representing the New Jersey in the National Engineers Week National Competition in Washington, D.C. The team's futuristic city, *Nuova Venezia*, earned members recognition for *Most Futuristic City*, *Most Innovative Design of Infrastructure Systems*, and *Best Land Surveying Practices*.

Two eighth grade students received the distinction of being New Jersey Finalists in New Jersey National History Day Competition with their projects, and Oakland once again found itself in Washington, D.C. One student designed a winning exhibit, entitled *13 Seconds – 4 Dead in Ohio*, which was a study of the Kent State Massacre; another presented on the history of the *Campaign for Nuclear Disarmament*, thus creating an extraordinary ten-minute documentary. The Kent State exhibit placed seventh nationally in Washington.

Another team of eighth grade students invested their energies and talents in the *Sally Ride Science TOYchallenge competition*. *TOYchallenge* is a national toy design challenge for fifth through eighth graders. The team entered their entry in the "Toys That Teach" category. *WriteRite* was developed to teach basic writing skills in a fun, innovative way to developmentally challenged children. These students earned the privilege to compete in the East Coast Nationals in Alexandria, Virginia.

During 2007/2008, the Oakland Public Schools continued its strong focus on preparing students for a lifetime in a world dominated by the use of information technology. In conjunction with gifts from the Oakland Education Foundation and each school's Parent Teacher Organization, the Board continued its initiative to increase its technological hardware used in the teaching/learning process. With Foundation and PTO funding assistance, the District, for the first time, was able to attain the State's average computer/student ratio! The increased number of computers resulted in significant usage by students in classrooms and is transforming the way children are learning. Furthermore, our funding partners – school P.T.O.s and the Oakland Education Foundation – joined with the Board in a commitment to equip our schools with interactive SMART Boards. When schools reopen in September, each elementary school will have five such technological enhancements, and Valley Middle School will have eight. This equipment will further engage students in their learning in ways appropriate to the 21st Century.

The Board, in 2007/2008, made a further commitment to update the District's information services by purchasing Realtime Information Technology to store required student data, enhance student and parent progress reporting, and complete State reports. Additionally, this technological advance will enable those working with a child to obtain a much more holistic view of his/her progress and needs.

Consistent with a long-standing commitment, the Board, during the summer of 2007, once again allocated funding for research and development in the form of curriculum review and revision. Staff members were employed to assess current curricula relevancy and currency, and to recommend appropriate revisions to the Board, if necessary. Workshop committees updated the District's Gifted and Talented Program, the Middle School Computer Education Program, Elementary World Languages (including the addition of a Grade 3 World Language course), Speech/Language Services, Health-Drug Education, and the District's Crisis Management Plan. During the 2007 Fall Semester, faculty members were in serviced in the revised curricula/programs and were provided support for implementation.

Staff turnover continued into the 2007/2008 school year, as veteran teachers retired, others resigned for personal reasons, and others required leaves of absence. Enrollments stabilized, with more and more parents opting for a full day kindergarten program for their children in non-public schools. Still, with a need for more than twenty-two new teachers, the District was provided the significant challenge of selecting qualified replacement teachers who could continue the District's record of strong achievement. The Board, the administrators, and the curriculum coordinators combined their talents during the summer of 2007 to acclimate our newest teachers to the Oakland School District. To achieve a smooth transition, the Board allocated funding for a comprehensive four-day training program in August 2007 for new personnel. This training was augmented by the professional development opportunities, provided during the school year by administrators, coordinators, mentors, and the Local Professional Development Committee, to prepare new teachers to be the best professionals that they could be.

As the District continued addressing the infrastructure needs of our schools, voters were asked to approve a bond proposal in the Spring of 2007. Approval was granted to upgrade the electrical infrastructure in all of our schools, to replace the fire alarm system at Valley Middle School, and to partially reroof Valley Middle School. These facilities' projects addressed vital needs and enhanced the health, safety, and well-being of the children and adults using District schools. Additionally, Board funding enabled the District to replace door locks in all four schools, and to install door security access buzzers. Both projects were part of our continuing endeavor to enhance school security. Further, the Board committed to the procurement of an Energy Efficiency Lighting Retrofit/Replacement Project in our schools. All of these facilities initiatives in the District demonstrate the Board's continuing commitment to maintaining the community's investment and ensuring the health and safety of those who study in and use our schools.

The District's 2007-2008 transportation program continued to meet mandated needs, provide needed service to non-qualifying students through a subscription busing service, contain special education transportation costs, and improve the efficiency/ utilization of vehicles. Transportation services were provided to 659 students in 2007-2008, including 373 students qualifying for mandated transportation and 286 students who utilized the District's subscription service. Tiering of routes enhanced utilization rates, and use of in-district vehicles to transport Oakland classified students to and from school eliminated the use of contracted providers to bus students within Oakland. Our abilities to provide greater cost efficient transportation were enhanced with the Board's approval of the lease/purchase of an additional vehicle – a 2008 Diesel 39-passenger Type C School Bus. We are pleased that our transportation program initiatives were recognized by the State when Oakland received a Bus Utilization rating well within the guidelines.

A snapshot of the 2007/2008 school year couldn't be complete without noting that, during this school year, the Board renegotiated its employment agreements with employees. Conscious of escalating costs and the limits of a community to pay increasing taxes, the Board worked hard with employee groups to contain the ever-increasing costs of medical benefits. Changes in the medical plan enabled the Board to achieve its goal while not compromising on the quality of the benefits. Additionally, with all parties working together, work rule changes, including the provision of extra help for students, the elimination of a sixth preparation period, and increased lunch room supervision at the middle school, were agreed upon by all to enhance the educational program for students. Although difficult at times in finding the common ground, the constituent groups persisted in the search and found solutions of which all can be proud.

This summary provides a snapshot of the District's work during 2007-2008. Its initiatives have been numerous, and the results have been significant. District pride resides with the commitment to the education of children by the Board, the community, the staff, and, by students themselves. The Oakland School District continues to embody its belief that Oakland is a *learning community committed to excellence*.

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

In order to achieve tighter control of our fixed assets in accordance with GAAP and GASB 34 the Board of Education contracted the services of AM Consultants of Bogota, New Jersey via the quote process for the 2003-2004 fiscal year. In keeping with this goal, the Board of Education once again utilized the services of AM Consultants for the 2007-2008 fiscal year, to perform the function of Asset Management over the district's fixed assets in accordance with GAAP and GASB 34. As a result we have continued the process detailed tracking, validating and reporting of our fixed assets utilizing state-of-the-art bar code technology to track physical inventories of assets quickly and efficiently. This system provides for a comprehensive contents inventory and appraisal of all property and improvements for an effective analysis and control of fixed assets.

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 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.

In light of recent cases of fraud perpetrated against Public School Districts, we achieved our goal of development of a Fraud Prevention & Cash Management Plan that gained Board approval on April 7, 2006. Development and use of the plan is for the sole purpose of enhancing and strengthening Internal Procedures and Controls aimed at ensuring the highest degree of public confidence by requiring greater accountability, transparency and independence. As a result the plan contains Targeted Activities that address external and internal factors necessary to achieve our objective to develop and implement the proper balance of accounting/internal auditing procedures and appropriate financial tools for the purpose of early detection and prevention of fraud.

Strong fraud prevention processes bolster the confidence board members, state regulators, audit committee members and the general public have in the integrity of our district's reports, which will help attract and retain good quality personnel and a strong bond rating as was evidenced by our Aa2 rating for our last two bond sales issued by Moody's Investors Service.

(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 revenues 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.

Budget Analysis Reports are reviewed to determine any anticipated deficits to any line item accounts. Transfers are approved at monthly meetings to ensure that these accounts are not over-expended.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2008.

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

(7) CASH MANAGEMENT: Bank balances are insured up to \$100,000 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Oakland Board of Education invests all surplus funds for appropriate periods of time as determined by the School Business Administrator.

The Oakland Board of Education maintains an on line computerized accounting system to record all financial transactions. During the fiscal year, financial reports are prepared monthly and are distributed to the Board of Education Members. The reports detail the monthly transactions and detail the appropriation balances.

(8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, property and theft insurance on all buildings and contents, and fidelity bonds.

In an effort to confirm competitive pricing and to insure that the Board's coverage's were the most comprehensive available we obtained quotations from New Jersey School Boards Insurance Group for the following lines of coverage:

- Commercial Property
- Commercial General Liability
- Educators Legal Liability
- Commercial Auto
- Commercial Umbrella Excess
- Student Accident

After a thorough review it was determined that our current pricing was very competitive and the coverage's provided by Utica National and Bollinger were superior to the alternative, in addition the Utica program allows the Board to avoid pooled limits shared with other Boards, the pooling concept in certain instances has the potential to reduce the Board's overall protection and independence.

Finally, three new lines of coverage were implemented to provide additional protection:

- 1) Public Official Bond covering Mr. Vincent D. Yaniro, RSBA - \$ 210,000
- 2) Supplemental Workers Compensation Coverage to assist the Board in offsetting additional payroll expenses associated with injured employees covered by Public Law 18A.
- 3) Excess Catastrophe Liability \$ 50,000,000

(9) OTHER INFORMATION:

A) Independent Audit - State statues require an annual audit be conducted by an independent certified public accountant. The accounting firm of Lerch, Vinci & Higgins, LLP was re-appointed at the Annual Reorganization Meeting in this capacity. In addition to meeting the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

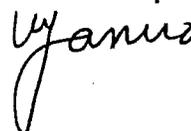
B) Awards - The Oakland School District has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the fourth straight year in a row, for the district's Comprehensive Annual Financial Reports (CAFR) for the fiscal year ended June 30, 2007 from the Association of School Business Officials (ASBO). This nationally recognized programs review and critique district accounting practices as represented in the Comprehensive Annual Financial Report (CAFR) and recognizes governmental units/school districts that adhere to sound principles and reporting procedures. In addition the award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Government Finance Officers Association and the Association of School Business Officials.

(10) ACKNOWLEDGMENTS:

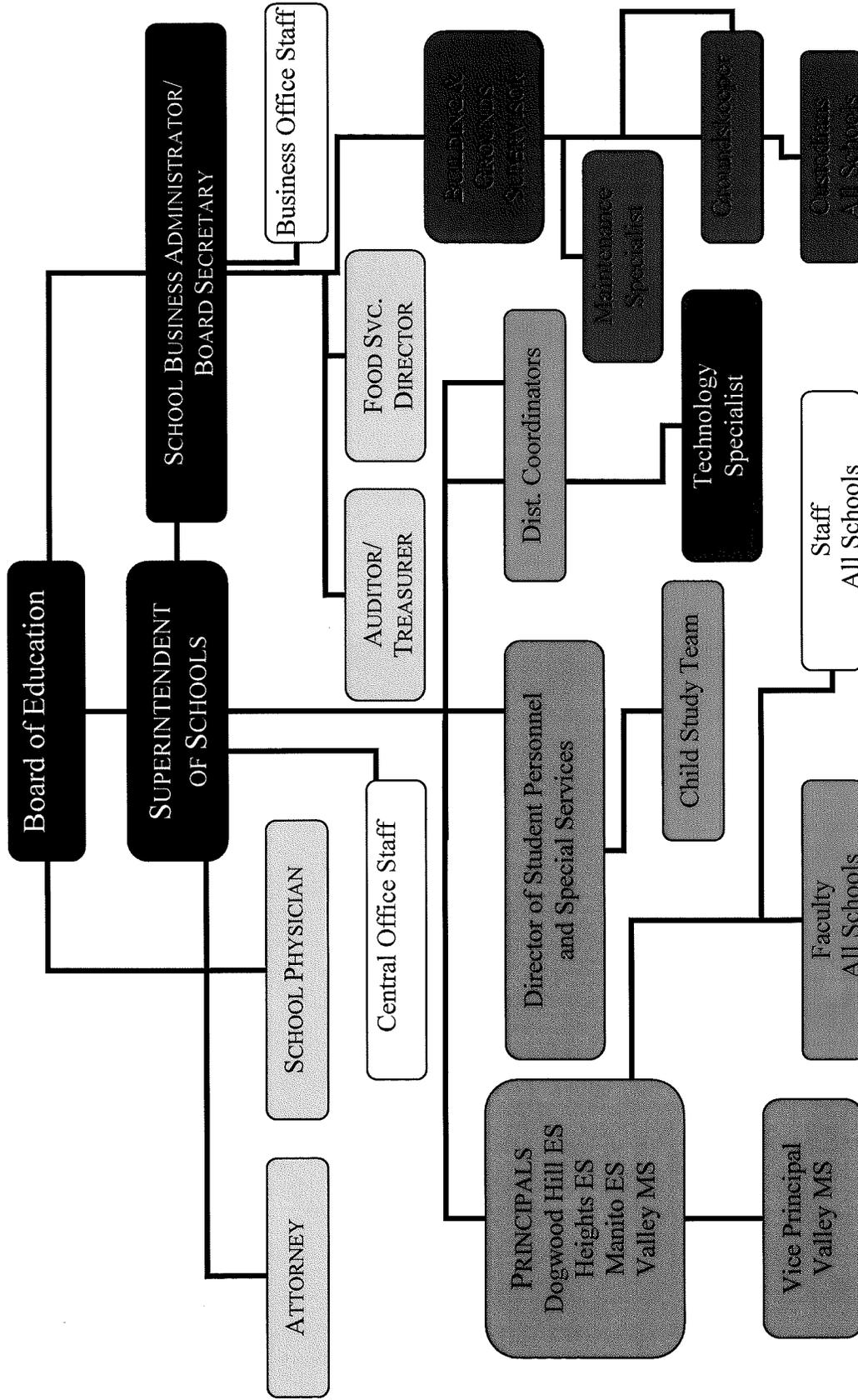
We express our appreciation to the Members of the Oakland Board of Education who successfully balance funding realities of public education and the need to provide Oakland's students with a world-class educational program of studies. Our appreciation is also extended to the administrative team who, too, are integral to the development and implementation of both the budget and the District's educational plan.

Together these groups of dedicated professionals contribute their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Vincent D. Yaniro, RSBA
Interim Business Administrator/
Board Secretary



Oakland Board of Education Organizational Chart 2007-2008

**BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOL DISTRICT**

**ROSTER OF OFFICIALS
JUNE 30, 2008**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Jennifer L. Matts, President	2010
Mr. John Scerbo, Vice President	2011
Mr. James Gaffney	2011
Mr. James Mulcahy	2009
Mr. Russell Talamini	2009

OTHER OFFICIALS

Dr. Richard G. Heflich, Superintendent of Schools

Mr. Vincent D. Yaniro, RSBA Interim School Business Administrator/Board Secretary

Ms. Deanna Dugan, Treasurer of School Monies

**BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOL DISTRICT**

**ROSTER OF CONSULTANTS AND ADVISORS
JUNE 30, 2008**

Architect

EI ASSOCIATES
Architecture • Engineering • Construction
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Attorney

FOGARTY & HARA
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Fair Lawn, NJ 07410

Bond Counsel

McMANIMON & SCOTLAND
One Riverfront Plaza
Newark, NJ 07102

Auditor

LERCH, VINCI & HIGGINS, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Official Depository

BANK OF AMERICA
208 Harristown Road
Glen Rock, NJ 07452

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

OAKLAND PUBLIC SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Grome E. Brendel

President

John D. Munn

Executive Director

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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ELIZABETH A. SHICK, CPA, RMA, PSA
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ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Oakland Board of Education
Oakland, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oakland Board of Education as of and for the fiscal year ended June 30, 2008, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

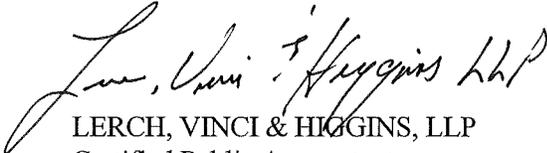
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oakland Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oakland Board of Education as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

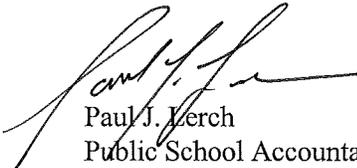
In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2008 on our consideration of the Oakland Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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 an 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 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding 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 Oakland Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures 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 OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures 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, financial schedules and statistical section 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.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
September 15, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

This discussion and analysis of the Oakland School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2008. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- District-wide - General revenues for governmental activities accounted for \$22,742,423 or 83 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,507,844 or 17 percent of total revenues of \$27,250,267.
- District-wide - The governmental activities had \$26,875,579 in expenses; only \$4,507,844 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,742,423 were adequate to provide for these programs.
- Fund Financials - Among governmental funds, the General Fund had \$26,244,368 in revenues and \$26,316,649 in expenditures. At the close of the fiscal year the General Fund's fund balance is \$1,345,590 an increase of \$198,991 from 2007.
- Fund Financials - At the end of June 30, 2008, the District's unreserved fund balance for the General Fund was \$430,287 an increase from 2007 of \$4,629.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Oakland Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Oakland Board of Education, reporting the Oakland Board of Education's operation in more detail than the district-wide statements.
 - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the Oakland Board of Education operates like a business.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Oakland Board of Education's financial statements, including the portion of the Oakland Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

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

The *statement of net assets* presents information on all of the Oakland Board of Education'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 District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government'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*.

