

SCHOOL DISTRICT
OF
OXFORD TOWNSHIP

Oxford Township School District
Board of Education
Oxford, Warren County
New Jersey

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

Comprehensive Annual

Financial Report

of the

Oxford Township School District

Board of Education

Oxford, New Jersey

For the Fiscal Year Ending June 30, 2015

Prepared by

Oxford Township School District

Board of Education

Finance Department

OUTLINE OF CAFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	8-10
Required Supplementary Information – Part I Management's Discussion and Analysis	13-20
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	27
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33
Notes to the Financial Statements	35-63
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	66-73
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	74
Notes to Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	75

OUTLINE OF CAFR

Required Supplementary Information – Part II - (Continued)		<u>Page</u>
C.	Pension Schedules-Required Supplementary Information:	
C-4	Schedule of the District's Proportionate Share of the Net Pension Liability	76
C-5	Schedule of District Contributions	77
C-6	Notes to Required Supplementary Information-Pensions	78
Other Supplementary Information		
D.	School Level Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	81
E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	83
F-2	Summary Schedule of Revenues and Expenditures	84
F-2a	Summary Schedule of Revenues and Expenditures-Central School	85
G.	Proprietary Funds	
Enterprise Fund:		
G-1	Combining Statement of Net Position	See B-4
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3	Combining Statement of Cash Flows	See B-6
Internal Service Fund:		
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A

OUTLINE OF CAFR

STATISTICAL SECTION (Unaudited)

	<u>Page</u>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	88
H-2 Combining Statement of Changes in Fiduciary Net Position	89
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	90
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	91
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	93
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule Debt Service Fund	94
Introduction to the Statistical Section	95
Financial Trends	
J-1 Net Position by Component	96
J-2 Changes in Net Position	97-98
J-3 Fund Balances - Governmental Funds	99
J-4 Changes in Fund Balances - Governmental Funds	100
J-5 General Fund Other Local Revenue by Source	101
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	102
J-7 Direct and Overlapping Property Tax Rates	103
J-8 Principal Property Taxpayers	104
J-9 Property Tax Levies and Collections	105
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	106
J-11 Ratios of General Bonded Debt Outstanding	107
J-12 Direct and Overlapping Governmental Activities Debt	108
J-13 Legal Debt Margin Information	109
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	110
J-15 Principal Employers	111
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	112
J-17 Operating Statistics	113
J-18 School Building Information	114
J-19 Schedule of Required Maintenance Expenditures by School Facility	115
J-20 Insurance Schedule	116

OUTLINE OF CAFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	118-119
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's Circulars 04-04 and 15-08	120-121
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	122
K-5	Notes to the Schedules of Awards and Financial Assistance	123-124
K-6	Schedule of Findings and Questioned Costs	125-127
K-7	Summary Schedule of Prior Audit Findings	128

Introductory Section

OXFORD TOWNSHIP SCHOOL DISTRICT
17 KENT STREET
OXFORD, NEW JERSEY 07863
Tel: (908) 453-4101
Fax: (908) 453-3673

Robert J. Magnuson
Chief School Administrator

Nancy A. DeRiso, CPA
Business Administrator/Board Secretary

November, 2015

Honorable President and Members of the Board of Education
Oxford Township School District
17 Kent Street
Oxford, New Jersey 07863

Dear Board Members:

The comprehensive annual financial report of the Oxford School District for the fiscal year ended June 30, 2015, 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 Oxford Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Oxford Township School District. All disclosures necessary to enable the reader to gain an understanding of the district's 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Action of 1996 and the U.S. 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.

I. REPORTING ENTITY AND ITS SERVICES: Oxford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Oxford Township Board of Education and the Oxford Central School constitute the district’s reporting entity.

The district provides a full range of educational service appropriate to grade levels Pre-K through 8. These include regular as well as special education for students with special needs. Students in grades 9-12 are enrolled at Warren Hills Regional High School or the Warren County Technical School on a tuition basis. The district *completed* the 2014-2015 school year with the following enrollment:

Placement	Enrollment
Oxford Central School	307
Warren Hills Regional High School	97
Warren County Technical School	12
Out of District	4
Ridge & Valley Charter School	0
Other School Choice District	1
Non-Public Schools	9
At Home Instruction	2
Total District	432

The historic Average Daily Enrollment at the *Oxford Central School* is as follows:

Fiscal Year	Student Enrollment	% Change Inc/(Dec)
2003 – 2004	315.0	(6.25%)
2004 – 2005	318.0	0.95%
2005 – 2006	319.7	0.53%
2006 – 2007	307.3	(4.00%)
2007 – 2008	299.0	(2.70%)
2008 - 2009	287.5	(4.00%)
2009 – 2010	288.0	0.99%
2010 – 2011	275.0	(5.0%)
2011 – 2012	286.0	4.00%
2012 – 2013	305.4	6.78%
2013 - 2014	313.0	2.49%
2014 - 2015	308.1	(1.56%)

II. ECONOMIC CONDITION AND OUTLOOK: According to the 2010 census figures, Oxford Township has experienced a moderate increase in total population to approximately 2,514 residents. As of the census of 2000; median household income is reported at \$53,359.00 and median income for a family was \$63,750.00. Job opportunities for residents of the township primarily exist outside the community. Oxford’s six square mile size does not encourage industrial development. At the present

time there remains a proposal for the redevelopment of the defunct Oxford Textile Mill property that may result in an increase to the school population.

III. MAJOR INITIATIVES: The Oxford Township School District is a small, rural district whose educational goals are to offer each child the opportunity to achieve his/her greatest potential. The district communicates high expectations, reviews and incorporates appropriate school reform strategies (i.e. cooperative education, use of standards developed for each academic discipline and thematic instruction). Technology plays an ever-increasing role in student instruction as well. It is the intent of the district to offer all students an appropriate educational experience within the regular school program. Students enter high school with the necessary skills to be successful and to plan for post high school opportunities in our global society. The Oxford Township School District completed a major school renovation and construction project in 2003 which has enabled it to provide expanded educational opportunities for its students. The District completed a major roof replacement and interior renovation project that received voter approval in December 2008.

IV. 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 is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognized 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 judgment by management.

As a recipient of federal and state financial assistance, the district is also 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 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

VI. 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 and account groups are explained in “Notes to the Financial Statements”, Note 1.

VII. FINANCIAL INFORMATION AT FISCAL YEAR-END: 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 financial management. The following schedule presents a summary of the general fund, special revenue fund for the fiscal year ended June 30, 2015, and the amount and percentage of increases or decreases in relation to prior year revenues.

Revenue Source	Amount	% of Total	Inc/(Dec)	% of Inc/(Dec)
Local	\$4,020,764	55.19%	\$203,913	5.34%
State of N.J.	\$3,139,301	43.09%	43,511	1.41%
Federal	\$124,852	1.71%	4,583	3.81%
TOTAL	\$7,284,917	100.00%	\$252,007	3.58%

The **increase** in Local Sources is attributed to an increase in the town tax levy required to partially offset the decreased state funding.

The **increase** in State Sources is attributed to an increase in on behalf TPAF state funding.

The **increase** in Federal Sources is due to a slight increase in grant funding.

The following schedule presents a summary of general fund special revenue fund expenditures for the fiscal year ended June 30, 2015 and the increase/decrease in relation to prior year amounts.

Expenditures	Amount	% of Total	Incr/(Decr)	% of Inc/(Decr)
<i>Current:</i>				
Instruction	\$2,755,102	38.08%	\$1,527	0.06%
Undistributed	\$3,833,211	52.98%	\$427,370	12.55%
Subtotal Current	\$6,588,313	91.05%	\$428,897	6.96%
<i>Capital Outlay</i>	\$67,635	0.93%	\$9,428	16.20%
<i>Capital Projects</i>	-	0.00%	-	0.00%
<i>Special Revenue</i>	\$124,852	1.73%	\$4,583	3.81%
<i>Debt Service</i>	\$454,873	6.29%	\$1,357	0.03%
Grand Total	\$7,235,673	100.00%	\$444,265	6.54%

The **increase** in current expense undistributed is attributed to a favorable tuition adjustment with Warren Hills Regional High School in the prior year, and an increased number of students sent to Warren Hills Regional High School in the current year.

VIII. DEBT ADMINISTRATION: The district’s primary long-term debt was refunded in December 2006, saving the district over \$200,000 in interest over the life of the loan. This debt service is recorded as a Special Payable in the amount of \$4,020,000 as detailed in “Notes to the Financial Statements”, Note 7. Additionally the 2008 referendum project was bonded June 1, 2011 in the amount of \$895,000, with a current balance of \$560,000.

IX. CASH MANAGEMENT: The investment policy of the district is guided in large part by the state statute as detailed in “Notes to the Financial Statements”, Note 2. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

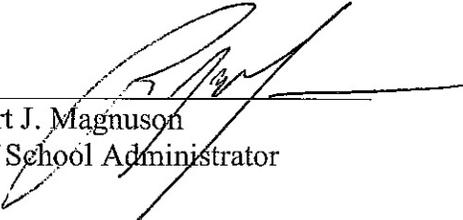
X. RISK MANAGEMENT: The Oxford Township Board of Education carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

XI. OTHER INFORMATION: State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Co., LLP (Accountants and Auditors) was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB circular A-133 and State treasury Circular Letter OMB 04-04 and 15-08.

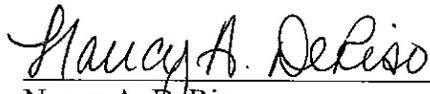
The auditor's report relating specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



Robert J. Magnuson
Chief School Administrator



Nancy A. DeRiso
School Business Administrator

**OXFORD TOWNSHIP SCHOOL DISTRICT
ORGANIZATIONAL CHART
(UNIT CONTROL)**

BOARD OF EDUCATION

CHIEF SCHOOL ADMINISTRATOR

**OFFICE OF THE
BUSINESS
ADMINISTRATOR/
BOARD SECRETARY**

**OFFICE OF THE
VICE PRINCIPAL /
DIRECTOR OF
SPECIAL SERVICES**

**FACULTY, STAFF
AND
CONSULTANTS**

STUDENTS

OXFORD TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Gerald Norton, <i>President</i>	2015
Suzanne Taranto, <i>Vice-President</i>	2016
Jonathan Bee	2017
Linda Koufodontes	2017
Anthony Lewis-Lahey	2016
Kristine McGrath	2015
Carrieann Arnold	2015

Other Officials

Robert Magnuson, *Chief School Administrator*

Milissa Dachisen, *Director of Special Services*

Nancy DeRiso, *Board Secretary/Business Administrator/Treasurer*

Michael Selvaggi, Esquire, *Solicitor*

OXFORD TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ardito & Co., LLP
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

ATTORNEY

Michael Selvaggi, Esquire
Lavery, Selvaggi, Abromitis & Cohen, P.C.
1500 Route 517, Suite 300
Hackettstown, New Jersey 07840

BOND COUNSEL

Steven L. Rogut, Esquire
Rogut McCarthy, LLC
37 Alden Street
Cranford, New Jersey 07016

OFFICIAL DEPOSITORIES

Fulton Bank of New Jersey
Route 31
Oxford, New Jersey 07863

State of New Jersey Cash Management Fund
P.O. Box 290
Trenton, New Jersey 08625-0290

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
Douglas R. Williams, CPA, RMA, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Oxford Township School District
County of Warren
Oxford, New Jersey 07863

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oxford Township School District Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 and 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 Office of School 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Oxford Township School District Board of Education, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oxford Township School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

-Continued-

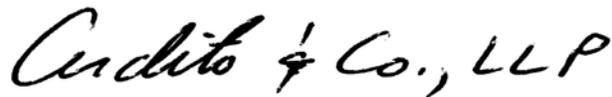
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

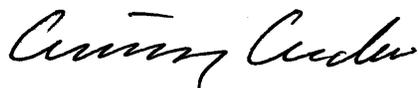
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of the Oxford Township School District 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* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP

November 16, 2015



Licensed Public School Accountant No. 2369

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of Oxford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ◆ In total, Net Position increased \$58,197 which represents a 2.3% increase from 2014.
- ◆ General revenues accounted for \$3,940,752 in revenue or 50.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,881,767 or 49.6% of total revenues of \$7,822,519.
- ◆ Total assets of governmental activities decreased by \$267,177, as cash and cash equivalents increased by \$13,212, receivables decreased by \$44,449, and capital assets decreased by \$235,786.
- ◆ The School District had \$7,764,322 in expenses; only \$3,881,767 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$3,940,752 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$6,705,262 in revenues and \$6,655,948 in expenditures. The General Fund's surplus balance increased \$49,314 over 2014, which compares favorably to the budgeted decrease of \$325,505.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oxford Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Oxford Township School District, the General Fund is by far the most significant fund.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s Net Position for 2015 compared to 2014.

