OAKLAND BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Oakland, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Oakland Board of Education

Oakland, New Jersey

For The Fiscal Year Ended June 30, 2010

Prepared by

Business Office

OAKLAND BOARD OF EDUCATION
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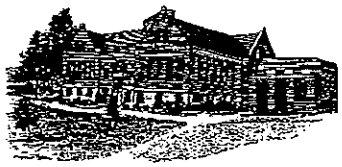
INTRODUCTORY SECTION

THE OAKLAND PUBLIC SCHOOLS
ADMINISTRATIVE OFFICES
315 RAMAPO VALLEY ROAD
OAKLAND, NEW JERSEY 07436



OFFICE OF THE
BUSINESS ADMINISTRATOR
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Mr. James J. Davis
Business Administrator/Board Secretary

November 22, 2010

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 - 2010***

Dear Board Members:

The comprehensive annual financial report of the Borough of Oakland School District for the fiscal year ended June 30, 2010, 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.

(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 2009/10 fiscal year with an enrollment of 1,699 students, representing an increase of 20 students from the previous year's enrollment.

Special Education needs continue to place an additional burden on the District's financial budget do to an increase in the number of out of district placements. Of particular note is the increase in tuition associated with these placements. There was an increase of 34% or $ 346,562 in the General Fund tuition line from fiscal year 2008/09.

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

Fiscal Year	Average Daily Enrollment	Present Change
2009/10	1,699	1.19%
2008/09	1,679	1.88%
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%

(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 population of approximately 13,293 based upon population estimates as of July 2009. 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 2002/03 fiscal year, construction began on the Cotswold project, a subsection of the Reserve, which includes 35 three and four bedroom single-family dwellings in the northern part of the borough.

(2) ECONOMIC CONDITION AND OUTLOOK (continued)

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 2010/11 Budget.

(3) MAJOR INITIATIVES: During 2009/2010, the Oakland School District continued its SMARTboard initiative. The resourcefulness of the District enabled us to make major strides in our goal of equipping every classroom with these interactive white boards, which are transforming the teaching/learning process. Through the Federal ARRA Stimulus Grant, we were able to purchase 24 SMARTboard packages, including laptop computers, speakers, and projectors, to equip 24 classrooms in the District in which students in special education programs study. This grant funding amounted to more than $120,000 of equipment. Additionally, other Stimulus funding permitted the District to technologically equip a new LLD class at Manito School (transferred from Dogwood Hill School due to space constraints) with laptop computers.

Also, during 2009/2010, our PTOs and the Oakland Education Foundation, all of which partnered with the Board and contributed nine SMARTboards to our schools, thus furthering the SMARTboard initiative. Supplementing these gifts, the Board of Education contributed approximately $25,000 for five additional SMARTboard packages. Board funding was also provided to mount 15 previously purchased portable SMARTboards on classroom walls, thus eliminating the hazard of electrical wires on classroom floors.

In other technological developments in the District, the Board extended the use of *Realtime,* its new student information management system that was purchased in 2008/2009, to implement the system's medical module. Thus, each student's health information is included in the student's *Realtime* file. Additionally, the nursing staff was trained to use *Realtime* to record student visits and treatments. Required monthly reports to the Board are now prepared with the use of *Realtime*, thus ensuring accuracy of data.

Strong staff training in the usage of technology to enhance learning and for recordkeeping was provided to staff during 2009/2010. The November Professional Day included skill leveled workshops on the use of the *SMARTboard* in the classroom. *SMARTboard Workshops I, II,* and *III* addressed the needs of novice, intermediate, and advanced users of this technology. Secretarial staff was also inserviced at the November and January Professional Day Programs on updating the *Realtime* database and on the implementation of the District's new web site, which was also launched during 2009/2010.

(3) MAJOR INITIATIVES (continued)

During 2009/2010, The Oakland Public Schools introduced multisensory reading instruction to students in our special education programs with significant reading deficits. With funding from our two-year Federal ARRA (Stimulus) Grant, the Board was able to employ an additional Resource Center teacher to replace a special education teacher who had earned certification in Orton Gillingham methodology. Thus, the latter professional began a supplemental reading program that serviced children in all four schools through a pull-out model. Students and parents responded well to this new service, and the reading abilities of students were enhanced. This pilot program will continue in the 2010/2011 school year.

In 2009, the Board approved summer workshops, staffed by District teachers and administrators, to revise curriculum, to develop standardized curriculum implementation guidelines, and to strengthen instructional skills of staff. Content areas that were addressed included Middle School World Languages, Language Arts Literacy, Science, Mathematics, Art, and Global Education.

Science and Mathematics committee members developed pacing guides for the implementation of the respective curriculum. Having learned through the Quality Single Accountability Continuum (QSAC) monitoring of our school district in 2008/2009 that the State is requiring districts to develop pacing guides to accompany curricula, this committee work enabled us to fulfill the requirement and ensure a common curriculum sequence and common time allocations across schools and classrooms.

A Middle School World Language Committee planned for the inclusion of learning disabled students in World Language classes beginning in Grade 6 through Grade 8. Differentiated instructional strategies and materials were researched and planned to accommodate the needs of struggling students in general education and special education. Committee members' very creative efforts and commitment resulted in strategies that promised to provide a successful World Language experience for all students.

Art teachers studied the 2009 Revised Core Curriculum Content Standards and revised the District's Art Curriculum accordingly. Additionally, they planned to bring our students' artwork into the community by designing a Spring/2010 Art Show at the Oakland Public Library. This initiative generated much excitement among students and community members alike. The students' June Art Show reflected their multiple talents in various media. Valley Middle School student musicians provided a wonderful accompaniment to the Show and further showcased artistic talents. This evening event was well attended and uniformly praised. A Spring 2011 sequel is planned.

A Language Arts Literacy Workshop also addressed the 2009 Revised Core Curriculum Content Standards. Their work aligned the District's Curriculum with the new Standards, and committee members planned presentations to faculty about the updated Language Arts program. A second Language Arts Committee provided an opportunity for middle school Resource Center teachers to learn strategies and modifications to effectively implement the Language Arts Literacy Curriculum with middle school students with special needs.

(3) MAJOR INITIATIVES (continued)

This seminar resulted, during 2009-2010, in instructional level groupings within the Resource Center Program, as each group used differentiated and leveled instructional materials.

The State-endorsed formative assessment *Learnia* was the subject of another Summer seminar. Grade 4 and Grade 8 teachers were trained by the testing company's professionals about the use of and the interpretation of the results. Again, during QSAC, District staff learned the importance of formative and summative assessments, as well as the need to identify students' weak curriculum areas. When student needs are identified, instruction can target the weaknesses. *Learnia* was used in the elementary and middle schools during 2009/2010 to enhance student achievement.

In anticipation of H1N1 health concerns, an Emergency Management Committee worked in the summer to update our Districts' Emergency Management Plan. In addition to developing procedures to be utilized during a pandemic, the committee also revised procedures to other emergencies consistent with current guidance and included emergency situations, such as active shooter, that had not been part of our manual.

The Oakland School District has a very active and committed Local Professional Development Committee that steers Professional Development in our schools. In a 2009 Summer Committee, LPDC members planned professional development activities for 2009/2010, which also included the establishment of School-based Committees at each school, per State requirements.

Additionally, the LPDC, under the leadership of its administrative chair, was largely responsible for developing the agenda and the activities for the District's November 3rd and January 18th Professional Days. As already discussed, technology was a major emphasis in the Election Day Program. In addition to SMARTboard training sessions, other technology-based sessions in the day's agenda included *Learnia* training for Grades 3 and 4 teachers, Six Trait Writing instruction for middle school language arts teachers, and iMovie training for interested K-8 teachers.

Use of the on-line assessment, *Learnia,* is accomplishing two goals of the District: familiarizing students with on-line testing experiences and teacher use of the instrument as a formative assessment to improve student achievement. During 2009/2010, *Learnia* was used with Grades 3, 4, and 8 students and staff. The Professional Day Program was presented by the *Learnia* Implementation Manager, and helped our teachers to gain a comfort level with both the technology and its usage in instruction.

The Six Trait Writing Program is an on-line writing program that, in 2009/2010, was part of the language arts experience of students in Grades 6, 7, and 8. Introduced in the District by the District's Reading/Language Arts Coordinator, usage of this tool by students will help them to be prepared when, in the near future, the Department of Education requires on-line testing, including essay writing, for State assessments. The goal to expand this initiative to include Grade 5 in 2010/2011 was deferred due to budgetary constraints.

(3) MAJOR INITIATIVES (continued)

Our District's stress on mathematics achievement continued with the November Professional Day workshop entitled "Enhancing Number and Spatial Sense in Grade 5 Mathematics." Testing data have revealed that, in these two areas, students need greater proficiency. Grade 5 general and special education teachers and elementary Mathematics Coordinators participated in this hands-on workshop.

Middle school teachers also participated in a seminar on "blogging" as an instructional tool. Prior to the workshop, the Board of Education adopted a policy, as well as guidelines for students and teachers, on blogging to guide its usage in District classrooms. This interactive tool has the potential for greater student engagement in the learning process.

On November 3rd, all instructional staff also participated in two general sessions of common interest to PreK through Grade 8 teachers: "Bullying, Harassment, and Intimidation" and "Differentiated Instruction in Action."

The Staff Training and Development initiative continued in January, when Oakland partnered with its FLOW colleagues. The four school districts shared the costs for a morning presentation by author, researcher, and reformer Grant Wiggins who discussed *Schooling By Design* with staff. The core belief of *Schooling By Design* is that educators should design schools and districts "backwards" from their core mission.

In the afternoon of January 18th, teachers returned to their own district for a local professional development program. Oakland's teachers engaged in the following study.

Teachers in Grades 5 through 8 had their awareness of the needs of preadolescent and adolescent girls with a seminar entitled, *Empowering Girls to Empower Themselves.* This workshop not only made participants aware of the struggles that girls face, but teachers were also given an opportunity to brainstorm possible solutions that would engender girls' self-respect and decision making skills.

Grades 3 and 4 teachers participated in a workshop entitled *Back to Basics: A Mathematics Round Table.* The district had observed that too many of our young people have not yet mastered their number facts. This non-proficiency impeded the students' mathematics achievement and hindered their ability to do "mental math." Participants in this workshop became aware of this need and shared creative strategies to teach and reinforce basic mathematics facts.

Teachers in Grades 3 and 4 also assembled on January 18 to learn about *Reading Strategies in the Content Area: Informational Text.* Reading Specialists, working with the guidance of the District Coordinator of Reading and Language Arts, modeled various strategies that could be used with students in reading content area informational text.

Primary school teachers studied handwriting. Our District's Occupational Therapist presented a program on *The Write Stuff: Teaching Handwriting in the Primary Grades.*

(3) MAJOR INITIATIVES (continued)

With students' increased use of technology, more and more students are not mastering cursive writing. This workshop once again placed an emphasis on handwriting and the need for teachers to help students write in cursive.

Finally, in the spring, the Local Professional Development Committee introduced Professional Learning Communities in the District. This initiative had teachers meet in small groups to study specific educational areas of interest to them. The format could be a professional book club, lesson study, or action research.

The most significant initiative in the Buildings and Grounds arena during the 2009/2010 school year was the renovation of the Heights School Parking Lot. The District worked collaboratively on this project with the Oakland Police Department, which provided guidance and advice as the Board sought to address the hazardous traffic flow that existed on Heights grounds and the traffic on local streets that was strangling the neighborhood.

Pedestrian walkways had lost curbing over the years due to multiple blacktop resurfacing projects. Additionally, since the school's enrollment has grown significantly in recent times, the number of cars entering the Heights' driveway has increased dramatically. Both occurrences have caused safety hazards for children and adults walking on the grounds.

As a result, new sidewalks were put in and guard rails were installed adjacent to walkways and sidewalks. The Police Department helped redesign the parking area and the traffic flow near the fifth grade door. Furthermore, the gate leading to Stevens Path was opened during entry and dismissal times to ease the traffic flow and to provide a second entrance/egress to Heights School. This extensive project has significantly enhanced safety on school grounds and reduced congestion on surrounding roadways. The Board appreciates greatly the assistance of the Borough's Police Department.

In another endeavor, the Board replaced the fire alarm system at Manito School. This emergency notification system was original to the school and, in recent years, caused the school children to be exited due to false alarms. Its replacement was a necessity, and school opened in September with the assurance that safety is enhanced as a result of this Board investment.

At Dogwood Hill School, exterior doors were replaced, thus ensuring greater security for the building and greater efficiency of utilities usage.

At Valley Middle School, a supplemental generator was installed. This project, once again, made certain that safety is ensured. Since Valley Middle School is the community's emergency shelter sufficient power in the building during emergencies is a necessity. The Board applied for a State School Construction grant to partially fund this project, and was awarded 40% of the project's cost.

3) MAJOR INITIATIVES (continued)

Also at Valley Middle School, roof drains were replaced, Grade 6 lockers in the 1930's building were repaired and repainted, and the gymnasium bleachers were refinished for the first time in 40 years. Another Valley Middle School project was the refurbishment of the Library/Media Center. This project was undertaken in partnership with the VMS PTO, and resulted in a redesign of the Library with an expanded computer section, a SMARTboard, and new furniture. The replaced tables and circulation desk were original to the building, i.e., 1969 vintage. The VMS Library is now much more user friendly and reflects a media center capable of delivering research services to 21st Century students.

As the 2009/2010 year ended, the Board entered into another partnership. This time, it is with the Oakland Education Foundation. The Board and the OEF have pooled resources to totally renovate Science Lab #207 at Valley Middle School. The renovations began in the Summer of 2010, and will continue through the two year project.

This was a difficult year in the area of finances for the Oakland School District. In March, after the District's budget was completed and ready to be submitted to the voters, the Board learned that the District would not receive any State Aid for 2010/2011, which meant that the prepared budget was out of balance by approximately 1.1 million dollars. Realizing that the community could not absorb the loss of State Aid, the Board reviewed all areas of the budget, made difficult decisions and reduced the spending plan. The proposed 2010/2011 budget, which was submitted to voters in April, was one-tenth of a percent less than the 2009/2010 budget. Still, the net effect on the taxpayers was a 3.7% tax increase. In the April School Board elections, the proposed budget was approved by a narrow margin.