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

District-wide Statements (Continued)

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds -- focusing on its most significant or "major" funds -- not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund.

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Bricks for Education Trust and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE OAKLAND BOARD OF EDUCATION AS A WHOLE

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-1 provides a summary of the school district's net assets as of June 30, 2008 and 2007.

Net assets. The District's combined net assets as of June 30, 2008 and 2007 were \$3,312,182 and \$2,921,183, respectively.

A significant portion of the District's net assets (65 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the 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 other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Statement of Net Assets
As of June 30, 2008 and 2007

	Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	\$ 1,938,499	\$ 1,894,922	\$ 74,668	\$ 66,573	\$ 2,013,167	\$ 1,961,495
Capital Assets	6,452,237	5,136,927	26,757	18,992	6,478,994	5,155,919
Total Assets	8,390,736	7,031,849	101,425	85,565	8,492,161	7,117,414
Liabilities						
Current Liabilities	387,447	552,761	4,642	5,093	392,089	557,854
Noncurrent Liabilities	4,787,890	3,638,377	-	-	4,787,890	3,638,377
Total Liabilities	5,175,337	4,191,138	4,642	5,093	5,179,979	4,196,231
Net Assets						
Invested in capital assets, net						
of debt	2,136,381	2,093,548	26,757	18,992	2,163,138	2,112,540
Restricted	279,995	175,599	-	-	279,995	175,599
Unrestricted	799,023	571,564	70,026	61,480	869,049	633,044
Total Net Assets	\$ 3,215,399	\$ 2,840,711	\$ 96,783	\$ 80,472	\$ 3,312,182	\$ 2,921,183

Governmental activities. Governmental activities increased the District's net assets by \$374,688. The increase in the net assets is evident of the District's sound financial management and improved financial position. Key elements of this increase are as follows:

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2008 and 2007

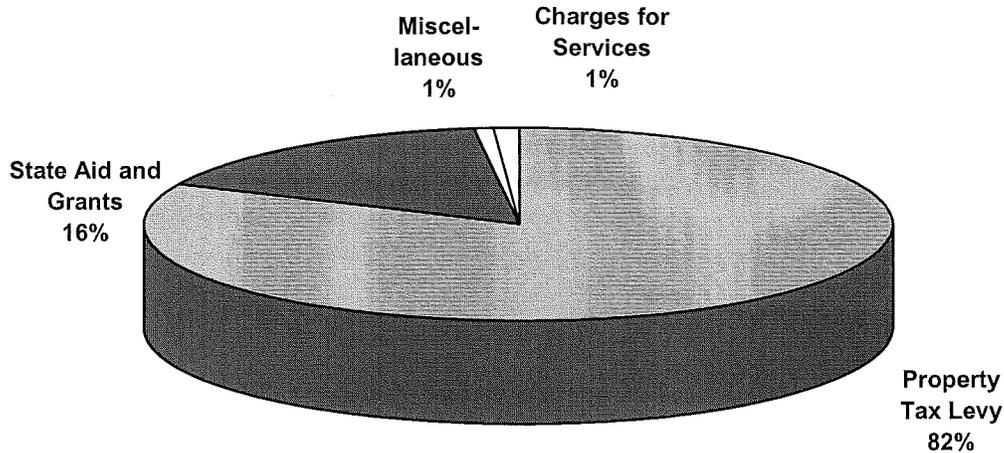
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 81,747	\$ 84,313	\$ 357,638	\$ 371,347	\$ 439,385	\$ 455,660
Operating Grants and Contributions	4,426,097	4,319,136	60,301	61,511	4,486,398	4,380,647
General Revenues						
Property Taxes	22,363,595	21,459,443			22,363,595	21,459,443
Other	378,828	373,069	-	-	378,828	373,069
Total Revenues	<u>27,250,267</u>	<u>26,235,961</u>	<u>417,939</u>	<u>432,858</u>	<u>27,668,206</u>	<u>26,668,819</u>
Expenses						
Instruction						
Regular	12,007,085	11,296,717			12,007,085	11,296,717
Special	3,965,860	3,806,029			3,965,860	3,806,029
Other Instruction	1,080,196	1,178,446			1,080,196	1,178,446
School Sponsored Activities & Ath.	149,942	159,033			149,942	159,033
Support Services						
Student and Instruction Related Serv.	2,257,969	2,190,073			2,257,969	2,190,073
Health Services	510,236	478,983			510,236	478,983
Educational Media/School Library	608,619	594,152			608,619	594,152
School Administrative Services	1,819,559	1,737,937			1,819,559	1,737,937
General Administrative Services	703,446	656,437			703,446	656,437
Plant Operations and Maintenance	2,089,468	2,059,701			2,089,468	2,059,701
Pupil Transportation	975,503	936,539			975,503	936,539
Central Services	516,275	485,907			516,275	485,907
Food Service			401,628	434,503	401,628	434,503
Interest on Long-Term Debt	191,421	104,366	-	-	191,421	104,366
Total Expenses	<u>26,875,579</u>	<u>25,684,320</u>	<u>401,628</u>	<u>434,503</u>	<u>27,277,207</u>	<u>26,118,823</u>
Change in Net Assets	374,688	551,641	16,311	(1,645)	390,999	549,996
Net Assets, Beginning of Year	<u>2,840,711</u>	<u>2,289,070</u>	<u>80,472</u>	<u>82,117</u>	<u>2,921,183</u>	<u>2,371,187</u>
Net Assets, End of Year	<u>\$ 3,215,399</u>	<u>\$ 2,840,711</u>	<u>\$ 96,783</u>	<u>\$ 80,472</u>	<u>\$ 3,312,182</u>	<u>\$ 2,921,183</u>

OAKLAND BOARD OF EDUCATION

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2008**

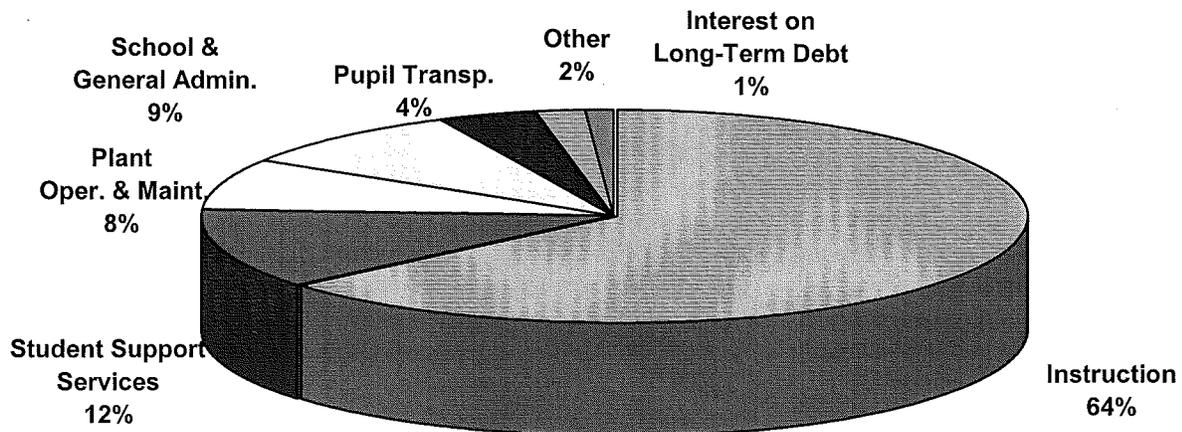
Governmental activities. The District's total governmental revenues were \$27,250,267. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$22,463,695 or 83% of total revenues. Funding from state and federal sources amounted to \$4,426,097 or 16%. Charges for services amounted to \$81,747 or 1%.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2008



The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$17,203,083 (64%) student support services totaled \$9,481,075 (35%) and interest on long-term debt total \$191,421 (1%) of total expenditures. (See Table A-5.)

Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2008



OAKLAND BOARD OF EDUCATION

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2008**

**Table A-5
Cost of Services and Net Cost of Services - Governmental Activities
For the Fiscal Years Ended June 30, 2008 and 2007**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Instruction				
Regular	\$ 12,007,085	\$ 11,296,717	\$ 10,336,566	\$ 9,784,421
Special Education	3,965,860	3,806,029	2,246,905	2,041,989
Other Instruction	1,080,196	1,178,446	861,511	947,832
School Sponsored Activities and Athletics	149,942	159,033	133,798	141,019
Support Services				
Student and Instruction Related Svcs.	2,257,969	2,190,073	1,910,071	1,838,763
Health Services	510,236	478,983	442,799	413,955
Educational Media/School Library	608,619	594,152	539,479	517,457
General Administrative Services	703,446	656,437	1,575,466	597,245
School Administrative Services	1,819,559	1,737,937	641,910	1,502,022
Plant Operations and Maintenance	2,089,468	2,059,701	2,089,468	2,059,701
Pupil Transportation	975,503	936,539	882,066	846,194
Central Services	516,275	485,907	516,275	485,907
Interest on Long-Term Debt	191,421	104,366	191,421	104,366
Total Governmental Activities	<u>\$ 26,875,579</u>	<u>\$ 25,684,320</u>	<u>\$ 22,367,735</u>	<u>\$ 21,280,871</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2008 was \$401,628. These costs were funded by operating grants, charges for services (Detailed on Table A-2). The operations resulted in an increase in net assets of \$16,311.

OAKLAND BOARD OF EDUCATION

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2008**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The focus of the 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 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 the District completed the year, its governmental funds reported a combined fund balance of \$1,596,185. In 2006-2007 the fund balance was \$1,421,384, an increase of \$174,801.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$27,250,267 and expenditures were \$28,498,738.

General Fund

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the general fund revenues for the fiscal year ended June 30, 2008 and 2007.

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 22,333,889	\$ 21,724,481	\$ 609,408	2.81%
State Sources	<u>3,910,479</u>	<u>3,895,882</u>	<u>14,597</u>	0.37%
 Total	 <u>\$ 26,244,368</u>	 <u>\$ 25,620,363</u>	 <u>\$ 624,005</u>	 2.44%

The following schedule represents a summary of general fund expenditures for the fiscal years ended June 30, 2008 and 2007.

	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Current Expenses:				
Instruction	\$ 16,418,744	\$ 15,885,079	\$ 533,665	3.36%
Support Services	9,332,300	9,006,239	326,061	3.62%
Capital Outlay	355,151	887,962	(532,811)	-60.00%
Debt Service-				
Principal	185,591	123,695	61,896	50.04%
Interest	<u>24,863</u>	<u>30,685</u>	<u>(5,822)</u>	-18.97%
 Total	 <u>\$ 26,316,649</u>	 <u>\$ 25,933,660</u>	 <u>\$ 382,989</u>	 1.48%

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

General Fund

Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of receipts, disbursements and encumbrances. The primary fund is the General Fund.

The Oakland School District, like many other Bergen County districts continues to provide a comprehensive educational program amidst the continuous budgetary constraints from the State of New Jersey with regard to State Aid. The funding formulas for State Aid have significantly shifted the burden of revenue funding to local property taxpayers as State Aid continues to remain inadequate against the backdrop of increased State and Federal mandates such as Special Education programs and services, Facility requirements and Long Range Planning, and now new Safety and Security requirements.

In this climate along with limited funding and diminishing revenues, the district finds itself relying more and more on the taxpayers in order to fund the tax levy established each year. As such, the Board of Education and Administration continues to explore cost saving initiatives designed to offset rising fixed costs associated with the general fund such as salaries, insurance, tuition, transportation, energy costs, etc. Major initiatives in the 2007-2008 year included:

- Renewed membership through various consortiums and shared services designed to promote cost savings in areas such as energy, technology, transportation, special education services and general supplies. These activities include: ACES "Alliance for Competitive Energy Savings," the district continued as a member and once again entered into public bids for gas and electric, ACT, "Alliance for Competitive Telecommunication," receiving an estimated 40% savings over current rates on Regional Toll calls, "Region I Special Services," participating in joint transportation agreements and shared services with 15 Bergen County districts, and continued participation in collective bids for savings in general supplies through "Education-Data" allowing for 2008-08 supply purchases at 62% below State Contract or a savings of \$90,089.00.
- Expanded shared services with the Borough of Oakland receiving additional support for site conditions at all school properties, successfully maintaining ongoing security ID badge program, and exploring possible cost saving initiatives in operational areas.
- Completed \$2.7 Million Facilities Project which provided for new roofs at two schools and a new high efficiency boiler system at the Valley Middle School eligible for cash rebates through the NJ Smart Start program.
- Continued our goal of increased efficiency and savings through in-district acquisition of busses, executing a lease agreement for the purchase of an addition 34 passenger buses that will enable the district to run additional routes in-district at a savings of approximately \$24,000 per year.

The 2007-2008 fiscal year marked the final budget year in which the District experienced the benefit of a major initiative and highlight of the 2003-2004 school year budget in which the Board successfully negotiated an addendum to the Collective Negotiations Agreement between the Oakland Board of Education and the Oakland Education Association wherein the Board of Education effectively decreased the maximum payment for accumulated sick leave for eligible teachers and secretaries with at least sixteen (16) years of service in the district, separating from the district upon July 1, 2005.

OAKLAND BOARD OF EDUCATION

**Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2008**

Special Education remains a significant expense even with a slight decline in enrollment. Many mandated services and requirements such as OT/PT (Occupation and Physical Therapy), speech, resource room, evaluations, one-on-one aides and other related services continue to be in demand.

Capital Assets and Debt Administration. The Oakland Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2008 and 2007 amounts to \$6,478,994 and \$5,155,919 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress buildings and building improvements, machinery, equipment and vehicles.

Table A-6
Capital Assets at June 30, 2008 and 2007
(Net of Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Sites/Land	\$ 131,987	\$ 131,987			\$ 131,987	\$ 131,987
Construction in Progress	995,722	2,494,114			995,722	2,494,114
Buildings and Building Improvements	10,955,244	8,040,185			10,955,244	8,040,185
Machinery and Equipment	<u>1,828,872</u>	<u>1,717,221</u>	<u>\$ 49,597</u>	<u>\$ 34,597</u>	<u>1,878,469</u>	<u>1,751,818</u>
Total	13,911,825	12,383,507	49,597	34,597	13,961,422	12,418,104
Less: Accumulated Depreciation	<u>7,459,588</u>	<u>7,246,580</u>	<u>22,840</u>	<u>15,605</u>	<u>7,482,428</u>	<u>7,262,185</u>
Total	<u>\$ 6,452,237</u>	<u>\$ 5,136,927</u>	<u>\$ 26,757</u>	<u>\$ 18,992</u>	<u>\$ 6,478,994</u>	<u>\$ 5,155,919</u>

Additional information on Oakland Board of Education's capital assets can be found in Note 3C of this report.

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

Debt Administration. As of June 30, 2008 and 2007 the school district had long-term debt and outstanding long-term liabilities in the amount of \$4,787,890 and \$3,638,377, respectively, as stated in Table A-7.

Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities
as of June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Bonds Payable	\$ 3,750,000	\$ 2,733,000
Capital Leases	715,178	629,497
Compensated Absences Payable	<u>322,712</u>	<u>275,880</u>
 Total	 <u>\$ 4,787,890</u>	 <u>\$ 3,638,377</u>

Additional information on Oakland Board of Education's long-term debt can be found in Note 3F of this report.

For the Future

The District remains in excellent financial condition. Everyone associated with the Oakland School District is grateful for the continued community support of the schools. A major concern remains continued enrollment growth and the need to construct additional classroom space to maintain respectable class sizes and services.

At the same time districts throughout the state find it increasingly difficult to fund capital expenditure debt within tightened operating budgets and diminished state aid. Having recognized this need in the wake of deteriorated buildings and inefficient mechanical/operating systems resulting from continuously deferred capital projects, we have successfully implemented a comprehensive three year facilities capital improvement plan begun in 2004-2005 fiscal year, addressing a wide range of critical systems to include replacements of roofs, boilers, unit ventilation equipment, windows, exterior doors, and electrical upgrades at all schools.