	<u>2015</u>	<u>2014</u>
Table 1 Net Position		
Assets		
Current and Other Assets	\$ 1,002,317	\$ 1,033,708
Capital Assets	<u>7,737,721</u>	<u>7,973,507</u>
Total Assets	<u>8,740,038</u>	<u>9,007,215</u>
Deferred Outflows of Resources	<u>348,267</u>	<u>64,750</u>
Liabilities		
Long-Term Liabilities	6,230,328	6,277,744
Other Liabilities	<u>144,868</u>	<u>226,901</u>
Total Liabilities	<u>6,375,196</u>	<u>6,504,645</u>
Deferred Inflows of Resources	<u>87,592</u>	<u>-</u>
Net Position		
Invested in Capital Assets, Net of Debt	2,966,826	3,153,643
Restricted	873,760	821,913
Unrestricted	<u>(1,215,069)</u>	<u>(1,408,236)</u>
Total Net Position	<u>\$ 2,625,517</u>	<u>\$ 2,567,320</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Total assets of governmental activities decreased by \$267,177, as cash and cash equivalents increased by \$13,212, receivables decreased by \$44,449, and capital assets decreased by \$235,786.

The cash increase was mainly due operational efficiency towards budget and the decrease in capital assets was entirely due to depreciation expense for the year.

Table 2 shows the changes in Net Position from fiscal year 2014.

Table 2
Changes in Net Position

	<u>2015</u>	<u>2014</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 137,626	\$ 161,492
Operating Grants and Contributions	3,744,141	3,251,665
General Revenues:		
Property Taxes	3,907,435	3,696,780
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	277	-
Other	33,040	18,031
Total Revenues	<u>7,822,519</u>	<u>7,127,968</u>
Program Expenses		
Instruction	3,703,101	3,446,906
Support Services:		
Tuition	1,776,420	1,474,776
Pupils and Instructional Staff	781,910	644,866
General Administration, School Administration, Business	558,118	487,720
Operations and Maintenance of Facilities	386,997	354,903
Pupil Transportation	213,251	211,848
Business-Type Activities	99,552	91,134
Interest and Fiscal Charges	244,973	253,782
Total Expenses	<u>7,764,322</u>	<u>6,965,935</u>
 Increase in Net Position	 <u>\$ 58,197</u>	 <u>\$ 162,033</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 50.0% percent of revenues for governmental activities for the Oxford Township School District for the fiscal year 2015.

Instruction comprises 47.7% of district expenses. Support services expenses make up 47.9% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2014. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 3,703,101	\$ 1,764,795	\$3,446,906	\$1,671,776
Support Services:				
Tuition	1,776,420	936,060	1,474,776	800,967
Pupils and Instructional Staff	781,910	391,992	644,866	327,794
General Admin., School Admin., Business	558,118	294,092	487,720	264,886
Operation and Maintenance of Facilities	386,997	203,923	354,903	192,752
Pupil Transportation	213,251	112,370	211,848	115,057
Business-Type Activities	99,552	3,373	91,134	(3,518)
Interest and Fiscal Charges	<u>244,973</u>	<u>175,950</u>	<u>253,782</u>	<u>183,064</u>
Total Expenses	<u>\$ 7,764,322</u>	<u>\$ 3,882,555</u>	<u>\$ 6,965,935</u>	<u>\$ 3,552,778</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 47.7% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 52.2%. The community, as a whole, is the primary support for the Oxford Township School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$7,284,917 and expenditures of \$7,235,673. The General Fund's surplus balance increased \$49,314 over 2014, which compares favorably to the budgeted decrease of \$325,505.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2015 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,274,561, \$97,225 over original budgeted estimates of \$6,177,336. This difference was due primarily to extraordinary aid and miscellaneous revenues.

General fund revenues exceeded expenditures by \$49,329. Again this surplus compares to a budgeted deficit of \$325,505, which was due to the budgeted use of surplus, maintenance and emergency reserves and tuition reserve needed to balance the 2015 budget.

The budgeted deficit was reduced due revenue increases and cost savings in the areas of instruction, tuition, maintenance, and health benefits."

Overall general fund balance (budget basis) was \$1,167,729, and amounts ear-marked and reserved for future purposes were \$875,292, creating a surplus in unreserved fund balance of \$292,437. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Capital Assets

At the end of the fiscal year 2015, the School District had \$7,737,721 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	<u>2015</u>	<u>2014</u>
Land	\$ 550	\$ 550
Land Improvements	28,835	36,675
Buildings and Improvements	7,681,988	7,889,129
Machinery and Equipment	<u>26,348</u>	<u>47,153</u>
 Totals	 <u>\$ 7,737,721</u>	 <u>\$ 7,973,507</u>

Overall capital assets decreased \$235,786 from fiscal year 2014 to fiscal year 2015. The decrease in capital assets was due to depreciation expense for the year, net of additions.

Capital improvements of \$6,359 were purchased during fiscal year 2015.

Debt Administration

At June 30, 2015, the School District had \$4,760,531 as outstanding long term debt. Of this amount, \$180,531 is for compensated absences and \$4,580,000 is for bonds payable outstanding.

At June 30, 2015, the School District's overall legal debt margin was \$1,044,530 and the unvoted debt margin was the same.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

For the Future

The Oxford Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. The Oxford Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

In conclusion, the Oxford Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Nancy DeRiso, School Business Administrator/Board Secretary at Oxford Township School District, 17 Kent Street, Oxford, NJ, 07863.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of Net Position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 812,070	\$1,611	\$813,681
Receivables from Other Governments	144,987	6,703	151,690
Accounts Receivable, Net	32,027		32,027
Interfund Receivables		3,469	3,469
Inventory		1,450	1,450
Capital Assets, Net (Note 6):	7,737,721		7,737,721
Total Assets	8,726,805	13,233	8,740,038
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	348,267		348,267
LIABILITIES			
Accounts Payable	59,919		59,919
Interfund Payable	3,469		3,469
Unearned Revenue		677	677
Accrued Interest	80,803		80,803
Net Pension Liability (Note 8)	1,469,797		1,469,797
Noncurrent Liabilities (Note 7):			
Due Within One Year	275,000		275,000
Due Beyond One Year	4,485,531		4,485,531
Total Liabilities	6,374,519	677	6,375,196
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	87,592		87,592
Net Position			
Invested in Capital Assets, Net of Related Debt	2,966,826		2,966,826
Restricted for:			
Other Purposes	873,760		873,760
Unrestricted	(1,227,625)	12,556	(1,215,069)
Total Net Position	\$2,612,961	\$12,556	\$2,625,517

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL	
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	\$ 3,130,979	\$ 81,676	\$ 1,585,980		\$ (1,463,323)	\$ (1,463,323)	
Special Education	527,952		249,755		(278,197)	(278,197)	
Other Special Instruction	44,170		20,895		(23,275)	(23,275)	
Support Services:							
Tuition	1,776,420		840,360		(936,060)	(936,060)	
Student & Instruction Related Services	781,910		389,918		(391,992)	(391,992)	
School Administrative Services	148,349		70,179		(78,170)	(78,170)	
General and Business Admin. Services	409,769		193,847		(215,922)	(215,922)	
Plant Operations and Maintenance	386,997		183,074		(203,923)	(203,923)	
Pupil Transportation	213,251		100,881		(112,370)	(112,370)	
Interest and Other Charges	244,973		69,023		(175,950)	(175,950)	
Total Governmental Activities	7,664,770	81,676	3,703,912		(3,879,182)	(3,879,182)	
Business-Type Activities:							
Food Service	99,552	\$ 55,950	40,229		\$ (3,373)	(3,373)	
Total Business-Type Activities	99,552	55,950	40,229		(3,373)	(3,373)	
Total Primary Government	\$ 7,764,322	\$ 137,626	\$ 3,744,141		\$ (3,879,182)	\$ (3,882,555)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 3,521,660		\$ 3,521,660	
Taxes Levied for Debt Service				385,775		385,775	
Investment Earnings				277		277	
Miscellaneous Income				31,376	\$ 1,664	33,040	
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,939,088	1,664	3,940,752	
Change in Net Position				59,906	(1,709)	58,197	
Net Position—Beginning				2,553,055	14,265	2,567,320	
Net Position—Ending				\$ 2,612,961	\$ 12,556	\$ 2,625,517	

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 808,287		\$ 3,783		\$ 812,070
Interfund Receivables	70,066	\$ 7		\$ 12,797	82,870
Accounts Receivable, Net	32,027				32,027
Receivables from Other Governments	87,725	57,262			144,987
TOTAL ASSETS	\$ 998,105	\$ 57,269	\$ 3,783	\$ 12,797	\$ 1,071,954
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 59,919				\$ 59,919
Interfund Payables	16,273	\$ 57,269		12,797	86,339
Deferred Revenue	-	-			-
Total Liabilities	76,192	57,269	-	12,797	146,258
Fund Balances:					
<u>Restricted for:</u>					
Excess Surplus	-				-
Capital Reserve	40,050				40,050
Emergency Reserve	182,227				182,227
Maintenance Reserve	311,161				311,161
Tuition Reserve	305,322				305,322
<u>Assigned to:</u>					
Year-End Encumbrances	1,532				1,532
General Fund-Designated for Subsequent Year's Expend.	35,000				35,000
Capital Projects Fund			3,783		3,783
<u>Unassigned:</u>					
General Fund	46,621				46,621
Total Fund Balances	921,913	-	3,783	-	925,696
TOTAL LIABILITIES AND FUND BALANCE	\$ 998,105	\$ 57,269	\$ 3,783	\$ 12,797	\$ 1,071,954

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,708,284 and the accumulated depreciation is \$2,970,563.	\$7,737,721
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	348,267
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(87,592)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(1,469,797)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(80,803)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(4,760,531)
Net Position of governmental activities	\$ 2,612,961

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local Tax Levy	\$ 3,521,660			\$ 385,775	\$ 3,907,435
Tuition	81,676				81,676
Miscellaneous	31,648		\$ 5		31,653
Total - Local Sources	3,634,984	-	5	385,775	4,020,764
State Sources	3,070,278			69,023	3,139,301
Federal Sources		\$ 124,852			124,852
Total Revenues	6,705,262	124,852	5	454,798	7,284,917
EXPENDITURES					
Current:					
Regular Instruction	2,280,434	104,827			2,385,261
Special Education Instruction	438,022				438,022
Other Special Instruction	36,646				36,646
Support services and undistributed costs:					
Tuition	1,776,420				1,776,420
Student and Instruction Related Services	628,697	20,025			648,722
School Administrative Services	123,080				123,080
Other Administrative Services	339,970				339,970
Plant Operations and Maintenance	321,077				321,077
Pupil Transportation	213,251				213,251
Unallocated Benefits	430,716				430,716
Debt Service:					
Principal				265,000	265,000
Interest and Other Charges				189,873	189,873
Capital Outlay	67,635		-		67,635
Total Expenditures	6,655,948	124,852	-	454,873	7,235,673
Excess (Deficiency) of Revenues Over Expenditures	49,314	-	5	(75)	49,244
Net Change in Fund Balances	49,314	-	5	(75)	49,244
Fund Balance—July 1	872,599		3,778	75	876,452
Fund Balance—June 30	\$ 921,913	-	\$ 3,783	-	\$ 925,696

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 49,244

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (242,145)	
Capital Outlays	<u>6,359</u>	(235,786)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

(54,476)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

265,000

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

32,817

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount.