The spending reductions in the 2010/2011 budget required the Board to suspend its class size policy, to reduce the total number of teachers and staff, and decrease the number of full time employees, replacing them with part time staff. With class sizes increasing, it will become ever more challenging for teachers to differentiate instruction to meet the needs of diverse learners.

Programmatically, curriculum updates were deferred, and the implementation of existing programs was changed. For example, *Rosetta Stone* World Language software replaced an elementary World Language teacher, and the elementary Technology Curriculum will be taught by the classroom teacher in 2010/2011, rather than a specialist.

Still, the Board of Education is committed to maintaining and building a learning community committed to excellence. Although challenges abound, the District is determined to continue to increase student achievement and have a school district that the residents of Oakland will respect and support. That is, and has always been, our mission.

(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).

(4) INTERNAL ACCOUNTING CONTROLS (continued)

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 2003/04 fiscal year. In keeping with this goal, the Board of Education once again utilized the services of AM Consultants for the 2009/10 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.

(5) BUDGETARY CONTROLS (continued)

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, 2010.

(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 $250,000 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

(8) RISK MANAGEMENT (continued)

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. James J. Davis, BA - $ 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.

(10) ACKNOWLEDGMENTS:

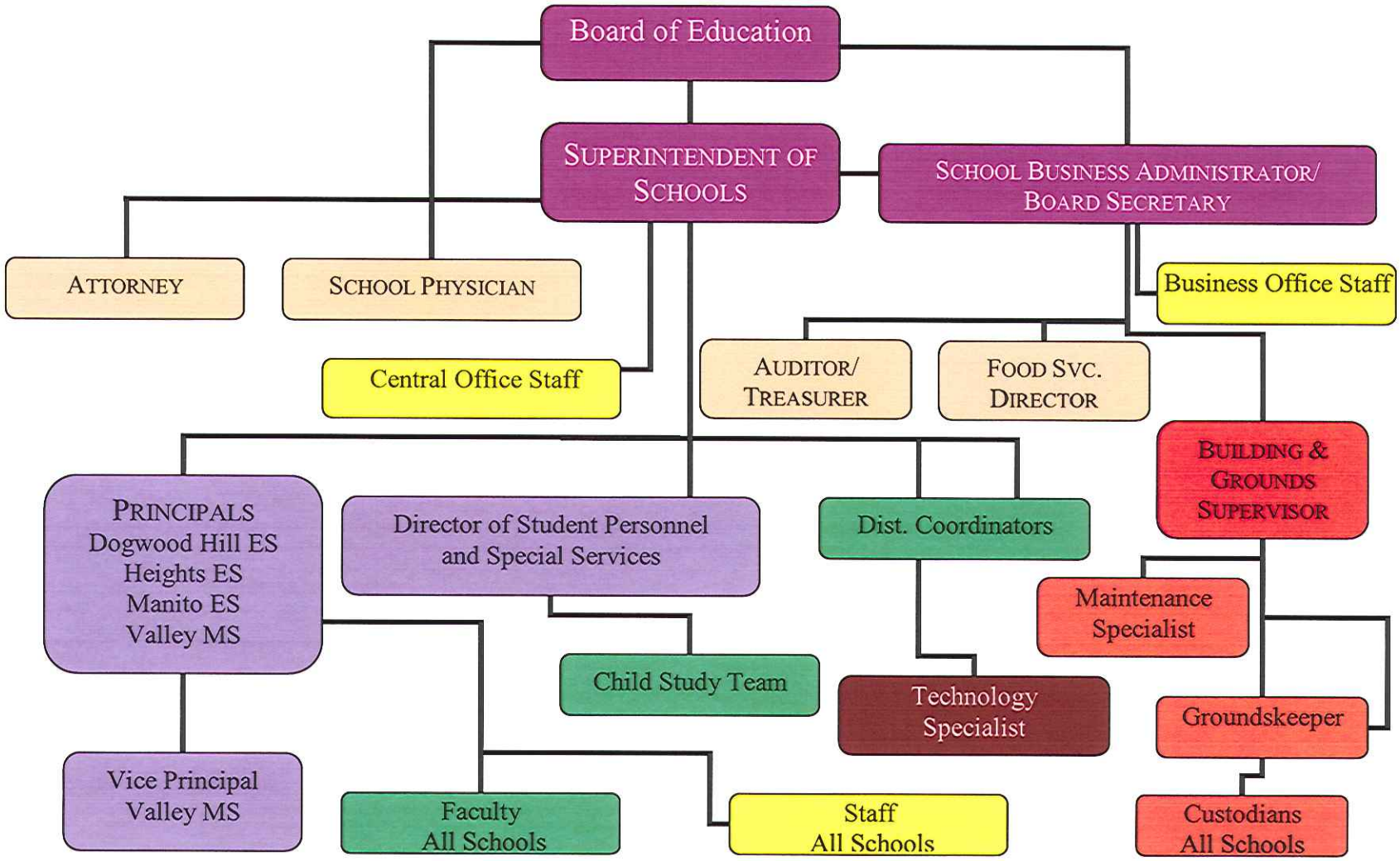
We express our appreciation to the Members of the Oakland Board of Education who successfully balance funding realities of public education and the need to provide Oakland's students with a world-class educational program of studies. Our appreciation is also extended to the administrative team who, too,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

James J. Davis
Business Administrator/
Board Secretary

The Oakland Public Schools
A learning community committed to excellence!



Oakland Board of Education
Organizational Chart 2009-2010

The Oakland Public Schools
A learning community committed to excellence!

BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOL DISTRICT

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Mr. John Scerbo, President	2011
Mr. Russell Talamini, Vice President	2012
Mr. Robert Akovity	2012
Mr. James Gaffney	2011
Ms. Jennifer Matts	2013

OTHER OFFICIALS

Dr. Richard G. Heflich, Superintendent of Schools

Mr. Vincent D. Yaniro, RSBA
Interim Business Administrator/Board Secretary (7/1/09 – 3/1/10)

Dr. Joseph R. Amatuzzi, Interim Business Administrator/Board Secretary
(3/2/10 - 4/30/10)

Mr. James J. Davis, School Business Administrator/Board Secretary
(5/1/10 - 6/30/10)

Ms. Deanna Dugan, Treasurer of School Monies

The Oakland Public Schools
A learning community committed to excellence!

BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOL DISTRICT

ROSTER OF CONSULTANTS AND ADVISORS
JUNE 30, 2010

Architect

DI CARA / RUBINO ARCHITECTS
30 Galesi Drive, Wayne, NJ 07470

Attorney

FOGARTY & HARA
16-00 Route 208 South
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

TD BANK, N.A.
160 Ramapo Valley Road
Oakland, NJ 07436

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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FAIR LAWN, NJ 07410
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JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

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, 2010 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, 2010, and the respective changes in financial position and, cash flows, where applicable, 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 November 24, 2010 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
November 24, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2010. 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 2010 are as follows:

- District-wide - General revenues for governmental activities accounted for $23,842,723 or 86 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $3,928,414 or 14 percent of total revenues of $27,771,137.

- District-wide - The governmental activities had $27,520,367 in expenses; only $3,928,414 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $23,842,723 were adequate to provide for these programs.

- Fund Financials - Among governmental funds, the General Fund had $26,591,778 in revenues and $26,858,422 in expenditures. At the close of the fiscal year the General Fund's fund balance is $933,862 a decrease of $263,816 from 2009.

- Fund Financials - At the end of June 30, 2010, the District's unreserved undesignated fund balance for the General Fund was $140,101 a decrease from 2009 of $25,532.

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.

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 regular instruction, 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 there after; 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.

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, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for these Funds.

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.

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, 2010 and 2009.

Net assets. The District's combined net assets as of June 30, 2010 and 2009 were $3,859,911 and $3,627,772, respectively.

A significant portion of the District's net assets (86 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, 2010 and 2009

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	$ 1,320,759	$ 1,655,437	$ 16,089	$ 32,626	$ 1,336,848	$ 1,688,063
Capital Assets	6,967,025	6,714,035	36,728	41,004	7,003,753	6,755,039
Total Assets	8,287,784	8,369,472	52,817	73,630	8,340,601	8,443,102
Liabilities						
Current Liabilities	383,608	390,386	555	5,737	384,163	396,123
Noncurrent Liabilities	4,096,527	4,419,207	-	-	4,096,527	4,419,207
Total Liabilities	4,480,135	4,809,593	555	5,737	4,480,690	4,815,330
Net Assets						
Invested in Capital Assets, Net of Related Debt	3,290,956	2,679,617	36,728	41,004	3,327,684	2,720,621
Restricted	379,559	401,985	-	-	379,559	401,985
Unrestricted	137,134	478,277	15,534	26,889	152,668	505,166
Total Net Assets	$ 3,807,649	$ 3,559,879	$ 52,262	$ 67,893	$ 3,859,911	$ 3,627,772

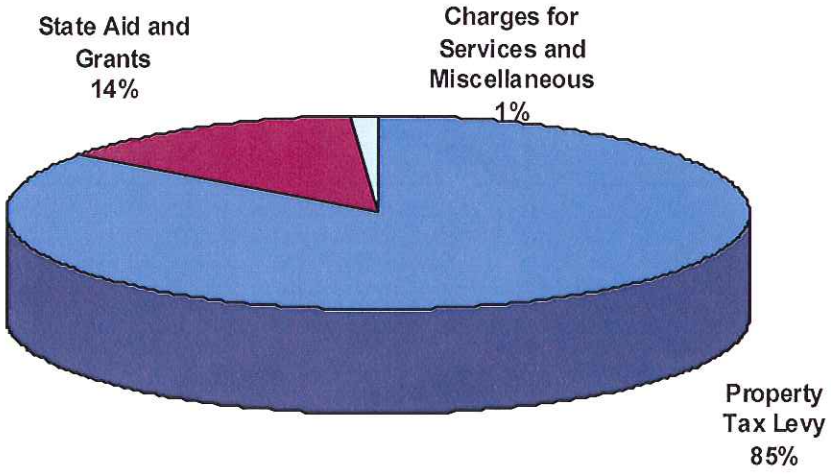
Governmental activities. Governmental activities net assets increased by $250,770. The increase in the net assets is evident of the District's sound financial management and improved financial position. Key elements of this increase are as follows:

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	$ 92,437	$ 81,241	$ 344,450	$ 364,580	$ 436,887	$ 445,821
Operating Grants and Contributions	3,801,833	3,237,328	88,455	72,958	3,890,288	3,310,286
Capital Grants and Contributions	34,144				34,144	-
General Revenues						
Property Taxes	23,662,652	22,983,507			23,662,652	22,983,507
State Aid	140,348	158,515			140,348	158,515
Other	39,723	203,138	305	-	40,028	203,138
Total Revenues	27,771,137	26,663,729	433,210	437,538	28,204,347	27,101,267
Expenses						
Instruction						
Regular	11,434,244	11,392,432			11,434,244	11,392,432
Special	4,636,266	3,940,882			4,636,266	3,940,882
Other Instruction	1,053,860	1,143,596			1,053,860	1,143,596
School Sponsored Activities & Ath.	115,105	143,175			115,105	143,175
Support Services						
Student and Instruction Related Serv.	3,347,440	3,405,387			3,347,440	3,405,387
School Administrative Services	2,029,477	1,814,113			2,029,477	1,814,113
General Administrative Services	695,851	655,409			695,851	655,409
Plant Operations and Maintenance	2,451,387	2,140,268			2,451,387	2,140,268
Pupil Transportation	1,063,089	996,221			1,063,089	996,221
Central Services	529,887	505,830			529,887	505,830
Food Service			448,841	466,428	448,841	466,428
Interest on Long-Term Debt	163,761	181,936	-	-	163,761	181,936
Total Expenses	27,520,367	26,319,249	448,841	466,428	27,969,208	26,785,677
Change in Net Assets	250,770	344,480	(15,631)	(28,890)	235,139	315,590
Net Assets, Beginning of Year	3,559,879	3,215,399	67,893	96,783	3,627,772	3,312,182
Prior Period Adjustment	(3,000)	-	-	-	(3,000)	-
Net Assets, Beginning of Year Adjusted	3,556,879	3,215,399	67,893	96,783	3,624,772	3,312,182
Net Assets, End of Year	$ 3,807,649	$ 3,559,879	$ 52,262	$ 67,893	$ 3,859,911	$ 3,627,772

Governmental activities. The District's total governmental revenues were $27,771,137. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to $23,702,375 or 85% of total revenues. Funding from state and federal sources amounted to $3,976,325 or 14%. Charges for services amounted to $92,437 or less than 1%.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2010



The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled $17,239,475 (62%) student support services totaled $10,117,131 (37%) and interest on long-term debt total $163,761 (1%) of total expenditures. (See Table A-5.)

Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2010

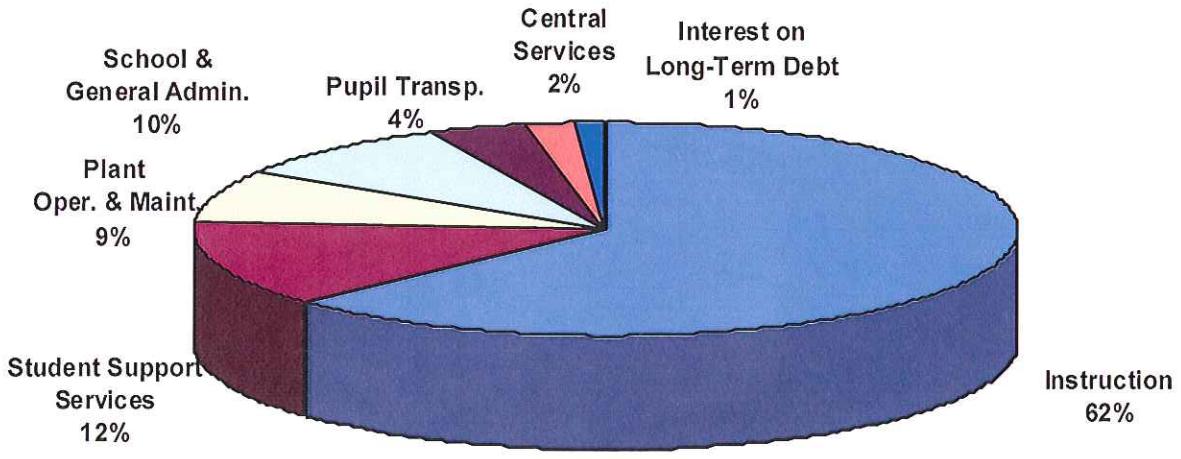


Table A-5
Cost of Services and Net Cost of Services - Governmental Activities
For the Fiscal Years Ended June 30, 2010 and 2009

Functions/Programs	Cost of Services 2010	Cost of Services 2009	Net Cost Services 2010	Net Cost Services 2009
Governmental Activities				
Instruction				
Regular	$ 11,434,244	$ 11,392,432	$ 10,222,720	$ 10,446,468
Special Education	4,636,266	3,940,882	2,823,933	2,546,594
Other Instruction	1,053,860	1,143,596	939,957	981,457
School Sponsored Activities and Athletics	115,105	143,175	115,105	129,926
Support Services				
Student and Instruction Related Svcs.	3,347,440	3,405,387	3,098,603	3,052,143
General Administrative Services	695,851	655,409	649,172	620,017
School Administrative Services	2,029,477	1,814,113	1,902,288	1,673,942
Plant Operations and Maintenance	2,451,387	2,140,268	2,342,466	2,140,268
Pupil Transportation	1,063,089	996,221	804,061	722,099
Central Services	529,887	505,830	529,887	505,830
Interest on Long-Term Debt	163,761	181,936	163,761	181,936
Total Governmental Activities	$ 27,520,367	$ 26,319,249	$ 23,591,953	$ 23,000,680

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2010 was $448,841. These costs were funded by operating grants, charges for services (Detailed on Table A-2). The operations resulted in a decrease in net assets of $15,631.