During the 2007-2008 school year, the electrical system in each school was upgraded, a portion of the Valley Middle School was replaced, and a new fire alarm system installed at Valley Middle School. 40% of the cost of these projects is funded by annual debt service state aid. This concerted effort in addressing critical building infrastructure needs has enabled the Board and Administration to craft a facilities/maintenance budget for the 2008-2009 school year that retains all quality maintenance operations, supplies, preventive maintenance programs, newly enacted service agreements and introduction of a new facilities web based management program, allowing us to maintain a highly efficient and effective facility maintenance program that is vital to our continued success. Likewise, the 2008-2009 Fund 12 Capital Outlay budget has been reduced to \$69,500.

Through direct team member involvement and initiatives, much of the costs associated with maintenance projects have been minimized as a result of in-house labor and expertise in areas such as cabling for security camera installations, demolition, clean up and removal of debris associated with remodeling, electrical, plumbing, landscape design, and painting along with on-site inspection/coordination of construction projects to assure compliance with plan and/or specifications, review of shop drawings, and participation in the selection of potential bidders/contractors through careful review of plans and specifications aimed at decreasing potential change orders. *These activities have accounted for increased dollars to the classroom putting our direct classroom expenditures at 65% for the 2008-2009 school year budget.*

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2008

Additionally we have generated instructional space in conjunction with this facilities program by recapturing classrooms at two of our elementary schools and the middle school through relocation of the district curriculum offices to the Administrative Offices Building and breaking down permanent computer labs through mobile computer carts addressable in any classroom via the district's wireless computer network. This initiative has aided in bridging the gap for previous short-term enrollment growth; however many common area such as our libraries remain below the state required FES (Facilities Efficiency Standards) developed by the Commissioner of Education pursuant to N.J.S.A. 18A:7G-4.

In addition to the potential Facilities concern, the district will continue to face budgetary obstacles in the ensuing years resulting from the passage of S-1701 regarding permissible surplus. S-1701 required all districts to reduce surplus to the greater of 2% or \$100,000 in 2005-06. The law maintained a reduced surplus of 2% in the 2008-2009 fiscal year. In planning budgets, school districts take into the account the possibility of unanticipated costs – ranging from utility increases to the mid-year relocation into the community of those special education students who receive high-cost private school services. For many school districts, these unanticipated costs could outstrip the surplus permitted under S-1701. Since school districts cannot operate at a deficit, the only choice available to meet federal and state requirements and fixed costs (such as special education and heat/utilities) would be to cut other areas, such as regular education programming or maintenance.

The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term district planning. Until enactment of S-1701, statute permitted non-Abbott school districts to establish surplus accounts that ranged between 3% and 6%. Further, the New Jersey State Department of Education's previous policy and, more recently, administrative code required school districts to obtain state permission to budget surplus below the 3% minimum.

Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to budgetary crisis. Furthermore; drawing down district surplus's through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets, and drives the need to offset such shortfalls through increased tax levy.

Given these conditions, the Oakland School District remains committed to financial excellence for many years. Its system for financial planning, budgeted, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Oakland Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Mr. Vincent D. Yaniro
Interim School Business Administrator/Board Secretary

At the:

Oakland Board of Education, 315 Ramapo Valley Road, Oakland, NJ 07436.

BASIC FINANCIAL STATEMENTS

OAKLAND BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,425,617	\$ 56,985	\$ 1,482,602
Receivables, net			
Receivables from Other Governments	169,050	3,079	172,129
Other		10,355	10,355
Inventory		4,249	4,249
Deferred Charges	63,837		63,837
Restricted Assets:			
Capital Reserve Account - Cash	279,995		279,995
Capital Assets, net			
Being Depreciated	5,324,528	26,757	5,351,285
Not Being Depreciated	<u>1,127,709</u>	<u>-</u>	<u>1,127,709</u>
Total Assets	<u>8,390,736</u>	<u>101,425</u>	<u>8,492,161</u>
LIABILITIES			
Accounts Payable	241,366	3,079	244,445
Payable to State Government	20,113		20,113
Payable to Federal Government	316		316
Accrued Interest Payable	108,970		108,970
Unearned Revenue	16,682	1,563	18,245
Noncurrent Liabilities			
Due within one year	450,700		450,700
Due beyond one year	<u>4,337,190</u>	<u>-</u>	<u>4,337,190</u>
Total Liabilities	<u>5,175,337</u>	<u>4,642</u>	<u>5,179,979</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	2,136,381	26,757	2,163,138
Restricted for			
Capital Projects	279,995		279,995
Unrestricted	<u>799,023</u>	<u>70,026</u>	<u>869,049</u>
Total Net Assets	<u>\$ 3,215,399</u>	<u>\$ 96,783</u>	<u>\$ 3,312,182</u>

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

OAKLAND BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 12,007,085		\$ 1,670,519		\$ (10,336,566)		\$ (10,336,566)
Special Education	3,965,860		1,718,955		(2,246,905)		(2,246,905)
Other Instruction	1,080,196		218,685		(861,511)		(861,511)
School Sponsored Activities and Athletics	149,942		16,144		(133,798)		(133,798)
Support Services							
Student and Instruction Related Services	2,257,969		347,898		(1,910,071)		(1,910,071)
Health Services	510,236		67,437		(442,799)		(442,799)
Educational Media/School Library	608,619		69,140		(539,479)		(539,479)
School Administrative Services	1,819,559		244,093		(1,575,466)		(1,575,466)
General Administrative Services	703,446		61,536		(641,910)		(641,910)
Plant Operations and Maintenance	2,089,468				(2,089,468)		(2,089,468)
Pupil Transportation	975,503	\$ 81,747	11,690		(882,066)		(882,066)
Central Services	516,275				(516,275)		(516,275)
Interest on Long-Term Debt	191,421	-	-	-	(191,421)		(191,421)
Total Governmental Activities	26,875,579	81,747	4,426,097	-	(22,367,735)	-	(22,367,735)
Business-Type Activities							
Food Service	401,628	357,638	60,301	-	-	16,311	16,311
Total Business-Type Activities	401,628	357,638	60,301	-	-	16,311	16,311
Total Primary Government	\$ 27,277,207	\$ 439,385	\$ 4,486,398	\$ -	(22,367,735)	16,311	(22,351,424)
General Revenues							
Property Taxes					22,363,595		22,363,595
State Aid Restricted for Debt Service					121,072		121,072
Unrestricted State Aid					157,656		157,656
Miscellaneous Income					100,100		100,100
Total General Revenues					22,742,423		22,742,423
Change in Net Assets					374,688	16,311	390,999
Net Assets, Beginning of Year					2,840,711	80,472	2,921,183
Net Assets, End of Year					\$ 3,215,399	\$ 96,783	\$ 3,312,182

FUND FINANCIAL STATEMENTS

**OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,020,676	\$ 152,332	\$ 188,482	\$ 64,127	\$ 1,425,617
Restricted Cash - Capital Reserve	279,995				279,995
Due from Other Funds		1,185		29,948	31,133
Receivables from Other Governments	<u>166,526</u>	<u>2,524</u>	<u>-</u>	<u>-</u>	<u>169,050</u>
Total Assets	<u>\$ 1,467,197</u>	<u>\$ 156,041</u>	<u>\$ 188,482</u>	<u>\$ 94,075</u>	<u>\$ 1,905,795</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 120,422	\$ 118,930	\$ 2,014		\$ 241,366
Payable to State Government		20,113			20,113
Payable to Federal Government		316			316
Due to Other Funds	1,185		29,948		31,133
Deferred Revenue	<u>-</u>	<u>16,682</u>	<u>-</u>	<u>-</u>	<u>16,682</u>
Total Liabilities	<u>121,607</u>	<u>156,041</u>	<u>31,962</u>	<u>-</u>	<u>309,610</u>
Fund Balances					
Reserved for					
Encumbrances	427,900		62,456		490,356
Capital Reserve Account	279,995				279,995
Legally Restricted- Designated for Subsequent Year's Expenditures - Capital Outlay SGLA	19,432				19,432
Excess Surplus- Designated for Subsequent Year's Expenditures	50,160				50,160
Excess Surplus	137,816				137,816
Unreserved, Designated Reported in:					
Debt Service Fund				\$ 64,131	64,131
Unreserved, Reported in:					
General Fund	430,287				430,287
Capital Projects Fund			94,064		94,064
Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,944</u>	<u>29,944</u>
Total Fund Balances	<u>1,345,590</u>	<u>-</u>	<u>156,520</u>	<u>94,075</u>	<u>1,596,185</u>
Total Liabilities and Fund Balances	<u>\$ 1,467,197</u>	<u>\$ 156,041</u>	<u>\$ 188,482</u>	<u>\$ 94,075</u>	

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 are not reported in the funds. The cost of the assets is \$13,911,825 and the accumulated depreciation is \$7,459,588.

6,452,237

The District has financed capital assets through the issuance of Serial Bonds long-term lease obligations. The interest accrual at year end is:

(108,970)

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. Long-term liabilities at year end consist of:

General Obligation Bonds Payable	\$ 3,750,000
Less: Deferred charges for Issuance Costs (to be amortized over the life of the debt)	(63,837)
Capital Leases Payable	715,178
Compensated Absences	<u>322,712</u>

(4,724,053)

Net assets of governmental activities (Exhibit A-1)

\$ 3,215,399

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Levy	\$ 22,181,986			\$ 181,609	\$ 22,363,595
Miscellaneous	151,903	\$ 110,500	\$ 29,944	-	292,347
Total - Local Sources	<u>22,333,889</u>	<u>110,500</u>	<u>29,944</u>	<u>181,609</u>	<u>22,655,942</u>
State Sources	3,910,479	146,498		121,072	4,178,049
Federal Sources	-	416,276	-	-	416,276
Total Revenues	<u>26,244,368</u>	<u>673,274</u>	<u>29,944</u>	<u>302,681</u>	<u>27,250,267</u>
EXPENDITURES					
Current					
Regular Instruction	11,747,627	124,693			11,872,320
Special Education Instruction	3,532,971	403,523			3,936,494
Other Instruction	989,612	78,350			1,067,962
School-Sponsored Activities and Athletics	148,534				148,534
Support Services					
Student and Instruction Related Services	2,166,747	66,708			2,233,455
Health Services	505,529				505,529
Educational Media/School Library	602,592				602,592
School Administrative Services	1,798,279				1,798,279
General Administrative Services	698,081				698,081
Plant Operations and Maintenance	2,076,220				2,076,220
Pupil Transportation	973,729				973,729
Central Services	511,123				511,123
Debt Service					
Principal	185,591			135,000	320,591
Interest and Other Charges	24,863			167,681	192,544
Bond Issuance Costs			32,967		32,967
Capital Outlay	355,151	-	1,173,167	-	1,528,318
Total Expenditures	<u>26,316,649</u>	<u>673,274</u>	<u>1,206,134</u>	<u>302,681</u>	<u>28,498,738</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(72,281)</u>	<u>-</u>	<u>(1,176,190)</u>	<u>-</u>	<u>(1,248,471)</u>
Other Financing Sources and (Uses)					
Proceeds from Sale of Bonds			1,152,000		1,152,000
Lease Proceeds	271,272				271,272
Transfer In				29,944	29,944
Transfer Out	-	-	(29,944)	-	(29,944)
Total Other Financing Sources and Uses	<u>271,272</u>	<u>-</u>	<u>1,122,056</u>	<u>29,944</u>	<u>1,423,272</u>
Net Change in Fund Balances	198,991	-	(54,134)	29,944	174,801
Fund Balance, Beginning of Year	1,146,599	-	210,654	64,131	1,421,384
Fund Balance, End of Year	<u>\$ 1,345,590</u>	<u>\$ -</u>	<u>\$ 156,520</u>	<u>\$ 94,075</u>	<u>\$ 1,596,185</u>

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

**OAKLAND BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 174,801

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation outlay in the current period.

Capital Outlay	\$ 1,528,318	
Depreciation Expense	<u>(213,008)</u>	
		1,315,310

Some of the district assets acquired this year were financed with capital leases. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the lease proceeds are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of net assets.

Capital Leases	(271,272)
----------------	-----------

In the statement of activities, certain operating expenses - compensated absences and claims and judgments for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Compensated Absences	(46,832)
----------------------	----------

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Reduction of Long-Term Debt	320,591
Issuance of School Improvement Bonds	(1,152,000)
Deferred Charges on Issuance Costs	32,967

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The details are as follows:

Decrease in accrued interest	5,683
Amortization of Deferred Charge on Issuance Costs	<u>(4,560)</u>

Change in net assets of governmental activities (Exhibit A-2) \$ 374,688

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2008**

		Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	56,985
Intergovernmental Receivable		
Federal		2,739
State		340
Other Receivable		10,355
Inventories		<u>4,249</u>
Total Current Assets		<u>74,668</u>
Noncurrent Assets		49,597
Equipment		<u>(22,840)</u>
Less: Accumulated Depreciation		
Total Capital Assets (net of accumulated depreciation)		<u>26,757</u>
Total Noncurrent Assets		<u>26,757</u>
Total Assets		<u>101,425</u>
LIABILITIES		
Current Liabilities		
Deferred Revenue		1,563
Accounts Payable		<u>3,079</u>
Total Current Liabilities		<u>4,642</u>
Total Liabilities		<u>4,642</u>
NET ASSETS		
Invested in Capital Assets		
Unrestricted		26,757
Total Net Assets		<u>70,026</u>
Total Net Assets	\$	<u>96,783</u>

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 352,821
Special Functions	<u>4,817</u>
 Total Operating Revenues	 <u>357,638</u>
OPERATING EXPENSES	
Cost of Sales	189,295
Salaries and Employee Benefits	159,020
Purchased Services and Other Expense	46,078
Depreciation	<u>7,235</u>
 Total Operating Expenses	 <u>401,628</u>
Operating Loss	<u>(43,990)</u>
NONOPERATING REVENUES	
Federal Sources	
School Lunch Program	45,457
USDA Commodities	9,217
State Sources	
School Lunch Program	<u>5,627</u>
 Total Nonoperating Revenues	 <u>60,301</u>
Change in Net Assets	16,311
Total Net Assets, Beginning of Year	<u>80,472</u>
Total Net Assets, End of Year	<u>\$ 96,783</u>

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 362,489
Cash Payments for Employees' Salaries and Benefits	(159,020)
Cash Payments to Suppliers for Goods and Services	<u>(228,899)</u>
Net Cash (Used for) Operating Activities	<u>(25,430)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>51,419</u>
Net Cash Provided by Noncapital Financing Activities	<u>51,419</u>
Cash Flows from Capital and Related Financial Activities	
Purchase of Fixed Assets	<u>(15,000)</u>
Net Cash (Used for) Provided by Capital and Related Financial Activities	<u>(15,000)</u>
Net Increase in Cash and Cash Equivalents	10,989
Cash and Cash Equivalents, Beginning of Year	<u>45,996</u>
Cash and Cash Equivalents, End of Year	<u>\$ 56,985</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating (Loss)	<u>\$ (43,990)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	7,235
USDA Commodities	9,217
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	4,851
(Increase)/Decrease in Inventory	(2,292)
Increase/(Decrease) in Deferred Revenue	(1,404)
Increase/(Decrease) in Accounts Payable	<u>953</u>
Total Adjustments	<u>18,560</u>
Net Cash (Used for) Operating Activities	<u>\$ (25,430)</u>

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

**OAKLAND BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2008**

	Unemployment Compensation <u>Trust</u>	Bricks for Education <u>Trust</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 36,034	\$ 1,024	\$ 230,836
Total Assets	<u>36,034</u>	<u>1,024</u>	<u>\$ 230,836</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 137,759
Due to Student Groups			69,735
Flex Spending Payable			23,342
Due to State of New Jersey	<u>12,369</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>12,369</u>	<u>-</u>	<u>\$ 230,836</u>
NET ASSETS			
Held in Trust for Bricks Education Trust		<u>\$ 1,024</u>	
Held in Trust for Unemployment Claims	<u>\$ 23,665</u>		

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

**OAKLAND BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Unemployment Compensation <u>Trust</u>	Bricks for Education <u>Trust</u>
ADDITIONS		
Contributions		
Interest		\$ 25
District Contributions	\$ 15,000	
Employees	<u>5,348</u>	<u>-</u>
Total Additions	<u>20,348</u>	<u>25</u>
DEDUCTIONS		
Unemployment Claims and Contributions	<u>42,700</u>	<u>-</u>
Total Deductions	<u>42,700</u>	<u>-</u>
Change in Net Assets	(22,352)	25
Net Assets, Beginning of Year	<u>46,017</u>	<u>999</u>
Net Assets, End of Year	<u>\$ 23,665</u>	<u>\$ 1,024</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Oakland Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Oakland Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, federal and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the Agency Fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the school breakfast, milk and lunch programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, federal and investment earnings and miscellaneous revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, of the District's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Tuition Expenditures - Tuition charges for the fiscal years 2006-2007 and 2007-2008 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects.