3,107

Change in Net Position of Governmental Activities **\$ 59,906**

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2015

	<u>Business-Type Activities- Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 1,611	\$ 1,611
Federal and State Accounts Receivable	6,703	6,703
Interfund Receivable	3,469	3,469
Inventories	1,450	1,450
Total Current Assets	<u>13,233</u>	<u>13,233</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	23,340	23,340
Less Accumulated Depreciation	(23,340)	(23,340)
Total Noncurrent Assets	<u> </u>	<u> </u>
	Total Assets	13,233 13,233
LIABILITIES		
Current liabilities:		
Deferred Revenue	677	677
Total Current Liabilities	<u>677</u>	<u>677</u>
	Total Liabilities	677 677
Net Position		
Invested in Capital Assets Net of Related Debt		
Unrestricted	12,556	12,556
Total Net Position	<u>\$ 12,556</u>	<u>\$ 12,556</u>

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 42,287	\$ 42,287
Daily Sales - Non-Reimb.Programs	13,663	13,663
Miscellaneous	1,664	1,664
Total Operating Revenues	57,614	57,614
 Operating Expenses:		
Cost of Sales	54,254	54,254
Salaries	27,805	27,805
Employee Benefits	6,676	6,676
Supplies	3,227	3,227
Other Purchased Professional Services	7,590	7,590
Depreciation		
Total Operating Expenses	99,552	99,552
Operating Income (Loss)	(41,938)	(41,938)
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,235	1,235
Federal Sources:		
National School Lunch Program	32,939	32,939
Food Distribution Program	6,055	6,055
Total Nonoperating Revenues (Expenses)	40,229	40,229
Income (Loss) Before Contributions and Transfers	(1,709)	(1,709)
Transfers In (Out)		
Change in Net Position	(1,709)	(1,709)
Total Net Position—Beginning	14,265	14,265
Total Net Position—Ending	\$ 12,556	\$ 12,556

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 57,614	\$ 57,614
Payments to Employees and Benefits	(34,481)	(34,481)
Payments to Suppliers	(63,241)	(63,241)
Net Cash Provided by (used for) Operating Activities	(40,108)	(40,108)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	945	945
Federal Sources	33,582	33,582
Operating Subsidy Transfers from Other Funds		
Net Cash Provided by (used for) Non-Capital Financing Activities	34,527	34,527
Net Increase (Decrease) in Cash and Cash Equivalents	(5,581)	(5,581)
Balances—Beginning of Year	7,192	7,192
Balances—End of Year	\$ 1,611	\$ 1,611
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (41,938)	\$ (41,938)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities	6,055	6,055
(Increase) Decrease in Receivables	(4,071)	(4,071)
(Increase) Decrease in Inventories	(154)	(154)
Total Adjustments	1,830	1,830
Net Cash Provided by (used for) Operating Activities	\$ (40,108)	\$ (40,108)

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY Net Position
FIDUCIARY FUNDS

June 30, 2015

	Unemployment Compensation <u>Trust</u>	Fiduciary <u>Trust</u>	Agency <u>Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 40,673	\$ 11,636	\$ 56,636
Total Assets	\$ 40,673	\$ 11,636	\$ 56,636
LIABILITIES			
Accounts Payable			24,688
Interfund Payable			
Payable to Student Groups	-	-	31,948
Total Liabilities	-	-	\$ 56,636
Net Position			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 40,673</u>	<u>\$ 11,636</u>	<u> </u>

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

**STATEMENT OF CHANGES IN FIDUCIARY Net Position
FIDUCIARY FUNDS**

For the Year Ended June 30, 2015

	Unemployment Compensation <u>Trust</u>	Fiduciary <u>Trust</u>
ADDITIONS		
Contributions:		
Employer	\$ 8,000	
Plan Member	5,504	-
Other	-	\$ 2,040
Total Contributions	<u>13,504</u>	<u>2,040</u>
Total Additions	<u>13,504</u>	<u>2,040</u>
DEDUCTIONS		
Other		3,745
Unemployment Claims	<u>11,178</u>	<u>-</u>
Total Deductions	<u>11,178</u>	<u>3,745</u>
Change in Net Position	2,326	(1,705)
Net Position—Beginning of the Year	<u>38,347</u>	<u>13,341</u>
Net Position—End of the Year	<u>\$ 40,673</u>	<u>\$ 11,636</u>

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

Notes to Financial Statements

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, an amendment of GASB No. 27. The implementation of these statements effected net position balances as previously reported for the fiscal year ended June 30, 2014 as noted in Note 22.

A. Reporting Entity:

The Oxford Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Oxford Township School District had an approximate enrollment at June 30, 2015, of 308 students.

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute as the municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have b

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The 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.

D. Encumbrance Accounting:

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.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences:

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest and tuition.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the district would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2015, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking	\$430,988	\$108,945	\$539,933
	\$430,988	\$108,945	\$539,933
	\$430,988	\$108,945	\$539,933

The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$539,993 and the bank balance was \$1,012,817. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$762,817 was covered by collateral pool.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

Investments:

Pursuant to the Enabling Act, the funds of the district may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the district may approve.

In order to maximize liquidity, the district utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

At June 30, 2015, the district's balance was \$382,693

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The district does not have a policy for custodial credit risk.

Credit Risk: The district does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The district does not have a policy to limit interest rate risk. The average maturity of the district's investments is less than one year.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3: RECEIVABLES

Receivables at June 30, 2015, consisted of intergovernmental receivables for grants and lunch reimbursements. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$87,725	\$87,957
Federal Aid	57,262	63,733
Gross Receivable-Governm.	144,987	151,690
Other Receivables	32,027	32,027
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$177,014	\$183,717

NOTE 4: INVENTORY

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

Food	\$	676
Supplies		774
Total	\$	1,450

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 550			\$ 550
Construction in Progress				
Total Capital Assets Not Being Depreciated	550			550
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	156,800			156,800
Buildings and Building Improvements	10,390,258			10,390,258
Machinery and Equipment	154,317	\$ 6,359		160,676
Total at Historical Cost	10,701,375	6,359		10,707,734
Less Accumulated Depreciation for:				
Land Improvements	(120,125)	\$ (7,840)		(127,965)
Building and Improvements	(2,501,129)	(207,141)		(2,708,270)
Equipment	(107,164)	(27,164)		(134,328)
Total Accumulated Depreciation	(2,728,418)	(242,145)		(2,970,563)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	7,972,957	(235,786)		7,737,171
Government Activity Capital Assets, Net	\$ 7,973,507	(\$235,786)		\$ 7,737,721

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 242,145
---------------------	------------

NOTE 7: LONG-TERM OBLIGATIONS

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7: LONG-TERM OBLIGATIONS - (Continued)

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2015, are as follows:

	<u>Balance</u> <u>7/1/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/15</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$4,845,000		(\$265,000)	\$4,580,000	\$275,000
Other Liabilities:					
Compensated Absences Payable	213,348		(32,817)	180,531	
Total	\$5,058,348		(\$297,817)	\$4,760,531	\$275,000

Compensated absences and capital leases have ben liquidated in the General Fund.

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

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

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

For the year ended June 30, 2015, it is not necessary for the Board to establish a liability for arbitrage rebate.

	<u>Government Activities</u>			<u>Balance</u>
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>June 30, 2015</u>
General School Renovations				
Bonds Payable-Series 2011	6/1/11	3.0%	10/15/2018	\$ 560,000
Bonds Payable-Series 2006	12/14/06	3.625%-4.35%	7/15/2032	4,020,000
Total Bonds				\$ 4,580,000

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2015, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 275,000	\$ 180,973	\$ 455,973
2017	280,000	171,723	451,723
2018	285,000	161,910	446,910
2019	335,000	150,930	485,930
2020	170,000	141,760	311,760
Thereafter	<u>3,235,000</u>	<u>1,013,065</u>	<u>4,248,065</u>
	<u>\$ 4,580,000</u>	<u>\$ 1,820,361</u>	<u>\$ 6,400,361</u>

B. Debt Service Requirements-Temporary and Permanent Financing:

On August 2, 2010, the District issued \$1,309,200 in authorized bond anticipation notes. This amount was due on August 2, 2011 at an interest rate of 1.3% and was fully paid on August 2, 2011. This amount was approved by the voters on December 9, 2008 for a school renovation project.

On June 1, 2011, the District issued \$895,000 in Bonds Payable through a private sale to Bank of New York - Mellon at an interest rate of 3%, with annual payments maturing 10/15/2018. The bond proceeds and the unspent capital project surplus were utilized to fully liquidate the \$1,309,200 in bond anticipation notes on August 2, 2011.

C. Advance Refunding:

The 2006 School Bonds were issued to advance refund a portion of the 2001 School Bonds in the amount of \$4,170,000 and provide for accrued interest, non-callable interest, and costs of issuance. The balance outstanding on the refunded 2001 School Bonds was -0- at June 30, 2015.

NOTE 8: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$10,068,211 as measured on June 30, 2014 and \$10,806,791 as measured on June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$541,764 and revenue of \$541,764 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$2,306,623,861
Collective deferred inflows of resources	-	\$1,763,205,593
Collective net pension liability (Nonemployer-State of New Jersey)	\$50,539,213,484	\$53,446,745,367
State's portion of the net pension liability that was associated with the district	\$10,806,791	\$10,068,211
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.021383%	0.018838%

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

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

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$1,469,797 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.00785% which was an increase of 0.00147% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$119,193. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$ 46,218	
Net difference between projected and actual earnings on pension plan investments		\$ 87,592
Changes in proportion and differences between District contributions and proportionate share of contributions	237,332	
District contributions subsequent to the measurement date	64,717	
Total	\$ 348,267	\$ 87,592

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

\$64,717 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
	2015	\$63,476
	2016	\$63,476
	2017	\$63,476
	2018	\$63,476
	2019	(\$40,240)
	Thereafter	(\$17,705)
	Total	<u>\$195,958</u>
	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources		- \$ 952,194,675
Collective deferred inflows of resources		- 1,479,224,662
Collective net pension liability (Non State - Local Group)	\$19,111,986,911	\$18,722,735,003
District's portion of net pension liability	\$1,219,396	\$1,469,797
District's proportion %	0.00638027%	0.00785033%

Actuarial assumptions . The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

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

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.39%)</u>	<u>(5.39%)</u>	<u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 1,849,055	\$ 1,469,797	\$ 1,151,317

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$64,717	100 %	-0-
6/30/2014	\$50,523	100	-0-
6/30/2013	\$45,992	100	-0-

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8: PENSION PLANS (Continued)

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$102,005	100 %	-0-
6/30/2014	\$79,692	100	-0-
6/30/2013	\$138,167	100	-0-

During the fiscal year ended June 30, 2015, the State of New Jersey did contribute \$263,938 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$166,778 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

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

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

GASB Statement #45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no district OPEB liability exists.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10: DEFERRED COMPENSATION

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

Life USA
Templeton

NOTE 11: COMPENSATED ABSENCES

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the proprietary fund types.

NOTE 12: RISK MANAGEMENT

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12: RISK MANAGEMENT-(Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 8,000	\$5,504	\$11,178	\$40,673
2012-2014	\$0	\$5,347	\$7,394	\$38,347
2012-2013	\$0	\$5,050	\$9,652	\$44,996

NOTE 13: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

There are no material threatened litigations, claims or assessments, including unasserted claims and assessments known to the Board.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)- Of the \$921,913 General Fund fund balance at June 30, 2015, \$1,532 is reserved for encumbrances; \$182,227 is reserved as emergency reserve in accordance with P.L. 2007 c.62; \$311,161 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$305,322 is reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$40,050 is reserved for Capital Reserve; \$35,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$46,621 is unreserved and undesignated.

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$-0-.

OXFORD TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
General Fund	\$ 70,066	\$ 16,273	
Food Service Fund	3,469	-	
Debt Service Fund	12,797	12,797	
Special Revenue Fund	7	57,269	
	<u>\$ 86,339</u>	<u>\$ 86,339</u>	

The infund balances represent cash advances to the special revenue fund for federal grants not yet received, and for debt service state aid received by the general fund, and for State and Federal lunch subsidies received, but not yet transferred to the food service fund.