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 $954,950. In 2008-2009 the fund balance was $1,287,416, a decrease of $332,466.

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 $27,771,137 and expenditures were $28,103,603.

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, 2010 and 2009.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources	$ 23,614,203	$ 23,073,345	$ 540,858	2.34%
State Sources	2,977,575	2,644,126	333,449	12.61%
Total	$ 26,591,778	$ 25,717,471	$ 874,307	3.40%

The following schedule represents a summary of general fund expenditures for the fiscal years ended June 30, 2010 and 2009.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current Expenditures				
Instruction	$ 16,561,320	$ 15,957,429	$ 603,891	3.78%
Support Services	9,782,229	9,329,136	453,093	4.86%
Capital Outlay	333,006	344,196	(11,190)	-3.25%
Debt Service-				
Principal	159,408	158,714	694	0.44%
Interest	22,459	28,628	(6,169)	-21.55%
Total	$ 26,858,422	$ 25,818,103	$ 1,040,319	4.03%

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. Moreover, during fiscal year 2009/10 the Oakland Board of Education had its state aid reduced by $ 203,999 that resulted in further erosion in state aid.

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 and energy costs Major initiatives in the 2009/10 year included:

Budgetary Highlights (Continued)

- 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 and the Middlesex Regional Educational Services Commission ," the district continued as a member and once again entered into public bids for gas and electric, ACT, "Alliance for Competitive Telecommunication," resulting in a 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 "Educational Data Services" allowing for 2009-10 supply purchases at 56% below State Contract or a savings of $ 68,000.

- 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 the Valley Middle School new back-up generator project. Completed both drainage and paving projects at school sites. Completed asbestos abatement projects.

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, 2010 and 2009 amounts to $7,003,753 and $6,755,039 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress buildings and building improvements, land improvements, machinery, equipment and vehicles.

Table A-6

Capital Assets at June 30, 2010 and 2009

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 131,987	$ 131,987			$ 131,987	$ 131,987
Construction in Progress		14,239			-	14,239
Land Improvements	10,970				10,970	
Buildings and Building Improvements	12,746,973	12,424,442			12,746,973	12,424,442
Machinery and Equipment	2,029,946	1,831,145	$ 87,685	$ 78,324	2,117,631	1,909,469
Total	14,919,876	14,401,813	87,685	78,324	15,007,561	14,480,137
Less: Accumulated Depreciation	7,952,851	7,687,778	50,957	37,320	8,003,808	7,725,098
Total	$ 6,967,025	$ 6,714,035	$ 36,728	$ 41,004	$ 7,003,753	$ 6,755,039

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

Debt Administration. As of June 30, 2010 and 2009 the school district had long-term debt and outstanding long-term liabilities in the amount of $4,096,527 and $4,419,207, respectively, as stated in Table A-7.

Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities
as of June 30, 2010 and 2009

	2010	2009
Bonds Payable	$ 3,350,000	$ 3,555,000
Capital Leases	400,056	556,464
Compensated Absences Payable	346,471	307,743
Total	$ 4,096,527	$ 4,419,207

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

For the Future

The Oakland Board of Education lost all of its General Fund state aid applicable to the 2010/11 fiscal year. The amount of the General Fund state aid lost amounted to $ 1,052,166. Although the district remains in good financial condition, the loss of state aid had a material impact on the budget, including a significant reduction in the number of staff as well as other cuts throughout the entire budget. Everyone associated with the Oakland School District is grateful for the continued community support of the schools.

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 five 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 2009/10 school year, the Valley Middle School new back-up generator project was completed, and there were paving and drainage improvements completed too. This concerted effort in addressing critical building infrastructure needs has enabled the Board and Administration to craft a facilities/maintenance budget for the 2010-2011 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 2010-2011 Fund 12 Capital Outlay budget has been reduced to $ 59,400.

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.

For the Future (Continued)

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% of expenditures or $250,000. The law maintained a reduced surplus of 2% in the 2009-2010 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 the School Business Administrator/Board Secretary, 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, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 1,052,494		$ 1,052,494
Receivables, net			
Receivables from Other Governments	208,006	$ 5,736	213,742
Other	4	10,253	10,257
Internal Balances	5,537	(5,537)	
Inventory		5,637	5,637
Deferred Charges	54,718		54,718
Capital Assets, net			
Being Depreciated	6,835,038	36,728	6,871,766
Not Being Depreciated	131,987	-	131,987
Total Assets	8,287,784	52,817	8,340,601
LIABILITIES			
Accounts Payable	180,948		180,948
Payable to Other Governments	33,434		33,434
Accrued Interest Payable	72,517		72,517
Other Payables	50,000		50,000
Unearned Revenue	46,709	555	47,264
Noncurrent Liabilities			
Due Within One Year	356,941		356,941
Due Beyond One Year	3,739,586	-	3,739,586
Total Liabilities	4,480,135	555	4,480,690
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,290,956	36,728	3,327,684
Restricted for			
Capital Projects	377,740		377,740
Debt Service	1,819		1,819
Unrestricted	137,134	15,534	152,668
Total Net Assets	$ 3,807,649	$ 52,262	$ 3,859,911

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, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
Instruction							
Regular	$ 11,434,244		$ 1,211,524		$ (10,222,720)		$ (10,222,720)
Special Education	4,636,266		1,812,333		(2,823,933)		(2,823,933)
Other Instruction	1,053,860		113,903		(939,957)		(939,957)
School Sponsored Activities and Athletics	115,105				(115,105)		(115,105)
Support Services							
Student and Instruction Related Services	3,347,440		248,837		(3,098,603)		(3,098,603)
School Administrative Services	2,029,477		127,189		(1,902,288)		(1,902,288)
General Administrative Services	695,851		46,679		(649,172)		(649,172)
Plant Operations and Maintenance	2,451,387		74,777	$ 34,144	(2,342,466)		(2,342,466)
Pupil Transportation	1,063,089	$ 92,437	166,591		(804,061)		(804,061)
Central Services	529,887				(529,887)		(529,887)
Interest on Long-Term Debt	163,761	-	-	-	(163,761)	-	(163,761)
Total Governmental Activities	27,520,367	92,437	3,801,833	34,144	(23,591,953)	-	(23,591,953)
Business-Type Activities							
Food Service	448,841	344,450	88,455	-	-	$ (15,936)	(15,936)
Total Business-Type Activities	448,841	344,450	88,455	-	-	(15,936)	(15,936)
Total Primary Government	$ 27,969,208	$ 436,887	$ 3,890,288	$ 34,144	(23,591,953)	(15,936)	(23,607,889)
General Revenues							
Property Taxes, Levied for General Purposes					23,482,075		23,482,075
Property Taxes, Levied for Debt Service					180,577		180,577
State Aid Restricted for Debt Service					140,348		140,348
Miscellaneous Income					39,723	305	40,028
Total General Revenues					23,842,723	305	23,843,028
Change in Net Assets					250,770	(15,631)	235,139
Net Assets, Beginning of Year					3,559,879	67,893	3,627,772
Prior Period Adjustment					(3,000)	-	(3,000)
Net Assets, Beginning of Year, As Adjusted					3,556,879	67,893	3,624,772
Net Assets, End of Year					$ 3,807,649	$ 52,262	$ 3,859,911

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

FUND FINANCIAL STATEMENTS

OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,036,703	$ 13,972		$ 1,819	$ 1,052,494
Due from Other Funds	15,416				15,416
Receivables from Other Governments	55,030	118,832	$ 34,144	-	208,006
Total Assets	$ 1,107,149	$ 132,804	$ 34,144	$ 1,819	$ 1,275,916
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 123,287	$ 52,661	$ 5,000		$ 180,948
Payable to State Government		23,540			23,540
Payable to Federal Government		9,894			9,894
Due to Other Funds	50,000		9,875		59,875
Deferred Revenue	-	46,709	-	-	46,709
Total Liabilities	173,287	132,804	14,875	-	320,966
Fund Balances					
Reserved for					
Encumbrances	144,152				144,152
Capital Reserve Account	377,740				377,740
Excess Surplus- Designated for Subsequent Year's Expenditures	97,804				97,804
Unreserved					
Designated for Subsequent Year's Budget	174,065			$ 1,786	175,851
Undesignated, Reported in:					
General Fund	140,101				140,101
Capital Projects Fund			19,269		19,269
Debt Service Fund	-	-	-	33	33
Total Fund Balances	933,862	-	19,269	1,819	954,950
Total Liabilities and Fund Balances	$ 1,107,149	$ 132,804	$ 34,144	$ 1,819	

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 $14,919,876 and the accumulated depreciation is $7,952,851.		6,967,025
The District has financed capital assets through the issuance of Serial Bonds long-term lease obligations. The interest accrual at year end is:		(72,517)
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	$ 3,350,000	
Less: Deferred charges for Issuance Costs (to be amortized over the life of the debt)	(54,718)	
Capital Leases Payable	400,056	
Compensated Absences	346,471	
		(4,041,809)
Net assets of governmental activities (Exhibit A-1)		$ 3,807,649

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, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Levy	$ 23,482,075			$ 180,577	$ 23,662,652
Miscellaneous	132,128	$ 30,994	$ 32	-	163,154
Total - Local Sources	23,614,203	30,994	32	180,577	23,825,806
State Sources	2,977,575	164,408	34,144	140,348	3,316,475
Federal Sources	-	628,856	-	-	628,856
Total Revenues	26,591,778	824,258	34,176	320,925	27,771,137
EXPENDITURES					
Current					
Regular Instruction	11,277,431	79,379			11,356,810
Special Education Instruction	4,126,453	504,996			4,631,449
Other Instruction	1,042,527	9,566			1,052,093
School-Sponsored Activities and Athletics	114,909				114,909
Support Services					
Student and Instruction Related Services	3,214,637	115,315			3,329,952
School Administrative Services	2,017,179				2,017,179
General Administrative Services	695,061				695,061
Plant Operations and Maintenance	2,285,592				2,285,592
Pupil Transportation	1,041,432				1,041,432
Central Services	528,328				528,328
Debt Service					
Principal	159,408			205,000	364,408
Interest and Other Charges	22,459			145,868	168,327
Capital Outlay	333,006	115,002	70,055	-	518,063
Total Expenditures	26,858,422	824,258	70,055	350,868	28,103,603
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(266,644)	-	(35,879)	(29,943)	(332,466)
Other Financing Sources and (Uses)					
Transfer In	7,198		4,370	32	11,600
Transfer Out	(4,370)	-	(7,230)	-	(11,600)
Total Other Financing Sources and (Uses)	2,828	-	(2,860)	32	-
Net Change in Fund Balances	(263,816)	-	(38,739)	(29,911)	(332,466)
Fund Balance, Beginning of Year	1,197,678	-	58,008	31,730	1,287,416
Fund Balance, End of Year	$ 933,862	$ -	$ 19,269	$ 1,819	$ 954,950

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, 2010

Total net change in fund balances - governmental funds (Exhibit B-2)		$ (332,466)
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	$ 518,063	
Depreciation Expense	(265,073)	
		252,990
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):		
Increase in Compensated Absences		(38,728)
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		364,408
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		9,125
Amortization of Deferred Charge on Issuance Costs		(4,559)
Change in net assets of governmental activities (Exhibit A-2)		$ 250,770

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

EXHIBIT B-4

OAKLAND BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Service
ASSETS	
Current Assets	
Intergovernmental Receivable	
Federal	$ 5,165
State	571
Other Receivable	10,253
Inventories	5,637
Total Current Assets	21,626
Noncurrent Assets	
Equipment	87,685
Less: Accumulated Depreciation	(50,957)
Total Capital Assets (net of accumulated depreciation)	36,728
Total Noncurrent Assets	36,728
Total Assets	58,354
LIABILITIES	
Current Liabilities	
Deferred Revenue	555
Due To Other Funds	5,537
Total Current Liabilities	6,092
Total Liabilities	6,092
NET ASSETS	
Invested in Capital Assets	36,728
Unrestricted	15,534
Total Net Assets	$ 52,262

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

EXHIBIT B-5

OAKLAND BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Service
OPERATING REVENUES	
Charges for Services	
Daily Sales	$ 342,676
Special Functions	1,774
Total Operating Revenues	344,450
OPERATING EXPENSES	
Cost of Sales	200,368
Salaries and Employee Benefits	158,228
Management Fee	22,330
Supplies, Materials and Other Expenses	54,278
Depreciation	13,637
Total Operating Expenses	448,841
Operating Income/(Loss)	(104,391)
NONOPERATING REVENUES	
Federal Sources	
School Lunch Program	82,603
State Sources	
School Lunch Program	5,852
Interest	305
Total Nonoperating Revenues	88,760
Change in Net Assets	(15,631)
Total Net Assets, Beginning of Year	67,893
Total Net Assets, End of Year	$ 52,262