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$500, if purchased prior to July 1, 2001 or \$2,000 if purchased after July 1, 2001 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Long-term obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

7. *Long-term obligations* (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Fund Equity*

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Reserved for Capital Reserve Account – This reserve was created by the District to fund future capital expenditures (See Note 2.)

Reserved – Legally Restricted – Unexpended Capital Outlay Spending Growth Limitation Adjustment – This reserve was created to represent the unexpended proceeds of a capital outlay spending growth limitation adjustment in the 2006/2007 District budget that is required to be appropriated in the 2008/2009 original budget certified for taxes.

Reserved for Excess Surplus – Designated for Subsequent Year’s Expenditures - This reserve was created to represent the June 30, 2007 audited excess surplus that was appropriated in the 2008/2009 original budget certified for taxes.

Reserved for Excess Surplus – This reserve was created to represent the June 30, 2008 audited excess surplus that is required to be appropriated in the 2009/2010 original budget certified for taxes.

Designations of fund balance represent tentative management plans that are subject to change.

Designated for Subsequent Year’s Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2008/2009 District budget certified for taxes.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2007/2008. During 2007/2008 the Board increased the original budget by \$850,394. The increase was funded by lease proceeds, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 the 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 which are reappropriated and honored during the subsequent fiscal year.

B. Capital Reserve Account

A capital reserve account was established by the District on October 12, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve Account (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2008 is as follows:

Balance, July 1, 2007		\$ 175,599
Increases		
Interest Earnings	\$ 4,396	
Deposits Approved by Board Resolution	<u>100,000</u>	
		<u>104,396</u>
Balance, June 30, 2008		<u>\$ 279,995</u>

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2008 is \$187,976. Of this amount, \$50,160 was designated and appropriated in the 2008/2009 original budget certified for taxes and the remaining amount of \$137,816 will be appropriated in the 2009/2010 original budget certified from taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$100,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At June 30, 2008, the book value of the Board's deposits was \$1,552,251 and bank balances of the Board's cash and deposits amounted to \$1,812,083. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 1,812,083</u>

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2008, the Board had the following investment which are considered cash equivalents:

<u>Investment</u>	<u>Bank Balance</u>
U.S. Government Securities	
M.B.I.A. Class Account	\$ 53,435
Fidelity Investment MM	424,805
	<u>\$ 478,240</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2008, \$478,240 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by counterparty's trust department or agent but not in the Board's name	\$ <u>478,240</u>

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing it’s exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investment was based on quoted market prices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of year-end for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 166,526	\$ 2,524	\$ 3,079	\$ 172,129
Other	<u>-</u>	<u>-</u>	<u>10,355</u>	<u>10,355</u>
Gross Receivables	166,526	2,524	13,434	182,484
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 166,526</u>	<u>\$ 2,524</u>	<u>\$ 13,434</u>	<u>\$ 182,484</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered grant draw downs	<u>\$16,682</u>

OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance, <u>July 1, 2007</u>	<u>Increases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2008</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 131,987			\$ 131,987
Construction in Progress	<u>2,494,114</u>	<u>\$ 1,181,167</u>	<u>\$ (2,679,559)</u>	<u>995,722</u>
Total capital assets, not being depreciated	<u>2,626,101</u>	<u>1,181,167</u>	<u>(2,679,559)</u>	<u>1,127,709</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	8,040,185	235,500	2,679,559	10,955,244
Machinery and Equipment	<u>1,717,221</u>	<u>111,651</u>	<u>-</u>	<u>1,828,872</u>
Total capital assets being depreciated	<u>9,757,406</u>	<u>347,151</u>	<u>2,679,559</u>	<u>12,784,116</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(6,137,998)	(106,127)		(6,244,125)
Machinery and Equipment	<u>(1,108,582)</u>	<u>(106,881)</u>	<u>-</u>	<u>(1,215,463)</u>
Total accumulated depreciation	<u>(7,246,580)</u>	<u>(213,008)</u>	<u>-</u>	<u>(7,459,588)</u>
Total capital assets, being depreciated, net	<u>2,510,826</u>	<u>134,143</u>	<u>2,679,559</u>	<u>5,324,528</u>
Government activities capital assets, net	<u>\$ 5,136,927</u>	<u>\$ 1,315,310</u>	<u>\$ -</u>	<u>\$ 6,452,237</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 34,597	\$ 15,000	-	\$ 49,597
Total capital assets being depreciated	<u>34,597</u>	<u>15,000</u>	<u>-</u>	<u>49,597</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(15,605)</u>	<u>(7,235)</u>	<u>-</u>	<u>(22,840)</u>
Total accumulated depreciation	<u>(15,605)</u>	<u>(7,235)</u>	<u>-</u>	<u>(22,840)</u>
Total capital assets, being depreciated, net	<u>18,992</u>	<u>7,765</u>	<u>-</u>	<u>26,757</u>
Business-type activities capital assets, net	<u>\$ 18,992</u>	<u>\$ 7,765</u>	<u>\$ -</u>	<u>\$ 26,757</u>

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Instruction

Regular	\$ 107,903
Special	23,513
Other Special Instruction	9,796
School Sponsored Activities and Athletics	<u>1,127</u>

Total Instruction	<u>142,339</u>
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Support Services

Student and Instruction Related Services	19,628
Health Services	4,707
Educational Media	4,826
General Administration	4,296
School Administration	17,038
Operations and Maintenance of Plant	13,248
Student Transportation	1,774
Central Services	<u>5,152</u>

Total Governmental Funds	<u>70,669</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 213,008</u>
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Construction commitments

The District has the following active construction projects as of June 30, 2008:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Authorization</u>
Renovations of the Valley Middle School and the Manito School	\$ 2,714,989	\$ 18,146
Fire Alarm Replacement at Valley Middle School and Electrical Upgrades at Valley Middle School, Heights and Dogwood	<u>1,020,689</u>	<u>132,297</u>
Total	<u>\$ 3,735,678</u>	<u>\$ 150,443</u>

OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue	General Fund	\$ 1,185
Debt Service	Capital Projects	<u>29,948</u>
		<u>\$ 31,133</u>

The above balances are the result of revenues earned received in one fund which are due to another fund and expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In:</u>	
	<u>Debt Service</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	<u>\$ 29,944</u>	<u>29,944</u>
Total Transfers Out	<u>\$ 29,944</u>	<u>\$ 29,944</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

E. Leases

Capital Leases

The District is leasing energy upgrade, telephone system, copiers, upgrades to door locks and lighting and student transportation totaling \$1,280,885 under capital leases. The leases are for terms of 5 to 10 years.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2009	\$ 187,412
2010	181,867
2011	162,986
2012	162,986
2013	<u>101,212</u>
 Total minimum lease payments	 796,463
 Less: amount representing interest	 <u>81,285</u>
 Present value of minimum lease payments	 <u>\$ 715,178</u>

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2008 are comprised of the following issues:

\$2,733,000, School Improvement Bonds, due in annual installments of \$140,000 to \$238,000 through August 1, 2021, interest at 4.00% to 4.50%	\$2,598,000
 \$1,152,000, School Improvement Bonds, due in annual installments of \$55,000 to \$102,000 through February 1, 2023, interest at 4.00% to 4.25%	 <u>1,152,000</u>
	<u>\$3,750,000</u>

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2009	\$ 195,000	\$ 176,076	\$ 371,076
2010	205,000	145,868	350,868
2011	210,000	137,568	347,568
2012	220,000	128,968	348,968
2013	230,000	119,993	349,993
2014-2018	1,320,000	448,505	1,768,505
2019-2023	<u>1,370,000</u>	<u>144,086</u>	<u>1,514,086</u>
	<u>\$ 3,750,000</u>	<u>\$ 1,301,064</u>	<u>\$ 5,051,064</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2008 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 76,208,945
Less: Net Debt	<u>3,751,121</u>
Remaining Borrowing Power	<u>\$ 72,457,824</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

	Balance, July 1, 2007	Additions	Reductions	Balance, June 30, 2008	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 2,733,000	\$ 1,152,000	\$ 135,000	\$ 3,750,000	\$ 195,000
Capital leases	629,497	271,272	185,591	715,178	141,250
Compensated absences	<u>275,880</u>	<u>148,114</u>	<u>101,282</u>	<u>322,712</u>	<u>114,450</u>
Governmental activity Long-term liabilities	<u>\$ 3,638,377</u>	<u>\$ 1,571,386</u>	<u>\$ 421,873</u>	<u>\$ 4,787,890</u>	<u>\$ 450,700</u>

Compensated absences and capital leases are generally liquidated by the general fund.

G. Short-Term Debt

The District had no short-term debt as of June 30, 2008.

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2008	\$ 15,000	\$ 5,348	\$ 42,700	\$ 23,665
2007		25,867	48,160	46,017
2006	20,000	19,085	39,190	68,310

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2008, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2008, the District had no estimated arbitrage earnings due to the IRS.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to 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. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation (Continued)

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.0% for TPAF of the employee's annual compensation, as defined through June 30, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF.

During the year ended June 30, 2008 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

During the years ended June 30, 2008, 2007 and 2006 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension contributions the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>
2006	\$ 39,793	\$ 117,192
2007	73,401	802,504
2008	130,880	813,335

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Contribution Requirements (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$802,408 during the year ended June 30, 2008 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost-sharing multiple employer-defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a fund (Health Benefits Program Fund - State). The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund -Local) in the State's CAFR. The health benefit programs had a total of 454 state and local participating employers and contributing entities for Fiscal Year 2007.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of Treasury, Division of Investment, issues publicly available financial reports. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 2909, Trenton, New Jersey 08625-0290.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funding Policy

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

PERS and TPAF retirees health benefits coverage is funded through each of their respective pension fund systems via an annual appropriation. The State made post-retirement medical (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

The State will set the contribution rate based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2006, 2007 and 2008 were \$1,012,481, \$1,142,831 and \$1,146,810, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 22,181,986		\$ 22,181,986	\$ 22,181,986	
Transportation	50,000		50,000	81,747	\$ 31,747
Miscellaneous	33,500		33,500	70,156	36,656
State Sources					
Special Education Aid	892,731		892,731	892,731	
Consolidated Aid	98,574		98,574	98,574	
Additional Formula Aid	60,370		60,370	60,370	
Non-Public Transportation				11,690	11,690
Extra-Ordinary Aid				111,032	111,032
On-Behalf TPAF Pension Contribution (Non-Budgeted)					
Normal Costs				813,335	813,335
Post-Retirement Medical Contribution				1,146,810	1,146,810
On-Behalf TPAF Social Security (Non-Budgeted)	-	-	-	802,408	802,408
Total Revenues	<u>23,317,161</u>	<u>-</u>	<u>23,317,161</u>	<u>26,270,839</u>	<u>2,953,678</u>
EXPENDITURES					
CURRENT EXPENDITURES+A316					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	247,010	\$ (38,947)	208,063	208,063	
Grades 1-5	3,873,977	95,524	3,969,501	3,969,500	1
Grades 6-8	3,103,211	(197,171)	2,906,040	2,906,039	1
Instruction - Home					
Salaries of Teachers	239,220	(77,894)	161,326	161,326	
Purchased Professional-Educational Services	15,242	(14,213)	1,029	1,029	
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	102,759	42,201	144,960	144,959	1
Purchased Technical Services	2,500	(2,500)			
Rentals	41,580	2,633	44,213	44,213	
Travel	3,700	2,061	5,761	5,761	
Miscellaneous Purchase Services	1,000	(1,000)			
General Supplies	367,647	27,492	395,139	394,265	874
Textbooks	85,060	117,811	202,871	151,141	51,730
Other Objects	6,000	836	6,836	6,836	-
Total Instruction - Regular	<u>8,088,906</u>	<u>(43,167)</u>	<u>8,045,739</u>	<u>7,993,132</u>	<u>52,607</u>
Special Education					
Cognitive-Moderate					
Other Salaries for Instruction	18,478	(18,478)			
Purchased Prof-Educational Services	1,700	(1,700)	-	-	-
Total Cognitive- Moderate	<u>20,178</u>	<u>(20,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Learning and/or Language Disabilities					
Salaries of Teachers	167,100	1,096	168,196	168,195	1
Other Salaries for Instruction	147,826	65,324	213,150	213,149	1
Purchased Professional-Educational Services	800	-	800	186	614
General Supplies	8,299	3,266	11,565	11,085	480
Textbooks	2,200	-	2,200	2,026	174
Total Learning and/or Language Disabilities	<u>326,225</u>	<u>69,686</u>	<u>395,911</u>	<u>394,641</u>	<u>1,270</u>

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Behavioral Disabilities					
Other Salaries for Instruction	\$ 18,478	\$ (18,478)	-	-	-
Total Behavioral Disabilities	<u>18,478</u>	<u>(18,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multiple Disabilities					
Other Salaries for Instruction	110,869	(2,488)	\$ 108,381	\$ 108,380	\$ 1
Total Multiple Disabilities	<u>110,869</u>	<u>(2,488)</u>	<u>108,381</u>	<u>108,380</u>	<u>1</u>
Resource Room/Resource Center					
Salaries of Teachers	968,333	(36,527)	931,806	931,806	
Other Salaries for Instruction	92,391	(42,059)	50,332	50,331	1
General Supplies	8,980		8,980	8,412	568
Textbooks	2,700	-	2,700	2,693	7
Total Resource Room/Resource Center	<u>1,072,404</u>	<u>(78,586)</u>	<u>993,818</u>	<u>993,242</u>	<u>576</u>
Autism					
Salaries	49,881	36,275	86,156	86,155	1
Other Salaries for Instruction	60,110	(22,000)	38,110	36,900	1,210
Purchased Professional-Educational Services	80,167		80,167	67,848	12,319
General Supplies	3,025	-	3,025	2,745	280
Total Autism	<u>193,183</u>	<u>14,275</u>	<u>207,458</u>	<u>193,648</u>	<u>13,810</u>
Preschool Disabilities - Part-Time					
Other Salaries for Instruction	129,347	(107,913)	21,434	15,420	6,014
Purchased Professional-Educational Services	3,500	-	3,500	3,300	200
Total Preschool Disabilities	<u>132,847</u>	<u>(107,913)</u>	<u>24,934</u>	<u>18,720</u>	<u>6,214</u>
Total Special Education	<u>1,874,184</u>	<u>(143,682)</u>	<u>1,730,502</u>	<u>1,708,631</u>	<u>21,871</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	519,937	6,109	526,046	526,046	
General Supplies	300	-	300	-	300
Total Basic Skills/Remedial - Instruction	<u>520,237</u>	<u>6,109</u>	<u>526,346</u>	<u>526,046</u>	<u>300</u>
Bilingual Education - Instruction					
Salaries of Teachers	117,766	50	117,816	117,805	11
General Supplies	3,000		3,000	2,960	40
Textbooks	450	-	450	424	26
Total Bilingual Education - Instruction	<u>121,216</u>	<u>50</u>	<u>121,266</u>	<u>121,189</u>	<u>77</u>
School Sponsored Co-Curricular Activities - Instruction					
Salaries	97,822		97,822	77,174	20,648
Supplies and Materials	2,900	-	2,900	356	2,544
Total School Sponsored Co-Curricular Activities-Instruction	<u>100,722</u>	<u>-</u>	<u>100,722</u>	<u>77,530</u>	<u>23,192</u>
School Sponsored Athletics - Instruction					
Salaries	2,009		2,009		2,009
Purchased Services	2,500		2,500	1,450	1,050
General Supplies	3,800	3,300	7,100	3,540	3,560
Total School Sponsored Athletics - Instruction	<u>8,309</u>	<u>3,300</u>	<u>11,609</u>	<u>4,990</u>	<u>6,619</u>