NOTE 17: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Oxford Township School District Board of Education by inclusion of \$20,000 in the 2006-2007 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 50
Deposits (PL 2007 c.62 (A1)): Board Resolution June 25, 2015	<u>40,000</u>
Ending Balance, June 30, 2015	<u><u>\$ 40,050</u></u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance July 1, 2014	\$ 200,227
Budgeted Withdrawal	(18,056)
Interest earnings	56
Ending balance June 30, 2015	\$ 182,227

NOTE 19: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2009, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance July 1, 2014	\$ 261,088
Deposits (PL 2007 c.62 (A1)): Board Resolution June 19, 2015	50,000
Interest earnings	73
Ending balance June 30, 2015	\$ 311,161

NOTE 20: TUITION RESERVE ACCOUNT

A tuition reserve account was established by the School District Board of Education in fiscal year 2014 and 2015, for the accumulation of funds for use in fiscal year 2016 and 2016, respectively, in accordance with NJAC 6A:23A17.1(f). The tuition reserve account is maintained in the general fund and enables the district to reserve fund balance for an anticipated large tuition adjustment for the current contract year. A maximum reserve for the current year is restricted to ten percent of the formal sending/receiving contract amount. Upon certification of rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief.

The district has established a tuition reserve for future tuition adjustments, pursuant to N.J.A.C. 6A:23-3.1(f), in an amount of 10% of the formal receiving/sending contract. \$146,450 has been reserved for the 2013-2014 tuition adjustment due in fiscal year 2015-2016, and \$158,872 has been reserved for the 2014-2015 tuition adjustment due in fiscal year 2016-2017. The tuition reserve for fiscal year 2013-2014 in the amount of \$146,450 has been anticipated as budgeted revenue for the year ending June 30, 2016.

The activity of the tuition reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance July 1, 2014	\$ 280,548
Deposits: Board Resolution June 25, 2015	158,872
Budgeted Withdrawal	(134,098)
Interest earnings	-
Ending balance June 30, 2015	\$ 305,322

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 21: TUITION ADJUSTMENTS

A comparison of tentative tuition charges and actual certified tuition charges was made by the receiving district (Warren Hills Regional School District) for fiscal year 2012-2013 and certified by the state department. The resulting 2012-2013 tuition adjustment credit of \$9,875 in accordance with N.J.A.C 6a:23-3.1(f)3, is due in fiscal year 2014-2015. Through an agreement with the Regional High School, the amount owed to Oxford Township School of \$9,875 for the 2012-2013 tuition adjustment was deducted from the 2014-2015 tuition contract.

NOTE 22: RETROACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period:

The District adopted GASB No. 68 -*Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27* during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the *beginning* net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 -*Pension Transition for Contributions Made Subsequent to the Measurement Date*, The district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2015. The appraisal revealed asset activity that that should be recorded as of June 30, 2014. Accordingly, a restatement of Net Position as of June 30, 2014 was necessary.

Governmental Activities Net Position:

Net Position (per A-1), June 30, 2014	\$ 3,520,884
Restatement of Capital Assets	186,817
Restatement of Net Pension Liability	(1,219,396)
Restatement of Deferred Outflows-Pension	<u>64,750</u>
Net Position (per A-1), June 30, 2015, as Restated	<u>\$ 2,553,055</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,521,660		\$ 3,521,660	\$ 3,521,660	
Tuition	64,500		64,500	81,676	\$ 17,176
Miscellaneous	1,270		1,270	31,648	30,378
Total - Local Sources	3,587,430		3,587,430	3,634,984	47,554
State Sources:					
Equalization Aid	2,066,891		2,066,891	2,066,891	
School Choice Aid	107,685		107,685	107,685	
Transportation Aid	129,516		129,516	129,516	
Special Education Aid	218,357		218,357	218,357	
Security Aid	29,557		29,557	29,557	
PARCC Readiness Aid	3,950		3,950	3,950	
Per Pupil Growth Aid	3,950		3,950	3,950	
Non-public Transportation Aid			-	1,044	1,044
Extraordinary Aid	30,000		30,000	78,627	48,627
TPAF Pension (On-Behalf - Non-Budgeted)				102,005	102,005
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				161,933	161,933
TPAF Social Security (Reimbursed - Non-Budgeted)				166,778	166,778
Total State Sources	2,589,906		2,589,906	3,070,293	480,387
TOTAL REVENUES	6,177,336		6,177,336	6,705,277	527,941
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Pre-Kindergarten - Salaries of Teachers	24,698	1,050	25,748	25,743	5
Kindergarten - Salaries of Teachers	100,925	725	101,650	101,650	
Grades 1-5 - Salaries of Teachers	697,202	10,225	707,427	700,480	6,947
Grades 6-8 - Salaries of Teachers	534,397		534,397	532,666	1,731

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000	(2,000)	5,000	2,284	2,716
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	91,598	(13,350)	78,248	77,939	309
Purchased Technical Services	30,500	25,500	56,000	53,531	2,469
Other Purchased Services (400-500 series)	20,800	(1,000)	19,800	17,667	2,133
General Supplies	19,190	3,000	22,190	21,999	191
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,526,310	24,150	1,550,460	1,533,959	16,501
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	49,420	(461)	48,959	48,888	71
Other Salaries for Instruction	15,525	1,061	16,586	16,586	
Total Learning and/or Language Disabilities	64,945	600	65,545	65,474	71
Multiple Disabilities:					
Salaries of Teachers	52,655	(9,785)	42,870	33,801	9,069
Other Salaries for Instruction	15,971		15,971	15,548	423
Total Multiple Disabilities	68,626	(9,785)	58,841	49,349	9,492
Resource Room/Resource Center:					
Salaries of Teachers	241,530	(1,586)	239,944	235,663	4,281
Total Resource Room/Resource Center	241,530	(1,586)	239,944	235,663	4,281
Preschool Disabilities - Part Time:					
Salaries of Teachers	27,798	450	28,248	28,210	38
Other Salaries for Instruction	57,740	1,586	59,326	59,326	
Total Preschool Disabilities - Part Time	85,538	2,036	87,574	87,536	38
TOTAL SPECIAL EDUCATION - INSTRUCTION	460,639	(8,735)	451,904	438,022	13,882

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Basic Skills/Remedial - Instruction:					
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	9,200	1,275	10,475	10,475	
Total School Sponsored Co/Extra Curricular Activities-Instruc.	<u>9,200</u>	<u>1,275</u>	<u>10,475</u>	<u>10,475</u>	
School Sponsored Athletics-Instruction:					
Salaries	2,700		2,700	1,800	900
Total School Sponsored Athletics-Instruction	<u>2,700</u>		<u>2,700</u>	<u>1,800</u>	<u>900</u>
Before/After School Programs:					
Salaries of Teachers	15,097	1,000	16,097	15,336	761
Other Salaries for Instruction	10,000	1,310	11,310	8,229	3,081
Supplies and Materials	1,200		1,200	806	394
Total Before/After School Programs	<u>26,297</u>	<u>2,310</u>	<u>28,607</u>	<u>24,371</u>	<u>4,236</u>
TOTAL INSTRUCTION	<u>2,025,146</u>	<u>19,000</u>	<u>2,044,146</u>	<u>2,008,627</u>	<u>35,519</u>
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	1,504,625	3,250	1,507,875	1,507,875	
Tuition to Other LEAs Within the State-Special	146,636	48,097	194,733	136,951	57,782
Tuition to County Voc. School Dist.-Regular	14,264		14,264	14,264	
Tuition to County Voc. School Dist.-Special	20,000	20,000	40,000	40,000	
Tuition to CSSD & Regional Day Schools	42,000	(33,366)	8,634		8,634
Tuition to Priv. Sch. For Disabled within State	126,900	(22,000)	104,900	77,330	27,570
Total Instruction	<u>1,854,425</u>	<u>15,981</u>	<u>1,870,406</u>	<u>1,776,420</u>	<u>93,986</u>
Health Services:					
Salaries	53,230	4,050	57,280	55,210	2,070
Purchased Professional and Technical Services	500		500	300	200
Supplies and Materials	2,175	52	2,227	1,676	551
Other Objects	100		100		100
Total Health Services	<u>56,005</u>	<u>4,102</u>	<u>60,107</u>	<u>57,186</u>	<u>2,921</u>
Other Supp. Services Students-Related Services:					
Salaries	52,295		52,295	50,959	1,336
Purchased Professional-Educational Services	105,600	42,234	147,834	143,840	3,994
Total Other Supp. Services Students-Related Services	<u>157,895</u>	<u>42,234</u>	<u>200,129</u>	<u>194,799</u>	<u>5,330</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Extra. Services:					
Salaries	76,015	4,650	80,665	66,341	14,324
Purchased Professional-Educational Services	31,205		31,205	31,083	122
Total Other Supp. Services Students-Extra. Services	107,220	4,650	111,870	97,424	14,446
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	205,685	(14,000)	191,685	190,745	940
Salaries of Secretarial and Clerical Assistants	42,955		42,955	42,633	322
Other Purchased Prof. and Tech. Services	10,500	(6,000)	4,500	3,815	685
Total Other Supp. Services Students-Special	259,140	(20,000)	239,140	237,193	1,947
Educational Media Services/School Library:					
Salaries of Technology Coordinators	14,982	110	15,092	15,088	4
Purchased Prof. and Tech. Services	12,580	833	13,413	12,285	1,128
Supplies and Materials	6,500	6,909	13,409	13,322	87
Other Objects	1,400		1,400	1,300	100
Total Educational Media Services/School Library	35,462	7,852	43,314	41,995	1,319
Instructional Staff Training Services:					
Other Objects	100		100	100	
Total Instructional Staff Training Services	100		100	100	
Supp. Services - General Administration:					
Salaries	186,237	625	186,862	184,423	2,439
Legal Services	8,000		8,000	2,767	5,233
Audit Fees	14,300	78	14,378	14,378	
Other Purchased Professional Services	4,500	(703)	3,797	1,724	2,073
Communications/Telephone	6,375	(415)	5,960	4,929	1,031
BOE Purchased Services	2,100		2,100	1,509	591
Other Purchased Services (400-500 series)	2,575		2,575	2,205	370
General Supplies	500		500	474	26
Miscellaneous Expenditures	1,955		1,955	1,945	10
BOE Membership Dues & Fees	4,075		4,075	3,843	232
Total Supp. Services - General Administration	230,617	(415)	230,202	218,197	12,005

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	121,994		121,994	121,602	392
Other Purchased Services (400-500 series)	700	(440)	260	258	2
Other Objects	1,225		1,225	1,220	5
Total Support Services - School Administration	123,919	(440)	123,479	123,080	399
Central Services:					
Salaries	118,166	990	119,156	117,949	1,207
Purchased Professional Services	1,300	(135)	1,165	1,156	9
Purchased Technical Services	400		400	138	262
Misc. Purchased Services (400-500 series)	650		650	525	125
Supplies and Materials	550	200	750	742	8
Miscellaneous Expenditures	1,400		1,400	1,263	137
Total Central Services	122,466	1,055	123,521	121,773	1,748
Required Maintenance for School Facilities:					
Salaries	52,025		52,025	38,484	13,541
Cleaning, Repair and Maintenance Services	98,175	500	98,675	47,045	51,630
General Supplies	19,750	(8,500)	11,250	5,859	5,391
Other Objects	9,705	781	10,486	8,095	2,391
Total Required Maintenance for School Facilities	179,655	(7,219)	172,436	99,483	72,953
Other Operations and Maintenance of Plant:					
Salaries	74,542	8,594	83,136	83,136	
Other Purchased Property Services	4,500		4,500	4,402	98
Insurance	32,000		32,000	31,188	812
General Supplies	15,100		15,100	13,798	1,302
Energy (Natural Gas)	28,000		28,000	22,078	5,922
Energy (Electricity)	69,000	3,713	72,713	66,517	6,196
Other Objects	500		500	475	25
Total Other Operations and Maintenance of Plant	223,642	12,307	235,949	221,594	14,355