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, 2010

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	$ 344,450
Cash Payments for Employees' Salaries and Benefits	(172,501)
Cash Payments to Suppliers for Goods and Services	(240,818)
Net Cash (Used for) Operating Activities	(68,869)
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	57,418
Cash Received from Other Funds	5,537
Net Cash Provided by Noncapital Financing Activities	62,955
Cash Flows from Investing Activities	
Interest Received	305
Net Cash Provided by Investing Activities	305
Cash Flows from Capital and Related Financial Activities	
Purchase of Fixed Assets	(9,361)
Net Cash (Used for) Provided by Capital and Related Financial Activities	(9,361)
Net Decrease in Cash and Cash Equivalents	(14,970)
Cash and Cash Equivalents, Beginning of Year	14,970
Cash and Cash Equivalents, End of Year	$ -
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Income/(Loss)	$ (104,391)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	13,637
Non-Cash Assistance- Food Distribution Program	30,314
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(969)
(Increase)/Decrease in Inventory	(2,278)
Increase/(Decrease) in Deferred Revenue	(169)
Increase/(Decrease) in Accounts Payable	(5,013)
Total Adjustments	35,522
Net Cash (Used for) Operating Activities	$ (68,869)
Non Cash Non Capital Financial Activities	
Value Received - Food Distribution Program	$ 30,145

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, 2010

	Unemployment Compensation Trust	Bricks for Education Trust	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 15,587	$ 11	$ 246,622
Due From Other Funds	50,000	-	-
Total Assets	65,587	11	$ 246,622
LIABILITIES			
Payroll Deductions and Withholdings			$ 138,229
Due to Student Groups			73,410
Flex Spending Payable			34,979
Due to Other Funds			4
Due to State of New Jersey	3,893	-	-
Total Liabilities	3,893	-	$ 246,622
NET ASSETS			
Held in Trust for Unemployment Claims	$ 61,694		
Held in Trust for Other Purposes		$ 11	

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, 2010

	Unemployment Compensation Trust	Bricks for Education Trust
ADDITIONS		
Contributions		
Interest	$ 115	$ 2
Donations		1,024
District Contributions	89,569	
Employees	22,999	-
Total Additions	112,683	1,026
DEDUCTIONS		
Disbursements		2,040
Unemployment Claims and Contributions	80,113	-
Total Deductions	80,113	2,040
Change in Net Assets	32,570	(1,014)
Net Assets, Beginning of Year	29,124	1,025
Net Assets, End of Year	$ 61,694	$ 11

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 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 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.

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, tuition, 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 to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific 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 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 and other capital assets.

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 funds which are 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.

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 types:

> The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations, 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, 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 are charges to customers for sales and services. Operating expenses for the enterprise fund 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.

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 2008-2009 and 2009-2010 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 unearned revenue.

4. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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:

Assets	Years
Land Improvements	20
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

5. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) 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 do not permit the accrual of unused sick leave. 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.

6. 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 issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Fund Equity (Continued)

Reserved for Capital Reserve Account – This reserve was created in accordance with NJAC 6A:23A-14.1 by the District to fund future capital expenditures (See Note 2.)

Reserved for Excess Surplus – Designated for Subsequent Year's Expenditures - This reserve was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2009 audited excess surplus that was appropriated in the 2010/2011 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 2010/2011 District budget certified for taxes.

8. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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.

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 2009/2010. During 2009/2010 the Board increased the original budget by $1,079,641. The increase was funded by additional grant awards, the reappropriation of prior year general fund encumbrances and the appropriation of prior year extraordinary aid.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and 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. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

	Budget	Actual	Unfavorable Variance
General Fund			
Capital Outlay	-	$7,692	$7,692

The above variance was created by an audit adjustment and was offset with other available resources.

C. 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-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve Account (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2010 is as follows:

Balance, July 1, 2009		$ 330,016
Increases		
Interest Earnings	$ 2,094	
Unexpended Funds from 2009-2010 Budget	81,060	
Deposits Approved by Board Resolution On June 29, 2010	50,000	
		133,154
		463,170
Withdrawals		
Approved by Voters in District Budget		(85,430)
Balance, June 30, 2010		$ 377,740

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, 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, 2010 is $97,804. This amount was designated and appropriated in the 2010/2011 original budget certified for 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 (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge plus collateral equal to 5% of the average public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds for all deposits not covered by the FDIC.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments (Continued)

Deposits (Continued)

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2010, the book value of the Board's deposits was $994,457 and bank balances of the Board's cash and deposits amounted to $1,352,844. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 1,352,844

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. As of June 30, 2010 the Board's bank balance was not exposed to 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, 2010, the Board had the following investment which are considered cash equivalents:

Investment Type:	Fair Value
U.S. Government Securities	
M.B.I.A. Class Account	$ 54,061
Fidelity Investment MM	266,196
	$ 320,257

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, 2010, $320,257 of the Board's investments was exposed to custodial credit risk as follows:

	Fair Value
Uninsured and Collateralized:	
Collateral held by counterparty's trust department or agent but not in the Board's name	$ 320,257

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments (Continued)

Investments (Continued)

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.

The fair value of the above-listed investments were 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.

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:

	General	Special Revenue	Capital Projects	Food Service	Total
Receivables:					
Intergovernmental	$ 55,030	$ 118,832	$ 34,144	$ 5,736	$ 213,742
Other	-	-	-	10,253	10,253
Gross Receivables	55,030	118,832	34,144	15,989	223,995
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	$ 55,030	$ 118,832	$ 34,144	$ 15,989	$ 223,995

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:

	Unearned
Special Revenue Fund	
Unencumbered Grant Draw Downs	$ 6,246
Grant Draw Downs Reserved for Encumbrances	40,463
Total Deferred Revenue For Governmental Funds	$46,709

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Adjustments	Balance, June 30, 2010
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 131,987			$ 131,987
Construction in Progress	14,239	-	$ (14,239)	-
Total Capital Assets, Not Being Depreciated	146,226	-	(14,239)	131,987
Capital Assets, Being Depreciated:				
Land Improvements		$ 10,970		10,970
Buildings and Building Improvements	12,424,442	308,292	14,239	12,746,973
Machinery and Equipment	1,831,145	198,801	-	2,029,946
Total Capital Assets Being Depreciated	14,255,587	518,063	14,239	14,787,889
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(6,367,271)	(141,661)		(6,508,932)
Machinery and Equipment	(1,320,507)	(123,412)	-	(1,443,919)
Total Accumulated Depreciation	(7,687,778)	(265,073)	-	(7,952,851)
Total Capital Assets, Being Depreciated, Net	6,567,809	252,990	14,239	6,835,038
Governmental Activities Capital Assets, Net	$ 6,714,035	$ 252,990	$ -	$ 6,967,025
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 78,324	$ 9,361	-	$ 87,685
Total Capital Assets Being Depreciated	78,324	9,361	-	87,685
Less Accumulated Depreciation for:				
Machinery and Equipment	(37,320)	(13,637)	-	(50,957)
Total Accumulated Depreciation	(37,320)	(13,637)	-	(50,957)
Total Capital Assets, Being Depreciated, Net	41,004	(4,276)	-	36,728
Business-Type Activities Capital Assets, Net	$ 41,004	$ (4,276)	$ -	$ 36,728

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	$ 58,496
Total Instruction	58,496
Support Services	
Student and Instruction Related Services	12,330
School Administration	8,891
Operations and Maintenance of Plant	163,412
Student Transportation	21,272
Central Services	672
Total Governmental Funds	206,577
Total Depreciation Expense - Governmental Activities	$ 265,073
Business-Type Activities:	
Food Service Fund	$ 13,637

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	$ 9,875
General Fund	Food Service Enterprise	5,537
General Fund	Payroll Agency Trust Fund	4
Unemployment Trust Fund	General Fund	50,000
		$ 65,416

The above balances are the result of revenues earned or other financing sources 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.

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:			
	General	Capital Projects	Debt Service	Total
Transfer Out:				
General Fund		$ 4,370		$ 4,370
Capital Projects Fund	$ 7,198	-	$ 32	7,230
Total Transfers Out	$ 7,198	$ 4,370	$ 32	$ 11,600

The above transfers are the result of revenues earned and/or other financing sources received 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 $1,148,937 under capital leases. The leases are for terms of 5 to 10 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	Governmental Activities
2011	$ 162,986
2012	162,986
2013	104,211
Total Minimum Lease Payments	430,183
Less: Amount Representing Interest	30,127
Present Value of Minimum Lease Payments	$ 400,056

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2010 are comprised of the following issues:

$2,733,000, School Improvement Bonds, due in annual installments of $150,000 to $238,000 through August 1, 2021, interest at 4.00% to 4.50%	$2,313,000
$1,152,000, School Improvement Bonds, due in annual installments of $60,000 to $102,000 through February 1, 2023, interest at 4.125% to 4.25%	1,037,000
	$3,350,000

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 Principal	Interest	Total
2011	$ 210,000	$ 137,568	$ 347,568
2012	220,000	128,968	348,968
2013	230,000	119,993	349,993
2014	240,000	110,563	350,563
2015	250,000	100,623	350,623
2016-2020	1,440,000	335,047	1,775,047
2021-2023	760,000	46,358	806,358
	$ 3,350,000	$ 979,120	$ 4,329,120

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2010 was as follows:

3% of Equalized Valuation Basis (Municipal)	$ 80,650,042
Less: Net Debt	3,351,121
Remaining Borrowing Power	$ 77,298,921

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2010, was as follows:

	Balance, July 1, 2009	Additions	Reductions	Adjustment	Balance, June 30, 2010	Due Within One Year
Governmental Activities:						
Bonds Payable	$ 3,555,000		$ 205,000		$ 3,350,000	$ 210,000
Capital Leases	556,464		159,408	$ 3,000	400,056	146,941
Compensated Absences	307,743	$ 38,728	-	-	346,471	-
Governmental Activity Long-Term Liabilities	$ 4,419,207	$ 38,728	$ 364,408	$ 3,000	$ 4,096,527	$ 356,941

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

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:

Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010	$ 89,569	$ 22,999	$ 80,113	$ 61,694
2009	25,000	22,269	41,811	29,124
2008	15,000	5,348	42,700	23,665

NOTE 4 OTHER INFORMATION (Continued)

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.

Federal and State Awards – 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, 2010, 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, 2010, the District had no estimated arbitrage earnings due to the IRS.

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.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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 accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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.

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

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of $34.4 billion.

The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and $23.0 billing, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and $11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems required contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from contributions made. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals the contributions made. 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, 2010, 2009 and 2008 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF
2010	$ 210,804	$ 42,970
2009	190,668	37,284
2008	130,880	813,335

During 2008/09 school year, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed $42,970 and $37,284 during 2009/2010 and 2008/2009 respectively, for the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $864,744 during the year ended June 30, 2010 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 Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 Funds. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a $55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to $19.8 billion for state active and retired members and $36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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 $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2008.

The State sets the contribution rate based on a pay as you go basis and not 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, 2010, 2009 and 2008 were $807,037, $711,291 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.

F. Prior Period Adjustment - Restatement

The balance of capital leases payable has been increased to reflect the balance owed as of June 30, 2009. The effect of this adjustment is an increase in noncurrent liabilities (capital leases payable) of $3,000 and a decrease to net assets (invested in capital assets, net of related debt) of $3,000.

BUDGETARY COMPARISON SCHEDULES

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	$ 23,482,075		$ 23,482,075	$ 23,482,075	
Transportation	50,000		50,000	92,437	$ 42,437
Miscellaneous	29,500		29,500	39,691	10,191
State Sources					
Special Education Aid	684,603		684,603	609,251	(75,352)
Security Aid	124,628		124,628	81,008	(43,620)
Transportation Aid	242,935		242,935	157,908	(85,027)
Non-Public Transportation				10,657	10,657
Extraordinary Aid	217,384		217,384	263,538	46,154
On-Behalf TPAF Pension Contribution (Non-Budgeted)					
Non Contributory Insurance				42,970	42,970
Post-Retirement Medical Contribution				807,037	807,037
On-Behalf TPAF Social Security (Non-Budgeted)	-	-	-	864,744	864,744
Total Revenues	24,831,125	-	24,831,125	26,451,316	1,620,191
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	222,708		222,708	221,004	1,704
Grades 1-5	4,093,571	$ (18,794)	4,074,777	4,069,461	5,316
Grades 6-8	3,098,903	(5,625)	3,093,278	3,086,242	7,036
Instruction - Home					
Salaries of Teachers	192,000	(42,600)	149,400	144,195	5,205
Purchased Professional-Educational Services	11,555	(8,800)	2,755	2,527	228
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	87,742	5,865	93,607	93,607	
Purchased Technical Services	2,500	1,359	3,859	3,859	
Other Purchased Services	52,926		52,926	50,460	2,466
General Supplies	335,898	16,900	352,798	305,124	47,674
Textbooks	55,855	23,827	79,682	79,681	1
Other Objects	8,086	-	8,086	5,585	2,501
Total Instruction - Regular	8,161,744	(27,868)	8,133,876	8,061,745	72,131
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	127,113	(33,240)	93,873	73,687	20,186
Other Salaries for Instruction	392,168	(57,000)	335,168	334,850	318
Purchased Professional-Educational Services	800		800		800
General Supplies	11,460	(2,905)	8,555	2,605	5,950
Textbooks	2,200	(1,000)	1,200	233	967
Total Learning and/or Language Disabilities	533,741	(94,145)	439,596	411,375	28,221