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs - Instruction					
Salaries	\$ 30,923	-	\$ 30,923	\$ 27,025	\$ 3,898
Total Other Instructional Programs - Instruction	30,923	-	30,923	27,025	3,898
Total - Instruction	10,744,497	\$ (177,390)	10,567,107	10,458,543	108,564
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	489,932	90,337	580,269	580,245	24
Tuition to CSSD & Reg. Day Schools	129,600	(31,522)	98,078	98,072	6
Tuition to Private School for the Disabled W/I State	345,304	(20,568)	324,736	324,200	536
Total Undistributed Expenditures - Instruction	964,836	38,247	1,003,083	1,002,517	566
Health Services					
Salaries	309,046	8,397	317,443	317,385	58
Other Salaries	3,500	1,500	5,000	5,000	
Purchased Professional & Technical Services	1,000	(600)	400		400
Other Purchased Services	16,700	(14,000)	2,700	549	2,151
Supplies and Materials	8,225	9,863	18,088	18,068	20
Total Health Services	338,471	5,160	343,631	341,002	2,629
Other Support Services - Students Related Services					
Salaries	317,510	707	318,217	318,217	
Purchased Professional-Educational Services	4,700	7,000	11,700	7,896	3,804
Supplies and Materials	5,275	-	5,275	5,230	45
Total Other Support Services - Students Related Services	327,485	7,707	335,192	331,343	3,849
Other Support Services - Extra Serv.					
Purchased Professional-Educational Services	1,500	18,500	20,000	13,725	6,275
Total Other Support Services - Extra Serv.	1,500	18,500	20,000	13,725	6,275
Other Support Services - Students - Reg.					
Salaries of Other Professional Staff	311,455	(42,600)	268,855	268,834	21
Supplies and Materials	49,265	2,001	51,266	48,482	2,784
Miscellaneous Expenditures	2,000	-	2,000	-	2,000
Total Other Support Svcs.- Students - Reg.	362,720	(40,599)	322,121	317,316	4,805
Other Support Services - Students - Special Svcs.					
Salaries of Other Professional Staff	591,087	18,720	609,807	609,798	9
Salaries of Secretarial & Clerical Assist.	89,877	1,395	91,272	91,269	3
Other Purchased Professional & Technical Services	34,000	10,182	44,182	44,182	
Other Purchased Services	7,908	(3,954)	3,954	3,954	
Supplies and Materials	4,475	791	5,266	5,259	7
Total Other Support Services - Students - Special Svcs	727,347	27,134	754,481	754,462	19
Improvement of Instructional Service					
Salaries of Other Professional Staff	100,333	(44,208)	56,125	56,124	1
Purchased Professional-Educational Services		4,884	4,884	4,884	
Other Purchased Services	16,750	(12,670)	4,080	4,057	23
Supplies and Materials	6,500	(4,280)	2,220	2,216	4
Total Improvement of Instructional Service	123,583	(56,274)	67,309	67,281	28

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries of Other Professional Staff	\$ 305,068	\$ 8,712	\$ 313,780	\$ 313,775	\$ 5
Other Salaries for Instruction	18,890	(2,100)	16,790	16,754	36
Other Purchased Services	4,950	(1,300)	3,650	3,576	74
Supplies and Materials	70,773	(8,765)	62,008	61,218	790
Other Objects	41,300	(2,625)	38,675	38,587	88
Total Educational Media Services/School Library	<u>440,981</u>	<u>(6,078)</u>	<u>434,903</u>	<u>433,910</u>	<u>993</u>
Instructional Staff Training Services					
Supplies and Materials	1,485	(930)	555	551	4
Total Instructional Staff Training Services	<u>1,485</u>	<u>(930)</u>	<u>555</u>	<u>551</u>	<u>4</u>
Support Services - General Administration					
Salaries of Other Professional Staff	281,358	9,616	290,974	290,969	5
Other Salaries	3,325	(117)	3,208	3,207	1
Legal Services	65,000	12,127	77,127	77,127	
Audit Fees		49,855	49,855	38,759	11,096
Other Purchased Professional Services	59,800	(22,569)	37,231	34,943	2,288
Communications/Telephone	56,400	(19,290)	37,110	37,109	1
Other Purchased Services	12,590	565	13,155	13,151	4
BOE - Other Purchased Services	6,900	(1,995)	4,905	4,905	
Supplies and Materials	15,350	3,818	19,168	19,010	158
Interest for Lease Purchase Agreements	2,083		2,083	2,083	
Miscellaneous Expenditures	49,982	(19,699)	30,283	30,283	-
Total Support Services - General Administration	<u>552,788</u>	<u>12,311</u>	<u>565,099</u>	<u>551,546</u>	<u>13,553</u>
Support Services - School Administration					
Salaries of Principals/Asst. Principals	637,591	45,716	683,307	683,306	1
Salaries of Secretarial and Clerical Assistants	469,697	13,893	483,590	483,589	1
Other Purchased Services	29,850	(19,150)	10,700	10,506	194
Rentals	26,090	126	26,216	26,181	35
Supplies and Materials	19,000	813	19,813	19,803	10
Other Objects	13,600	(7,625)	5,975	5,975	-
Total Support Services - School Administration	<u>1,195,828</u>	<u>33,773</u>	<u>1,229,601</u>	<u>1,229,360</u>	<u>241</u>
Central Services					
Salaries	288,793	18,986	307,779	307,779	
Miscellaneous Purchased Services	39,200	(16,881)	22,319	22,143	176
Rentals	7,908	(3,954)	3,954	3,954	
Supplies and Materials	14,425	1,228	15,653	15,653	
Other Objects	9,165	6,867	16,032	16,032	-
Total Central Services	<u>359,491</u>	<u>6,246</u>	<u>365,737</u>	<u>365,561</u>	<u>176</u>
Admin. Info. Tech.					
Salaries	45,067	-	45,067	45,067	-
Total Admin. Info. Tech.	<u>45,067</u>	<u>-</u>	<u>45,067</u>	<u>45,067</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	75,121	4,256	79,377	79,376	1
Cleaning, Repair and Maintenance Service	90,067	71,919	161,986	121,840	40,146
General Supplies	8,000	34,203	42,203	23,157	19,046
Total Required Maintenance for School Facilities	<u>173,188</u>	<u>110,378</u>	<u>283,566</u>	<u>224,373</u>	<u>59,193</u>

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Operation and Maintenance of Plant					
Salaries	\$ 815,997	\$ 11,913	\$ 827,910	\$ 827,910	
Purchased Professional and Technical Services	7,150		7,150	7,043	\$ 107
Cleaning, Repair, and Maintenance Services	105,882	2,993	108,875	102,892	5,983
Rental of Land and Bldgs Other than Lease Pur. Agree.	104,211	40,510	144,721	144,721	
Other Purchased Property Services	7,500	(1,532)	5,968	5,967	1
Insurance	113,481	(19,497)	93,984	93,983	1
Miscellaneous Purchased Services	6,856	(2,164)	4,692	4,158	534
General Supplies	58,450	20,076	78,526	77,225	1,301
Energy (Heat & Electricity)	485,000	(21,274)	463,726	463,725	1
Miscellaneous Expenditures	-	370	370	370	-
Total Other Operation and Maintenance	<u>1,704,527</u>	<u>31,395</u>	<u>1,735,922</u>	<u>1,727,994</u>	<u>7,928</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	57,726	29,210	86,936	86,936	
Salaries for Pupil Transportation (Between Home and School) - Special Education	58,129	(26,500)	31,629	31,625	4
Salaries for Pupil Transportation (Oth. Than Between Home and School) - Regular	5,202	(2,275)	2,927	2,927	
Health Benefits	18,803		18,803	18,803	
Other Employee Benefits	1,890		1,890	1,890	
Other Purchased Professional and Technical Services	5,100	(876)	4,224	4,224	
Cleaning, Repair, and Maintenance Services	8,200	27,175	35,375	34,807	568
Rental Payments - School Buses		190	190	190	
Lease Purchase Payments - School Buses	14,000	4,265	18,265	18,265	
Contracted Services	51,262	6,696	57,958	57,958	
Contracted Services (Between Home and School) - Vendors	334,333	20,542	354,875	354,875	
Contracted Services (Other Than Between Home and School) - Vendors	10,966	(3,200)	7,766	7,714	52
Contracted Services (Special Education Students) - Vendors	285,923	28,045	313,968	313,968	
Miscellaneous Purchased Services - Transportation	13,750	2,277	16,027	15,975	52
Supplies and Materials	6,500	(3,365)	3,135	3,135	
Miscellaneous Expenditures	-	2,739	2,739	2,739	-
Total Student Transportation Services	<u>871,784</u>	<u>84,923</u>	<u>956,707</u>	<u>956,031</u>	<u>676</u>
Employee Benefits - Unallocated					
Social Security Contributions	291,988	4,019	296,007	296,007	
Other Retirement Contributions - Regular	105,574	25,306	130,880	130,880	
Unemployment Compensation	15,000		15,000	15,000	
Workmen's Compensation	156,855	1,875	158,730	156,390	2,340
Health Benefits	3,689,198	(79,758)	3,609,440	3,609,439	1
Tuition Reimbursement	56,500	3,500	60,000	60,000	
Other Employee Benefits	129,450	(18,381)	111,069	110,647	422
Total Employee Benefits - Unallocated	<u>4,444,565</u>	<u>(63,439)</u>	<u>4,381,126</u>	<u>4,378,363</u>	<u>2,763</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)					
Normal Costs				813,335	(813,335)
Post-Retirement Medical Contribution				1,146,810	(1,146,810)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	802,408	(802,408)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,762,553</u>	<u>(2,762,553)</u>
Total Undistributed Expenditures	<u>12,635,646</u>	<u>208,454</u>	<u>12,844,100</u>	<u>15,502,955</u>	<u>(2,658,855)</u>
Total Current Expenditures	<u>23,380,143</u>	<u>31,064</u>	<u>23,411,207</u>	<u>25,961,498</u>	<u>(2,550,291)</u>

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed					
School Buses - Regular		\$ 84,302	\$ 84,302	\$ 84,302	
Operation and Maintenance of Plant	\$ 22,000	12,091	34,091	27,349	\$ 6,742
Non-Inst. Equipment					
School Admin.	2,300	(2,300)	-	-	-
Total Undistributed Expenditures	24,300	94,093	118,393	111,651	6,742
Total Equipment	24,300	94,093	118,393	111,651	6,742
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Svs.	40,000	(32,000)	8,000	8,000	
Construction Services	23,000	500,082	523,082	235,500	287,582
Total Facilities Acquis. and Const. Services	63,000	468,082	531,082	243,500	287,582
Interest Deposit to Capital Reserve	3,500	-	3,500	-	3,500
Total Capital Outlay	90,800	562,175	652,975	355,151	297,824
Total Expenditures - General Fund	23,470,943	593,239	24,064,182	26,316,649	(2,252,467)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(153,782)	(593,239)	(747,021)	(45,810)	701,211
Other Financing Sources and (Uses)					
Lease Proceeds	-	271,272	271,272	271,272	-
Total Other Financing Sources and Uses	-	271,272	271,272	271,272	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(153,782)	(321,967)	(475,749)	225,462	701,211
Fund Balances, Beginning of Year	1,278,219	-	1,278,219	1,278,219	-
Fund Balances, End of Year	\$ 1,124,437	\$ (321,967)	\$ 802,470	\$ 1,503,681	\$ 701,211
Recapitulation					
Reserved:					
For Encumbrances				\$ 427,900	
Capital Reserve				279,995	
Legally Restricted- Designated for Subsequent Year's Expenditures				19,432	
Excess Surplus				137,816	
Excess Surplus Designated for Subsequent Year's Expenditures				50,160	
Unreserved:					
Undesignated				588,378	
				1,503,681	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				47,059	
Extraordinary Aid Payment Not Recognized on GAAP Basis				111,032	
Fund Balances Per Governmental Funds (GAAP)				\$ 1,345,590	

**OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 110,500	\$ 110,500	\$ 110,500	
State	\$ 160,263	5,445	165,708	146,498	\$ (19,210)
Federal	291,746	141,210	432,956	416,276	(16,680)
	<u>452,009</u>	<u>257,155</u>	<u>709,164</u>	<u>673,274</u>	<u>(35,890)</u>
Total Revenues					
EXPENDITURES					
Instruction					
Salaries	7,381	5,928	13,309	13,309	
Purchased Professional - Educational Svcs	182,720	(24,147)	158,573	148,391	10,182
Tuition	219,654	97,929	317,583	317,583	
Textbooks	7,403	2,528	9,931	9,299	632
General Supplies	1,362	111,545	112,907	112,048	859
Other Objects	2,662	3,274	5,936	5,936	-
	<u>421,182</u>	<u>197,057</u>	<u>618,239</u>	<u>606,566</u>	<u>11,673</u>
Total Instruction					
Support Services					
Purchased Professional - Educational Svcs	17,270	35,081	52,351	45,145	7,206
Other Purchased Services	3,633	6,157	9,790	7,686	2,104
Personal Services - Employee Benefits	1,107	2,220	3,327	3,327	
General Supplies	4,992	16,570	21,562	6,655	14,907
Other Objects	1,700	300	2,000	2,000	
Travel	2,125	(230)	1,895	1,895	-
	<u>30,827</u>	<u>60,098</u>	<u>90,925</u>	<u>66,708</u>	<u>24,217</u>
Total Support Services					
Total Expenditures	<u>452,009</u>	<u>257,155</u>	<u>709,164</u>	<u>673,274</u>	<u>35,890</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OAKLAND BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 26,270,839	(C-2) \$ 673,274
Difference - Budget to GAAP		
State Aid payment and Extra-Ordinary Aid (2006/07) recognized for GAAP purposes and not recognized for budgetary statements.	131,620	
State Aid payment and Extra-Ordinary Aid (2007/08) recognized for budgetary purposes and not recognized for GAAP statements	<u>(158,091)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>26,244,368</u>	(B-2) \$ <u>673,274</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>26,316,649</u>	(C-2) \$ <u>673,274</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>26,316,649</u>	(B-2) \$ <u>673,274</u>

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Non-Public Auxiliary		Non-Public Handicapped				Non-Public Textbook	Non-Public Technology	Non-Public Nursing	Total Exhibit E/A	Totals 2008
	Comp. Ed	ESL	Exam/ Classification	Corrective Speech	Instruction	Suppl. Instruction					
REVENUES											
Intergovernmental											
Local											
State	\$ 49,070	\$ 3,654	\$ 22,940	\$ 18,600	\$ 17,263	\$ 2,524	\$ 9,299	\$ 18,142	\$ 110,500	\$ 110,500	\$ 110,500
Federal	-	-	-	-	-	-	-	-	112	112	146,498
Total Revenues	\$ 49,070	\$ 3,654	\$ 22,940	\$ 18,600	\$ 17,263	\$ 2,524	\$ 9,299	\$ 18,142	\$ 526,888	\$ 673,274	
EXPENDITURES											
Instruction											
Salaries of Teachers											
Purchased Professional - Educational Svcs.	\$ 49,070	\$ 3,654	\$ -	\$ 18,600	\$ 17,263	\$ 2,524	\$ 9,299	\$ 18,142	\$ 13,309	\$ 13,309	\$ 13,309
Tuition									34,244	34,244	148,391
Textbooks							\$ 9,299		317,583	317,583	317,583
General Supplies									112,048	112,048	112,048
Other Objects									5,936	5,936	5,936
Total Instruction	\$ 49,070	\$ 3,654	\$ -	\$ 18,600	\$ 17,263	\$ 2,524	\$ 9,299	\$ 18,142	\$ 483,120	\$ 606,566	
Support Services											
Purchased Professional - Educational Svcs.		\$ 22,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	22,205	22,205	45,145
Other Purchased Services									7,686	7,686	7,686
Personal Services - Employee Benefits									3,327	3,327	3,327
Purchased Technical Service									-	-	-
Travel									1,895	1,895	1,895
General Supplies									6,655	6,655	6,655
Other Objects									2,000	2,000	2,000
Total Undistributed	\$ -	\$ -	\$ 22,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,768	\$ 66,708	
Total Expenditures	\$ 49,070	\$ 3,654	\$ 22,940	\$ 18,600	\$ 17,263	\$ 2,524	\$ 9,299	\$ 18,142	\$ 526,888	\$ 673,274	