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Salaries of Non-Instructional Aides	2,600	453	3,053	3,053	
Sal. for Pubil Trans (Bet Home & Sch) -Reg.	14,982	1,110	16,092	16,088	4
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	7,200	(1,330)	5,870	4,420	1,450
Contracted Services (Between Home and School)-Vendors	65,558		65,558	55,297	10,261
Contracted Services (Between Home and School)-Joint Agrmts.	1,500		1,500		1,500
Contracted Services (Special Education Students)-Vendors	19,167	288	19,455	19,455	
Contracted Services (Special Education Students)-Joint Agrmts.	133,700	(521)	133,179	114,938	18,241
Total Student Transportation Services	244,707		244,707	213,251	31,456
ALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	62,000		62,000	56,308	5,692
Other Retirement Contributions - PERS	54,000	10,717	64,717	64,717	
Other Retirement Contributions - Regular	4,000		4,000	1,371	2,629
Unemployment Compensation	5,000	(1,000)	4,000		4,000
Workman's Compensation	44,000	(2,270)	41,730	41,730	
Health Benefits	592,060	(1,315)	590,745	523,188	67,557
Tuition Reimbursement	5,000	(2,056)	2,944	1,677	1,267
Other Employee Benefits	58,175	(690)	57,485	57,484	1
Total Regular Programs-Instruction	824,235	3,386	827,621	746,475	81,146
TOTAL ALLOCATED BENEFITS	824,235	3,386	827,621	746,475	81,146
UNALLOCATED BENEFITS					
On-behalf TPAF pension Contrib. (non-budgeted)				102,005	(102,005)
On-behalf TPAF PRM Contrib. (non-budgeted)				161,933	(161,933)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				166,778	(166,778)
TOTAL ON-BEHALF CONTRIBUTIONS				430,716	(430,716)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	824,235	3,386	827,621	1,177,191	(349,570)
TOTAL UNDISTRIBUTED EXPENDITURES	4,419,488	63,493	4,482,981	4,579,686	(96,705)

OXFORD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL GENERAL CURRENT EXPENSE	6,444,634	82,493	6,527,127	6,588,313	(61,186)
CAPITAL OUTLAY					
EQUIPMENT					
Regular Programs - Instruction:					
Grades 1-5		4,800	4,800	4,714	86
Grades 9-12		4,800	4,800	4,714	86
TOTAL EQUIPMENT		9,600	9,600	9,428	172
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Assessment for Debt Service on SDA Funding	58,207		58,207	58,207	
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	58,207		58,207	58,207	
TOTAL CAPITAL OUTLAY	58,207	9,600	67,807	67,635	172
TOTAL EXPENDITURES	6,502,841	92,093	6,594,934	6,655,948	(61,014)
Excess (Deficiency of Revenues Over(Under) Expenditures	(325,505)	(92,093)	(417,598)	49,329	466,927
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(325,505)	(92,093)	(417,598)	49,329	466,927
Fund Balance, July 1	1,118,400		1,118,400	1,118,400	
Fund Balance, June 30	\$ 792,895	(92,093)	\$ 700,802	\$ 1,167,729	\$ 466,927

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Excess Surplus				-	
Tuition Reserve - FY13-14 Due FY 15-16				\$ 146,450	
Tuition Reserve - FY14-15 Due FY 16-17				158,872	
Capital Reserve				40,050	
Maintenance Reserve				311,161	
Emergency Reserve				182,227	
Assigned to:					
Reserve for Encumbrances				1,532	
Designated for Subsequent Year's Expenditures				35,000	
Unassigned:					
Unrestricted Fund Balance				<u>292,437</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				1,167,729	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(245,816)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 921,913</u>	

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources	\$ 117,955	\$ 1,704	\$ 119,659	\$ 119,659	-
Total Revenues	117,955	1,704	119,659	119,659	
EXPENDITURES:					
Instruction					
Professional and Tech. Services	2,597	100	2,697	2,697	
Tuition	60,000	-	60,000	60,000	
General Supplies	35,403	1,604	37,007	37,007	
Other Objects	300	-	300	300	
Total Instruction	98,300	1,704	100,004	100,004	
Support Services					
Purchased Profess.-Tech. Serv.	17,347		17,347	17,347	
Other Purchased Profess. Serv.	1,000		1,000	1,000	
Supplies and Materials	1,308		1,308	1,308	
Total Support Services	19,655		19,655	19,655	
Total Expenditures	117,955	1,704	119,659	119,659	
Total Outflows	\$ 117,955	\$ 1,704	\$ 119,659	\$ 119,659	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)					None
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis					<u>None</u>
Fund Balance per Governmental Funds(GAAP Basis)					None

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2015

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 6,705,277	\$ 119,659
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	5,193
Current Year Encumbrances	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	245,801	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(245,816)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 6,705,262</u>	<u>\$ 124,852</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 6,655,948	\$ 119,659
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	5,193
Current Year Encumbrances	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 6,655,948</u>	<u>\$ 124,852</u>

**Oxford Township School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years ***

Teachers' Pension and Annuity Fund (TPAF)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
District's proportion of the net pension liability (asset) **	N/A	N/A								
District's proportionate share of the net pension liability (asset) **	N/A	N/A								
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 10,068,211</u>	<u>\$ 10,806,791</u>								
Total	<u>\$ 10,068,211</u>	<u>\$ 10,806,791</u>								
District's covered employee payroll	\$ 2,209,139	\$ 1,981,622								
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%								

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
District's proportion of the net pension liability (asset)	0.007850331%	0.006380266%								
District's proportionate share of the net pension liability (asset)	<u>\$ 1,469,797</u>	<u>\$ 1,219,396</u>								
District's covered employee payroll	\$ 681,512	\$ 656,442								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	215.67%	185.76%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.08%	48.72%								

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**Oxford Township School District
Schedule of District Contributions
Last Ten Fiscal Years ***

Teachers' Pension and Annuity Fund (TPAF)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractually required contribution **	N/A	N/A								
Contributions in relation to the contractually required contribution **	N/A	N/A								
Contribution deficiency (excess)	N/A	N/A								
District's covered employee payroll	\$ 2,209,139	\$ 1,981,622								
Contributions as a percentage of covered-employee payroll	N/A	N/A								

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractually required contribution	\$ 50,523	\$ 45,992								
Contributions in relation to the contractually required contribution	<u>(50,523)</u>	<u>(45,992)</u>								
Contribution deficiency (excess)	<u>-</u>	<u>-</u>								
District's covered employee payroll	\$ 681,512	\$ 656,442								
Contributions as a percentage of covered-employee payroll	7.41%	7.01%								

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2015

	Title I Part A	Title II Part A	IDEA Basic	IDEA Pre-Sch.	REAP	Totals
REVENUES						
Federal Sources	\$ 18,308	\$ 11,604	\$ 63,479	\$ 2,564	\$ 23,704	\$ 119,659
TOTAL REVENUES	18,308	11,604	63,479	2,564	23,704	119,659
EXPENDITURES:						
Instruction:						
Professional and Tech. Services	2,697					2,697
Tuition			60,000			60,000
General Supplies	13,303				23,704	37,007
Other Objects				300		300
Total Instruction	16,000		60,000	300	23,704	100,004
Support Services:						
Purchased Profess.-Tech. Serv.		11,604	3,479	2,264		17,347
Other Purchased Profess. Serv.	1,000					1,000
Supplies and Materials	1,308					1,308
Total Support Services	2,308	11,604	3,479	2,264		19,655
TOTAL EXPENDITURES	18,308	11,604	63,479	2,564	23,704	119,659
Total Outflows	18,308	11,604	63,479	2,564	23,704	119,659
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

**CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2015

	<u>Approval</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
					<u>Prior Years</u>	<u>Current Year</u>	
Alterations & Renovations of Central School	Voters	12/09/2008	\$ 1,309,200	\$ 895,000	\$ 891,222	-	\$ 3,778
			<u>\$ 1,309,200</u>	<u>\$ 895,000</u>	<u>\$ 891,222</u>	<u>-</u>	<u>\$ 3,778</u>
					Interest Earnings		<u>5</u>
					Fund Balances, June 30, 2015		<u>\$ 3,783</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2015

Revenues and Other Financing

Sources

Interest Earnings	\$ <u>5</u>
Total Revenues	<u>5</u>
Excess(deficiency) of revenues over(under) expenditures	5
Fund Balance - Beginning	\$ <u>3,778</u>
Fund Balance - Ending	<u><u>\$ 3,783</u></u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

**CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
IMPROVEMENTS OF OXFORD CENTRAL SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 895,000		\$ 895,000	\$ 895,000
Temporary Notes	-	-	-	-
Total Revenues	<u>895,000</u>	<u>-</u>	<u>895,000</u>	<u>895,000</u>
Expenditures and Other Financing Sources				
Professional Fees	\$ 7,702		\$ 7,702	7,702
Construction Services	883,520		883,520	883,520
Total Expenditures	<u>891,222</u>	<u>-</u>	<u>891,222</u>	<u>891,222</u>
Excess(deficiency) of revenues over(under) expenditures			<u>\$ 3,778</u>	
			Project Fund Balance, 6/30/15	<u>\$ 3,778</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/9/2008
Bonds Authorized	\$1,309,200
Bonds Issued	\$1,309,200
Original Authorized Cost	\$1,309,200
Additional Authorized Cost	-\$414,200
Revised Authorized Cost	\$895,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2014
Revised Target Completion Date	9/30/2014

<p style="text-align: center;">PROPRIETARY FUND DETAIL STATEMENTS</p>
--

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

<p style="text-align: center;">FIDUCIARY FUND DETAIL STATEMENTS</p>
--

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	FIDUCIARY TRUSTS	AGENCY FUNDS		TOTALS
			STUDENT ACTIVITY	PAYROLL AGENCY	
ASSETS:					
Cash and Cash Equivalents	\$40,673	\$11,636	\$31,948	\$24,688	\$108,945
TOTAL ASSETS	\$40,673	\$11,636	\$31,948	\$24,688	\$108,945
LIABILITIES:					
Liabilities:					
Payroll Deductions and Withholdings					
Interfund Payable				-	-
Accounts Payable				\$ 24,688	\$ 24,688
Payable to Student Groups			\$31,948		31,948
Total Liabilities			31,948	24,688	56,636
Net Position					
Held in Trust for Unemployment Claims and Other Purposes	\$40,673	\$11,636			52,309
TOTAL LIABILITIES AND NET POSITION	\$40,673	\$11,636	\$31,948	\$24,688	\$108,945

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	SCHOLARSHIP TRUST	SUNSHINE TRUST	SUMMER RECREATION TRUST	TOTALS
ADDITIONS					
Contributions:					
Board	\$ 8,000				\$ 8,000
Plan Member	5,504				5,504
Other	-	\$ 15	\$ 1,185	\$ 840	2,040
Total Contributions	<u>13,504</u>	<u>15</u>	<u>1,185</u>	<u>840</u>	<u>15,544</u>
Total Additions	<u>13,504</u>	<u>15</u>	<u>1,185</u>	<u>840</u>	<u>15,544</u>
DEDUCTIONS					
Unemployment Claims	11,178				11,178
Other	-	1,000	1,121	1,624	3,745
Total Deductions	<u>11,178</u>	<u>1,000</u>	<u>1,121</u>	<u>1,624</u>	<u>14,923</u>
Change in Net Position	2,326	(985)	64	(784)	621
Net Position—Beginning of the Year	<u>38,347</u>	<u>10,533</u>	<u>753</u>	<u>2,055</u>	<u>51,688</u>
Net Position—End of the Year	<u>\$ 40,673</u>	<u>\$ 9,548</u>	<u>\$ 817</u>	<u>\$ 1,271</u>	<u>\$ 52,309</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2014</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2015</u>
Blue Jeans	\$ 3,367		\$ 1,648	\$ 3,390	\$ 1,625
Autisum 5K	209				209
Down Syndrome	-		1,107	854	253
7th-8th Grade Fundraiser	-		523	523	-
Archery	8,181		25,879	27,725	6,335
American Bin	7,040		3,450	3,920	6,570
Year Book	3,961		2,755	3,099	3,617
Student Council	1,035		3,687	2,261	2,461
KO Club			201		201
K-Kids	428		517	463	482
OCS Play	1,930		2,658	3,387	1,201
Music			1,260	50	1,210
Gym Uniforms	-		1,674	1,674	-
Locker Deposit	192		5		197
Living Responsibly	1,866				1,866
Rebel	2,031			312	1,719
Garden Grant - 4th Grade	181				181
Trenton Grant	30		300	293	37
General	990		2,814	2,379	1,425
Transportation	242		585	804	23
Trips-Kindergarten	68		665	684	49
Trips-Grade 1	(1)		450	351	98
Trips-Grade 2	8		810	807	11
Trips-Grade 3	113		642	625	130
Trips-Grade 4	103		962	936	129
Trips-Grade 5	473		1,176	1,571	78
Trips-Grade 6	258		1,191	1,290	159
Trips-Grade 7	-		10,944	9,262	1,682
Trips-Grade 8	-	-	13,094	13,094	-
Totals	\$ 32,705	-	\$ 78,997	\$ 79,754	\$ 31,948