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Other Salaries for Instruction	$ 31,796	-	$ 31,796	$ 26,594	$ 5,202
Total Multiple Disabilities	31,796	-	31,796	26,594	5,202
Resource Room/Resource Center					
Salaries of Teachers	1,141,986	$ (45,868)	1,096,118	1,094,064	2,054
Other Salaries for Instruction		81,900	81,900	81,760	140
General Supplies	11,800		11,800	7,701	4,099
Textbooks	6,500	-	6,500	4,371	2,129
Total Resource Room/Resource Center	1,160,286	36,032	1,196,318	1,187,896	8,422
Autism					
Other Salaries for Instruction	127,035	(13,500)	113,535	99,389	14,146
Purchased Professional-Educational Services	3,500	-	3,500	-	3,500
Total Autism	130,535	(13,500)	117,035	99,389	17,646
Preschool Disabilities - Part-Time					
Salaries of Teachers	109,880	75,000	184,880	182,058	2,822
Other Salaries for Instruction	37,994	6,500	44,494	44,474	20
Purchased Professional-Educational Services	83,279	(68,000)	15,279	14,127	1,152
General Supplies	2,860	-	2,860	1,425	1,435
Total Preschool Disabilities	234,013	13,500	247,513	242,084	5,429
Total Special Education	2,090,371	(58,113)	2,032,258	1,967,338	64,920
Basic Skills/Remedial - Instruction					
Salaries of Teachers	616,774	(30,300)	586,474	583,355	3,119
Total Basic Skills/Remedial - Instruction	616,774	(30,300)	586,474	583,355	3,119
Bilingual Education - Instruction					
Salaries of Teachers	126,868	300	127,168	126,951	217
General Supplies	3,225	554	3,779	2,238	1,541
Textbooks	450	-	450	347	103
Total Bilingual Education - Instruction	130,543	854	131,397	129,536	1,861
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	92,500		92,500	78,752	13,748
Supplies and Materials	2,900	-	2,900	1,813	1,087
Total School Sponsored Co/Extra Curricular Activities-Instruc	95,400	-	95,400	80,565	14,835
School Sponsored Athletics - Instruction					
Salaries	2,036		2,036		2,036
Purchased Services	2,000	882	2,882	2,878	4
General Supplies	3,300	(882)	2,418	-	2,418
Total School Sponsored Athletics - Instruction	7,336	-	7,336	2,878	4,458

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs - Instruction					
Salaries	$ 25,844	-	$ 25,844	$ 24,117	$ 1,727
Total Other Instructional Programs - Instruction	25,844	-	25,844	24,117	1,727
Total - Instruction	11,128,012	$ (115,427)	11,012,585	10,849,534	163,051
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	727,700	(66,318)	661,382	661,004	378
Tuition to CSSD & Reg. Day Schools	53,900	1,027	54,927	54,927	
Tuition to Private School for the Disabled W/I State	399,390	246,953	646,343	646,343	-
Total Undistributed Expenditures - Instruction	1,180,990	181,662	1,362,652	1,362,274	378
Health Services					
Salaries	338,184	2,881	341,065	341,039	26
Other Purchased Services	2,750	(781)	1,969	441	1,528
Supplies and Materials	9,900	(2,100)	7,800	5,427	2,373
Total Health Services	350,834	-	350,834	346,907	3,927
Speech, OT, PT & Related Services					
Salaries	338,268		338,268	338,268	
Purchased Professional-Educational Services	4,500	(1,883)	2,617		2,617
Supplies and Materials	4,950	-	4,950	2,710	2,240
Total Speech, OT, PT & Related Services	347,718	(1,883)	345,835	340,978	4,857
Other Support Services - Extra Serv.					
Purchased Professional-Educational Services	34,780	-	34,780	33,561	1,219
Total Other Support Services - Extra Serv.	34,780	-	34,780	33,561	1,219
Guidance					
Salaries of Other Professional Staff	353,905	9,341	363,246	363,246	
Supplies and Materials	38,915	20,986	59,901	54,900	5,001
Total Guidance	392,820	30,327	423,147	418,146	5,001
Child Study Teams					
Salaries of Other Professional Staff	592,523	(133,189)	459,334	458,916	418
Salaries of Secretarial & Clerical Assist.	96,643	1,597	98,240	98,240	-
Purchased Professional -Educational Services	49,000	4,078	53,078	53,078	-
Supplies and Materials	6,750	(1,510)	5,240	4,948	292
Total Child Study Teams	744,916	(129,024)	615,892	615,182	710
Improvement of Instructional Service					
Salaries of Other Professional Staff	112,531		112,531	79,243	33,288
Other Purchased Services	10,000		10,000	7,170	2,830
Supplies and Materials	3,900	-	3,900	2,924	976
Total Improvement of Instructional Service	126,431	-	126,431	89,337	37,094

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries of Other Professional Staff	$ 367,999	$ 5,834	$ 373,833	$ 370,834	$ 2,999
Other Purchased Services	4,550		4,550	3,297	1,253
Supplies and Materials	97,329	(10,534)	86,795	78,434	8,361
Other Objects	68,000	2,600	70,600	69,199	1,401
Total Educational Media Services/School Library	537,878	(2,100)	535,778	521,764	14,014
Instructional Staff Training Services					
Supplies and Materials	1,659	-	1,659	339	1,320
Total Instructional Staff Training Services	1,659	-	1,659	339	1,320
Support Services - General Administration					
Salaries	316,746	1,100	317,846	317,780	66
Legal Services	68,000	(18,109)	49,891	48,874	1,017
Audit Fees	26,000	28,610	54,610	28,610	26,000
Other Purchased Professional Services	28,000	44,126	72,126	71,086	1,040
Purchased Technical Services	12,564		12,564	12,564	
Misc. Purchased Services	250	(177)	73		73
Communications/Telephone	43,400	29,500	39,325	36,858	2,467
BOE - Other Purchased Services	5,500	(1,975)	3,525	3,410	115
Supplies and Materials	15,200	(3,472)	11,728	9,859	1,869
Miscellaneous Expenditures	37,400	-	37,400	33,497	3,903
Total Support Services - General Administration	553,060	46,028	599,088	562,538	36,550
Support Services - School Administration					
Salaries of Principals/Asst. Principals	702,784	163,089	865,873	865,873	
Salaries of Secretarial and Clerical Assistants	503,008	900	503,908	503,790	118
Other Purchased Services	39,431	13,770	53,201	52,833	368
Supplies and Materials	17,900	(130)	17,770	17,226	544
Other Objects	25,800	539	26,339	26,335	4
Total Support Services - School Administration	1,288,923	178,168	1,467,091	1,466,057	1,034
Central Services					
Salaries	297,391	11,500	308,891	308,165	726
Miscellaneous Purchased Services	23,400	(7,815)	15,585	12,633	2,952
Supplies and Materials	13,275	(7,795)	5,480	3,441	2,039
Interest on Lease Purchase Agreements		772	772	722	50
Other Objects	4,250	-	4,250	2,211	2,039
Total Central Services	338,316	(3,338)	334,978	327,172	7,806
Admin. Info. Tech.					
Salaries	48,442	-	48,442	48,442	-
Total Admin. Info. Tech.	48,442	-	48,442	48,442	-
Required Maintenance for School Facilities					
Salaries	81,857	4,300	86,157	85,173	984
Cleaning, Repair and Maintenance Service	76,950	58,134	135,084	129,516	5,568
General Supplies	10,300	(2,914)	7,386	6,404	982
Total Required Maintenance for School Facilities	169,107	59,520	228,627	221,093	7,534

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	$ 884,954	$ 2,437	$ 887,391	$ 872,834	$ 14,557
Purchased Professional and Technical Services	7,150	26,027	33,177	12,167	21,010
Cleaning, Repair, and Maintenance Services	85,596	44,236	129,832	114,042	15,790
Rental of Land and Bldgs Other than Lease Pur. Agree.	144,721		144,721	144,721	
Other Purchased Property Services	7,875	96	7,971	7,971	
Insurance	101,698	(13,495)	88,203	88,200	3
Miscellaneous Purchased Services	7,520		7,520	7,091	429
General Supplies	65,975	7,140	73,115	71,122	1,993
Energy (Natural Gas)	269,431	(15,000)	254,431	221,574	32,857
Energy (Electricity)	300,000	(65,198)	234,802	223,762	11,040
Total Custodial Services	1,874,920	(13,757)	1,861,163	1,763,484	97,679
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	10,950	26,100	37,050	35,725	1,325
Total Care and Upkeep of Grounds	10,950	26,100	37,050	35,725	1,325
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	91,624	59,008	150,632	150,632	
Salaries for Pupil Transportation (Between Home and School) - Special Education	43,639	(39,236)	4,403	4,207	196
Salaries for Pupil Transportation (Oth. Than Between Home and School)	5,842	(3,852)	1,990		1,990
Health Benefits	20,963		20,963	20,963	
Other Employee Benefits	2,006		2,006	2,006	
Other Purchased Professional and Technical Services	4,600	(200)	4,400	4,000	400
Cleaning, Repair, and Maintenance Services	10,250	9,023	19,273	19,273	
Rental Payments - School Buses	1,200	2,595	3,795	3,795	
Lease Purchase Payments - School Buses	18,266		18,266	18,265	1
Contracted Services -Aid-in-Lieu Payments-Non-Public	59,849	(2,875)	56,974	54,003	2,971
Contracted Services (Between Home and School) - Vendors	419,394	(42,173)	377,221	340,609	36,612
Contracted Services (Other Than Between Home and School) - Vendors	9,000	4,050	13,050	12,682	368
Contracted Services (Special Education Students) - Vendors	322,266	23,830	346,096	346,096	
Miscellaneous Purchased Services - Transportation	15,000	(1,405)	13,595	13,595	
Supplies and Materials	3,750	1,805	5,555	4,650	905
Other Objects	2,800	200	3,000	2,993	7
Total Student Transportation Services	1,030,449	10,770	1,041,219	997,769	43,450
Employee Benefits - Unallocated					
Social Security Contributions	312,000	6,840	318,840	318,839	1
Other Retirement Contributions - Regular	230,000	(19,187)	210,813	210,804	9
Unemployment Compensation	25,000	64,600	89,600	89,569	31
Workmen's Compensation	150,281	13,875	164,156	163,427	729
Health Benefits	3,943,352	(88,586)	3,854,766	3,852,673	2,093
Tuition Reimbursement	70,000		70,000	70,000	-
Other Employee Benefits	96,400	3,136	99,536	99,535	1
Total Employee Benefits - Unallocated	4,827,033	(19,322)	4,807,711	4,804,847	2,864

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-Behalf TPAF Pension Contributions (Non-Budgeted)					
Normal Costs				$ 42,970	$ (42,970)
Post-Retirement Medical Contribution				807,037	(807,037)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	864,744	(864,744)
Total	-	-	-	1,714,751	(1,714,751)
Total Undistributed Expenditures	$ 13,859,226	$ 363,151	$ 14,222,377	15,670,366	(1,447,989)
Total Current Expenditures	24,987,238	247,724	25,234,962	26,519,900	(1,284,938)
CAPITAL OUTLAY					
Equipment					
Undistributed					
Instruction			-	7,692	(7,692)
Support Serv. - Inst. Staff	20,000		20,000		20,000
Central Services		3,360	3,360		3,360
Operation and Maintenance of Plant	-	21,707	21,707	14,937	6,770
Total Undistributed Expenditures	20,000	25,067	45,067	22,629	22,438
Total Equipment	20,000	25,067	45,067	22,629	22,438
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Svs.		21,875	21,875	21,875	
Construction Services	59,500	241,938	301,438	294,018	7,420
Total Facilities Acquis. and Const. Services	59,500	263,813	323,313	315,893	7,420
Total Capital Outlay	79,500	288,880	368,380	338,522	29,858
Total Expenditures - General Fund	25,066,738	536,604	25,603,342	26,858,422	(1,255,080)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,613)	(536,604)	(772,217)	(407,106)	365,111
Other Financing Sources and (Uses)					
Transfer In From Capital Projects				7,198	(7,198)
Transfer Out	(85,430)	-	(85,430)	(4,370)	(81,060)
Total Other Financing Sources and Uses	(85,430)	-	(85,430)	2,828	(88,258)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(321,043)	(536,604)	(857,647)	(404,278)	453,369
Fund Balances, Beginning of Year	1,701,821	-	1,701,821	1,701,821	-
Fund Balances, End of Year	$ 1,380,778	$ (536,604)	$ 844,174	$ 1,297,543	$ 453,369

(Continued)

OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Recapitulation					
Reserved:					
For Encumbrances				$ 144,152	
Capital Reserve				377,740	
Excess Surplus Designated for Subsequent Year's Expenditures				97,804	
Unreserved:					
Designated for Subsequent Year's Budget				174,065	
Undesignated				503,782	
				1,297,543	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Payments Not Recognized on GAAP Basis				(100,143)	
Extraordinary Aid Payment Not Recognized on GAAP Basis				(263,538)	
Fund Balances Per Governmental Funds (GAAP)				$ 933,862	

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
Local		$ 77,489	$ 77,489	$ 71,457	$ 6,032
State	$ 182,695	5,253	187,948	164,408	23,540
Federal	407,060	460,295	867,355	628,856	238,499
Total Revenues	589,755	543,037	1,132,792	864,721	268,071
EXPENDITURES					
Instruction					
Salaries of Teachers	22,252	91,970	114,222	50,375	63,847
Purchased Professional & Technical Services		12,500	12,500	1,375	11,125
Purchased Professional - Educational Svcs	192,018	(56,804)	135,214	122,664	12,550
Tuition	311,617	27,326	338,943	338,943	
Supplies and Materials		73,678	73,678	59,905	13,773
General Supplies	2,400	38,908	41,308	14,834	26,474
Textbooks	9,265	9,288	18,553	10,087	8,466
Other Objects	2,776	(1,814)	962	628	334
Total Instruction	540,328	195,052	735,380	598,811	136,569
Support Services					
Purchased Professional - Educational Svcs	42,280	5,944	48,224	45,700	2,524
Personal Services - Employee Benefits		22,000	22,000	14,773	7,227
Purchased Professional & Technical Services		80,265	80,265	45,094	35,171
Other Purchased Services	7,147	2,460	9,607	7,275	2,332
Supplies and Materials		347	347		347
General Supplies	-	18,392	18,392	-	18,392
Total Support Services	49,427	129,408	178,835	112,842	65,993
Facilities Acquisition and Construction					
Buildings		63,738	63,738	1,649	62,089
Instructional Equipment		152,366	152,366	148,946	3,420
Non-Instructional Equipment	-	2,473	2,473	2,473	-
Total Facilities Acquisition and Construction	-	218,577	218,577	153,068	65,509
Total Expenditures	589,755	543,037	1,132,792	864,721	268,071
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

OAKLAND BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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)	$ 26,451,316	(C-2)	$ 864,721
Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized - June 30, 2010				(40,463)
State Aid (2008/2009) recognized for GAAP purposes and not recognized for budgetary statements.		504,143		
State Aid (2009/2010) recognized for budgetary purposes and not recognized for GAAP statements		(363,681)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	$ 26,591,778	(B-2)	$ 824,258
Uses/Outflows of Resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 26,858,422	(C-2)	$ 864,721
Difference - Budget to GAAP:				
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes - June 30, 2010		-		(40,463)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	$ 26,858,422	(B-2)	$ 824,258