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Character Education Aid	Local PTO	IDEA		IDEA Part B-Basic Reg. Prog.	NCLB TITLE II	NCLB TITLE III	NCLB TITLE IV	NCLB TITLE IV Carryover	NCLB TITLE V	Total Exhibit E-1A
		Part B- Preschool	Part B- Basic							
\$ 112	\$ 110,500	\$ 20,252	\$ 359,007	\$ 25,798	\$ 3,735	\$ 3,135	\$ 2,352	\$ 1,997	\$ 110,500	
-	-	-	-	-	-	-	-	-	-	112
\$ 112	\$ 110,500	\$ 20,252	\$ 359,007	\$ 25,798	\$ 3,735	\$ 3,135	\$ 2,352	\$ 1,997	\$ 526,888	
REVENUES										
Intergovernmental										
Local	\$ 110,500									\$ 110,500
State										
Federal										
Total Revenues	\$ 112	\$ 110,500	\$ 20,252	\$ 359,007	\$ 25,798	\$ 3,735	\$ 3,135	\$ 2,352	\$ 1,997	\$ 526,888
EXPENDITURES										
Instruction										
Salaries of Teachers		\$ 13,309								\$ 13,309
Tuition			\$ 317,583							317,583
Purchased Professional - Educational Svcs.			34,244							34,244
General Supplies	\$ 110,500				\$ 1,548					112,048
Other Objects						1,587				5,936
Total Instruction	-	110,500	13,309	351,827	-	-	3,135	2,352	1,997	483,120
Support Services										
Purchased Professional - Educational Svcs.		3,616		\$ 18,589						22,205
Other Purchased Services				7,180	506					7,686
Personal Services-Employee Benefits		3,327								3,327
Purchased Technical Service										-
Travel					1,295					1,295
General Supplies	\$ 112				3,408					6,655
Other Objects					2,000					2,000
Total Undistributed	112	-	6,943	7,180	25,798	3,735	-	-	-	43,768
Total Expenditures	\$ 112	\$ 110,500	\$ 20,252	\$ 359,007	\$ 25,798	\$ 3,735	\$ 3,135	\$ 2,352	\$ 1,997	\$ 526,888

EXHIBIT E-2

**OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
DEMONSTRABLY EFFECTIVE PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

EXHIBIT E-3

**EARLY CHILDHOOD PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

EXHIBIT E-4

**DISTANCE LEARNING NETWORK AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

EXHIBIT E-5

**INSTRUCTIONAL SUPPLEMENT AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

EXHIBIT E-6

**TARGETED AT-RISK (TARA) AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

CAPITAL PROJECTS FUND

OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2008</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Renovations of The Valley Middle School and The Manito School	\$ 2,733,135	\$ 2,413,882	\$ 301,107	\$ 18,146
Roofing and Related Work at Valley and Dogwood	716,222	709,024		7,198
Fire Alarm Replacement at Valley Middle School and Electrical Upgrades at Valley Middle School, Manito, Heights and Dogwood Elementary Schools	1,152,986	115,662	905,027	132,297
Totals		<u>\$ 3,238,568</u>	<u>\$ 1,206,134</u>	<u>\$ 157,641</u>
Reconciliation to Fund Balance				
Project Appropriation Balance, June 30, 2008				\$ 157,641
Less: Unrealized Revenue Authorized but not Issued				<u>1,121</u>
Fund Balance, June 30, 2008				<u>\$ 156,520</u>

**OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Revenues and Other Financing Sources

Proceeds from Sale of Bonds	\$ 1,152,000
Premium on Bonds	9
Interest Earned	<u>29,935</u>

Total Revenues and Other Financing Sources	<u>1,181,944</u>
--	------------------

Expenditures and Other Financing Uses

Construction Services	1,195,841
Purchased Professional and Technical Services	10,293
Transfer to Debt Service	<u>29,944</u>

Total Expenditures and Other Financing Uses	<u>1,236,078</u>
---	------------------

Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(54,134)
--	----------

Fund Balance, Beginning of Year	<u>210,654</u>
---------------------------------	----------------

Fund Balance, Ending of Year	<u><u>\$ 156,520</u></u>
------------------------------	--------------------------

**OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT-
BUDGETARY BASIS
RENOVATIONS OF THE VALLEY MIDDLE SCHOOL AND THE MANITO SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Serial Bonds Issued	\$ 2,733,000	-	\$ 2,733,000	\$ 2,733,000
Total revenues	<u>2,733,000</u>	<u>-</u>	<u>2,733,000</u>	<u>2,733,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	205,006	\$ 7,020	212,026	212,026
Construction Services	<u>2,208,876</u>	<u>294,087</u>	<u>2,502,963</u>	<u>2,520,974</u>
Total Expenditures	<u>2,413,882</u>	<u>301,107</u>	<u>2,714,989</u>	<u>2,733,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 319,118</u>	<u>\$ (301,107)</u>	<u>\$ 18,011</u>	<u>\$ -</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	4/18/2006			
Bonds Authorized	\$ 2,733,135			
Bonds Issued	2,733,000			
Original Authorized Cost	2,733,135			
Additional Authorized Cost	N/A			
Revised Authorized Cost	2,733,135			
Percentage Increase over Original				
Authorized Cost	N/A			
Percentage completion	99%			
Original target completion date	6/30/2007			
Revised target completion date	12/31/2007			

**OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT-
BUDGETARY BASIS
ROOFING AND RELATED WORK AT VALLEY AND DOGWOOD
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grants	\$ 292,838		\$ 292,838	\$ 292,838
Transfer from capital outlay	423,384	-	423,384	423,384
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	716,222	-	716,222	716,222
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures and Other Financing Uses				
Purchased professional and technical services	76,456		76,456	76,456
Construction Services	632,568	-	632,568	639,766
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	709,024	-	709,024	716,222
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) or revenues over (under) expenditures	\$ 7,198	\$ -	\$ 7,198	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Additional project information:				
Project Number	3760-080-05-2400	3760-040-05-2400		
Grant Date	3/30/2006			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 716,222			
Additional Authorized Cost	N/A			
Revised Authorized Cost	716,222			
Percentage Increase over Original				
Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	9/1/2005			
Revised target completion date	9/1/2005			

**OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT-
BUDGETARY BASIS
FIRE ALARM REPLACEMENT AT VALLEY MIDDLE SCHOOL AND ELECTRICAL UPGRADES
AT VALLEY MIDDLE SCHOOL, MANITO, HEIGHTS AND DOGWOOD ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Serial Bonds Issued	_____	\$ 1,152,000	\$ 1,152,000	\$ 1,152,000
Total revenues	_____ -	_____ 1,152,000	_____ 1,152,000	_____ \$ 1,152,000
Expenditures and Other Financing Uses				
Purchased professional and technical services	\$ 115,662	\$ 3,273	\$ 118,935	\$ 118,935
Construction Services	_____	_____ 901,754	_____ 901,754	_____ 1,033,065
Total Expenditures	_____ 115,662	_____ 905,027	_____ 1,020,689	_____ 1,152,000
Excess (deficiency) or revenues over (under) expenditures	\$ (115,662)	\$ 246,973	\$ 131,311	\$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/17/2007
Bonds Authorized	\$ 1,152,986
Bonds Issued	1,152,000
Original Authorized Cost	1,152,986
Additional Authorized Cost	N/A
Revised Authorized Cost	1,152,986
Percentage Increase over Original	
Authorized Cost	N/A
Percentage completion	87%
Original target completion date	12/31/2008
Revised target completion date	12/31/2008

PROPRIETARY FUNDS

**OAKLAND BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

EXHIBIT G-4

**OAKLAND BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

**INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

**OAKLAND BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY NET ASSETS
AS OF JUNE 30, 2008**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds 2008</u>
ASSETS			
Cash and Cash Equivalents	\$ 69,735	\$ 161,101	\$ 230,836
Total Assets	<u>\$ 69,735</u>	<u>\$ 161,101</u>	<u>\$ 230,836</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 137,759	\$ 137,759
Due to Student Groups	\$ 69,735		69,735
Flex Spending Payable	<u>-</u>	<u>23,342</u>	<u>23,342</u>
Total Liabilities	<u>\$ 69,735</u>	<u>\$ 161,101</u>	<u>\$ 230,836</u>

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

**OAKLAND BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance, July 1, <u>2007</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2008</u>
SCHOOLS				
Dogwood Hills	\$ 2,878	\$ 9,780	\$ 9,358	\$ 3,300
Heights	11,260	10,077	11,560	9,777
Manito	3,402	8,760	9,783	2,379
Valley	18,053	171,755	172,736	17,072
General Organization, Account	28,167	15,096	6,056	37,207
Reading, Account	<u>-</u>	<u>104</u>	<u>104</u>	<u>-</u>
Total All Schools	<u>\$ 63,760</u>	<u>\$ 215,572</u>	<u>\$ 209,597</u>	<u>\$ 69,735</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance, July 1, <u>2007</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2008</u>
Payroll Deductions and Withholdings	\$ 107,428	\$ 6,722,921	\$ 6,692,589	\$ 137,760
Accrued Salaries and Wages		9,195,309	9,195,309	
Flex Spending Payable	<u>12,742</u>	<u>51,786</u>	<u>41,187</u>	<u>23,341</u>
Total	<u>\$ 120,170</u>	<u>\$ 15,970,016</u>	<u>\$ 15,929,085</u>	<u>\$ 161,101</u>

LONG-TERM DEBT

**OAKLAND BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2007</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2008</u>
School Improvements	8/1/2006	\$ 2,733,000	8/1/2008	\$ 140,000	4.00%				
			8/1/2009	145,000	4.00%				
			8/1/2010	150,000	4.00%				
			8/1/2011	160,000	4.00%				
			8/1/2012	165,000	4.00%				
			8/1/2013	170,000	4.00%				
			8/1/2014	180,000	4.00%				
			8/1/2015	190,000	4.00%				
			8/1/2016	195,000	4.00%				
			8/1/2017	205,000	4.10%				
			8/1/2018	210,000	4.25%				
		8/1/2019	220,000	4.50%					
		8/1/2020	230,000						
		8/1/2021	238,000			\$ 2,733,000	\$ 135,000	\$ 2,598,000	
School Improvements	8/15/2007	1,152,000	2/1/2009	55,000	4.00%				
			2/1/2010-12	60,000	4.125%				
			2/1/2013	65,000	4.20%				
			2/1/2014-15	70,000	4.25%				
			2/1/2016	75,000	4.25%				
			2/1/2017	80,000	4.25%				
			2/1/2018	85,000	4.25%				
		2/1/2019-20	90,000	4.25%					
		2/1/2021-22	95,000	4.25%					
		2/1/2023	102,000	4.25%					
						\$ 1,152,000	-	1,152,000	
						\$ 2,733,000	\$ 135,000	\$ 3,750,000	

**OAKLAND BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2008</u>
2003 Energy System Equipment/ Upgrades	3.95%	\$ 793,016	\$ 544,178	\$	\$ 82,597	\$ 461,581
2004 Saving 3350 Digital Duplicator	N/A	4,019	1,644		870	774
2004 Xerox Copiers	6.00%	50,652	9,903		9,590	313
2004 Savin Copiers	N/A	77,277	21,349		16,961	4,388
2005 Telecommunications	3.95%	84,649	52,423		16,798	35,625
2007 Door Locks	4.17%	133,290		\$ 133,290	28,879	104,411
2007 Lighting	4.17%	53,680		53,680	11,631	42,049
2008 Student Transportation	4.17%	84,302	-	84,302	18,265	66,037
			<u>\$ 629,497</u>	<u>\$ 271,272</u>	<u>\$ 185,591</u>	<u>\$ 715,178</u>

OAKLAND PUBLIC SCHOOLS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	# <u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 181,609	-	\$ 181,609	\$ 181,609	-
State Sources					
State Aid	121,072	-	121,072	121,072	-
Total Revenues	<u>302,681</u>	<u>-</u>	<u>302,681</u>	<u>302,681</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	135,000		135,000	135,000	-
Interest	167,681	-	167,681	167,681	-
Total Expenditures	<u>302,681</u>	<u>-</u>	<u>302,681</u>	<u>302,681</u>	<u>-</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources and (Uses)					
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,944</u>	<u>\$ 29,944</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,944</u>	<u>29,944</u>
Excess of Revenues Over Expenditures					
Financing Sources Over Expenditures	-	-	-	29,944	29,944
Fund Balance, Beginning of Year	<u>64,131</u>	<u>-</u>	<u>64,131</u>	<u>64,131</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 64,131</u>	<u>\$ -</u>	<u>\$ 64,131</u>	<u>\$ 94,075</u>	<u>\$ 29,944</u>

STATISTICAL SECTION

This part of the Oakland Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

OAKLAND BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 859,184	\$ 485,230	\$ 472,404	\$ 1,236,022	\$ 2,093,548	\$ 2,136,381
Restricted	1,008	429,613	345,803	168,545	175,599	279,995
Unrestricted	(7,388)	(9,498)	850,019	884,503	571,564	799,023
Total Governmental Activities Net Assets	\$ 852,804	\$ 905,345	\$ 1,668,226	\$ 2,289,070	\$ 2,840,711	\$ 3,215,399
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	\$ 11,845	\$ 9,871	\$ 7,897	\$ 21,922	\$ 18,992	\$ 26,757
Restricted						
Unrestricted	43,570	62,392	57,769	60,195	61,480	70,026
Total Business-Type Activities Net Assets	\$ 55,415	\$ 72,263	\$ 65,666	\$ 82,117	\$ 80,472	\$ 96,783
District-Wide						
Invested in Capital Assets, Net of Related Debt	\$ 871,029	\$ 495,101	\$ 480,301	\$ 1,257,944	\$ 2,112,540	\$ 2,163,138
Restricted	1,008	429,613	345,803	168,545	175,599	279,995
Unrestricted	36,182	52,894	907,788	944,698	633,044	869,049
Total District Net Assets	\$ 908,219	\$ 977,608	\$ 1,733,892	\$ 2,371,187	\$ 2,921,183	\$ 3,312,182

Source: District's Financial Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

OAKLAND BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities						
Instruction						
Regular	\$ 9,989,223	\$ 10,734,755	\$ 9,659,418	\$ 10,865,582	\$ 11,296,717	\$ 12,007,085
Special Education	2,544,358	2,597,592	3,273,996	2,690,361	3,806,029	3,965,860
Other Instruction	723,282	853,670	898,665	1,213,989	1,178,446	1,080,196
School Sponsored Activities And Athletics	90,501	78,019	117,060	130,892	159,033	149,942
Support Services:						
Student & Instruction Related Services	1,128,905	1,267,426	1,721,051	1,996,654	2,190,073	2,257,969
Health Services	445,634	492,741	508,948	462,743	478,983	510,236
Educational Media/School Library	399,673	483,379	409,056	497,879	594,152	608,619
School Administrative Services	1,386,031	1,571,575	919,213	1,604,154	1,737,937	1,819,559
General Administration	529,868	896,326	1,518,568	794,865	656,437	703,446
Central Services			408,734	406,150	485,907	516,275
Plant Operations And Maintenance	1,573,096	1,452,389	1,823,063	1,993,547	2,059,701	2,089,468
Pupil Transportation	678,744	795,614	822,181	835,122	936,539	975,503
Other Support Services	388,734	350,342				
Interest On Long-Term Debt	2,829	71,091	39,582	53,104	104,366	191,421
Total Governmental Activities Expenses	<u>19,880,878</u>	<u>21,644,919</u>	<u>22,119,535</u>	<u>23,545,042</u>	<u>25,684,320</u>	<u>26,875,579</u>
Business-Type Activities:						
Food Service	336,115	348,598	413,758	398,795	434,503	401,628
Total Business-Type Activities Expense	<u>336,115</u>	<u>348,598</u>	<u>413,758</u>	<u>398,795</u>	<u>434,503</u>	<u>401,628</u>
Total District Expenses	<u>\$ 20,216,993</u>	<u>\$ 21,993,517</u>	<u>\$ 22,533,293</u>	<u>\$ 23,943,837</u>	<u>\$ 26,118,823</u>	<u>\$ 27,277,207</u>
Program Revenues						
Governmental Activities:						
Charges For Services:						
Pupil Transportation	\$ 35,169	\$ 61,260	\$ 64,074	\$ 82,964	\$ 84,313	\$ 81,747
Operating Grants And Contributions	484,908	3,254,115	3,294,695	3,462,972	4,319,136	4,426,097
Capital Grants And Contributions	-	-	31,358	292,838	-	-
Total Governmental Activities Program Revenues	<u>520,077</u>	<u>3,315,375</u>	<u>3,390,127</u>	<u>3,838,774</u>	<u>4,403,449</u>	<u>4,507,844</u>

OAKLAND BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Business-Type Activities:						
Charges For Services						
Food Service	\$ 312,713	\$ 325,127	\$ 350,098	\$ 356,722	\$ 371,347	\$ 357,638
Operating Grants And Contributions	39,625	40,319	57,063	58,524	61,511	60,301
Total Business Type Activities Program Revenues	<u>352,338</u>	<u>365,446</u>	<u>407,161</u>	<u>415,246</u>	<u>432,858</u>	<u>417,939</u>
Total District Program Revenues	<u>\$ 872,415</u>	<u>\$ 3,680,821</u>	<u>\$ 3,797,288</u>	<u>\$ 4,254,020</u>	<u>\$ 4,836,307</u>	<u>\$ 4,925,783</u>
Net (Expense)/Revenue						
Governmental Activities	\$ (19,360,801)	\$ (18,329,544)	\$ (18,729,408)	\$ (19,706,268)	\$ (21,280,871)	\$ (22,367,735)
Business-Type Activities	16,223	16,848	(6,597)	16,451	(1,645)	16,311
Total District-Wide Net Expense	<u>\$ (19,344,578)</u>	<u>\$ (18,312,696)</u>	<u>\$ (18,736,005)</u>	<u>\$ (19,689,817)</u>	<u>\$ (21,282,516)</u>	<u>\$ (22,351,424)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes Levied For General Purposes, Net	\$ 16,630,028	\$ 18,342,838	\$ 19,405,798	\$ 20,102,523	\$ 21,459,443	\$ 22,363,595
Unrestricted Grants And Contributions	2,202,760			127,438	128,213	157,656
Investment Earnings	12,170					
State Aid Restricted for Debt Service						121,072
Miscellaneous Income	13,335	39,247	86,491	97,151	244,856	100,100
Federal & State Aid - Capital Outlay	61,399					
Transfers	-	-	-	-	-	-
Total Governmental Activities	<u>18,919,692</u>	<u>18,382,085</u>	<u>19,492,289</u>	<u>20,327,112</u>	<u>21,832,512</u>	<u>22,742,423</u>
Business-Type Activities:						
Investment Earnings	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 18,919,692</u>	<u>\$ 18,382,085</u>	<u>\$ 19,492,289</u>	<u>\$ 20,327,112</u>	<u>\$ 21,832,512</u>	<u>\$ 22,742,423</u>
Change in Net Assets						
Governmental Activities	\$ (441,109)	\$ 52,541	\$ 762,881	\$ 620,844	\$ 551,641	\$ 374,688
Business-Type Activities	16,223	16,848	(6,597)	16,451	(1,645)	16,311
Total District	<u>\$ (424,886)</u>	<u>\$ 69,389</u>	<u>\$ 756,284</u>	<u>\$ 637,295</u>	<u>\$ 549,996</u>	<u>\$ 390,999</u>

Source: District's Financial Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

OAKLAND BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST SIX FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 133,811	\$ 598,102	\$ 519,211	\$ 1,203,128	\$ 720,941	\$ 915,303
Unreserved	381,667	558,515	908,660	256,768	425,658	430,287
Total General Fund	\$ 515,478	\$ 1,156,617	\$ 1,427,871	\$ 1,459,896	\$ 1,146,599	\$ 1,345,590
All Other Governmental Funds						
Reserved			\$ 682,147	\$ 2,270,854	\$ 839,973	\$ 62,456
Unreserved	\$ (321)	-	(337,375)	(2,341,326)	(565,188)	188,139
Total All Other Governmental Funds	\$ (321)	\$ -	\$ 344,772	\$ (70,472)	\$ 274,785	\$ 250,595

Source: District's Financial Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

OAKLAND BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Revenues						
Tax Levy	\$ 16,630,028	\$ 18,342,838	\$ 19,405,798	\$ 20,102,523	\$ 21,459,443	\$ 22,363,595
Interest Earnings	12,170					
Miscellaneous	48,504	100,507	150,565	180,115	329,169	292,347
State Sources	2,446,972	2,918,487	2,967,422	3,507,491	4,039,686	4,178,049
Federal Sources	302,095	335,628	358,631	375,757	407,663	416,276
Total Revenue	<u>19,439,769</u>	<u>21,697,460</u>	<u>22,882,416</u>	<u>24,165,886</u>	<u>26,235,961</u>	<u>27,250,267</u>
Expenditures						
Instruction						
Regular Instruction	7,677,216	10,486,661	9,700,331	10,860,566	11,233,924	11,872,320
Special Education Instruction	1,864,582	2,552,857	3,283,996	2,689,188	3,791,480	3,936,494
Other Instruction	532,879	834,605	898,665	1,213,381	1,171,557	1,067,962
School Sponsored Activities and Athletics	72,845	77,043	117,060	130,809	158,278	148,534
Support Services:						
Student and Inst. Related Services	1,521,263	1,242,036	1,750,233	1,995,773	2,178,746	2,233,455
Health Services		481,815	508,948	457,639	474,061	505,529
Educational Media/School Library		474,221	419,056	497,663	590,934	602,592
General Administration	443,198	653,677	919,213	790,443	653,954	1,798,279
School Administrative Services	1,083,727	1,534,512	1,514,977	1,603,338	1,728,040	698,081
Central Services	326,960	345,978	406,266	401,826	481,470	511,123
Plant Operations And Maintenance	1,384,790	1,437,853	1,697,890	1,979,321	2,045,506	2,076,220
Pupil Transportation	658,737	794,185	804,286	833,587	934,835	973,729
Employee Benefits	3,859,766					
Capital Outlay	1,059,529	131,948	191,295	872,738	3,339,836	1,528,318
Bond Issuance Costs						32,967
Debt Service:						
Principal		97,448	99,209	241,730	123,695	320,591
Interest and Other Charges	-	43,109	39,614	40,082	30,685	192,544
Total Expenditures	<u>20,485,492</u>	<u>21,187,948</u>	<u>22,351,039</u>	<u>24,608,084</u>	<u>28,937,001</u>	<u>28,498,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,045,723)	509,512	531,377	(442,198)	(2,701,040)	(1,248,471)

OAKLAND BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Other Financing Sources (Uses)						
Proceeds From Borrowing	\$ 880,016					
Proceed From Sale of Bonds					\$ 2,733,000	\$ 1,152,000
Capital Leases (Non-Budgeted)		\$ 131,948	\$ 84,649	\$ 58,979		271,272
Transfers In			424,958	67,303	64,131	29,944
Transfers Out	-	-	(424,958)	(67,303)	(64,131)	(29,944)
Total Other Financing Sources (Uses)	<u>880,016</u>	<u>131,948</u>	<u>84,649</u>	<u>58,979</u>	<u>2,733,000</u>	<u>1,423,272</u>
Net Change in Fund Balances	<u>\$ (165,707)</u>	<u>\$ 641,460</u>	<u>\$ 616,026</u>	<u>\$ (383,219)</u>	<u>\$ 31,960</u>	<u>\$ 174,801</u>
Debt Service as a Percentage of						
Noncapital Expenditures	0.00%	0.67%	0.63%	1.19%	0.60%	1.90%

Source: District's Financial Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

OAKLAND BOARD OF EDUCATION
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 UNAUDITED

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tuition	\$ 15,868		\$ 14,632	\$ 10,999		\$ 61,260	\$ 64,074	\$ 82,964	\$ 84,313	\$ 81,747
Transportation Fees				35,167	\$ 35,169	\$ 17,214	\$ 52,191	\$ 76,627	\$ 93,747	\$ 55,583
Interest Earnings	65,232	\$ 71,903	80,186	32,719	12,167	7	16	3,471	7,053	
Interest Capital Reserve				5	3					
Prior Years Refunds			6,145				13,385			
Rentals	9,200	8,500	3,000	2,700	3,000	3,000	3,000	3,001	3,000	3,000
Miscellaneous	2,954	6,620	6,989	994	10,335	19,026	17,899	8,279		11,573
Sale of Summer Math Books	1,855									
Sale of Equipment	13,500									
Contributions/Donations	-	-	-	-	-	-	-	-	76,925	-
	<u>\$ 108,609</u>	<u>\$ 87,023</u>	<u>\$ 110,952</u>	<u>\$ 82,584</u>	<u>\$ 60,674</u>	<u>\$ 100,507</u>	<u>\$ 150,565</u>	<u>\$ 174,342</u>	<u>\$ 265,038</u>	<u>\$ 151,903</u>

Source: District Financial Records.

OAKLAND BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
1999	\$ 43,224,500	\$ 810,953,300	\$ 3,315,600	\$ 47,900	\$ 99,799,800	\$ 113,344,200		\$ 1,070,685,300	\$ 4,690,396	\$ 1,075,375,696	\$ 1,130,041,326	\$ 1.271
2000	44,105,100	856,053,700	2,350,300	47,900	96,883,900	112,273,800		1,111,714,700	3,074,722	1,114,789,422	1,352,375,470	1.280
2001	38,364,200	897,924,400	2,647,200	37,700	98,069,600	110,700,100		1,147,743,200	3,142,337	1,150,885,537	1,528,876,217	1.302
2002	34,202,800	922,573,400	2,647,200	41,200	101,750,700	108,995,500		1,170,210,800	3,026,719	1,173,237,519	1,698,929,623	1.363
2003	30,988,900	931,936,700	2,491,200	41,200	104,120,500	103,994,500		1,173,573,000	2,932,001	1,176,505,001	1,691,841,204	1.486
2004	29,915,900	936,779,700	2,609,900	33,100	102,739,500	102,303,400		1,174,381,300	2,594,717	1,176,976,017	1,878,168,264	1.604
2005	57,551,100	2,113,284,400	4,855,200	29,400	174,470,800	172,170,700		2,522,361,600	2,286,750	2,524,648,350	2,105,103,439	0.782
2006	50,027,500	2,120,500,400	3,578,600	25,800	174,877,400	172,195,400		2,521,205,100	3,708,659	2,524,913,759	2,390,253,357	0.823
2007	45,082,600	2,128,715,000	3,578,600	25,800	172,988,100	172,016,600		2,522,406,700	4,588,960	2,526,995,660	2,540,298,167	0.871
2008	44,786,500	2,135,944,700	3,578,600	65,800	173,664,700	174,344,700		2,532,385,000	4,422,455	2,536,807,455	2,671,143,488	0.896

Source: County Abstract of Ratables

^a Tax rates are per \$100

**OAKLAND BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
TEN FISCAL YEARS
(Unaudited)**

<u>Assessment Year</u>	<u>Borough of Oakland School District</u>	<u>Borough of Oakland</u>	<u>Regional H.S. District</u>	<u>Bergen County</u>	<u>Total</u>
1999	\$ 1.271	\$ 0.621	\$ 0.485	\$ 0.263	\$ 2.640
2000	1.280	0.601	0.486	0.283	2.650
2001	1.302	0.588	0.524	0.296	2.710
2002	1.363	0.631	0.585	0.321	2.900
2003	1.486	0.677	0.642	0.305	3.110
2004	1.604	0.731	0.689	0.326	3.350
2005	0.782	0.371	0.340	0.157	1.650 *
2006	0.823	0.427	0.632	0.168	2.050
2007	0.871	0.464	0.379	0.196	1.910
2008	0.896	0.510	0.382	0.195	1.983

*- The Borough has experienced a revaluation of real property which became effective for the 2005 year.

Source: Abstract of Ratables, County Board of Taxation.

**OAKLAND BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

Taxpayer	2008		1999	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Washington Square Owner, LLC	\$ 16,100,000	0.63%		
Jayare Associates, LLC	14,035,900	0.55%		
40 Potash Road Associates, LLC	13,688,900	0.54%		
Shiseido America, Inc	12,766,900	0.50%		
Oakland Care Ctr	10,750,800	0.42%		
Washington Square Owner, LLC			\$ 10,703,600	10.35%
5 Thornton Road Associates, LLC	10,203,700	0.40%		
The Realty Associates Fund	9,900,000	0.39%		
Oakland Care Ctr			10,075,800	9.75%
Shiseido America, Inc			9,879,800	9.56%
Jayare Associates, LLC			9,713,600	9.40%
Baker Residential			8,006,700	7.75%
Public Service & Electric	7,611,800	0.30%		
MBP/BRE			6,928,600	6.70%
Ramapo Valley Resources, LTD	6,864,100	0.27%		
NJA/BRE			6,257,700	6.06%
Dewey Electronics Corporation			5,952,700	5.76%
Berrie, N M & R			5,828,500	5.64%
Public Service & Electric			5,498,400	5.32%
	<u>\$ 101,922,100</u>	<u>4.02%</u>	<u>78,845,400</u>	<u>76.29%</u>

Source: Municipal Tax Assessor

**OAKLAND BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 13,398,260	\$ 13,398,260	100.00%	-
2000	13,922,579	13,922,579	100.00%	-
2001	14,627,249	14,627,249	100.00%	-
2002	15,345,427	15,345,427	100.00%	-
2003	16,630,028	16,630,028	100.00%	-
2004	18,342,838	18,342,838	100.00%	-
2005	19,405,798	19,405,798	100.00%	-
2006	20,102,523	20,102,523	100.00%	-
2007	21,459,443	21,459,443	100.00%	-
2008	22,363,595	22,363,595	100.00%	-

**OAKLAND BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)				
2005		\$ 935,943		\$ 935,943	13,641	\$ 69	
2006		753,192	\$ 2,733,000	3,486,192	13,558	257	
2007	\$ 2,733,000	629,497		3,362,497	13,558	248	
2008	3,750,000	715,178		4,465,178	13,400	333	

Source: District's Financial Records and Dept. of Education

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only four years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

OAKLAND BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST FOUR FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	N/A				
2006	N/A				
2007	\$ 2,733,000		\$ 2,733,000	0.11%	\$ 201
2008	3,750,000		3,750,000	0.10%	280

Source: District Financial Records and the 2008 Apportionment of Taxes

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006, during 2007 the district sold general obligation bonds. Each year thereafter, an additional year's data will be included until ten years of data is present.

**OAKLAND BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Oakland	\$ 8,531,044
Borough of Oakland School District	3,751,121
Ramapo Valley Regional High School	<u>5,962,615</u>
	\$ 18,244,780
Overlapping debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	<u>8,868,860</u>
 Total Direct and Overlapping Debt	 <u>\$ 27,113,640</u>

(A) The debt for this entity was apportioned to the Borough of Oakland by dividing the Municipality's 2007 equalized value by the total 2007 equalized value for Bergen County.

Sources:

- (1) Borough of Oakland 2007 Annual Debt Statement
- (2) Bergen County 2007 Annual Debt Statement

OAKLAND BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2008

		Equalized valuation basis											
		2007	2006	2005							2006	2007	2008
Debt Limit		\$ 33,857,129	\$ 36,643,588	\$ 40,972,536	\$ 45,693,970	\$ 50,755,236	\$ 50,755,236	\$ 50,755,236	\$ 56,172,479	\$ 63,161,366	\$ 70,397,150	\$ 76,208,945	
Total Net Debt Applicable to Limit		\$ 33,857,129	\$ 40,972,536	\$ 40,972,536	\$ 45,693,970	\$ 50,755,236	\$ 50,755,236	\$ 50,755,236	\$ 56,172,479	\$ 60,428,231	\$ 66,511,029	\$ 72,457,824	
Legal Debt Margin		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.33%	5.52%	4.92%	
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.33%	5.52%	4.92%	

Average equalized valuation of taxable property		\$ 2,540,298,167
Debt limit (3 % of average equalization value)		76,208,945 ^a
Total Net Debt Applicable to Limit		3,751,121
Legal debt margin		\$ 72,457,824

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NJS A 18A.24-19 for a K through 12 district; other % limits would be applicable for other district types.

**OAKLAND BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
TEN FISCAL YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (1)</u>	<u>School District Population (2)</u>
1998	2.40%	\$ 45,798	12,316
1999	2.50%	46,893	12,316
2000	2.10%	51,219	12,466
2001	2.50%	52,030	12,936
2002	3.40%	51,324	13,281
2003	3.30%	50,417	13,618
2004	2.70%	53,873	13,690
2005	2.60%	56,725	13,641
2006	2.80%	61,264	13,558
2007	2.50%	N/A	13,400

Source: U.S. Department of Commerce
U.S. Bureau of the Census, Population Division
N.J. Department of Labor, Bureau of Labor Force Statistics

- (1) Represents County information 1994-2002.
(2) Estimates July 1, 1993-99, actual 2000 census.

OAKLAND BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>2008</u>		<u>1999</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

**OAKLAND BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Function/Program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Instruction	120.0	121.0	121.0	121.6	122.6	122.6	122.6	124.6	124.6	124.6
Regular	38.0	42.0	42.0	42.0	43.5	44.5	46.0	47.0	47.0	47.0
Special Education										
Support Services:										
Student and Instruction Related Services	18.0	18.2	19.2	19.2	20.2	20.2	21.2	21.2	21.2	21.2
General Administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
School Administrative Services	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Central Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Administrative Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Plant Operations And Maintenance	19.30	19.3	19.3	19.3	19.3	20.3	20.3	20.3	20.3	20.3
Pupil Transportation	2.6	2.6	2.6	2.6	3.6	3.6	3.6	3.6	3.6	4.0
Total	220.9	226.1	227.1	227.7	232.2	234.2	236.7	240.7	240.7	241.1

Source: District Personnel Records

OAKLAND BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
1999	1,424	\$ 15,611,107	\$ 10,963	0.11%	219	13.0:1	9.9:1	1,422	1,362	8.23%	95.76%
2000	1,484	16,060,872	10,823	-1.28%	230	13.1:1	10.5:1	1,463	1,403	2.84%	95.92%
2001	1,532	16,721,986	10,915	0.85%	240	11.7:1	10.2:1	1,505	1,439	2.88%	95.63%
2002	1,586	17,859,158	11,261	3.16%	236	11.4:1	10.5:1	1,552	1,486	3.11%	95.77%
2003	1,613	19,503,114	12,091	7.38%	247	11.4:1	12.2:1	1,571	1,502	1.26%	95.60%
2004	1,648	21,016,931	12,753	5.47%	240	11.7:1	12.0:1	1,600	1,528	1.82%	95.51%
2005	1,713	22,059,373	12,878	0.98%	244	11.8:1	11.3:1	1,655	1,580	3.43%	95.49%
2006	1,692	23,735,346	14,028	8.93%	248	11.7:1	10.4:1	1,675	1,599	1.23%	95.47%
2007	1,724	25,597,165	14,848	5.84%	152	N/A	N/A	1,724	1,655	2.93%	96.00%
2008	1,648	26,424,318	16,034	7.99%	152	11.6:1	10.2:1	1,648	1,570	-4.41%	95.27%

Sources: District records

Note: a Enrollment based on annual October district count.

b Operating expenditures (modified accrual) equal total expenditures less debt service and capital outlay.

c Cost per pupil represents operating expenditures divided by enrollment.

OAKLAND BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
District Building										
Elementary										
Dogwood Hill										
Square Feet	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	301	310	310	301	311	314	291	305	305	305
Heights										
Square Feet	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548
Capacity (students)	418	418	418	418	418	418	418	418	418	418
Enrollment	349	338	338	353	359	395	433	422	422	422
Manito										
Square Feet	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162
Capacity (students)	324	324	324	324	324	324	324	324	324	324
Enrollment	375	403	403	393	415	430	413	400	400	400
Middle School										
Valley										
Square Feet	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	489	532	532	560	546	562	559	594	594	594
Number of Schools at June 30, 2008										
Elementary =	3	3	3	3	3	3	3	3	3	3
Middle School =	1	1	1	1	1	1	1	1	1	1
Senior High School =	N/A									
Other =	0	0	0	0	0	0	0	0	0	0

Source: District Records

OAKLAND BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 FOR THE EIGHT FISCAL YEARS ENDED JUNE 30,
 (Unaudited)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES								
School Facilities								
Dogwood Hill School	\$ 20,641	\$ 33,937	\$ 31,275	\$ 22,466	\$ 34,090	\$ 38,277	\$ 43,117	\$ 40,567
Heights School	30,011	49,347	45,876	32,950	43,007	48,289	54,395	52,266
Manito School	22,301	36,668	41,309	29,955	34,528	38,768	43,670	41,438
Valley Middle School	45,668	75,090	84,604	63,953	71,259	80,010	90,127	90,102
Grand Total	<u>\$ 118,621</u>	<u>\$ 195,042</u>	<u>\$ 203,064</u>	<u>\$ 149,324</u>	<u>\$ 182,884</u>	<u>\$ 205,344</u>	<u>\$ 231,309</u>	<u>\$ 224,373</u>

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2008
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica Mutual Insurance Co.		
Property - Blanket Building & Contents	\$ 39,112,895	\$ 1,000
Comprehensive General Liability	1,000,000	1,000
Comprehensive Automobile Liability	1,000,000	500-1,000
School District/ Educators Legal Liability	1,000,000	1,000
Computer and Scheduled Equipment		
Utica Mutual Insurance Co.		
Data Processing Equipment	230,000	100
Equipment Breakdown- Utica Mutual Ins. Company	Included	
Umbrella Liability - Utica Mutual Ins. Co.	10,000,000	
Cap Excess Umbrella - Fireman's Fund	50,000	
Public Employees' Faithful Performance		
Position Bond - Utica Mutual Ins. Co. - Treasurer	231,000	
Position Bond - Utica Mutual Ins. Co. - Business Administrator	210,000	
Workers Compensation - ERIC/NJSBA	2,000,000	
Workers Compensation Supplemental - NJSBA	52 Weeks	
Student Accident Policy - Bollinger	5,000,000	

Source: District Records.

Source: School District's records

SINGLE AUDIT SECTION

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

Honorable President and Members
of the Board of Trustees
Oakland Board of Education
Oakland, New Jersey

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 Oakland Board of Education as of and for the fiscal year ended June 30, 2008, which collectively comprise the Oakland Board of Education's basic financial statements and have issued our report thereon dated September 15, 2008. 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, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Oakland Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oakland Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oakland Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Oakland Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Oakland Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the Oakland Board of Education's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Oakland Board of Education's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

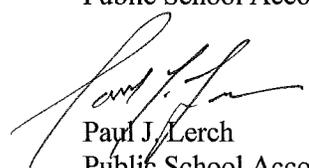
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oakland Board of Education'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, Department of Education, State of New Jersey.

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



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS00118

Fair Lawn, New Jersey
September 15, 2008

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Trustees
Oakland Board of Education
Oakland, New Jersey

Compliance

We have audited the compliance of the Oakland Board of Education with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the "New Jersey State Aid/Grant Compliance Supplement" that are applicable to each of its major state programs for the fiscal year ended June 30, 2008. Oakland Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Oakland Board of Education's management. Our responsibility is to express an opinion on Oakland Board of Education'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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Oakland Board of Education'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 on Oakland Board of Education's compliance with those requirements.

In our opinion, Oakland Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2008.

Internal Control Over Compliance

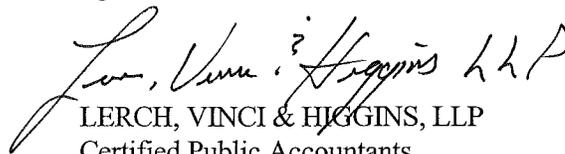
The management of Oakland Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Oakland Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Board's internal control over compliance.

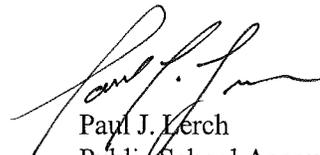
A control deficiency in the Board's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Board's internal control.

Our consideration of 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 that might be 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 the Board of Trustees, management, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


 LERCH, VINCI & HIGGINS, LLP
 Certified Public Accountants
 Public School Accountants


 Paul J. Lerch
 Public School Accountant
 PSA Number CS00118

Fair Lawn, New Jersey
 September 15, 2008

OAKLAND BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant Period	Award Amount	Balance July 1, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Year's Balances	(Account Receivable)	Balance, June 30, 2008	Due to Grantor
											Deferred Revenue	
10.550	U.S. Department of Education Passed-through State Department of Education	7/1/06-6/30/07	\$ 17,202	\$ 610		\$ 10,170	\$ 610					
10.550	U.S.D.A. Commodities Program	7/1/07-6/30/08	10,170			8,607	8,607				\$ 1,563	
10.555	U.S.D.A. Commodities Program	7/1/06-6/30/07	38,497	(3,008)		3,008						
10.555	National School Lunch Program	7/1/06-6/30/08	45,457	-		42,718	45,457			\$ (2,739)		
	Total U.S. Department of Agriculture			(2,398)		55,896	54,674			(2,739)	1,563	
	U.S. Department of Education											
	Passed-through State Department of Education											
84.367A	NCLB Title II, Carryover	9/1/06-8/31/07	28,675	2,712	\$ (2,712)							
84.367A	NCLB Title II	9/1/07-8/31/08	27,694		2,712	27,694	25,798				4,608	
84.365A	NCLB Title III	9/1/07-8/31/08	14,492			14,492	3,735				10,757	
84.184	NCLB Title IV, Carryover	9/1/06-8/31/07	3,545	2,352								
84.184	NCLB Title IV	9/1/07-8/31/08	3,874			3,874	3,135				739	
84.298A	NCLB, Title V, Carryover	9/1/06-8/31/07	4,124	271	(271)							
84.298A	NCLB Title V	9/1/07-8/31/08	2,304		271	2,304	1,997					
84.027	IDEA Part B, Carryover	9/1/06-8/31/07	351,054	316								
84.027	IDEA Part B	9/1/07-8/31/08	359,007			359,007	359,007					\$ 316
84.173	IDEA Preschool	9/1/07-8/31/08	20,252			20,252	20,252					
	Total U.S. Department of Education			5,651		427,623	416,276				16,682	316
	Total		\$ 3,253	\$ -	\$ -	\$ 483,519	\$ 470,950	\$ -	\$ -	\$ (2,739)	\$ 18,245	\$ 316

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

OAKLAND BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance, July 1, 2007			Award Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2008		Memo-Only	
			(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable
State Department of Education													
General Fund													
Special Education Aid	07-495-034-5120-011	7/1/06-6/30/07	\$ (38,625)	\$ 112	\$ 892,731	\$ 38,625	\$ 892,731	\$ (40,000)	\$ -	\$ -	\$ -	\$ 892,731	\$ -
Special Education Aid	07-495-034-5120-011	7/1/07-6/30/08	(4,440)	58	98,574	4,440	98,574	(4,235)	-	-	-	98,574	-
Consolidated Aid	07-495-034-5120-057	7/1/06-6/30/07	(1,331)	1,695	94,339	1,331	94,339	(2,824)	-	-	-	60,370	-
Consolidated Aid	08-495-034-5120-057	7/1/07-6/30/08	(87,224)	9,439	111,032	6,032	111,032	(11,690)	-	-	-	111,032	-
Additional Formula Aid	07-100-034-5120-058	7/1/06-6/30/07	(6,032)	112	813,335	813,335	813,335	(11,690)	-	-	-	813,335	-
Additional Formula Aid	08-100-034-5120-058	7/1/07-6/30/08	(40,728)	58	1,146,810	1,146,810	1,146,810	-	-	-	-	1,146,810	-
Extraordinary Aid	07-100-034-5120-473	7/1/06-6/30/07	-	1,695	40,728	-	40,728	(154,836)	-	-	-	802,408	-
Extraordinary Aid	08-100-034-5120-473	7/1/07-6/30/08	-	9,439	802,408	-	802,408	(324,617)	-	-	-	802,408	-
Non-Public Transportation Aid	Not Available	7/1/06-6/30/07	-	-	-	-	-	-	-	-	-	-	-
Non-Public Transportation Aid	Not Available	7/1/07-6/30/08	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension and Annuity Aid-													
Normal Costs	08-495-034-5095-006	7/1/07-6/30/08	-	112	813,335	813,335	813,335	-	-	-	-	813,335	-
Post Retirement Medical Contributions	08-495-034-5095-001	7/1/07-6/30/08	-	58	1,146,810	1,146,810	1,146,810	-	-	-	-	1,146,810	-
On-Behalf TPAF Social Security Aid	07-100-034-5095-002	7/1/06-6/30/07	-	1,695	787,246	-	787,246	-	-	-	-	787,246	-
On-Behalf TPAF Social Security Aid	08-495-034-5095-002	7/1/07-6/30/08	-	9,439	802,408	-	802,408	-	-	-	-	802,408	-
Total General Fund			(178,380)	112	3,790,713	3,936,950	3,936,950	(324,617)	-	-	-	3,936,950	-
Special Revenue Fund													
Character Education Aid	06-495-034-5120-053	7/1/05-6/30/06	-	112	4,576	-	4,576	-	-	-	-	4,576	112
New Jersey Non Public Aid:													
Textbook Aid	07-100-034-5120-064	7/1/06-6/30/07	-	58	8,204	-	8,204	-	-	-	-	8,204	-
Textbook Aid	08-100-034-5120-064	7/1/07-6/30/08	-	58	9,501	-	9,501	-	58	-	-	9,501	202
Technology Aid	07-100-034-5120-373	7/1/06-6/30/07	-	1,695	5,880	-	5,880	-	1,695	-	-	5,880	-
Technology Aid	08-100-034-5120-373	7/1/07-6/30/08	-	9,439	6,800	-	6,800	-	1,695	-	-	6,800	4,894
Nursing	08-100-034-5120-070	7/1/07-6/30/08	-	-	18,142	-	18,142	-	-	-	-	18,142	18,142
Auxiliary Services:													
ESL	07-100-034-5120-067	7/1/06-6/30/07	-	9,439	15,225	-	15,225	-	9,439	-	-	15,225	-
ESL	08-100-034-5120-067	7/1/07-6/30/08	-	7,270	4,060	-	4,060	-	7,270	-	-	4,060	3,654
Compensatory Education	07-100-034-5120-067	7/1/06-6/30/07	-	48,075	48,075	-	48,075	-	-	-	-	48,075	-
Compensatory Education	08-100-034-5120-067	7/1/07-6/30/08	-	30,962	30,962	-	30,962	-	1,892	-	-	30,962	49,070
Handicapped Services:													
Exam and Class	07-100-034-5120-066	7/1/06-6/30/07	-	14,445	51,235	-	51,235	-	14,445	-	-	51,235	-
Exam and Class	08-100-034-5120-066	7/1/07-6/30/08	-	4,836	30,145	-	30,145	-	4,836	-	-	30,145	22,940
Corrective Speech	07-100-034-5120-066	7/1/06-6/30/07	-	4,836	19,530	-	19,530	-	4,836	-	-	19,530	-
Corrective Speech	08-100-034-5120-066	7/1/07-6/30/08	-	23,715	23,715	-	23,715	-	4,836	-	-	23,715	18,600
Home Instruction	08-100-034-5120-066	7/1/07-6/30/08	-	6,195	25,234	-	25,234	-	6,195	-	-	25,234	2,524
Supplemental Instruction	06-100-034-5120-066	7/1/06-6/30/07	-	-	24,945	-	24,945	-	-	-	-	24,945	-
Supplemental Instruction	08-100-034-5120-066	7/1/07-6/30/08	-	-	20,650	-	20,650	-	-	-	-	20,650	17,263
Total Special Revenue Fund			-	112	43,938	163,975	163,975	(2,524)	43,938	-	-	163,975	146,498
State Department of Education Debt Service Aid Type II													
Debt Service Aid	08-495-034-5120-125	7/1/07-6/30/08	-	-	121,072	-	121,072	-	-	-	-	121,072	-
Total Debt Service Fund			-	-	121,072	-	121,072	-	-	-	-	121,072	-
State Department of Agriculture													
Enterprise Fund													
National School Lunch Program	07-100-010-3350-023	7/1/06-6/30/07	(406)	-	5,254	406	5,254	(340)	-	-	-	5,254	-
National School Lunch Program	08-100-010-3360-023	7/1/07-6/30/08	-	-	5,627	-	5,627	-	-	-	-	5,627	5,627
Total			(406)	-	5,693	5,693	5,693	(340)	-	-	-	5,693	5,627
Grand Total			(178,786)	112	4,081,453	4,210,147	4,210,147	(327,481)	43,938	\$	20,113	\$	4,210,147
Less On-Behalf TPAF Pension and Annuity Aid													
Normal Costs	08-495-034-5095-006	7/1/07-6/30/08	-	-	813,335	813,335	813,335	-	-	-	-	813,335	-
Post Retirement Medical Contributions	08-495-034-5095-001	7/1/07-6/30/08	-	-	1,146,810	1,146,810	1,146,810	-	-	-	-	1,146,810	-
Total for State Financial Assistance Determination			(178,786)	112	2,121,308	2,250,002	2,250,002	(327,481)	43,938	\$	20,113	\$	2,250,002

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

**OAKLAND BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Oakland Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal 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 are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the deferred state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(26,471) for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,910,479	\$ 3,910,479
Special Revenue Fund	\$ 416,276	146,498	562,774
Debt Service Fund		121,072	121,072
Food Service Fund	<u>54,674</u>	<u>5,627</u>	<u>60,301</u>
Total Financial Assistance	<u>\$ 470,950</u>	<u>\$ 4,183,676</u>	<u>\$ 4,654,626</u>

**OAKLAND BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the U.S.D.A. Commodities Food Distribution Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$802,408 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008. The amount reported as TPAF Pension System Contributions in the amount of \$813,335 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,146,810 represents the amount paid by the State on behalf of the District for the year ended June 30, 2008.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

OAKLAND BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Part I – Summary of Auditor’s Results

Financial Statement Section

- | | | |
|---|-----------------------|--------------------------------|
| A) Type of auditors' report issued: | <u>Unqualified</u> | |
| B) Internal control over financial reporting: | | |
| 1) Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Were significant deficiencies identified that were not considered to be material weaknesses? | <u> </u> yes | <u> X </u> none reported |
| C) Noncompliance material to the basic financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Awards Section

Not Applicable

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

Not applicable.

CURRENT YEAR STATE AWARDS

There are none.

**OAKLAND BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There were none.