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 58,924	\$ 3,258,158	\$ 3,292,394	\$ 24,688
Total Assets	<u>\$ 58,924</u>	<u>\$ 3,258,158</u>	<u>\$ 3,292,394</u>	<u>\$ 24,688</u>
LIABILITIES:				
Payroll Deductions and Withholdings		\$ 1,406,103	\$ 1,406,103	
Accrued Salaries and Wages		1,850,064	1,850,064	
Interfund Payable	36,227		36,227	-
Accounts Payable	<u>\$ 22,697</u>	<u>1,991</u>	<u>-</u>	<u>\$ 24,688</u>
Total Liabilities	<u>\$ 58,924</u>	<u>\$ 3,258,158</u>	<u>\$ 3,292,394</u>	<u>\$ 24,688</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2015**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2014</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE JUNE 30, 2015</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Refunding Bonds - 2006 (To Advance Refund \$4,170,000 2001 Series Bonds)	12/14/06	\$ 4,440,000	7/15/15	\$ 145,000	3.625% to 4.375%	\$ 4,160,000		\$ (140,000)	\$ 4,020,000
			7/15/16	150,000					
			7/15/17	160,000					
			7/15/18	170,000					
			7/15/19	170,000					
			7/15/20	180,000					
			7/15/21	190,000					
			7/15/22	200,000					
			7/15/23	205,000					
			7/15/24	220,000					
			7/15/25	230,000					
			7/15/26	245,000					
			7/15/27	255,000					
			7/15/28	270,000					
			7/15/29	280,000					
			7/15/30	300,000					
7/15/31	320,000								
7/15/32	330,000								
General Obligation Bonds	6/1/11	895,000	10/15/15	\$ 130,000	3.00%	685,000		(125,000)	560,000
			10/15/16	130,000					
			10/15/17	130,000					
			10/15/18	170,000					
Total						\$ 4,845,000	- \$	(265,000)	\$ 4,580,000

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 385,775		\$ 385,775	\$ 385,775	-
State Sources:					
Debt Service Aid Type II	69,023		69,023	69,023	
TOTAL REVENUES	454,798	-	454,798	454,798	-
EXPENDITURES:					
Regular Debt Service:					
Interest	189,873		189,873	189,873	-
Redemption of Principal	265,000		265,000	265,000	
Total Regular Debt Service	454,873		454,873	454,873	-
TOTAL EXPENDITURES	454,873		454,873	454,873	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75)		(75)	(75)	-
Fund Balance, July 1	75		75	75	-
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

Oxford Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	96-101
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	102-105
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	106-109
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	110-111
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	112-116

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

**Oxford Township School District
Net Position by Component,
Last Ten Fiscal Years**

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 4,409,208	\$ 4,008,616	\$ 3,530,443	\$ 3,457,742	\$ 4,027,648	\$ 3,192,098	\$ 3,016,962	\$ 2,966,826	\$ 2,966,826	\$ 2,966,826
Restricted	293,811	235,911	223,729	417,050	647,150	436,150	525,636	672,155	821,913	873,760
Unrestricted	(138,090)	(75,165)	(84,103)	(175,650)	(905,056)	(194,582)	(322,921)	(276,206)	(267,855)	(1,227,625)
Total governmental activities Net Position	<u>\$ 4,564,929</u>	<u>\$ 4,169,362</u>	<u>\$ 3,670,069</u>	<u>\$ 3,699,142</u>	<u>\$ 3,769,742</u>	<u>\$ 3,433,666</u>	<u>\$ 3,219,677</u>	<u>\$ 3,362,775</u>	<u>\$ 3,520,884</u>	<u>\$ 2,612,961</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,912	\$ 2,738	\$ 2,563	\$ 2,389	\$ 2,215	\$ 2,040	\$ 1,360	\$ 680	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	14,971	9,200	6,143	10,395	12,976	13,700	1,490	9,661	14,265	12,556
Total business-type activities Net Position	<u>\$ 17,883</u>	<u>\$ 11,938</u>	<u>\$ 8,706</u>	<u>\$ 12,784</u>	<u>\$ 15,191</u>	<u>\$ 15,740</u>	<u>\$ 2,850</u>	<u>\$ 10,341</u>	<u>\$ 14,265</u>	<u>\$ 12,556</u>
District-wide										
Invested in capital assets, net of related debt	\$ 4,412,120	\$ 4,011,354	\$ 3,533,006	\$ 3,460,131	\$ 4,029,863	\$ 3,194,138	\$ 3,018,322	\$ 2,967,506	\$ 2,966,826	\$ 2,966,826
Restricted	293,811	235,911	223,729	417,050	647,150	436,150	525,636	672,155	821,913	873,760
Unrestricted	(123,119)	(65,965)	(77,960)	(165,255)	(892,080)	(180,882)	(321,431)	(266,545)	(253,590)	(1,215,069)
Total district Net Position	<u>\$ 4,582,812</u>	<u>\$ 4,181,300</u>	<u>\$ 3,678,775</u>	<u>\$ 3,711,926</u>	<u>\$ 3,784,933</u>	<u>\$ 3,449,406</u>	<u>\$ 3,222,527</u>	<u>\$ 3,373,116</u>	<u>\$ 3,535,149</u>	<u>\$ 2,625,517</u>

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,987,165	\$ 2,165,731	\$ 2,187,468	\$ 2,015,238	\$ 2,226,967	\$ 2,314,475	\$ 2,215,978	\$ 2,657,738	\$ 2,895,617	\$ 3,130,979
Special education	299,353	380,425	516,368	689,731	630,268	643,332	618,358	514,370	514,631	527,952
Other special instruction	37,836	40,713	8,640	10,510	10,246	18,440	21,994	42,224	36,658	44,170
Support Services:										
Tuition	1,483,510	1,721,924	2,112,015	1,744,491	1,649,352	1,977,062	1,875,062	1,571,200	1,474,776	1,776,420
Student & instruction related services	714,290	774,216	606,559	633,530	606,341	619,335	684,450	634,512	644,866	781,910
School administrative service	118,535	125,921	126,382	122,961	125,902	128,930	130,959	131,451	130,782	148,349
General and business admin. services	438,940	448,839	378,807	440,603	463,959	424,035	432,059	375,919	356,938	409,769
Plant operations and maintenance	414,210	463,966	356,488	388,375	425,629	368,947	396,999	361,349	354,903	386,997
Pupil transportation	216,988	197,604	226,945	180,802	131,361	145,604	169,878	186,588	211,848	213,251
Special schools	30,813	28,649	-	-	-	-	-	-	-	-
Interest on long-term debt	233,179	130,837	201,767	197,414	192,813	217,997	232,984	264,835	253,782	244,973
Total governmental activities expenses	<u>5,974,819</u>	<u>6,478,825</u>	<u>6,721,439</u>	<u>6,423,655</u>	<u>6,462,838</u>	<u>6,858,157</u>	<u>6,778,721</u>	<u>6,740,186</u>	<u>6,874,801</u>	<u>7,664,770</u>
Business-type activities:										
Food service	99,401	92,333	85,801	80,295	79,153	79,184	77,713	88,606	91,134	99,552
Total business-type activities expense	<u>99,401</u>	<u>92,333</u>	<u>85,801</u>	<u>80,295</u>	<u>79,153</u>	<u>79,184</u>	<u>77,713</u>	<u>88,606</u>	<u>91,134</u>	<u>99,552</u>
Total district expenses	<u>\$ 6,074,220</u>	<u>\$ 6,571,158</u>	<u>\$ 6,807,240</u>	<u>\$ 6,503,950</u>	<u>\$ 6,541,991</u>	<u>\$ 6,937,341</u>	<u>\$ 6,856,434</u>	<u>\$ 6,828,792</u>	<u>\$ 6,965,935</u>	<u>\$ 7,764,322</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services								64,000	102,446	\$ 81,676
Operating grants and contributions	\$ 2,985,895	\$ 3,024,905	\$ 2,951,404	\$ 2,891,789	\$ 2,948,566	\$ 2,872,328	\$ 2,998,720	\$ 3,148,052	\$ 3,216,059	3,703,912
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>2,985,895</u>	<u>3,024,905</u>	<u>2,951,404</u>	<u>2,891,789</u>	<u>2,948,566</u>	<u>2,872,328</u>	<u>2,998,720</u>	<u>3,212,052</u>	<u>3,318,505</u>	<u>3,785,588</u>
Business-type activities:										
Charges for services										
Business and other support services	60,385	61,370	58,718	62,813	57,013	52,365	53,026	54,164	59,046	55,950
Operating grants and contributions	26,346	24,056	21,175	21,229	23,949	26,508	23,954	29,067	35,606	40,229
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>86,731</u>	<u>85,426</u>	<u>79,893</u>	<u>84,042</u>	<u>80,962</u>	<u>78,873</u>	<u>76,980</u>	<u>83,231</u>	<u>94,652</u>	<u>96,179</u>
Total district program revenues	<u>\$ 3,072,626</u>	<u>\$ 3,110,331</u>	<u>\$ 3,031,297</u>	<u>\$ 2,975,831</u>	<u>\$ 3,029,528</u>	<u>\$ 2,951,201</u>	<u>\$ 3,075,700</u>	<u>\$ 3,295,283</u>	<u>\$ 3,413,157</u>	<u>\$ 3,881,767</u>
Net (Expense)/Revenue										
Governmental activities	\$ (2,988,924)	\$ (3,453,920)	\$ (3,770,035)	\$ (3,531,866)	\$ (3,514,272)	\$ (3,985,829)	\$ (3,780,001)	\$ (3,528,134)	\$ (3,556,296)	\$ (3,879,182)
Business-type activities	(12,670)	(6,907)	(5,908)	3,747	1,809	(311)	(733)	(5,375)	3,518	(3,373)
Total district-wide net expense	<u>\$ (3,001,594)</u>	<u>\$ (3,460,827)</u>	<u>\$ (3,775,943)</u>	<u>\$ (3,528,119)</u>	<u>\$ (3,512,463)</u>	<u>\$ (3,986,140)</u>	<u>\$ (3,780,734)</u>	<u>\$ (3,533,509)</u>	<u>\$ (3,552,778)</u>	<u>\$ (3,882,555)</u>

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,490,665	\$ 2,721,704	\$ 3,269,312	\$ 3,234,572	\$ 3,234,572	\$ 3,286,838	\$ 3,230,838	\$ 3,292,340	\$ 3,313,997	\$ 3,521,660
Taxes levied for debt service	307,961	306,188	288,656	289,414	289,927	305,751	299,034	375,216	382,783	385,775
Investment earnings	14,048	29,823	22,252	9,545	5,153	3,768	1,227	320	163	277
Miscellaneous income	33,460	638	11,389	24,408	55,220	53,396	34,913	3,356	17,462	31,376
Federal and State Aid for Capital Assets Projects	(21,157)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>2,824,977</u>	<u>3,058,353</u>	<u>3,591,609</u>	<u>3,557,939</u>	<u>3,584,872</u>	<u>3,649,753</u>	<u>3,566,012</u>	<u>3,671,232</u>	<u>3,714,405</u>	<u>3,939,088</u>
Business-type activities:										
Investment earnings	272	962	2,676	331	598	860	543	166	406	1,664
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>272</u>	<u>962</u>	<u>2,676</u>	<u>331</u>	<u>598</u>	<u>860</u>	<u>543</u>	<u>166</u>	<u>406</u>	<u>1,664</u>
Total district-wide	<u>\$ 2,825,249</u>	<u>\$ 3,059,315</u>	<u>\$ 3,594,285</u>	<u>\$ 3,558,270</u>	<u>\$ 3,585,470</u>	<u>\$ 3,650,613</u>	<u>\$ 3,566,555</u>	<u>\$ 3,671,398</u>	<u>\$ 3,714,811</u>	<u>\$ 3,940,752</u>
Change in Net Position										
Governmental activities	\$ (163,947)	\$ (395,567)	\$ (178,426)	\$ 26,073	\$ 70,600	\$ (336,076)	\$ (213,989)	\$ 143,098	\$ 158,109	\$ 59,906
Business-type activities	(12,398)	(5,945)	(3,232)	4,078	2,407	549	(190)	(5,209)	3,924	(1,709)
Total district	<u>\$ (176,345)</u>	<u>\$ (401,512)</u>	<u>\$ (181,658)</u>	<u>\$ 30,151</u>	<u>\$ 73,007</u>	<u>\$ (335,527)</u>	<u>\$ (214,179)</u>	<u>\$ 137,889</u>	<u>\$ 162,033</u>	<u>\$ 58,197</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	2006		2007		2008		2009		Fiscal Year Ending June 30,		2010		2011		2012		2013		2014		2015		
General Fund																							
Reserved	\$	261,544	\$	186,200	\$	279,726	\$	466,818	\$	580,263	\$	452,575	\$	468,641	\$	617,155	\$	758,615	\$	840,292			
Unreserved		60,082		41,311		41,949		(25,149)		88,194		(25,330)		(48,604)		13,927		113,984		81,621			
Total general fund	\$	<u>321,626</u>	\$	<u>227,511</u>	\$	<u>321,675</u>	\$	<u>441,669</u>	\$	<u>668,457</u>	\$	<u>427,245</u>	\$	<u>420,037</u>	\$	<u>631,082</u>	\$	<u>872,599</u>	\$	<u>921,913</u>			
All Other Governmental Funds																							
Reserved		-		-		-		-		-	\$	20,350	\$	20,350		-		-		-			
Unreserved, reported in:																							
Special revenue fund	\$	(754)	\$	(754)	\$	(754)			\$	1		1		16	\$	90	\$	75		-			
Capital projects fund		3,028		-		-		-		(712,659)		3,778		3,778		3,778		3,778		3,783		\$ 3,783	
Debt service fund		-		87,835		-		-		-		-		-		-		-		-		-	
Total all other governmental funds	\$	<u>2,274</u>	\$	<u>87,081</u>	\$	<u>(754)</u>	\$	<u>-</u>	\$	<u>(712,658)</u>	\$	<u>24,129</u>	\$	<u>24,144</u>	\$	<u>3,868</u>	\$	<u>3,853</u>	\$	<u>3,783</u>			