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, 2010

	Non-Public Auxiliary		Non-Public Handicapped					Total	
	Comp. Ed	ESL	Exam/ Classification	Corrective Speech	Suppl. Instruction	Non-Public Textbook	Non-Public Nursing	Exhibit E1A	Totals
REVENUES									
Intergovernmental									
Local								$ 71,457	$ 71,457
State	$ 60,415	$ 5,278	$ 31,657	$ 20,925	$ 16,437	$ 10,087	$ 19,609	-	164,408
Federal	-	-	-	-	-	-	-	628,856	628,856
Total Revenues	$ 60,415	$ 5,278	$ 31,657	$ 20,925	$ 16,437	$ 10,087	$ 19,609	$ 700,313	$ 864,721
EXPENDITURES									
Instruction									
Salaries of Teachers								$ 50,375	$ 50,375
Purchased Professional & Technical Services								1,375	1,375
Purchased Professional - Educational Svcs.	$ 60,415	$ 5,278		$ 20,925	$ 16,437		$ 19,609	-	122,664
Tuition								338,943	338,943
Supplies and Materials								59,905	59,905
General Supplies								14,834	14,834
Textbooks						$ 10,087			10,087
Other Objects	-	-	-	-	-	-	-	628	628
Total Instruction	60,415	5,278	-	20,925	16,437	10,087	19,609	466,060	598,811
Support Services									
Purchased Professional - Educational Svcs.			$ 31,657					14,043	45,700
Personal Services - Employee Benefits								14,773	14,773
Purchased Professional & Technical Services								45,094	45,094
Other Purchased Services	-	-	-	-	-	-	-	7,275	7,275
Total Support Services	-	-	31,657	-	-	-	-	81,185	112,842
Facilities Acquisition and Construction									
Buildings								1,649	1,649
Instructional Equipment								148,946	148,946
Non-Instructional Equipment	-	-	-	-	-	-	-	2,473	2,473
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	153,068	153,068
Total Expenditures	$ 60,415	$ 5,278	$ 31,657	$ 20,925	$ 16,437	$ 10,087	$ 19,609	$ 700,313	$ 864,721

EXHIBIT E-1A

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Local PTO	IDEA Part B Preschool	IDEA Part B Preschool ARRA	IDEA Part B Basic	IDEA Part B-Basic ARRA	NCLB TITLE II A	NCLB TITLE IID	NCLB TITLE III	NCLB TITLE IV	Total Exhibit E-1A
REVENUES										
Intergovernmental										
Local	$ 71,457									$ 71,457
State										-
Federal	-	$ 19,441	$ 9,831	$ 363,761	$ 212,214	$ 18,265	$ 213	$ 4,503	$ 628	628,856
Total Revenues	$ 71,457	$ 19,441	$ 9,831	$ 363,761	$ 212,214	$ 18,265	$ 213	$ 4,503	$ 628	$ 700,313
EXPENDITURES										
Instruction										
Salaries of Teachers					$ 46,153	$ 4,222				$ 50,375
Purchased Professional & Technical Services					1,375					1,375
Purchased Professional - Educational Svcs.										-
Tuition		$ 14,581		$ 324,362						338,943
Supplies and Materials			$ 4,863		55,042					59,905
General Supplies	$ 10,118						$ 213	$ 4,503		14,834
Other Objects	-	-	-	-	-	-	-	-	$ 628	628
Total Instruction	10,118	14,581	4,863	324,362	102,570	4,222	213	4,503	628	466,060
Support Services										
Purchased Professional - Educational Svcs.						14,043				14,043
Personal Services- Employee Benefits					14,773					14,773
Purchased Professional & Technical Services		4,860		32,124	8,110					45,094
Other Purchased Services	-	-	-	7,275	-	-	-	-	-	7,275
Total Support Services	-	4,860	-	39,399	22,883	14,043	-	-	-	81,185
Facilities Acquisition and Construction										
Buildings					1,649					1,649
Instructional Equipment	61,339		4,968		82,639					148,946
Non-Instructional Equipment	-	-	-	-	2,473	-	-	-	-	2,473
Total Facilities Acquisition and Construction	61,339	-	4,968	-	86,761	-	-	-	-	153,068
Total Expenditures	$ 71,457	$ 19,441	$ 9,831	$ 363,761	$ 212,214	$ 18,265	$ 213	$ 4,503	$ 628	$ 700,313

EXHIBIT E-2

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

CAPITAL PROJECTS FUND

OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issue/Project Title	Modified Appropriation	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Cancelled	Balance, June 30, 2010
Renovations of The Valley Middle School and The Manito School (A)	$ 2,733,135	$ 2,733,082			$ 53
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 Hills Elementary Schools (A)	1,152,986	1,134,149	$ (1,500) *		20,337
Valley Middle School Generator	85,794	14,239	71,555	-	-
Totals		$ 4,590,494	$ 70,055	$ 7,198	$ 20,390

Reconciliation to Fund Balance	
Project Appropriation Balance, June 30, 2010	$ 20,390
Less: Bonds Authorized but not Issued	1,121
Fund Balance, June 30, 2010 (Budgetary Basis)	$ 19,269

* Reimbursement of Prior Year Expenditure

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, 2010

Revenues and Other Financing Sources		
SDA Grant	$	34,144
Transfer from Capital Outlay		4,370
Refund of Prior Year Expenditures		1,500
Interest Earned		32
Total Revenues and Other Financing Sources		40,046
Expenditures and Other Financing Uses		
Construction Services		67,955
Purchased Professional and Technical Services		3,600
Transfer to General Fund		7,198
Transfer to Debt Service		32
Total Expenditures and Other Financing Uses		78,785
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses		(38,739)
Fund Balance, Beginning of Year		58,008
Fund Balance, Ending of Year	$	19,269

OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND PROJECT BALANCES
BUDGETARY BASIS
RENOVATIONS OF THE VALLEY MIDDLE SCHOOL AND THE MANITO SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Serial Bonds Issued	$ 2,733,000	-	$ 2,733,000	$ 2,733,000
Total Revenues	2,733,000	-	2,733,000	2,733,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	212,806		212,806	212,806
Construction Services	2,520,276		2,520,276	2,520,276
Total Expenditures	2,733,082	-	2,733,082	2,733,082
Excess (Deficiency) or Revenues over (under) Expenditures	$ (82)	$ -	$ (82)	$ (82)

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/18/2006
Bonds Authorized	$ 2,733,135
Bonds Issued	N/A
Original Authorized Cost	2,733,135
Additional (Reduced) Authorized Cost	53
Revised Authorized Cost	2,733,082
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original Target Completion Date	6/30/2007
Revised Target Completion Date	6/30/2008

OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND PROJECT BALANCES
BUDGETARY BASIS
ROOFING AND RELATED WORK AT VALLEY MIDDLE AND DOGWOOD HILLS SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Cancelled	Totals	Revised Authorized Cost
Revenues and Other Financing Sources					
State Sources - SCC Grants	$ 292,838			$ 292,838	$ 292,838
Transfer from Capital Outlay	423,384	-	$ (7,198)	416,186	416,186
Total Revenues	716,222	-	(7,198)	709,024	709,024
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	$ 76,456			76,456	76,456
Construction Services	632,568	-	-	632,568	632,568
Total Expenditures	709,024	-	-	709,024	709,024
Excess (Deficiency) or Revenues over (under) Expenditures	$ 7,198	$ -	$ (7,198)	$ -	$ -
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 (Reduced) Authorized Cost	(7,198)				
Revised Authorized Cost	709,024				
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 AND PROJECT BALANCES
BUDGETARY BASIS
FIRE ALARM REPLACEMENT AT VALLEY MIDDLE SCHOOL AND ELECTRICAL UPGRADES AT VALLEY MIDDLE SCHOOL, MANITO, HEIGHTS AND DOGWOOD HILLS ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
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	121,135		121,135	118,935
Construction Services	1,013,014	$ (1,500)	1,011,514	1,034,051
Total Expenditures	1,134,149	(1,500)	1,132,649	1,152,986
Excess (Deficiency) or Revenues over (under) Expenditures	$ 17,851	$ 1,500	$ 19,351	$ (986)

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	N/A
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

OAKLAND BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND PROJECT BALANCES
BUDGETARY BASIS
FIRE ALARM REPLACEMENT AT VALLEY MIDDLE SCHOOL AND ELECTRICAL UPGRADES
VALLEY MIDDLE SCHOOL GENERATOR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant		$ 34,144	$ 34,144	$ 34,144
Transfer from Capital Outlay	$ 47,280	4,370	51,650	51,650
Total Revenues	47,280	38,514	85,794	85,794
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	11,234	3,600	14,834	14,834
Construction Services	3,005	67,955	70,960	70,960
Total Expenditures	14,239	71,555	85,794	85,794
Excess (Deficiency) or Revenues over (under) Expenditures	$ 33,041	$ (33,041)	$ -	$ -

Additional Project Information:	
Project Number	3760-040-09-1003
Grant Date	2/26/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	142,383
Additional (Reduced) Authorized Cost	(56,589)
Revised Authorized Cost	85,794
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original Target Completion Date	12/31/2009
Revised Target Completion Date	12/31/2009

PROPRIETARY FUNDS

EXHIBIT G-1

OAKLAND BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

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, 2010

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

EXHIBIT H-1

OAKLAND BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY NET ASSETS
AS OF JUNE 30, 2010

	Student Activity	Payroll	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	$ 73,410	$ 173,212	$ 246,622
Total Assets	$ 73,410	$ 173,212	$ 246,622
LIABILITIES			
Payroll Deductions and Withholdings		$ 138,229	$ 138,229
Due to Student Groups	$ 73,410		73,410
Flex Spending Payable		34,979	34,979
Due to Other Funds	-	4	4
Total Liabilities	$ 73,410	$ 173,212	$ 246,622

EXHIBIT H-2

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

EXHIBIT H-3

OAKLAND BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
SCHOOLS				
Dogwood Hills	$ 3,196	$ 9,376	$ 8,783	$ 3,789
Heights	9,768	23,869	22,612	11,025
Manito	2,192	11,402	10,296	3,298
Valley Middle	24,440	165,379	174,850	14,969
General Organization, Account	37,534	58,602	55,807	40,329
Total All Schools	$ 77,130	$ 268,628	$ 272,348	$ 73,410

EXHIBIT H-4

PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipt	Cash Disbursements	Balance, June 30, 2010
Payroll Deductions and Withholdings	$ 119,896	$ 7,386,196	$ 7,367,863	$ 138,229
Accrued Salaries and Wages		9,894,539	9,894,539	
Flex Spending Payable	24,822	63,616	53,459	34,979
Due to Other Funds	-	2,434	2,430	4
Total	$ 144,718	$ 17,346,785	$ 17,318,291	$ 173,212

LONG-TERM DEBT

OAKLAND BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Purpose	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2009	Issued	Retired	Balance, June 30, 2010
School Improvements	8/1/2006	$ 2,733,000	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	4.50%				
			8/1/2021	238,000	4.50%	$ 2,458,000		$ 145,000	$ 2,313,000
School Improvements	8/15/2007	$ 1,152,000	2/1/2011-2012	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%	1,097,000	-	60,000	1,037,000
						$ 3,555,000	$ -	$ 205,000	$ 3,350,000

EXHIBIT I-2

OAKLAND BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Description	Interest Rate	Amount of Original Obligation	Balance, July 1, 2009	Issued	Retired	Adjustment	Balance, June 30, 2010
2003 Energy System Equipment/ Upgrades	3.95%	$ 793,016	$ 375,721		$ 89,251	$ 3,000	$ 289,470
2005 Telecommunications	3.95%	84,649	18,160		18,160		
2007 Door Locks	4.17%	133,290	79,886		25,549		54,337
2007 Lighting	4.17%	53,680	32,172		10,289		21,883
2008 Student Transportation	4.17%	84,302	50,525	-	16,159	-	34,366
			$ 556,464	$ -	$ 159,408	$ 3,000	$ 400,056

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	$ 180,577	-	$ 180,577	$ 180,577	-
State Sources					
State Aid	140,348	-	140,348	140,348	-
Total Revenues	320,925	-	320,925	320,925	-
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	205,000		205,000	205,000	
Interest	145,869	-	145,869	145,868	$ 1
Total Expenditures	350,869	-	350,869	350,868	1
Excess Revenues Over Expenditures	(29,944)	-	(29,944)	(29,943)	1
Other Financing Sources and (Uses)					
Transfer In	-	-	-	32	32
Total Other Financing Sources and Uses	-	-	-	32	32
Excess of Revenues Over Expenditures Financing Sources Over Expenditures	(29,944)	-	(29,944)	(29,911)	33
Fund Balance, Beginning of Year	29,944	-	29,944	31,730	1,786
Fund Balance, End of Year	$ -	$ -	$ -	$ 1,819	$ 1,819

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.