Source: CAFR Schedule B-1

**Oxford Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 2,798,626	\$ 3,027,892	\$ 3,557,968	\$ 3,523,986	\$ 3,524,499	\$ 3,592,589	\$ 3,529,872	\$ 3,667,556	\$ 3,696,780	\$ 3,907,435
Interest on Investments										
Interest on Capital Reserve Fund		\$ 50	100	100	50	25	25	64,000	102,446	81,676
Miscellaneous	47,508	30,411	33,541	33,853	60,323	57,139	36,115	3,676	17,625	31,653
State sources	2,522,829	2,682,772	2,777,812	2,748,865	2,425,496	2,643,019	2,775,750	3,019,691	3,095,790	3,139,301
Federal sources	441,909	344,807	173,592	142,924	523,070	229,309	222,970	128,361	120,269	124,852
Total revenue	<u>5,810,872</u>	<u>6,085,932</u>	<u>6,543,013</u>	<u>6,449,728</u>	<u>6,533,438</u>	<u>6,522,081</u>	<u>6,564,732</u>	<u>6,883,284</u>	<u>7,032,910</u>	<u>7,284,917</u>
Expenditures										
Instruction										
Regular Instruction	1,301,182	1,569,565	1,676,625	1,589,246	1,791,089	1,869,774	1,709,886	2,087,738	2,340,766	2,385,261
Special education instruction	237,374	320,016	460,179	636,597	584,390	597,125	566,611	462,209	476,683	438,022
Other special instruction	30,002	34,248	7,700	9,700	9,500	17,116	20,163	37,942	33,955	36,646
Support Services:										
Tuition	1,483,510	1,721,924	2,112,015	1,744,491	1,649,352	1,977,062	1,875,062	1,571,200	1,474,776	1,776,420
Student & instruction related services	566,400	651,276	540,556	584,726	562,205	574,851	627,172	570,168	597,315	648,722
School administrative services	93,993	105,926	112,630	113,489	116,737	119,670	120,000	118,121	121,138	123,080
Other administrative services	348,060	377,566	337,587	406,661	430,187	393,579	395,902	337,798	330,618	339,970
Plant operations and maintenance	328,450	390,291	317,697	358,456	394,647	342,447	363,776	324,706	328,733	321,077
Pupil transportation	216,988	197,604	226,945	180,802	131,361	145,604	169,878	186,588	211,848	213,251
Unallocated employee benefits	836,696	415,871	442,355	301,126	296,338	293,697	342,686	434,786	363,853	430,716
Summer School	24,433	24,100	-	-	-	-	-	-	-	-
Charter School		17,339	12,571	29,968	30,445	30,773	33,961	43,609	-	-
Capital Outlay	214,696	48,487	1,169	84,304	733,131	239,586	39,616	78,099	58,207	67,635
Debt service:										
Principal	75,000	75,000	85,000	90,000	95,000	100,000	105,000	210,000	255,000	265,000
Interest and other charges	234,863	143,353	203,656	199,414	194,926	220,222	202,222	229,551	198,516	189,873
Total expenditures	<u>5,991,647</u>	<u>6,092,566</u>	<u>6,536,685</u>	<u>6,328,980</u>	<u>7,019,308</u>	<u>6,921,506</u>	<u>6,571,935</u>	<u>6,692,515</u>	<u>6,791,408</u>	<u>7,235,673</u>
Excess (Deficiency) of revenues over (under) expenditures	(180,775)	(6,634)	6,328	120,748	(485,870)	(399,425)	(7,203)	190,769	241,502	49,244
Other Financing Sources (uses)										
Bond Proceeds						895,000				
Transfers in			87,835			20,350				
Transfers out			(87,835)			(20,350)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>895,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (180,775)</u>	<u>\$ (6,634)</u>	<u>\$ 6,328</u>	<u>\$ 120,748</u>	<u>\$ (485,870)</u>	<u>\$ 495,575</u>	<u>\$ (7,203)</u>	<u>\$ 190,769</u>	<u>\$ 241,502</u>	<u>\$ 49,244</u>
Debt service as a percentage of noncapital expenditures	5.4%	3.6%	4.4%	4.6%	4.6%	4.8%	4.7%	6.6%	6.7%	6.3%

Source: CAFR Schedule B-2

OXFORD TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	14,048	399	\$ 6,725			21,172
2007	29,773				383	30,156
2008	22,152	3,773			7,616	33,541
2009	9,545	11,513			12,895	33,953
2010	5,153	33,986		19,050	2,184	60,373
2011	3,768	4,049		\$ 30,475	4,207	42,499
2012	1,227	233		31,686	2,994	36,140
2013	320	439		64,000	2,917	67,676
2014	163	15,998		102,446	1,464	120,071
2015	277	29,859		81,676	1,512	113,324

SOURCE: District Records

**Oxford Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

<u>Fiscal Year Ended June 30.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2006	\$3,094,500	\$101,881,600	\$2,752,900	\$249,158	\$4,756,700	\$4,694,600	-	\$141,231,741	\$23,190,550	\$611,733	\$118,041,191	\$2.365	\$184,265,771
2007	2,838,900	103,374,300	2,752,900	221,508	4,799,800	3,924,300	-	145,445,905	26,975,750	558,447	118,470,155	2.565	207,175,594
2008	5,426,300	214,930,200	5,767,700	239,860	10,050,400	5,973,400	-	291,760,231	48,407,093	965,278	243,353,138	1.464	231,247,303
2009	5,571,800	214,059,400	6,377,900	239,860	9,614,200	5,849,500	-	291,295,676	48,531,793	1,051,223	242,763,883	1.451	239,375,946
2010	6,186,200	213,956,900	6,302,700	225,085	9,095,200	4,609,600	-	289,699,118	48,448,593	874,840	241,250,525	1.460	241,566,457
2011	5,308,300	184,576,000	4,865,400	228,300	7,700,600	3,772,900	-	252,243,392	44,853,500	938,392	207,389,892	1.732	236,082,321
2012	5,231,300	184,134,000	4,865,400	229,000	7,784,800	3,772,900	-	251,448,296	44,553,700	877,196	206,894,596	1.706	220,606,963
2013	5,057,400	183,999,900	4,766,000	229,200	7,872,400	3,772,900	-	250,900,957	44,323,100	880,057	206,577,857	1.775	215,391,965
2014	4,973,800	182,973,100	4,746,000	229,200	7,946,700	3,422,900	\$1,000,000	248,384,500	43,092,800	-	205,291,700	1.801	199,551,637
2015	7,790,100	181,066,400	4,798,100	238,200	7,719,200	3,125,900	\$1,000,000	249,059,900	43,322,000	-	205,737,900	1.848	187,942,229

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**Oxford Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Oxford Township Board of Education						Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Oxford Township	Library	Warren County	
2006	\$2.209	\$0.156	\$2.365	\$0.292	\$0.081	\$0.922	\$3.660
2007	\$2.307	\$0.258	\$2.565	\$0.291	\$0.090	\$1.004	\$3.950
2008	\$1.345	\$0.119	\$1.464	\$0.201	\$0.051	\$0.534	\$2.250
2009	\$1.332	\$0.119	\$1.451	\$0.183	\$0.052	\$0.549	\$2.235
2010	\$1.340	\$0.120	\$1.460	\$0.214	\$0.052	\$0.551	\$2.277
2011	\$1.585	\$0.147	\$1.732	\$0.269	\$0.055	\$0.641	\$2.697
2012	\$1.561	\$0.145	\$1.706	\$0.309	\$0.052	\$0.626	\$2.693
2013	\$1.593	\$0.182	\$1.775	\$0.326	\$0.049	\$0.652	\$2.802
2014	\$1.615	\$0.186	\$1.801	\$0.345	\$0.049	\$0.643	\$2.838
2015	\$1.660	\$0.188	\$1.848	\$0.363	\$0.049	\$0.651	\$2.911

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

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

Exhibit J-8

Taxpayer	2015			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Individual Taxpayer #1	\$2,207,200	1	1.07%	921,400	4	0.78%
Tilcon Materials, Inc.	2,113,700	2	1.03%			
Individual Taxpayer #2	1,656,400	3	0.81%			
Individual Taxpayer #3	1,163,200	4	0.57%	722,743	5	0.61%
Oxford Textile	1,446,100	5	0.70%	3,505,600	1	2.97%
Oxford Manor	1,000,000	6	0.49%			
Individual Taxpayer #4	750,100	7	0.36%	319,000	8	0.27%
Individual Taxpayer #5	732,700	8	0.36%	411,400	7	0.35%
HCBOREO 1, LLC	710,600	9	0.35%			
Individual Taxpayer #6	621,300	10	0.30%			
Oxford Quarry, Inc.				1,592,500	2	1.35%
Skyland Development L.P.				1,090,100	3	0.92%
Oxtech Industries, Inc.				641,000	6	0.54%
Total	\$ 12,401,300		6.03%	\$ 9,203,743		7.80%

Source: District CAFR & Municipal Tax Assessor

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

Exhibit J-9

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	
2006	\$2,798,626	\$2,798,626	100.00%	-
2007	\$3,027,892	\$3,027,892	100.00%	-
2008	\$3,557,968	\$3,557,968	100.00%	-
2009	\$3,523,986	\$3,523,986	100.00%	-
2010	\$3,524,499	\$3,524,499	100.00%	-
2011	\$3,592,589	\$3,592,589	100.00%	-
2012	\$3,529,872	\$3,529,872	100.00%	-
2014	\$3,667,556	\$3,667,556	100.00%	-
2015	\$3,696,780	\$3,696,780	100.00%	-
2015	\$3,907,435	\$3,907,435	100.00%	-

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

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

**Oxford Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	\$4,695,000	-0-	-0-	-0-	-0-	\$4,695,000	4.44%	\$1,802
2007	\$4,890,000	-0-	-0-	-0-	-0-	\$4,890,000	4.40%	\$1,886
2008	\$4,805,000	-0-	-0-	-0-	-0-	\$4,805,000	4.22%	\$1,861
2009	\$4,715,000	-0-	-0-	-0-	-0-	\$4,715,000	4.16%	\$1,823
2010	\$4,620,000	-0-	-0-	-0-	-0-	\$4,620,000	4.09%	\$1,797
2011	\$5,415,000	-0-	-0-	\$1,309,200	-0-	\$6,724,200	5.81%	\$2,677
2012	\$5,310,000	-0-	-0-	-0-	-0-	\$5,310,000	4.42%	\$2,127
2013	\$5,100,000	-0-	-0-	-0-	-0-	\$5,100,000	4.20%	\$2,059
2014	\$4,845,000	-0-	-0-	-0-	-0-	\$4,845,000	4.00%	\$1,963
2015	\$4,580,000	-0-	-0-	-0-	-0-	\$4,580,000	3.79%	\$1,857 *