EXHIBIT J-1

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	$ 2,679,617	$ 3,290,956
Restricted	1,008	429,613	345,803	168,545	175,599	279,995	401,985	379,559
Unrestricted	(7,388)	(9,498)	850,019	884,503	571,564	799,023	478,277	137,134
Total Governmental Activities Net Assets	$ 852,804	$ 905,345	$ 1,668,226	$ 2,289,070	$ 2,840,711	$ 3,215,399	$ 3,559,879	$ 3,807,649
Business-Type Activities								
Invested in Capital Assets	$ 11,845	$ 9,871	$ 7,897	$ 21,922	$ 18,992	$ 26,757	$ 41,004	$ 36,728
Restricted								
Unrestricted	43,570	62,392	57,769	60,195	61,480	70,026	26,889	15,534
Total Business-Type Activities Net Assets	$ 55,415	$ 72,263	$ 65,666	$ 82,117	$ 80,472	$ 96,783	$ 67,893	$ 52,262
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	$ 2,720,621	$ 3,327,684
Restricted	1,008	429,613	345,803	168,545	175,599	279,995	401,985	379,559
Unrestricted	36,182	52,894	907,788	944,698	633,044	869,049	505,166	152,668
Total District Net Assets	$ 908,219	$ 977,608	$ 1,733,892	$ 2,371,187	$ 2,921,183	$ 3,312,182	$ 3,627,772	$ 3,859,911

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 eight 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 EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities								
Instruction								
Regular	$ 9,989,223	$ 10,734,755	$ 9,659,418	$ 10,865,582	$ 11,296,717	$ 12,007,085	$ 11,392,432	$ 11,434,244
Special Education	2,544,358	2,597,592	3,273,996	2,690,361	3,806,029	3,965,860	3,940,882	4,636,266
Other Instruction	723,282	853,670	898,665	1,213,989	1,178,446	1,080,196	1,143,596	1,053,860
School Sponsored Activities And Athletics	90,501	78,019	117,060	130,892	159,033	149,942	143,175	115,105
Support Services:								
Student & Instruction Related Services	1,974,212	2,243,546	2,639,055	2,957,276	3,263,208	3,376,824	3,405,387	3,347,440
School Administrative Services	1,386,031	1,571,575	919,213	1,604,154	1,737,937	1,819,559	1,814,113	2,029,477
General Administration	529,868	896,326	1,518,568	794,865	656,437	703,446	655,409	695,851
Central Services			408,734	406,150	485,907	516,275	505,830	529,887
Plant Operations And Maintenance	1,573,096	1,452,389	1,823,063	1,993,547	2,059,701	2,089,468	2,140,268	2,451,387
Pupil Transportation	678,744	795,614	822,181	835,122	936,539	975,503	996,221	1,063,089
Other Support Services	388,734	350,342						
Interest On Long-Term Debt	2,829	71,091	39,582	53,104	104,366	191,421	181,936	163,761
Total Governmental Activities Expenses	19,880,878	21,644,919	22,119,535	23,545,042	25,684,320	26,875,579	26,319,249	27,520,367
Business-Type Activities:								
Food Service	336,115	348,598	413,758	398,795	434,503	401,628	466,428	448,841
Total Business-Type Activities Expense	336,115	348,598	413,758	398,795	434,503	401,628	466,428	448,841
Total District Expenses	$ 20,216,993	$ 21,993,517	$ 22,533,293	$ 23,943,837	$ 26,118,823	$ 27,277,207	$ 26,785,677	$ 27,969,208
Program Revenues								
Governmental Activities:								
Charges For Services:								
Pupil Transportation	$ 35,169	$ 61,260	$ 64,074	$ 82,964	$ 84,313	$ 81,747	$ 81,241	$ 92,437
Operating Grants And Contributions	484,908	3,254,115	3,294,695	3,462,972	4,319,136	4,426,097	3,237,328	3,801,833
Capital Grants And Contributions	-	-	31,358	292,838	-	-	-	34,144
Total Governmental Activities Program Revenues	520,077	3,315,375	3,390,127	3,838,774	4,403,449	4,507,844	3,318,569	3,928,414
Business-Type Activities:								
Charges For Services								
Food Service	312,713	325,127	350,098	356,722	371,347	357,638	364,580	344,450
Operating Grants And Contributions	39,625	40,319	57,063	58,524	61,511	60,301	72,958	88,455
Total Business Type Activities Program Revenues	352,338	365,446	407,161	415,246	432,858	417,939	437,538	432,905
Total District Program Revenues	$ 872,415	$ 3,680,821	$ 3,797,288	$ 4,254,020	$ 4,836,307	$ 4,925,783	$ 3,756,107	$ 4,361,319
Net (Expense)/Revenue								
Governmental Activities	$ (19,360,801)	$ (18,329,544)	$ (18,729,408)	$ (19,706,268)	$ (21,280,871)	$ (22,367,735)	$ (23,000,680)	$ (23,591,953)
Business-Type Activities	16,223	16,848	(6,597)	16,451	(1,645)	16,311	(28,890)	(15,936)
Total District-Wide Net Expense	$ (19,344,578)	$ (18,312,696)	$ (18,736,005)	$ (19,689,817)	$ (21,282,516)	$ (22,351,424)	$ (23,029,570)	$ (23,607,889)
General Revenues and Other Changes In Net Assets								
Governmental Activities:								
Property Taxes	$ 16,630,028	$ 18,342,838	$ 19,405,798	$ 20,102,523	$ 21,459,443	$ 22,363,595	$ 23,142,022	$ 23,662,652
Unrestricted Grants And Contributions	2,202,760			127,438	128,213	157,656	44,325	
Investment Earnings	12,170							
State Aid Restricted for Debt Service						121,072	148,430	140,348
Miscellaneous Income	13,335	39,247	86,491	97,151	244,856	100,100	10,383	39,723
Federal & State Aid - Capital Outlay	61,399	-	-	-	-	-	-	-
Total Governmental Activities	18,919,692	18,382,085	19,492,289	20,327,112	21,832,512	22,742,423	23,345,160	23,842,723
Business-Type Activities:								
Investment Earnings	-	-	-	-	-	-	-	305
Total Business-Type Activities	-	-	-	-	-	-	-	305
Total District-Wide	$ 18,919,692	$ 18,382,085	$ 19,492,289	$ 20,327,112	$ 21,832,512	$ 22,742,423	$ 23,345,160	$ 23,843,028
Change in Net Assets								
Governmental Activities	$ (441,109)	$ 52,541	$ 762,881	$ 620,844	$ 551,641	$ 374,688	$ 344,480	$ 250,770
Business-Type Activities	16,223	16,848	(6,597)	16,451	(1,645)	16,311	(28,890)	(15,631)
Total District	$ (424,886)	$ 69,389	$ 756,284	$ 637,295	$ 549,996	$ 390,999	$ 315,590	$ 235,139

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 eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-3

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	$ 133,811	$ 598,102	$ 519,211	$ 1,203,128	$ 720,941	$ 915,303	$ 933,248	$ 619,696
Unreserved	381,667	558,515	908,660	256,768	425,658	430,287	264,430	314,166
Total General Fund	$ 515,478	$ 1,156,617	$ 1,427,871	$ 1,459,896	$ 1,146,599	$ 1,345,590	$ 1,197,678	$ 933,862
All Other Governmental Funds								
Reserved			$ 682,147	$ 2,270,854	$ 839,973	$ 62,456	$ 61,395	
Unreserved	$ (321)	-	(337,375)	(2,341,326)	(565,188)	188,139	28,343	$ 21,088
Total All Other Governmental Funds	$ (321)	$ -	$ 344,772	$ (70,472)	$ 274,785	$ 250,595	$ 89,738	$ 21,088

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 eight 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 EIGHT FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Tax Levy	$16,630,028	$ 18,342,838	$ 19,405,798	$20,102,523	$ 21,459,443	$ 22,363,595	$ 23,142,022	$ 23,662,652
Interest Earnings	12,170							
Miscellaneous	48,504	100,507	150,565	180,115	329,169	292,347	153,032	163,154
State Sources	2,446,972	2,918,487	2,967,422	3,507,491	4,039,686	4,178,049	2,959,530	3,316,475
Federal Sources	302,095	335,628	358,631	375,757	407,663	416,276	409,145	628,856
Total Revenue	19,439,769	21,697,460	22,882,416	24,165,886	26,235,961	27,250,267	26,663,729	27,771,137
Expenditures								
Instruction								
Regular Instruction	7,677,216	10,486,661	9,700,331	10,860,566	11,233,924	11,872,320	11,293,485	11,356,810
Special Education Instruction	1,864,582	2,552,857	3,283,996	2,689,188	3,791,480	3,936,494	3,914,772	4,631,449
Other Instruction	532,879	834,605	898,665	1,213,381	1,171,557	1,067,962	1,132,710	1,052,093
School Sponsored Activities and Athletics	72,845	77,043	117,060	130,809	158,278	148,534	141,442	114,909
Support Services:								
Student and Inst. Related Services	1,521,263	2,198,072	2,678,237	2,951,075	3,243,741	3,341,576	3,373,905	3,329,952
General Administration	443,198	653,677	919,213	790,443	653,954	1,798,279	650,780	695,061
School Administrative Services	1,083,727	1,534,512	1,514,977	1,603,338	1,728,040	698,081	1,795,779	2,017,179
Central Services	326,960	345,978	406,266	401,826	481,470	511,123	500,657	528,328
Plant Operations And Maintenance	1,384,790	1,437,853	1,697,890	1,979,321	2,045,506	2,076,220	2,126,359	2,285,592
Pupil Transportation	658,737	794,185	804,286	833,587	934,835	973,729	994,203	1,041,432
Employee Benefits	3,859,766							
Capital Outlay	1,059,529	131,948	191,295	872,738	3,339,836	1,528,318	489,988	518,063
Bond Issuance Costs						32,967		
Debt Service:								
Principal		97,448	99,209	241,730	123,695	320,591	353,714	364,408
Interest and Other Charges	-	43,109	39,614	40,082	30,685	192,544	204,704	168,327
Total Expenditures	20,485,492	21,187,948	22,351,039	24,608,084	28,937,001	28,498,738	26,972,498	28,103,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,045,723)	509,512	531,377	(442,198)	(2,701,040)	(1,248,471)	(308,769)	(332,466)
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	49,066	11,600
Transfers Out	-	-	(424,958)	(67,303)	(64,131)	(29,944)	(49,066)	(11,600)
Total Other Financing Sources (Uses)	880,016	131,948	84,649	58,979	2,733,000	1,423,272	-	-
Net Change in Fund Balances	$ (165,707)	$ 641,460	$ 616,026	$ (383,219)	$ 31,960	$ 174,801	$ (308,769)	$ (332,466)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.67%	0.63%	1.19%	0.60%	1.90%	2.11%	1.93%

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 eight 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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tuition	$ 14,632	$ 10,999								
Transportation Fees		35,167	$ 35,169	$ 61,260	$ 64,074	$ 82,964	$ 84,313	$ 81,747	$ 81,241	$ 92,437
Interest Earnings	80,186	32,719	12,167	17,214	52,191	76,627	93,747	55,583	8,597	
Interest Capital Reserve		5	3	7	16	3,471	7,053			2,094
Prior Years Refunds	6,145				13,385					23,439
Rentals	3,000	2,700	3,000	3,000	3,000	3,001	3,000	3,000		4,000
Miscellaneous	6,989	994	10,335	19,026	17,899	8,279		11,573		10,158
Contributions/Donations	-	-	-	-	-	-	76,925	-	-	-
	$ 110,952	$ 82,584	$ 60,674	$ 100,507	$ 150,565	$ 174,342	$ 265,038	$ 151,903	$ 89,838	$ 132,128

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]
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	102,739,300	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
2009	42,396,400	2,141,264,100	3,305,200	65,800	176,488,900	173,344,700		2,536,865,100	5,707,334	2,542,572,434	2,775,734,176	0.921
2010	42,187,500	2,142,909,700	2,982,300	22,700	182,765,500	174,344,700		2,545,212,400	5,049,895	2,550,262,295	2,678,697,472	0.946

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)

Assessment Year	Oakland School District	Borough of Oakland	Regional H.S. District	Bergen County	Total
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
2009	0.921	0.531	0.390	0.210	2.052
2010	0.946	0.537	0.398	0.217	2.098

*- 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	2010 Taxable Assessed Value	2010 % of Total District Net Assessed Value	2001 Taxable Assessed Value	2001 % 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 Real Estate Co, LLC	10,750,800	0.42%		
5 Thornton Road Associates, LLC	10,203,700	0.40%		
The Realty Associates Fund	9,900,000	0.39%		
Lincoln Realty Associates, LLC	7,949,800	0.31%		
Public Service & Electric	7,611,800	0.30%		
Bi-County Development Corp.	7,213,400	0.28%		
Bergen Holdings, LLC			$ 15,305,100	1.33%
Washington Square Owner, LLC			10,703,600	0.93%
Oakland Care Ctr Real Estate Co, LLC			10,075,800	0.88%
Shiseido America, Inc			9,879,800	0.86%
Jayare Associates, LLC			8,700,000	0.76%
Baker Residential			8,033,200	0.70%
Dewey Electronics Corporation			5,952,700	0.52%
Berrie, N.M. & R.			5,828,500	0.51%
Public Service & Electric			5,454,600	0.47%
Oakland Industrial Park, Inc.			4,207,000	0.37%
	$ 110,221,200	4.32%	84,140,300	7.31%

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	
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%	-
2009	23,142,022	23,142,022	100.00%	-
2010	23,662,652	23,662,652	100.00%	-

Source: District's Financial Records

EXHIBIT J-10

OAKLAND BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX 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	13,459	$ 70
2006		753,192	$ 2,733,000	3,486,192	13,331	262
2007	$ 2,733,000	629,497		3,362,497	13,315	252
2008	3,750,000	715,178		4,465,178	13,312	335
2009	3,555,000	556,464		4,111,464	13,312	309
2010	3,350,000	400,056		3,750,056	13,293	282

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 six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2005	-				
2006	-				
2007	$ 2,733,000		$ 2,733,000	0.11%	$ 205
2008	3,750,000		3,750,000	0.10%	282
2009	3,555,000		3,555,000	0.14%	267
2010	3,350,000		3,350,000	0.13%	252

Source: District Financial Records and the 2010 Apportionment of Taxes

Note:
GASB requires that ten years of statistical data be presented, only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present. In 2007 the district sold general obligation bonds.

OAKLAND BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

	Total Debt
Municipal Debt: (1)	
Borough of Oakland	$ 15,293,117
Borough of Oakland School District	3,411,121
Ramapo Valley Regional High School	5,581,930
	24,286,168
Overlapping debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	10,090,117
Total Direct and Overlapping Debt	$ 34,376,285

(A) The debt for this entity was apportioned to the Borough of Oakland by dividing the Municipality's 2009 equalized value by the total 2009 equalized value for Bergen County.

Sources:
(1) Borough of Oakland 2009 Annual Debt Statement
(2) Bergen County 2009 Annual Debt Statement

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	$ 40,972,536	$ 45,693,970	$ 50,755,236	$ 50,755,236	$56,172,479	$ 63,161,366	$70,397,150	$ 76,208,945	$79,978,732	$ 80,650,042
Total Net Debt Applicable to Limit	-	-	-	-	-	2,733,135	3,886,121	3,751,121	3,556,121	3,351,121
Legal Debt Margin	$ 40,972,536	$ 45,693,970	$ 50,755,236	$ 50,755,236	$56,172,479	$ 60,428,231	$66,511,029	$ 72,457,824	$76,422,611	$ 77,298,921
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	4.33%	5.52%	4.92%	4.45%	4.16%

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	
2009	$2,658,563,901
2008	2,757,688,119
2007	2,648,752,179
	$8,065,004,199
Average Equalized Valuation of Taxable Property	$2,688,334,733
Debt Limit (3 % of average equalization value)	80,650,042
Total Net Debt Applicable to Limit	3,351,121
Legal Debt Margin	$ 77,298,921

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

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

Year Ended December 31,	Unemployment Rate	Per Capita Income (1)	School District Population (2)
2000	2.10%	$ 51,249	12,558
2001	2.50%	52,189	12,897
2002	3.40%	51,620	13,205
2003	3.30%	50,820	13,510
2004	2.70%	54,288	13,548
2005	2.60%	56,877	13,459
2006	2.80%	62,007	13,331
2007	2.50%	67,125	13,315
2008	3.30%	67,696	13,312
2009	5.96%	N/A	13,293

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.

EXHIBIT J-15

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

	2010		2001	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	121.0	121.6	122.6	122.6	122.6	124.6	124.6	124.6	126.6	114.8
Special Education	42.0	42.0	43.5	44.5	46.0	47.0	47.0	47.0	47.0	50.5
Support Services:										
Student and Instruction Related Services	19.2	19.2	20.2	20.2	21.2	21.2	21.2	21.2	21.2	35.5
General Administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
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	1.0	1.0	1.0	1.0	1.0
Plant Operations And Maintenance	19.3	19.3	19.3	20.3	20.3	20.3	20.3	20.3	20.3	20.6
Pupil Transportation	2.6	2.6	3.6	3.6	3.6	3.6	3.6	4.0	4.0	5.0
Total	227.1	227.7	232.2	234.2	236.7	240.7	240.7	241.1	243.1	249.4

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 Elementary	Pupil/Teacher Ratio Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2009	1,672	25,924,092	15,505	-3.30%	154	11.5:1	10.1:1	1,679	1,608	1.88%	95.77%
2010	1,697	27,052,805	15,942	2.82%	152	11.9:1	9.9:1	1,699	1,633	1.19%	96.12%

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.

EXHIBIT J-18

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	310	301	311	314	291	305	305	305	320	319
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	338	353	359	395	433	422	422	422	435	459
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	403	393	415	430	413	400	400	400	367	347
Middle School										
Valley	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557
Square Feet	648	648	648	648	648	648	648	648	648	648
Capacity (students)	532	560	546	562	559	594	594	594	570	573
Enrollment										
Number of Schools at June 30, 2010										
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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 TEN FISCAL YEARS ENDED JUNE 30,
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
School Facilities										
Dogwood Hill School	$ 20,641	$ 33,937	$ 31,275	$ 22,466	$ 34,090	$ 38,277	$ 43,117	$ 40,567	$ 54,274	$ 27,398
Heights School	30,011	49,347	45,876	32,950	43,007	48,289	54,395	52,266	69,925	39,067
Manito School	22,301	36,668	41,309	29,955	34,528	38,768	43,670	41,438	55,439	30,295
Valley Middle School	45,668	75,090	84,604	63,953	71,259	80,010	90,127	90,102	120,544	124,333
Grand Total	$ 118,621	$ 195,042	$ 203,064	$ 149,324	$ 182,884	$ 205,344	$ 231,309	$ 224,373	$ 300,182	$ 221,093

Source: School District's Financial Statements

OAKLAND BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2010
(Unaudited)

	Coverage	Deductible
School Package Policy - Utica Mutual Insurance Co.		
Property - Blanket Building & Contents	$ 45,406,115	$ 1,000
Comprehensive General Liability	1,000,000	1,000
Comprehensive Automobile Liability	1,000,000	
School District/ Educators Legal Liability	1,000,000	7,500
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	10,000
Cap Excess Umbrella - Fireman's Fund	50,000,000	
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	Included	
Student Accident Policy - Bollinger	5,000,000	

Source: District Records

Source: School District's records

SINGLE AUDIT SECTION

EXHIBIT K-1

LERCH, VINCI & HIGGINS, LLP

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RALPH M. PICONE, CPA, RMA, PSA

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, 2010, which collectively comprise the Oakland Board of Education's basic financial statements and have issued our report thereon dated November 24, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Oakland Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

However, we noted certain matters that we have reported to management of the Oakland Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 24, 2010.

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 federal and 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 CS01118

Fair Lawn, New Jersey
November 24, 2010

LERCH, VINCI & HIGGINS, LLP

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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 Oakland Board of Education's compliance 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 OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Oakland Board of Education's major federal and state programs for the fiscal year ended June 30, 2010. Oakland Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and 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 federal or 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

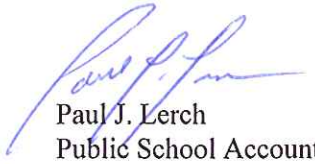
Management of Oakland Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Oakland Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and 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 CS01118

Fair Lawn, New Jersey
November 24, 2010

OAKLAND BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Year's Balances	Balance, June 30, 2010 (Account Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor
U.S. Department of Education Passed-through State Department of Education												
Non-Cash Assistance- Food Distribution Program	10.550	7/1/08-6/30/09	$ 18,153	$ 724			$ 724					
Non-Cash Assistance- Food Distribution Program	10.550	7/1/09-6/30/10	30,145			$ 30,145	29,590				$ 555	
National School Lunch Program	10.555	7/1/08-6/30/09	48,291	(4,486)		4,486						
National School Lunch Program	10.555	7/1/09-6/30/10	52,288	-	-	47,124	52,289	-	-	$ (5,165)	-	-
Total U.S. Department of Agriculture				(3,762)	-	81,755	82,603	-	-	(5,165)	555	-
U.S. Department of Education Passed-through State Department of Education												
NCLB Title II A	84.367A	9/1/09-8/31/10	26,639		$ 3,331	8,322	18,265			(6,612)		
NCLB Title II A	84.367A	9/1/08-8/31/09	26,810	(22,945)	(3,331)	26,276						
NCLB Title D	84.318X	9/1/09-8/31/10	341				213			(213)		
NCLB Title D	84.318X	9/1/08-8/31/09	195	(181)		181						
NCLB Title III	84.365A	9/1/09-8/31/10	23,338				4,503			(4,503)		
NCLB Title III, Carryover	84.365A	9/1/07-8/31/08	14,492	9,231								$ 9,231
NCLB Title IV	84.184	9/1/09-8/31/10	962		548		628			(80)		
NCLB Title IV	84.184	9/1/08-8/31/09	2,993	(2,228)	(548)	2,776						
NCLB, Title V, Carryover	84.298A	9/1/07-8/31/08	2,304	347								347
IDEA Part B	84.027	9/1/09-8/31/10	363,761			279,559	363,761			(84,202)		
IDEA Part B	84.027	9/1/08-8/31/09	357,333	(42,973)		43,289						316
IDEA Part B ARRA	84.391	9/1/09-8/31/10	404,031			188,992	212,214			(23,222)		
IDEA Preschool ARRA	84.392	9/1/09-8/31/10	14,619			9,837	9,831				6	
IDEA Preschool	84.173	9/1/09-8/31/10	19,441		208	19,441	19,441				208	
IDEA Preschool	84.173	9/1/08-8/31/09	19,354	208	(208)	-	-	-	-	-	-	-
Total U.S. Department of Education				(58,541)	-	578,673	628,856	-	-	(118,832)	214	9,894
Total				$ (62,303)	$ -	$ 660,428	$ 711,459	$ -	$ -	$ (123,997)	$ 769	$ 9,894

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

OAKLAND BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009 (Accounts Receivable)	Balance, July 1, 2009 Deferred Revenue	Balance, July 1, 2009 Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Balance, June 30, 2010 (Accounts Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Memo Only GAAP Receivable	Memo Only Cumulative Total Expenditures
State Department of Education														
General Fund														
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	$ 609,251				$ 537,317	$ 609,251		$ (71,934)				$ 609,251
Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	735,920	$ (63,347)			63,347							
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	81,008				71,443	$ 81,008		(9,565)				81,008
Security Aid	09-495-034-5120-084	7/1/08-6/30/09	40,600	(3,334)			3,334							
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	157,908				139,264	157,908		(18,644)				157,908
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	194,408	(16,670)			16,670							
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	263,538					263,538		(263,538)				263,538
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	420,792	(420,792)			420,792							-
Non-Public Transportation Aid	Not Available	7/1/09-6/30/10	10,657					10,657		(10,657)			$ (10,657)	10,657
Non-Public Transportation Aid	Not Available	7/1/08-6/30/09	15,143	(15,143)			15,143							
On-Behalf TPAF Pension and Annuity Aid-														
Non Contributory Insurance	10-495-034-5095-007	7/1/09-6/30/10	42,970				42,970	42,970						42,970
Post Retirement Medical Contributions	10-495-034-5095-001	7/1/09-6/30/10	807,037				807,037	807,037						807,037
On-Behalf TPAF Social Security Aid	09-100-034-5095-002	7/1/08-6/30/09	834,740	(42,766)			42,766							-
On-Behalf TPAF Social Security Aid	10-495-034-5095-002	7/1/09-6/30/10	864,744	-	-	-	820,371	864,744	-	(44,373)	-	-	(44,373)	864,744
Total General Fund				(562,052)	-	-	2,980,454	2,837,113	-	(418,711)	-	-	(55,030)	2,837,113
Special Revenue Fund														
New Jersey Non Public Aid:														
Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	9,265			$ 166			$ 166					-
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	18,553				18,553	10,087				$ 8,466		10,087
Technology Aid	09-100-034-5120-373	7/1/08-6/30/09	6,480			1,974			1,974			-		-
Nursing	10-100-034-5120-070	7/1/09-6/30/10	19,609				19,609	19,609				-		19,609
Auxiliary Services:												-		
ESL	09-100-034-5120-067	7/1/08-6/30/09	3,654			2,436			2,436			-		-
ESL	10-100-034-5120-067	7/1/09-6/30/10	8,514				8,514	5,278				3,236		5,278
Compensatory Education	09-100-034-5120-067	7/1/08-6/30/09	64,000			5,078			5,078			-		-
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	60,557				60,557	60,415				142		60,415
Handicapped Services:												-		
Exam and Class	09-100-034-5120-066	7/1/08-6/30/09	37,722			1,140			1,140			-		-
Exam and Class	10-100-034-5120-066	7/1/09-6/30/10	34,181				34,181	31,657				2,524		31,657
Corrective Speech	09-100-034-5120-066	7/1/08-6/30/09	26,133			4,649			4,649			-		-
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	27,260				27,260	20,925				6,335		20,925
Home Instruction	09-100-034-5120-066	7/1/08-6/30/09	1,892	(1,892)			1,892						-	-
Supplemental Instruction	09-100-034-5120-066	7/1/08-6/30/09	24,119			7,929			7,929			-		-
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	19,274	-	-	-	19,274	16,437	-	-	-	2,837	-	16,437
Total Special Revenue Fund				(1,892)	-	23,372	189,840	164,408	23,372	-	-	23,540	-	164,408
State of New Jersey Economic Development Authority														
Valley Middle School Generator	3760-080-09-1003	7/1/09-6/30/10	34,144	-	-	-	-	34,144	-	(34,144)	-	-	(34,144)	34,144
Total Capital Projects Fund				-	-	-	-	34,144	-	(34,144)	-	-	(34,144)	34,144
State Department of Education														
Debt Service Aid Type II	10-495-034-5120-017	7/1/09-6/30/10	140,348	-	-	-	140,348	140,348	-	-	-	-	-	140,348
Total Debt Service Fund				-	-	-	140,348	140,348	-	-	-	-	-	140,348
State Department of Agriculture														
National School Lunch Program	09-100-010-3350-023	7/01/08-6/30/09	5,675	(527)			527							-
National School Lunch Program	10-100-010-3360-023	7/01/09-6/30/10	5,852	-	-	-	5,281	5,852	-	(571)	-	-	(571)	5,852
Total Enterprise Fund				(527)	-	-	5,808	5,852	-	(571)	-	-	(571)	5,852
Grand Total				$ (564,471)	$ -	$ 23,372	$ 3,316,450	$ 3,181,865	$ 23,372	$ (453,426)	$ -	$ 23,540	$ (89,745)	$ 3,181,865
Less On-Behalf TPAF Pension and Annuity Aid														
Non Contributory Insurance	10-495-034-5095-007	7/01/09-6/30/10					42,970	42,970						
Post Retirement Medical Contributions	10-495-034-5095-001	7/01/09-6/30/10					807,037	807,037						
							850,007	850,007						
Total for State Financial Assistance Determination							$ 2,466,443	$ 2,331,858						

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, 2010

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 delayed 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 delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments 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 an increase of $140,462 for the general fund and a decrease of $40,463 for the special revenue 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 as follows:

	Federal	State	Total
General Fund		$ 2,977,575	$ 2,977,575
Special Revenue Fund	$ 628,856	164,408	793,264
Capital Projects Fund		34,144	34,144
Debt Service Fund		140,348	140,348
Food Service Fund	82,603	5,852	88,455
Total Financial Assistance	$ 711,459	$ 3,322,327	$ 4,033,786

OAKLAND BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of $864,744 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, 2010. The amount reported as TPAF Pension System Contributions NCGI in the amount of $42,970 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $807,037 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2010.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments 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, 2010

Part I – Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified?	____ yes	X no
2) Significant deficiencies identified not considered to be material weaknesses?	____ yes	X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? ____ yes X no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEIA Basic
84.173	IDEIA Preschool
84.392	IDEIA Preschool ARRA
84.391	IDEIA Basic ARRA

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

Auditee qualified as low-risk auditee? ____ yes X no

OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

State Awards Section

Dollar threshold used to determine Type A programs:	$ 300,000
Auditee qualified as low-risk auditee?	X yes ____ no
Type of auditors' report on compliance for major programs:	Unqualified
Internal Control over compliance:	
1) Material weakness(es) identified?	____ yes X no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	____ yes X none reported

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5095-002	TPAF Social Security

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? ____ yes X no

OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

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

There are none.

OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 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, 2010

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2009-01

Our audit of salaries (test of transactions) revealed that the salary of the special services director was allocated to the child study functions and should have been allocated to school administration functions. The expenditure and the related appropriation were reclassified to "school administration" for financial statement presentation purposes.

Current Status

Corrective action has been taken

Finding 2009-02

Our audit of travel reimbursement revealed that the district did not account for travel separately utilizing object code "580" - travel.

Current Status

Corrective action has been taken

Finding 2009-03

Our audit of salaries (test of transactions) revealed that the salary of the special services director was allocated to the child study functions and should have been allocated to school administration functions. The expenditure and the related appropriation were reclassified to "school administration" for financial statement presentation purposes.

Current Status

Corrective action has been taken