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

* Current data unavailable

**Oxford Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$4,695,000	-0-	\$4,695,000	3.98%	\$1,802
2007	\$4,890,000	-0-	\$4,890,000	4.13%	\$1,886
2008	\$4,805,000	-0-	\$4,805,000	1.97%	\$1,861
2009	\$4,715,000	-0-	\$4,715,000	1.94%	\$1,823
2010	\$4,620,000	-0-	\$4,620,000	1.92%	\$1,797
2011	\$5,415,000	-0-	\$5,415,000	2.61%	\$2,677
2012	\$5,310,000	-0-	\$5,310,000	2.57%	\$2,127
2013	\$5,100,000	-0-	\$5,100,000	2.47%	\$2,059
2014	\$4,845,000	-0-	\$4,845,000	2.36%	\$1,963
2015	\$4,580,000	-0-	\$4,580,000	2.23%	\$1,857

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**Oxford Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Township of Oxford	\$ 1,631,611	100.000%	\$ 1,631,611
Other debt Warren County	5,310,000	1.666%	<u>88,486</u>
Subtotal, overlapping debt			1,720,097
Oxford Township School District Direct Debt			<u>4,580,000</u>
Total direct and overlapping debt			<u><u>\$ 6,300,097</u></u>

Sources: Township Finance Officer, Warren County Finance Office
and Utility Authorities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Oxford Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis	
2012	198,588,338
2013	186,290,109
2014	177,574,573
[A]	\$ 562,453,020

Average equalized valuation of taxable property **[A/3]** \$ 187,484,340

Debt limit (3 % of average equalization value) **[B]** 5,624,530

Net school debt **[C]** 4,580,000

Legal debt margin **[B-C]** **\$ 1,044,530**

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$5,463,912	\$6,114,945	\$6,677,318	\$7,049,723	\$7,110,793	\$6,922,827	\$6,652,693	\$6,306,417	\$5,982,795	\$ 5,624,530
Total net debt applicable to limit	<u>4,695,000</u>	<u>4,890,000</u>	<u>4,805,000</u>	<u>4,715,000</u>	<u>5,929,200</u>	<u>6,724,200</u>	<u>5,310,000</u>	<u>5,100,000</u>	<u>4,845,000</u>	<u>4,580,000</u>
Legal debt margin	<u>\$768,912</u>	<u>\$1,224,945</u>	<u>\$1,872,318</u>	<u>\$2,334,723</u>	<u>\$1,181,593</u>	<u>\$198,627</u>	<u>\$1,342,693</u>	<u>\$1,206,417</u>	<u>\$1,137,795</u>	<u>\$1,044,530</u>
Total net debt applicable to the limit as a percentage of debt limit	85.93%	79.97%	71.96%	66.88%	83.38%	97.13%	79.82%	80.87%	80.98%	81.43%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Oxford Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2006	2,605	\$ 105,778,630	\$40,606 R	7.5%
2007	2,593	\$ 111,089,306	\$42,842 R	6.9%
2008	2,582	\$ 113,917,840	\$44,120 R	9.1%
2009	2,586	\$ 113,432,304	\$43,864 R	15.7%
2010	2,571	\$ 113,026,302	\$43,962 R	16.1%
2011	2,512	\$ 115,727,840	\$46,070 R	15.0%
2012	2,496	\$ 120,095,040	\$48,115 R	14.6%
2013	2,477	\$ 121,472,080	\$49,040 R	8.3%
2014	2,468	\$ 121,030,720	\$49,040 *	6.7%
2015	2,467	\$ 120,981,680	\$49,040 *	*

Source:

^a Combined Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised

P =Projected

* Current data unavailable

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

Exhibit J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2015</u>	<u>2015</u>
Instruction										
Regular	22	22	22.5	20.0	20.0	20.5	20.5	22.0	23.0	24.0
Special education	8	8	8	8.0	8.0	8.0	8.0	8.0	7.5	7.0
Other special education	5	5	10	6.5	10.0	8.5	10.0	12.5	14.2	14.0
Support Services:										
Student & instruction related services	4	4	3	5.0	4.3	4.0	4.0	4.0	4.0	4.0
School administrative services	4	4	4	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Business administrative services	2	2	2	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Plant operations and maintenance	3	3	3.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0
Food Service	3	3	-	-	-	-	-	-	-	-
Total	51	51	53	49	52.3	51.0	52.5	56.0	58.2	58.5

Source: District Personnel Records

Oxford Township School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2006	314	5,467,088	17,411	7.94%	30	1/10.5		314.0	302.4	-2.09%	96.3%
2007	319	5,874,213	18,414	5.76%	30	1/10.6		307.3	293.2	-2.13%	95.4%
2008	299	6,248,028	20,896	13.48%	30	1/10.0		299.0	285.7	-2.70%	95.6%
2009	408	6,248,028	15,314	-26.72%	28	1/14.6		291.0	273.9	-2.68%	94.1%
2010	406	6,729,382	16,575	8.23%	28	1/14.5		287.0	274.2	-1.37%	95.5%
2011	428	6,601,284	15,424	-6.95%	28	1/14.0		281.2	270.0	-2.02%	96.0%
2012	417	6,264,703	15,023	-2.60%	29	1/14.4		278.0	266.0	-1.14%	95.7%
2013	437	6,252,964	14,309	-4.76%	30	1/14.6		305.0	293.0	9.71%	96.1%
2014	439	6,337,892	14,437	0.90%	31	1/14.2		313.0	303.0	2.62%	96.8%
2015	432	6,780,800	15,696	8.72%	31	1/13.9		308.1	296.9	-1.57%	96.4%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)
- d Enrollment for FY2009 forward includes student counts for tuition students.

**Oxford Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

<u>District Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Elementary</u>										
Oxford Central (1923)										
Square Feet	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554
Capacity (students)	378	378	378	378	378	378	378	378	378	378
Enrollment	314	319	299	291	288	288	278	305	313	308

Number of Schools at June 30, 2015

Source: District records, ASSA

Elementary = 1

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

OXFORD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2015

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Oxford Central School	N/A	<u>\$160,072</u>	<u>\$182,665</u>	<u>\$61,455</u>	<u>\$88,736</u>	<u>\$92,280</u>	<u>\$72,475</u>	<u>\$86,256</u>	<u>\$87,737</u>	<u>\$86,429</u>	<u>\$99,483</u>	<u>\$1,017,588</u>
Total School Facilities		160,072	182,665	61,455	88,736	92,280	72,475	86,256	87,737	86,429	99,483	1,017,588
Other Facilities		<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Grand Total		<u>\$160,072</u>	<u>\$182,665</u>	<u>\$61,455</u>	<u>\$88,736</u>	<u>\$92,280</u>	<u>\$72,475</u>	<u>\$86,256</u>	<u>\$87,737</u>	<u>\$86,429</u>	<u>\$99,483</u>	<u>\$1,017,588</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMPREHENSIVE PACKAGE POLICY - School Alliance Insurance Fund		
Property-Blanket Building and Contents	\$ 250,000,000	\$ 2,500
Builders Risk	25,000,000	1,000
Fine Arts Coverage	2,500,000	1,000
Employee Dishonesty (Per Loss)	400,000	1,000
Money and Securities (in and out)	2,500,000	1,000
Comprehensive General Liability:		
Occurrence Limit	5,000,000	None
Comprehensive Automobile Liability	5,000,000	None
Workers' Compensation	Statutory	None
School Board Liability	5,000,000	5,000
Environmental Impairment Liability	1,000,000	10,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance Company		
School Board Secretary/School Business Administrator	165,000	

SOURCE: District Records

Single Audit Section



ARDITO & Co., LLP

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
 Douglas R. Williams, 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*

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Oxford Township School District
 County of Warren
 Oxford, New Jersey 07863

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oxford Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Oxford Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ardito & Co., LLP

ARDITO & CO., LLP
November 16, 2015

Cynthia Ardito

Licensed Public School Accountant No.2369



ARDITO & Co., LLP

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA
 Douglas R. Williams, CPA, RMA, PSA

Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circulars 04-04 and 15-08

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Oxford Township School District
 County of Warren
 Oxford, New Jersey 07863

Report on Compliance for Each Major State Program

We have audited the Oxford Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circulars 04-04 and 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2015. The Oxford Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

-Continued-

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

Opinion on Each Major State Program

In our opinion, the Oxford Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Oxford Township School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circulars 04-04 and 15-08, 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 Oxford Township School District Board of Education's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circulars 04-04 and 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

ARDITO & Co., LLP

ARDITO & CO., LLP
November 16, 2015

Anthony Ardito

Licensed Public School Accountant No.2369

OXFORD TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2015

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2014	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2015			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund:															
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 2,066,891			\$ 2,066,891	\$ (2,066,891)								*
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	107,685			107,685	(107,685)								*
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	129,516			129,516	(129,516)								*
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	218,357			218,357	(218,357)								*
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	29,557			29,557	(29,557)								*
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	3,950			3,950	(3,950)								*
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	3,950			3,950	(3,950)								*
Non-Public Transportation Aid	14-100-034-5120-068	7/1/13-6/30/14		\$ (1,105)		1,105									*
Non-Public Transportation Aid	15-100-034-5120-068	7/1/14-6/30/15	1,044				(1,044)			\$ (1,044)					*
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14		(104,302)		104,302									*
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	78,627				(78,627)			(78,627)					*
On-behalf TPAF Pension Contrib.	15-495-034-5094-006	7/1/14-6/30/15	102,005			102,005	(102,005)								*
Reimbursed TPAF Soc.Secur.Contrib.	15-495-034-5094-003	7/1/14-6/30/15	166,778			158,724	(166,778)			(8,054)					*
Total General Fund				(105,407)		2,926,042	(2,908,360)			(87,725)			245,816	2,908,360	*
Debt Service Fund:															
Debt Service Aid Type 2	15-100-034-5120-124	7/1/15-6/30/15	69,023			69,023	(69,023)								*
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	14-100-010-3350-023	7/1/13-6/30/14		(87)		87									*
Nat.School Lunch Prog.(State Share)	15-100-010-3350-023	7/1/15-6/30/15	1,235			1,003	(1,235)			(232)				1,235	*
Total Enterprise Fund				(87)		1,090	(1,235)			(232)				1,235	*
Total State Financial Assistance				\$ (105,494)		\$ 2,996,155	\$ (2,978,618)	-		\$ (87,957)			\$ 245,816	\$ 2,978,618	*

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Oxford Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Oxford Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15) for the general fund and \$5,193 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,070,278	\$ 3,070,278
Special Revenue Fund	\$ 124,852	-	124,852
Debt Service Fund		69,023	69,023
Food Service Fund	<u>38,994</u>	<u>1,235</u>	<u>40,229</u>
Total Financial Assistance	<u>\$ 163,846</u>	<u>\$ 3,140,536</u>	<u>\$ 3,304,382</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

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

Part I - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Unmodified

- 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 financial statements noted? ___ Yes x No

Federal Awards Section

N/A

- D) Dollar threshold used to determine Type A programs: N/A

- E) Auditee qualified as low-risk auditee? ___ Yes ___ No

- F) Type of auditor's report on compliance for major programs: N/A

- G) Internal Control over compliance:
 - 1) Material weakness(es) identified? ___ Yes ___ No
 - 2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ No

- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133(Section .510(a))? ___ Yes ___ No

- I) Identification of major programs:

CFDA NUMBER(S)

NAME OF FEDERAL PROGRAM OR CLUSTER

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

Part I - Summary of Auditor's Results

State Financial Assistance Section

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? (1) x yes no
- L) Type of auditor's report on compliance for major programs: Unmodified
- M) 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
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? yes x no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078

Equalization Aid

15-495-034-5120-014

Transportation Aid

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

Section II-Financial Statement Findings

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with Government Auditing Standards.

Section III - State Financial Assistance Findings and Questioned Costs

STATE FINANCIAL ASSISTANCE-There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 04-04 or 15-08.

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

STATUS OF PRIOR YEAR FINDINGS

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings.