

**SCHOOL DISTRICT  
OF  
ROXBURY TOWNSHIP**

**Roxbury Township School District  
Board of Education  
Succasunna, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual  
Financial Report**

**of the**

**Roxbury Township School District  
Board of Education**

**Succasunna, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

**Roxbury Township School District  
Board of Education**

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INTRODUCTORY SECTION

# ROXBURY TOWNSHIP PUBLIC SCHOOLS

## BOARD OF EDUCATION OFFICE

42 NORTH HILLSIDE AVENUE, SUCCASUNNA, NEW JERSEY 07876

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Fax (973) 584-0426

October 28, 2016

The Honorable President and Members of  
the Board of Education  
Roxbury Township School District  
County of Morris, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Roxbury Township School District (the "District") for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Roxbury Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Roxbury Township School District and all its schools constitute the District's reporting entity.

The Roxbury Township School District provides a full range of educational services appropriate to grade levels K through 12 for students residing in Roxbury Township. These include regular, vocational as well as special education for handicapped youngsters.

The Honorable President and Members of  
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Roxbury Township School District  
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2) ECONOMIC CONDITION AND OUTLOOK: The Township has completed a thorough built-out analysis for the community. The community is considered mature with limited area for future development excluding the 1,000 acre Ashland Chemical tract. The Township Council recently reviewed a conceptual development plan for the property that includes more than 3 million square feet of warehouse space, three flex buildings of 75,000 square feet each and a residential transit village. The “transit village” concept is a concern for the District due to the uncertainty surrounding the potential increase to the student population and the impact it will have on the enrollments of the local schools.

The Township and New Jersey Department of Environmental Protection is dealing with the remediation of the Fenimore Landfill. This situation has created a market where houses are being sold at a lesser price to comparisons with neighboring communities. Residents believe that Fenimore has caused the home values to decrease, thus decreasing the tax value of the property. Resident tax appeals may have an impact on the District’s overall budget.

There are several approved developments that will alter the Township’s population. These developments consist of the Village project, a 160 lot single-family subdivision in the Landing section of the Township and a 260-unit Senior Housing development in the Ledgewood section.

3) MAJOR INITIATIVES: We believe, in order for the Roxbury Township Public Schools to prepare our students of today for tomorrow, our students need an engaging, personalized curriculum that will inspire and empower them to flourish as ethical and global citizens in the 21st century. All students have unique needs, abilities and interests and educational technology enables students to experience a more personalized curriculum to gain the 21st century skills necessary to be successful in college and career.

The District’s One-to-One technology initiative was expanded to grades 5 & 6. This has allowed every student in Grades 5-12, plus every teaching staff member district wide to utilize a Google Chrome Book.

The long-term goals of the One-to-One initiative are to: increase student engagement with the curriculum; personalize instruction to meet student's needs, abilities and interests; and to foster the growth of the 4 C's - Collaboration, Communication, Critical-Thinking, and Creativity. Keeping these goals in mind as we progress through our planning and implementation of this 1-to-1 technology initiative, we believe will result in a transformation in our learning environments that will accelerate student learning.

Professional Development in the District this year continued to focus on the integration of technology and the implementation and use of the Google Chrome Books in classroom settings. Staff members were afforded the opportunity to attend numerous sessions throughout the year and during the summer to enhance their technological skills.

Curriculum work is being conducted throughout the school year and summer, in accordance with State guidelines for alignment with the New Jersey Student Learning Standards, and the Next Generation Science Standards.

The Full-Day Kindergarten implementation was extremely successful in its first year. The District recognizes that full-day kindergarten programs may close achievement gaps between young children from minority and low-income families and their peers. By providing a solid foundation of learning to children from all backgrounds, full-day kindergarten programs ensure all students' academic, social, and emotional success.



The Honorable President and Members of  
the Board of Education  
Roxbury Township School District  
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October 28, 2016

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system 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 system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control system should not exceed the benefits likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. 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.


8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District oversees its own risk management. A schedule of insurance coverage is found on J-20.

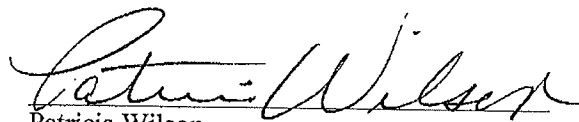
The Honorable President and Members of  
the Board of Education  
Roxbury Township School District  
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October 28, 2016

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

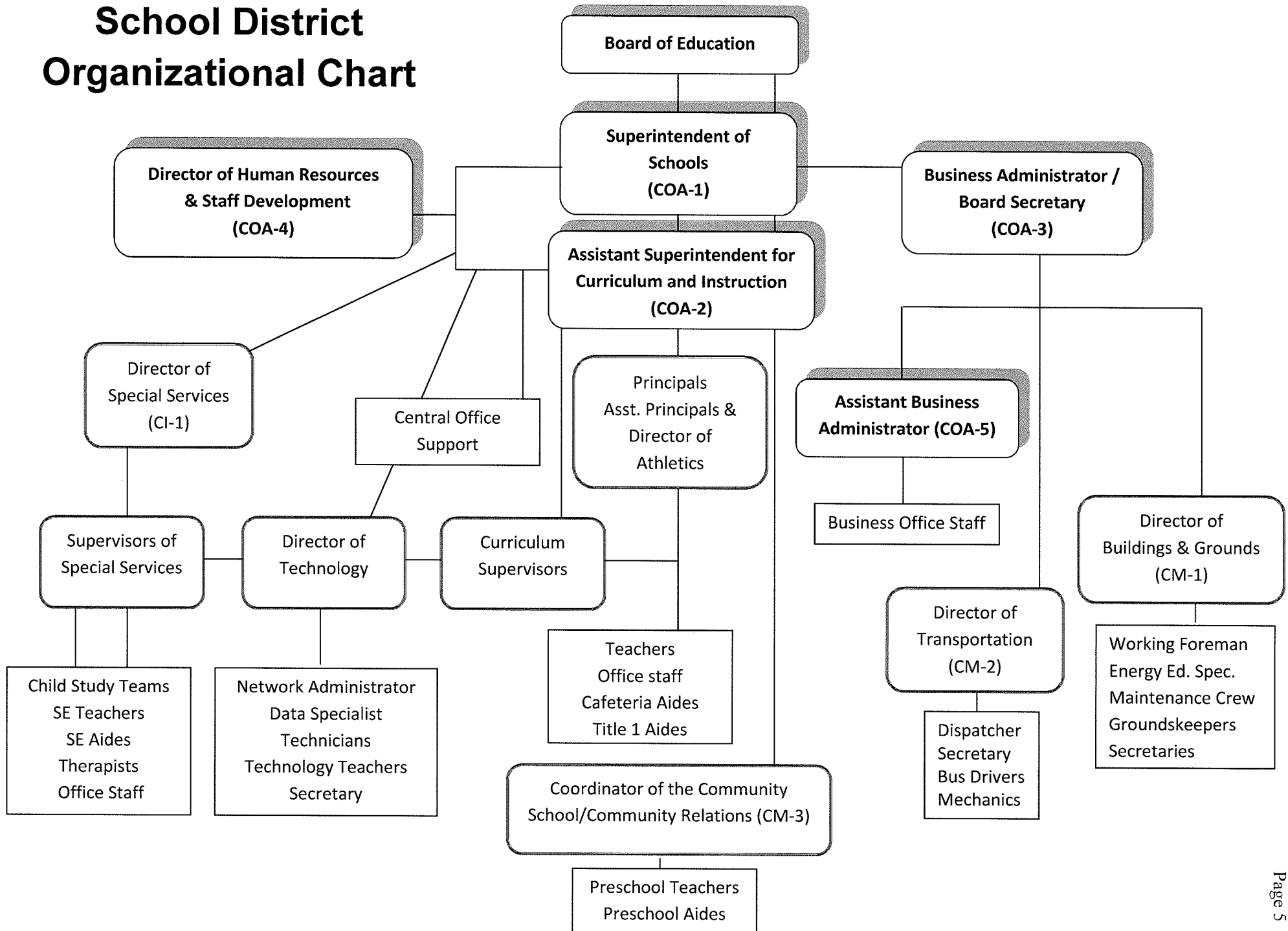
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Roxbury Township School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

  
Loretta Radulic  
Superintendent of Schools

  
Patricia Wilson  
Business Administrator/Board Secretary

# Roxbury Township School District Organizational Chart



**ROXBURY TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ronald Lucas, President	2018
Leo J. Coakley, Vice President	2018
Richard Alexander	2016
Margaret Casola	2018
Theresa D'Agostino	2016
Pat Miller	2017
James Monaghan, Jr.	2017
David Ramage	2017
Carol Scheneck	2016
Rachel Byrne, Mt. Arlington Representative	2017

<u>Other Officers</u>	<u>Title</u>
Patrick Tierney, Ed. D.	Superintendent (to 01/04/16)
Loretta Radulic	Superintendent (from 02/01/16); Assistant Superintendent (to 01/31/16)
Charles Seipp	Assistant Superintendent (from 04/04/16)
Susan Joyce	School Business Administrator/Board Secretary (to 02/01/16)
Mark Kenney	Interim School Business Administrator/Board Secretary (02/29/16)
Patricia Wilson	School Business Administrator/Board Secretary (from 10/17/16 to 10/27/16)
Lisa Palmieri	Treasurer of School Monies

**ROXBURY TOWNSHIP BOARD OF EDUCATION**

Consultants and Advisors

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856-1320

And

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Attorney**

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 Saint Paul St.  
Westfield, NJ 07090

**Official Depository**

TD Bank  
240 Route 10  
Succasunna, NJ 07876

FINANCIAL SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Roxbury Township School District  
 County of Morris, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roxbury Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2016, 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.

### ***Auditors' 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, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 financial statements.

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

The Honorable President and Members  
of the Board of Education  
Roxbury Township School District  
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### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roxbury Township School District, in the County of Morris, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance 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, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 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 District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards 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 supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The Honorable President and Members  
of the Board of Education  
Roxbury Township School District  
Page 3

The accompanying other information such as the introductory and statistical sections has 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016 on our consideration of the District'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 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.

October 28, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder  
Licensed Public School Accountant #2112  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)**

This section of Roxbury Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District continued to assess special education programs to generate tuition revenue and attempted to reduce out-of-district expenditures for special education students. The District continues to expand the special needs programs that continue to provide an additional tuition-based revenue source for the District and excellent educational opportunities for our special education students.
- The District continued the outsourcing of the Food Service program for 2015-2016 in an effort to eliminate the financial loss in the program. The District has entered into a contract with a F.S.M.C. with a breakeven guarantee. With the mutually-agreed upon conditions, the District has eliminated any financial loss.
- The Community School continues to offer innovated programs for children and adults. The successful implementation of a Pre-School program has assisted in off-setting financial losses.
- The District continued the Energy Conservation Program during the 2015-2016 school year. A Green Committee has been established to build off the success of this program. The District has registered with Sustainable NJ Schools to further green initiative and pursue available grant funding.
- The District was approved for multiple projects through the ROD Grant program. The District has completed a roofing replacement project at Eisenhower Middle School, a window project at Jefferson Elementary School, and a phase I roof replacement at the High School. The District is expecting a reimbursement of 40% of the costs from the state.
- Financial stability has been maintained and the cycle of the Long Range Facilities Plan was updated for the implementation of the ESIP program, participation in the ROD Grant Program and other facility needs.
- The District's net position increased by \$4,997,029 during the course of the fiscal year.
- Overall revenue was \$90,530,967 for the fiscal year.
- Overall expenditures were \$85,532,846 for the fiscal year.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
**Organization of the School District’s Financial Report**

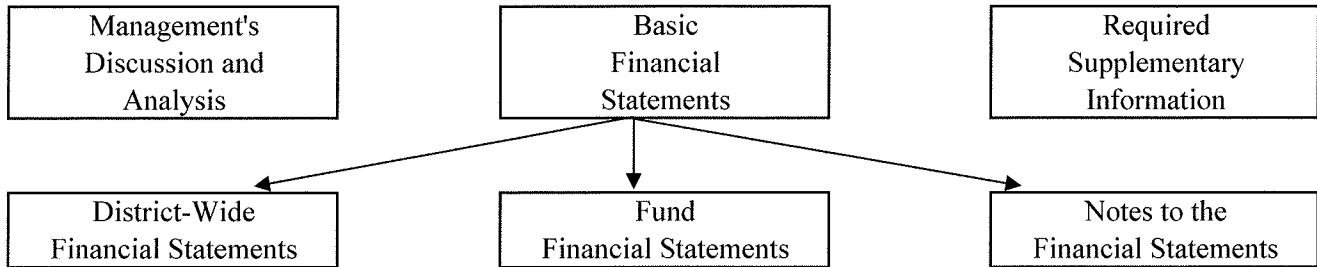


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**Figure A-2**  
***Major Features of the District-Wide and Fund Financial Statements***

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of revenue, expenses, and changes in net position</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net position</li> <li>Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Figure A-2 (Cont'd)

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

***District-wide Statements***

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

***Fund Financial Statements***

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position*. Figure A-3 represents the District's net position. The District's combined net position increased by \$4,997,029. Net position from governmental activities increased by \$5,002,592 and net position from business-type activities decreased by \$5,563. Net investment in capital assets increased by \$3,419,573, restricted net position increased by \$1,407,886, and unrestricted net position increased by \$169,570.

Figure A-3

	Condensed Statement of Net Position						Percentage Change 2015/16
	Government Activities		Business-Type Activities		Total School District		
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	
Current and							
Other Assets	\$ 12,122,615	\$ 8,559,304	\$ 198,684	\$ 142,086	\$ 12,321,299	\$ 8,701,390	41.60%
Capital Assets, Net	48,908,560	47,496,543	582,029	171,468	49,490,589	47,668,011	3.82%
Total Assets	61,031,175	56,055,847	780,713	313,554	61,811,888	56,369,401	9.66%
Deferred Outflows of Resources	3,687,972	1,174,409			3,687,972	1,174,409	214.03%
Long-Term Liabilities	39,300,745	40,098,015	407,114		39,707,859	40,098,015	-0.97%
Other Liabilities	4,623,492	1,421,404	112,412	46,804	4,735,904	1,468,208	222.56%
Total Liabilities	43,924,237	41,519,419	519,526	46,804	44,443,763	41,566,223	6.47%
Deferred Inflows of Resources	2,486,029	2,404,548			2,486,029	2,404,548	3.28%
Net Position:							
Net Investment in Capital Assets	31,298,592	27,882,466	174,915	171,468	31,473,507	28,053,934	12.19%
Restricted	7,812,901	6,405,015			7,812,901	6,405,015	21.98%
Unrestricted/(Deficit)	(20,802,612)	(20,981,192)	86,272	95,282	(20,716,340)	(20,885,910)	0.81%
Total Net Position	\$ 18,308,881	\$ 13,306,289	\$ 261,187	\$ 266,750	\$ 18,570,068	\$ 13,573,039	36.82%

Figure A-4 represents the *Changes in Net Position*. The District's *combined* net position was \$18,570,068 on June 30, 2016, an increase of \$4,997,029 or 36.82% more than the year before. (See Figure A-3). Net Investment in Capital Assets increased by \$3,419,573 due to the current year maturity of serial bonds payable of \$1,510,000, \$612,949 pay down on capital leases payable, as well as current year capital assets additions (net of deletions) of \$3,578,601; offset by current year depreciation expense of \$1,756,023, a new capital lease of \$443,847 and the amortization of \$82,107 of the deferred amount on refunding. Restricted net position increased by \$1,407,886 due to the net increase of \$1,040,967 in excess surplus, a net increase in Capital Reserve of \$1,275,300 and a \$47,509 increase in restricted funds for debt service; offset by a \$955,890 decrease in restricted Capital Projects Fund as a result of capital expenses. The \$169,570 increase in unrestricted net position was due to the retirement of \$545,000 of early retirement incentive loan revenue bonds, amortized bond premiums of \$106,690, a decrease in accrued interest of \$18,761, an increase in the changes in pension assumptions of \$1,445,331, a \$436,043 increase in the difference between expected and actual pension experience, a \$686,983 decrease in investment gains related to pensions and an increase in General Fund unassigned fund balance of \$352,637; offset by a decrease in business-type activities unrestricted net position of \$9,010, a net increase in compensated absences of \$121,679, an increase in the changes in pension proportion of \$768,464, an increase in net pension liability of \$1,818,957, as well as the decreases in assigned fund balances for year-end encumbrances of \$506,876 and designated for subsequent year's expenditures of \$196,889.

Figure A-4

	Changes in Net Position from Operating Results						
	Governmental	Business-	Governmental	Business-	Total	Total	Percentage
	Activities	Type	Activities	Type	School	School	
2015/16	2015/16	2014/15	2014/15	District	District	Change	
Revenue:							
Program Revenue:							
Charges for Services	\$ 3,643,786	\$ 904,584	\$ 3,400,499	\$ 887,757	\$ 4,548,370	\$ 4,288,256	6.07%
Operating Grants and Contributions	20,524,419	207,061	17,333,605	280,896	20,731,480	17,614,501	17.70%
General Revenue:							
Property Taxes	53,940,084		52,872,439		53,940,084	52,872,439	2.02%
Unrestricted State and Federal Aid	10,903,265		10,883,688		10,903,265	10,883,688	0.18%
Other	407,768		573,616		407,768	573,616	-28.91%
Total Revenue	<u>89,419,322</u>	<u>1,111,645</u>	<u>85,063,847</u>	<u>1,168,653</u>	<u>90,530,967</u>	<u>86,232,500</u>	4.98%
Expenses:							
Instruction	51,675,652		46,332,569		51,675,652	46,332,569	11.53%
Pupil and Instruction Services	14,275,148		15,600,354		14,275,148	15,600,354	-8.49%
Administrative and Business	5,660,473		6,028,636		5,660,473	6,028,636	-6.11%
Maintenance and Operations	6,836,125		6,775,335		6,836,125	6,775,335	0.90%
Transportation	5,023,207		5,267,105		5,023,207	5,267,105	-4.63%
Special Schools	533,488		841,394		533,488	841,394	-36.59%
Other	416,645	1,112,108	485,299	1,101,557	1,528,753	1,586,856	-3.66%
Total Expenses	<u>84,420,738</u>	<u>1,112,108</u>	<u>81,330,692</u>	<u>1,101,557</u>	<u>85,532,846</u>	<u>82,432,249</u>	3.76%
Disposal of Capital Assets, Net Transfers	4,008	(5,100)	1,878		4,008	1,878	113.42%
Increase/(Decrease) in Net Position	<u>\$ 5,002,592</u>	<u>\$ (5,563)</u>	<u>\$ 3,735,033</u>	<u>\$ 67,096</u>	<u>\$ 4,997,029</u>	<u>\$ 3,802,129</u>	31.43%

Figure A-5 represents the *Revenue Sources*. The District's total revenue for the 2015/16 school year was \$90,530,967. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$53,940,084 of the total, or 59.58 percent. (See Figure A-5). Another 34.95 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

**Figure A-5****Sources of Revenue for Fiscal Year 2016**

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
Grants and Contributions	\$ 20,731,480	22.90%
Property Taxes	53,940,084	59.58%
Unrestricted Federal and State Aid	10,903,265	12.05%
Charges for Services	4,548,370	5.02%
Other	407,768	0.45%
	<u>\$ 90,530,967</u>	<u>100.00%</u>

Figure A-6 represents the total cost of all programs and services, which was \$85,532,846. The District's expenses are predominantly related to instructing and providing pupil services (77.11 percent). (See Figure A-6). The District's administrative and business activities accounted for 6.62 percent of total costs and maintenance costs accounted for 7.99 percent of total costs. It is important to note that expenses for the year include \$1,756,023 of depreciation.

**Figure A-6****Expenses for Fiscal Year 2016**

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 51,675,652	60.42%
Pupil and Instruction Services	14,275,148	16.69%
Administrative and Business	5,660,473	6.62%
Maintenance and Operations	6,836,125	7.99%
Transportation	5,023,207	5.87%
Special Schools	533,488	0.62%
Other	1,528,753	1.79%
	<u>\$ 85,532,846</u>	<u>100.00%</u>

**Governmental Activities**

The financial position of the District is healthy despite continued use of fund balance as revenue. Maintaining existing programs that accommodate regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. The past few years, veteran teachers have retired and have been replaced by teachers of less experience and therefore lower on the salary guide. This does generate savings but not enough to offset increased special education programs, technology needs in the classroom, and rising costs. Although the budgets are put together with the taxpayer in mind and the responsibility of education on their shoulders, a tax increase resulted in 2015-2016.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented or continued during the fiscal year were:

- Shared Services meetings with the Township continued in 2015-2016 exploring other opportunities which include, fuel, IT services, and a camera surveillance system for the District.
- A significant number of disabled pupils continue to be educated in programs within the District rather than being sent out-of-district whereby the District would have to pay tuition as well as increased transportation costs.
- The District outsourced its food service operations in 2013-14 to counter the losses experienced over the prior 3 years. No board contribution was needed to support the food service program in the current year.



- The District continued the employees' health contributions programs in 2015-2016 which helped to offset some of the District's healthcare insurance costs.

Figure A-7 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, special schools and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7**

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2015/16	2015/16	2014/15	2014/15
Instruction	\$ 51,675,652	\$ 31,648,361	\$ 46,332,569	\$ 29,154,356
Pupil and Instruction Services	14,275,148	11,527,197	15,600,354	13,265,146
Administrative and Business	5,660,473	4,707,659	6,028,636	5,259,149
Maintenance and Operations	6,836,125	6,836,125	6,775,335	6,734,300
Transportation	5,023,207	4,708,184	5,267,105	4,955,945
Special Schools	533,488	408,362	841,394	701,358
Other	416,645	416,645	485,299	526,334
	<u>\$ 84,420,738</u>	<u>\$ 60,252,533</u>	<u>\$ 81,330,692</u>	<u>\$ 60,596,588</u>

- The cost of all governmental activities this fiscal year was \$84.42 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$20.52 million).
- Most of the District's costs (\$53.94 million), however, were financed by District taxpayers.
- A portion of governmental activities was financed with \$10.90 million in state aid based on the SFRA formula.
- The remainder of the funding came from miscellaneous revenue, investment earnings and charges for services (\$4.05 million).

### **Business-Type Activities**

Net position from the District's business-type activity decreased by \$5,563 (Refer to Figure A-4). The decrease in net position was primarily due to the following factors:

- Disposals of capital assets, net of accumulated depreciation, of \$5,100.
- The break-even guarantee from the food service management company offset the Food Service Fund's decrease in sales and meals claimed for subsidy reimbursement over the prior fiscal year due to the removal of the high school from the National School Lunch Program.

### **Financial Analysis of the District's Funds**

The District's financial position increased significantly despite significant changes in the student clientele by being fiscally responsible and efficient in what discretionary purchases the District makes. The District's budget, however, is 85% fixed costs. Expenditures during the recent fiscal years have increased significantly as a result of an increased number of pupils with disabilities entering the District. In addition to greater numbers, these pupils are more profoundly disabled and require more complex educational and related services. The District has established more in-house special education classrooms, saving the District funds by not sending children to out-of-district schools and generating additional income by accepting tuition students from area schools.

State Aid is not increasing in line with what the District needs, which adds to the taxpayer's burden of supporting an educational system that the Township enjoys. It becomes more difficult to support the educational system without additional help from the State which puts the burden on the taxpayer.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

### Capital Asset and Long Term Liabilities

Figure A-8

	Capital Assets (Net of Depreciation)						Percentage Change 2015/16
	Government Activities		Business-Type Activities		Total School District		
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	
Sites and Site Improvements	\$ 819,594	\$ 526,566			\$ 819,594	\$ 526,566	55.65%
Construction in Progress	10,745,658	8,795,058			10,745,658	8,795,058	22.18%
Buildings and Building Improvements	29,702,323	30,429,822	\$ 114,707		29,817,030	30,429,822	-2.01%
Machinery and Equipment	7,640,985	7,745,097	467,322	\$ 171,468	8,108,307	7,916,565	2.42%
Total	<u>\$ 48,908,560</u>	<u>\$ 47,496,543</u>	<u>\$ 582,029</u>	<u>\$ 171,468</u>	<u>\$ 49,490,589</u>	<u>\$ 47,668,011</u>	3.82%

The District had \$3,697,188 in capital assets additions, \$118,587 of capital assets disposals (net of accumulated depreciation), and depreciation expense was \$1,727,837 for governmental activities and \$28,186 for business-type activities in the current fiscal year.

### Long-term Liabilities

At fiscal year-end, the District had \$17,005,000 in general obligation bonds outstanding, \$270,000 in early retirement incentive loan revenue bonds, \$18,277,742 in net pension liability, \$1,586,831 in capital leases and \$1,669,816 in compensated absences payable – a decrease of \$390,156 or 0.97% from the prior fiscal year - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 10 to the financial statements.)

Figure A-9

	Outstanding Long-Term Liabilities		Percentage Change 2015/16
	Total School District		
	2015/16	2014/15	
General Obligation Bonds (Financed with Property Taxes)	\$ 17,005,000	\$ 18,515,000	-8.16%
Unamortized Bond Issuance Premium	898,470	1,005,160	-10.61%
Net Pension Liability	18,277,742	16,458,785	11.05%
Capital Leases Payable	1,586,831	1,755,933	-9.63%
Other Long-Term Liabilities	1,939,816	2,363,137	-17.91%
	<u>\$ 39,707,859</u>	<u>\$ 40,098,015</u>	-0.97%

***Long-term Liabilities*** (Cont'd)

- The District continued to pay down its outstanding debt, retiring \$1,510,000 of outstanding bonds and \$545,000 of early retirement incentive loan revenue bonds.
- The District entered into a \$443,847 capital lease in the current fiscal year and paid down \$612,949 in capital lease principal.
- The District's net pension liability increased by \$1,818,957.
- The District's compensated absences payable increased by \$121,679
- The District amortized \$106,690 in bond issuance premium.

**Factors Bearing on the District's Future Revenue/Expense Changes**

The District continues to make classrooms available, where applicable, to allow additional in-house special education programs. This endeavor allows special education students to return from out-of-district settings, saving tuition and transportation costs for those students. It also allows the District to generate additional income by charging tuition for students from other school districts to attend these programs, provided space is available.

The District implemented a \$7.9 million Energy Saving Improvement Program in 2014-2015. This program allowed the District to upgrade systems and maintain infrastructure without any budgetary impact and negative impact in the taxpayers of Roxbury.

The District was awarded several ROD Grants by the State that will provide 40% reimbursement of the cost of the roofing and window projects that were identified in the District's Long Range Facility Plan (LRFP) back to the District. The majority of the remediation projects were funded from the District's capital reserve account. The District is anticipating approximately \$1 million in projects that would be funded without any financial burden to the taxpayers of Roxbury.

The District expects to increase the balance in its capital reserve account by approximately \$1.1 million to be available to support capital projects that are outlined in the District's LRFP.

The District maintained the fourth phase of employee health benefits contributions for the 2015-2016 school year. Based on current State Law, the contributions will continue. The effect of which is a partial neutralization of health benefits increases over the next fiscal year. The District has concerns related to the implementation of the Affordable Care Act and the potential negative financial impact it may of on the District.

**Contacting the District's Financial Management**

The financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the Districts' finances and to demonstrate the District's accountability for the money it receives. If you have questions about his report or need additional financial information, please contact the Board of Education Office, 42 North Hillside Avenue, Succasunna, NJ 07876.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,258,084		\$ 5,258,084
Interfund Receivable - Fiduciary Fund	8,542		8,542
Receivables from State Government	511,377	\$ 1,111	512,488
Receivables from Federal Government	261,572	28,743	290,315
Receivables from Other Governments	657,617		657,617
Other Receivables		168,092	168,092
Internal Balances	14,837	(14,837)	
Capital Leases Receivable	605		605
Inventories		15,575	15,575
Restricted Cash and Cash Equivalents	5,409,981		5,409,981
Capital Assets, Net:			
Sites (Land) and Construction in Progress	10,920,138		10,920,138
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	37,988,422	582,029	38,570,451
Total Assets	<u>61,031,175</u>	<u>780,713</u>	<u>61,811,888</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	574,749		574,749
Changes in Assumptions - Pensions	1,962,884		1,962,884
Difference Between Expected and Actual Experience - Pensions	436,043		436,043
District Contribution Subsequent to the Measurement Date - Pensions	714,296		714,296
Total Deferred Outflows of Resources	<u>3,687,972</u>		<u>3,687,972</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	4,096,781	97,069	4,193,850
Accrued Interest Payable	184,847		184,847
Payable to State Government	51,942		51,942
Payable to Federal Government	149,556		149,556
Unearned Revenue	140,366	15,343	155,709
Noncurrent Liabilities:			
Due Within One Year	2,539,835	78,547	2,618,382
Due Beyond One Year	36,760,910	328,567	37,089,477
Total Liabilities	<u>43,924,237</u>	<u>519,526</u>	<u>44,443,763</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Investment Gains - Pensions	293,871		293,871
Changes in Proportion - Pensions	2,192,158		2,192,158
Total Deferred Inflows of Resources	<u>2,486,029</u>		<u>2,486,029</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	31,298,592	174,915	31,473,507
Restricted for:			
Capital Projects	2,883,773		2,883,773
Debt Service	48,539		48,539
Maintenance	2,029,332		2,029,332
Emergency	635,000		635,000
Excess Surplus	2,216,257		2,216,257
Unrestricted/(Deficit)	(20,802,612)	86,272	(20,716,340)
Total Net Position	<u>\$ 18,308,881</u>	<u>\$ 261,187</u>	<u>\$ 18,570,068</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 37,027,321	\$ 2,738,799	\$ 9,941,312	\$ (24,347,210)		\$ (24,347,210)
Special Education	12,225,720	848,824	6,188,428	(5,188,468)		(5,188,468)
Other Special Instruction	988,051		309,928	(678,123)		(678,123)
School Sponsored/Other Instruction	1,434,560			(1,434,560)		(1,434,560)
<b>Support Services:</b>						
Tuition	2,924,336			(2,924,336)		(2,924,336)
Student and Instruction Related Services	11,350,812		2,747,951	(8,602,861)		(8,602,861)
General Administrative Services	1,053,382		153,079	(900,303)		(900,303)
School Administrative Services	3,472,245		729,654	(2,742,591)		(2,742,591)
Central Services	1,000,404		70,081	(930,323)		(930,323)
Administrative Information Technology	134,442			(134,442)		(134,442)
Plant Operations and Maintenance	6,836,125			(6,836,125)		(6,836,125)
Pupil Transportation	5,023,207	56,163	258,860	(4,708,184)		(4,708,184)
Transfer of Funds to Charter School	42,044			(42,044)		(42,044)
Special Schools	533,488		125,126	(408,362)		(408,362)
Interest on Long-Term Debt	374,601			(374,601)		(374,601)
<b>Total Governmental Activities</b>	<b>84,420,738</b>	<b>3,643,786</b>	<b>20,524,419</b>	<b>(60,252,533)</b>		<b>(60,252,533)</b>
<b>Business-Type Activities:</b>						
Food Service	1,112,108	904,584	207,061		\$ (463)	(463)
<b>Total Business-Type Activities</b>	<b>1,112,108</b>	<b>904,584</b>	<b>207,061</b>		<b>(463)</b>	<b>(463)</b>
<b>Total Primary Government</b>	<b>\$ 85,532,846</b>	<b>\$ 4,548,370</b>	<b>\$ 20,731,480</b>	<b>(60,252,533)</b>	<b>(463)</b>	<b>(60,252,996)</b>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues, Transfers and Other Items:			
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 51,644,630		\$ 51,644,630
Taxes Levied for Debt Service	2,295,454		2,295,454
Federal, State and Local Aid not Restricted	10,903,265		10,903,265
Interest Earnings	9,870		9,870
Miscellaneous Income	397,898		397,898
Transfers	4,008		4,008
Disposals of Capital Assets Net of Related Accumulated Depreciation		\$ (5,100)	(5,100)
Total General Revenues, Transfers and Other Items	65,255,125	(5,100)	65,250,025
Change in Net Position	5,002,592	(5,563)	4,997,029
Net Position - Beginning	13,306,289	266,750	13,573,039
Net Position - Ending	\$ 18,308,881	\$ 261,187	\$ 18,570,068



FUND FINANCIAL STATEMENTS

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 4,495,710	\$ 126,925	\$ 586,910	\$ 48,539	\$ 5,258,084
Interfund Receivable	23,379				23,379
Receivables From State Government	511,377				511,377
Receivables From Federal Government	12,892	248,680			261,572
Receivables From Other Governments	657,617				657,617
Capital Leases Receivable			605		605
Restricted Cash and Cash Equivalents	5,409,981				5,409,981
<b>Total Assets</b>	<b>\$ 11,110,956</b>	<b>\$ 375,605</b>	<b>\$ 587,515</b>	<b>\$ 48,539</b>	<b>\$ 12,122,615</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 2,792,000	\$ 134,012	\$ 456,473		\$ 3,382,485
Payable to State Government		51,942			51,942
Payable to Federal Government		149,556			149,556
Unearned Revenue	100,271	40,095			140,366
<b>Total Liabilities</b>	<b>2,892,271</b>	<b>375,605</b>	<b>456,473</b>		<b>3,724,349</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	2,745,649				2,745,649
Maintenance Reserve	2,029,332				2,029,332
Emergency Reserve	635,000				635,000
Excess Surplus - 2017-2018	1,540,967				1,540,967
Excess Surplus - 2016-2017	675,290				675,290
Capital Projects			138,124		138,124
Debt Service				\$ 48,539	48,539
<b>Assigned:</b>					
Year-End Encumbrances	460,434				460,434
Designated For Subsequent Year's Expenditures	96,944				96,944
Unassigned/(Deficit)	35,069		(7,082)		27,987
<b>Total Fund Balances</b>	<b>8,218,685</b>		<b>131,042</b>	<b>48,539</b>	<b>8,398,266</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,110,956</b>	<b>\$ 375,605</b>	<b>\$ 587,515</b>	<b>\$ 48,539</b>	<b>\$ 12,122,615</b>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances	\$ 8,398,266
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$76,616,914 and the accumulated depreciation is \$27,708,354.	48,908,560
Deferred Amount on Refunding is not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$1,067,398 and the accumulated amortization is \$492,649.	574,749
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.	(20,124,533)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(184,847)
Bond issuance premiums are reported as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,500,704 and accumulated amortization is \$602,234.	(898,470)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(18,277,742)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	1,962,884
Difference Between Expected and Actual Experience - Pensions	436,043
Investment Gains - Pensions	(293,871)
Changes in Proportions - Pensions	<u>(2,192,158)</u>
Net Position of Governmental Activities	<u>\$ 18,308,881</u>

Exhibit B-2

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 51,644,630			\$ 2,295,454	\$ 53,940,084
Tuition Charges	3,587,623				3,587,623
Transportation Fees from Individuals	56,163				56,163
Miscellaneous	407,768	\$ 2,852			410,620
Total - Local Sources	55,696,184	2,852		2,295,454	57,994,490
State Sources	21,314,643	259,701			21,574,344
Federal Sources	58,895	1,117,436			1,176,331
Total Revenues	77,069,722	1,379,989		2,295,454	80,745,165
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	20,357,605	288,759			20,646,364
Special Education Instruction	6,656,348	956,807			7,613,155
Other Special Instruction	624,708				624,708
School Sponsored/Other Instruction	1,277,031				1,277,031
Support Services and Undistributed Costs:					
Tuition	2,924,336				2,924,336
Student & Instruction Related Services	7,967,112	134,423			8,101,535
General Administrative Services	765,784				765,784
School Administrative Services	2,373,429				2,373,429
Central Services	898,193				898,193
Administration Information Technology	75,933				75,933
Plant Operations and Maintenance	6,892,997				6,892,997
Pupil Transportation	4,130,179				4,130,179
Allocated Benefits	6,233,986				6,233,986
Unallocated Benefits	11,126,462				11,126,462
Debt Service:					
Principal				1,830,000	1,830,000
Interest and Other Charges				417,945	417,945
Capital Outlay	1,391,085		\$ 1,950,600		3,341,685
Special Schools	376,649				376,649
Transfer of Funds to Charter Schools	42,044				42,044
Total Expenditures	74,113,881	1,379,989	1,950,600	2,247,945	79,692,415
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,955,841		(1,950,600)	47,509	1,052,750
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers	(1,620,692)		1,624,700		4,008
Total Other Financing Sources/(Uses)	(1,620,692)		1,624,700		4,008
Net Change in Fund Balances	1,335,149		(325,900)	47,509	1,056,758
Fund Balance—July 1	6,883,536		456,942	1,030	7,341,508
Fund Balance—June 30	\$ 8,218,685	\$ -0-	\$ 131,042	\$ 48,539	\$ 8,398,266

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-3

ROXBURY TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 1,056,758
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in the 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 and disposals of capital assets in the period.		
Depreciation Expense	\$ (1,727,837)	
Disposals of Capital Assets, Net of Depreciation	(113,487)	
Capital Outlays	3,253,341	1,412,017
Repayment of debt service principal and other long-term obligation liabilities is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		2,055,000
Repayment of capital lease principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		576,216
In the Statement of Activities, interest on long-term debt is accrued regardless of when it is due. In the Governmental Funds, interest is reported when due.		
		18,761
The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued whereas this amount is deferred and amortized in the statement of activities. (-)		
		(82,107)
The governmental funds report the effect of bond premiums when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (+)		
		106,690
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(1,818,957)
Change in Deferred Outflows:		
Changes in Assumptions		1,445,331
Difference Between Expected and Actual Experience		436,043
Deferred Inflows:		
Changes in Proportion		686,983
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		(768,464)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(121,679)
Change in Net Position of Governmental Activities (Exhibit A-2)		\$ 5,002,592

Exhibit B-4

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

ASSETS:

## Current Assets:

## Accounts Receivable:

State	\$ 1,111
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Federal	28,743
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Other Accounts Receivable	168,092
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Inventories	15,575
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Total Current Assets	<u>213,521</u>
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## Non-Current Assets:

Capital Assets	1,045,999
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Less: Accumulated Depreciation	<u>(463,970)</u>
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Total Non-Current Assets	<u>582,029</u>
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Total Assets	<u>795,550</u>
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LIABILITIES:

## Current Liabilities:

Interfund Payable	14,837
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Accounts Payable	97,069
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Unearned Revenue	15,343
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## Non-Current Liabilities:

## Capital Leases Payable:

Due within one year	78,547
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Due beyond one year	<u>328,567</u>
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Total Liabilities	<u>534,363</u>
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NET POSITION:

Net Investment in Capital Assets	174,915
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Unrestricted	<u>86,272</u>
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Total Net Position	<u>\$ 261,187</u>
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THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 607,850
Non-Reimbursable Programs	236,386
Special Events	59,751
Miscellaneous Revenue	597
	<hr/>
Total Operating Revenue	904,584
	<hr/>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	224,862
Non-Reimbursable Programs	87,446
Salaries	406,507
Benefits & Payroll Taxes	94,994
Other Purchased Services	114,651
Supplies and Materials	92,594
Miscellaneous Expenses	62,868
Depreciation Expense	28,186
	<hr/>
Total Operating Expenses	1,112,108
	<hr/>
Operating Loss	(207,524)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	6,108
Federal Sources:	
National School Lunch Program	155,379
School Breakfast Program	5,900
Food Distribution Program	39,674
	<hr/>
Total Non-Operating Income	207,061
	<hr/>
Change in Net Position Before Other Item	(463)
	<hr/>
Other Item:	
Disposals of Capital Assets, Net of Accumulated Depreciation	(5,100)
	<hr/>
Change in Net Position	(5,563)
	<hr/>
Net Position - Beginning of Year	266,750
	<hr/>
Net Position - End of Year	\$ 261,187
	<hr/> <hr/>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 907,054
Payments to Food Service Contractor	(1,127,058)
Payments to Suppliers	<u>(32,113)</u>
Net Cash Used for Operating Activities	<u>(252,117)</u>
Cash Flows from Capital and Related Financing Activities:	
Lease Purchase Principal Payment	<u>(36,733)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(36,733)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	5,844
Federal Sources	154,520
Interfund Advanced - General Fund	<u>14,837</u>
Net Cash Provided by Noncapital Financing Activities	<u>175,201</u>
Net Decrease in Cash and Cash Equivalents	(113,649)
Cash and Cash Equivalents, July 1	<u>113,649</u>
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (207,524)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	28,186
Federal Food Distribution Program	39,674
Changes in Assets and Liabilities:	
(Increase) in Other Accounts Receivable	(168,092)
(Increase) in Inventory	(9,969)
Increase in Accounts Payable	61,404
Increase in Unearned Revenue	<u>4,204</u>
Net Cash Used for Operating Activities	<u>\$ (252,117)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$41,408 and Utilized Commodities Valued at \$39,674.  
The Food Service Enterprise Fund paid down \$36,733 of capital lease payable.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



Exhibit B-7

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 408,150	\$ 358	\$ 14,193
Interfund Receivable - Payroll Agency		64,554	
Total Assets	<u>408,150</u>	<u>64,912</u>	<u>14,193</u>
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund			8,542
Unemployment Compensation Trust	64,554		
Payroll Deductions and Withholdings	83,982		
Due to Student Groups	259,614		
Total Liabilities	<u>408,150</u>		<u>8,542</u>
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Claims		64,912	
Flexible Spending Claims			5,651
Total Net Position	<u>\$ -0-</u>	<u>\$ 64,912</u>	<u>\$ 5,651</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Trust	Flexible Spending Trust
ADDITIONS:		
Contributions:		
Plan Members	\$ 8,866	\$ 29,600
Board Contribution	85,107	
Total Additions	93,973	29,600
DEDUCTIONS:		
Unemployment Benefit Claims	85,473	
Flexible Spending Claims		32,476
Total Deductions	85,473	32,476
Change in Net Position Before Other Financing Uses	8,500	(2,876)
Other Financing Uses:		
Transfer to General Fund		(4,008)
Change in Net Position	8,500	(6,884)
Net Position - Beginning of the Year	56,412	12,535
Net Position - End of the Year	\$ 64,912	\$ 5,651

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Roxbury Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

A. Reporting Entity

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include five elementary schools, a middle school and a high school located in the Roxbury Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other on exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

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.

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 and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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.

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from 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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund accounts for all revenue 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Enterprise Fund: (Cont'd) The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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 includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and the Flexible Spending Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. 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.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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 made by School Board resolution.

All budgetary 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 budget during the year). Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 77,065,821	\$ 1,386,603
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(20,114)
Cancellation of Prior Year Encumbrances		(1,047)
Prior Year Encumbrances		14,547
Prior Year State Aid Payments Recognized for GAAP Statements	1,368,578	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,364,677)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 77,069,722	\$ 1,379,989

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 74,113,881	\$ 1,386,603
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(20,114)
Cancellation of Prior Year Encumbrances		(1,047)
Prior Year Encumbrances		14,547
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 74,113,881	\$ 1,379,989
		<u>Capital Projects Fund</u>
	Revenue	Fund Balance
Revenue/Committed or Restricted Fund Balance	\$ 2,774,500	\$ 2,043,717
Committed or Restricted - Year End Encumbrances		133,125
Total Revenue/Fund Balance - Budgetary Basis	2,774,500	2,176,842
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue not Recognized on GAAP Basis	(1,149,800)	
SDA Grant Receivable not Recognized on GAAP Basis		(2,045,800)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 1,624,700	\$ 131,042

E. Cash and Cash Equivalents and Investments

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

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments (Cont'd)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned 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 unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.



ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Sites and Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2016.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. 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 employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

In the district-wide *Statement of Net Position*, 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.

O. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$8,218,685 General Fund fund balance at June 30, 2016, \$460,434 is assigned for encumbrances; \$96,944 of assigned fund balance has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$2,745,649 is restricted in the capital reserve account; \$2,029,332 is restricted in the maintenance reserve account; \$635,000 is restricted in the emergency reserve account; \$675,290 is restricted for prior fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017; \$1,540,967 is restricted for current fiscal year excess surplus in accordance with N.J.S.A.18A:7F (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018; and \$35,069 is unassigned fund balance, which is \$1,364,677 less than the budgetary unassigned fund balance, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2017.

Capital Projects Fund: Of the \$131,042 Capital Projects Fund fund balance at June 30, 2016, \$138,124 is restricted and (\$7,082) is unassigned, which is \$2,045,800 less than the budgetary committed fund balance because SDA grant receivable is not recognized on the GAAP basis until reimbursement requests are submitted to the State.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2016 of \$48,539 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2016 as indicated above.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd)

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Deficit Net Position/Fund Balance

The District has a deficit in unrestricted net position of \$20,802,612 in governmental activities, which is due to accrued interest payable of \$184,847, \$1,669,816 of compensated absences payable, an unamortized bond premium of \$898,470, early retirement incentive loan revenue bonds of \$270,000, investment gains in pensions of \$293,871, changes in proportion in pensions of \$2,192,158 and the net pension liability of \$18,277,742; offset by \$27,987 in unassigned fund balance, \$96,944 of fund balance assigned for subsequent year's expenditures, \$460,434 fund balance assigned for encumbrances, changes in pension assumptions of \$1,962,884 and the difference between expected and actual pension experience of \$436,043. The District has a \$7,082 deficit in unassigned fund balance in the Capital Projects Fund, which is due to the SDA grant receivable not being recognized on the GAAP basis until reimbursement requests are submitted to the State. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2016 for the deferred amount on the refunding of debt related to the District's 2010 refunding bonds, changes in assumptions in pensions, the difference between expected and actual pension experience and the District contribution subsequent to the measurement date related to pension.

The District had deferred inflows of resources at June 30, 2016 for the changes in proportion in pension and the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position: (Cont'd)

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, an emergency reserve, a maintenance reserve, excess surplus, the capital projects fund and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2016.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for the 2016/2017 budget and encumbrances in the General Fund at June 30, 2016.

T. Revenue - 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, 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 grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue 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.

V. Management Estimates:

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

W. Pensions

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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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 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.

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, and

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, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents			Total
		Capital Reserve Account	Maintenance Reserve Account	Emergency Reserve Account	
Checking Accounts	\$ 5,680,785	\$ 2,745,649	\$ 2,029,332	\$ 635,000	\$ 11,090,766

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$11,090,766 and the bank balance was \$13,847,573.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Roxbury Township Board of Education 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 State Department of Education, 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 fiscal year-end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d)7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2015	\$ 1,470,349
Add:	
Transfer from Unassigned Fund Balance as per Board Resolution - June 6, 2016	2,900,000
Less:	
Transfer to Capital Projects Fund as per Board Resolutions	<u>(1,624,700)</u>
Ending Balance, June 30, 2016	<u><u>\$ 2,745,649</u></u>

The balance in the capital reserve account at June 30, 2016 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution on June 24, 2013. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2015	<u>\$ 2,029,332</u>
Ending Balance, June 30, 2016	<u><u>\$ 2,029,332</u></u>



ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 6. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in June 2011. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at fiscal year-end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined fiscal year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1<sup>st</sup> and June 30<sup>th</sup>. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

Beginning Balance, July 1, 2015	\$ 635,000
Ending Balance, June 30, 2016	\$ 635,000

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 174,480			\$ 174,480
Construction in Progress	8,795,058	\$ 1,950,600		10,745,658
Total Capital Assets Not Being Depreciated	8,969,538	1,950,600		10,920,138
Capital Assets Being Depreciated:				
Site Improvements	1,790,524	317,621		2,108,145
Buildings and Building Improvements	50,747,179	90,609		50,837,788
Machinery and Equipment	12,513,497	894,511	\$ (657,165)	12,750,843
Total Capital Assets Being Depreciated	65,051,200	1,302,741	(657,165)	65,696,776
Governmental Activities Capital Assets	74,020,738	3,253,341	(657,165)	76,616,914
Less Accumulated Depreciation for:				
Site Improvements	(1,438,438)	(24,593)		(1,463,031)
Buildings and Building Improvements	(20,317,357)	(818,108)		(21,135,465)
Machinery and Equipment	(4,768,400)	(885,136)	543,678	(5,109,858)
	(26,524,195)	(1,727,837)	543,678	(27,708,354)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 47,496,543	\$ 1,525,504	\$ (113,487)	\$ 48,908,560

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 636,152	\$ 329,140	\$ (34,000)	\$ 931,292
Building Improvements		114,707		114,707
	<u>636,152</u>	<u>443,847</u>	<u>(34,000)</u>	<u>1,045,999</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(464,684)</u>	<u>(28,186)</u>	<u>28,900</u>	<u>(463,970)</u>
	<u>(464,684)</u>	<u>(28,186)</u>	<u>28,900</u>	<u>(463,970)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 171,468</u>	<u>\$ 415,661</u>	<u>\$ (5,100)</u>	<u>\$ 582,029</u>

The District expended \$1,950,600 towards construction projects in progress during the fiscal year. As of June 30, 2016, the District has \$2,176,842 in active construction projects including \$133,125 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 655,232
Special Instruction	88,374
Student and Instruction Related Services	84,592
General Administration	113,479
School Administration	39,176
Central Services	36,512
Administrative Information Technology	43,791
Operations and Maintenance of Plant	293,065
Student Transportation	373,616
	<u>\$ 1,727,837</u>

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2016, the District transferred \$313,741 to the capital outlay accounts, of which \$123,781 was for equipment and therefore did not require approval from the County Superintendent. The District transferred \$189,960 to facilities acquisition and construction services which required approval from the County Superintendent.

NOTE 9. OPERATING LEASES

The District has a commitment to lease copying equipment under an operating lease which expires in 2017. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2017	<u>\$ 137,979</u>
Total future minimum lease payments	<u>\$ 137,979</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Serial Bonds Payable	\$ 18,515,000		\$ 1,510,000	\$ 17,005,000
Unamortized Bond Issuance Premium	1,005,160		106,690	898,470
Early Retirement Incentive Loan				
Revenue Bonds Payable	815,000		545,000	270,000
Net Pension Liability	16,458,785	\$ 1,818,957		18,277,742
Capital Leases Payable	1,755,933	443,847	612,949	1,586,831
Compensated Absences Payable	1,548,137	356,192	234,513	1,669,816
	<u>\$ 40,098,015</u>	<u>\$ 2,618,996</u>	<u>\$ 3,009,152</u>	<u>\$ 39,707,859</u>

A. Bonds Payable:

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

On April 24, 2014, the District issued energy savings obligation refunding bonds of \$7,740,000 with interest rates ranging from 2.0% to 4.0%. The bonds mature on April 15, 2014 through 2035. The energy savings obligation refunding bonds were issued to fund the implementation of the District's energy savings improvement plan ("ESIP"), entailing various permitted energy conservation measures under the ESIP Law, at all six schools in the District. This includes installation of interior and exterior lighting upgrades and replacements, lighting occupancy sensors, energy management systems, HVAC systems and control systems, building exterior weatherization improvements and small-scale solar PV systems.

The ESIP Law (P.L. 2009, c. 4) allowed the District to issue energy savings obligation refunding bonds without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements (collectively, "ECMs"); provided that the value of the savings will cover the cost of the ECMs. The ESIP law provides, however, that notwithstanding any law to the contrary, energy savings obligation refunding bonds shall not be excepted from any budget or school levy limitation otherwise provided by law, and shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregate basis).

The District had bonds outstanding as of June 30, 2016 as follows:

Purpose	<u>Serial Bonds</u>			Amount
	Issue Date	Interest Rate	Final Maturity Date	
School Refunding Bonds	08/19/10	4.00%	09/01/22	\$ 9,490,000
Energy Savings Improvement Program (ESIP)	04/24/14	2.625%-4.00%	04/15/35	7,515,000
				<u>\$ 17,005,000</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Early Retirement Incentive Loan Revenue Bonds

Purpose	Final Maturity Date	Interest Rate	Amount
Early Retirement Incentive Program Refunding Bonds of 2011	02/01/17	2.61%	<u>\$ 270,000</u>

Principal and interest due on serial and early retirement incentive loan revenue bonds outstanding are as follows:

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2017	\$ 1,850,000	\$ 625,760	\$ 2,475,760
2018	1,655,000	556,762	2,211,762
2019	1,685,000	489,263	2,174,263
2020	1,765,000	420,662	2,185,662
2021	1,845,000	348,862	2,193,862
2022-2026	3,850,000	1,062,788	4,912,788
2027-2031	2,240,000	721,600	2,961,600
2032-2035	2,385,000	246,200	2,631,200
	<u>\$ 17,275,000</u>	<u>\$ 4,471,897</u>	<u>\$ 21,746,897</u>

The Debt Service Fund will be used to liquidate the school refunding bonds and early retirement incentive program bonds payable. The energy savings improvement program bonds will be liquidated by General Fund.

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the Board had \$260,000 of energy savings improvement program bonds authorized but not issued.

C. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$106,690 and is separated from the long-term liability balance of \$791,780.

D. Capital Leases Payable:

The District's capital leases relate to the financing of HVAC units, district-wide network upgrades, Jefferson school windows replacement and cafeteria and kitchen upgrades. The capital leases total \$3,181,753, of which \$1,594,922 has been liquidated as of June 30, 2016. The capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under the District's three capital leases, and the present value of the net minimum lease payments at June 30, 2016.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 10. LONG-TERM LIABILITIES (Cont'd)

D. Capital Leases Payable: (Cont'd)

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2017	\$ 675,002
June 30, 2018	562,951
June 30, 2019	199,035
June 30, 2020	78,546
June 30, 2021	78,547
June 30, 2022	14,381
Total minimum lease payments	1,608,462
Less: Amount representing interest	(21,631)
Present value of net minimum lease payments	<u>\$ 1,586,831</u>

The current portion of capital lease payable at June 30, 2016 in the governmental activities is \$583,146 and the long-term portion is \$596,571. The General Fund will be used to liquidate the capital lease payable in the governmental activities. The current portion of capital lease payable at June 30, 2016 in the business-type activities is \$78,547 and the long-term portion is \$328,567. The Food Service Fund Fund will be used to liquidate the capital lease payable in the business-type activities.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$1,669,816. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

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, 2016, \$-0- is recorded for compensated absences in the Enterprise Fund.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$18,277,742. See Note 11 for further information on the PERS.

NOTE 11. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$700,016 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

## NOTE 11. PENSION PLANS (Cont'd)

## A. Public Employees' Retirement System (PERS) (Cont'd)

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

At June 30, 2016, the District reported a liability of \$18,277,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.081%, which was a decrease of 0.006% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$722,525. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 391,251	
	2015	5.72	1,571,633	
Difference Between Expected and Actual Experience	2015	5.72	436,043	
Changes in Proportion	2014	6.44		\$ 1,161,986
	2015	5.72		1,030,172
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		681,369
	2015	5.00		(387,498)
District Contribution Subsequent to the Measurement Date	2015	1.00	714,296	
			<u>\$ 3,113,223</u>	<u>\$ 2,486,029</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 383,227
2017	383,226
2018	383,226
2019	610,349
2020	345,028
	<u>\$ 2,105,056</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%



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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015 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 upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	<u>Fiscal Year Ended June 30, 2015</u>		
	1%	Current	1%
	Decrease (3.90%)	Discount Rate (4.90%)	Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 22,716,997	\$ 18,277,742	\$ 14,555,903

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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are 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 local participating employers do 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 local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$2,280,967 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$10,955,124.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$179,418,650. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.284%, which was an increase of 0.002% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>179,418,650</u>
Total	\$	<u><u>179,418,650</u></u>

For the fiscal year ended June 30, 2015, the State recognized pension expense on behalf of the District in the amount of \$10,955,124 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

## NOTE 11. PENSION PLANS (Cont'd)

## B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,999,074,013	
	2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience	2014	8.3	321,224,871	
	2015	8.5		\$ 19,039,817
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0		1,305,927,430
	2015	5.0		(770,568,242)
			<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables 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, 2014 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 pension plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 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 upon the average of the last five years. Based on those assumptions, the pension 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 pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total Net Pension Liability	\$ 213,232,359	\$ 179,418,650	\$ 150,286,116

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$32,682 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$60,062 for the fiscal year ended June 30, 2016.

NOTE 12. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 premiums changed from a prefunding 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 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$2,716,002, \$2,436,353 and \$1,958,209 for 2016, 2015 and 2014, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 13. 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. Health benefits coverage is provided by Horizon Blue Cross/Blue Shield of New Jersey.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, workers compensation, 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 fiscal years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 85,107	\$ -0-	\$ 8,866	\$ 85,473	\$ 64,912
2014-2015	96,032	-0-	55,688	100,950	56,412
2013-2014	86,433	-0-	109,713	194,742	5,642

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 23,379	
Food Service Fund		\$ 14,837
Fiduciary Funds:		
Payroll Agency		64,554
Unemployment Compensation Trust	64,554	
Flexible Spending Trust		8,542
	<u>\$ 87,933</u>	<u>\$ 87,933</u>

The interfund payable in the Food Service Fund is an interfund advanced from the General Fund for cash purposes while awaiting for subsidy reimbursements from the State of New Jersey. The interfund receivable in the Unemployment Compensation Trust is employee contributions due from the Payroll Agency Fund. The interfund payable in the Flexible Spending Trust is prior year unclaimed employee contributions due to the General Fund.

During the fiscal year, the District transferred \$1,624,700 from the Capital Reserve in the General Fund to the Capital Projects Fund to fund the local share of two SDA projects.



ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

NOTE 16. 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, permit participants to defer a portion of their salary until future fiscal years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable Life Assurance	MetLife Investors Group
Galic Disbursing Co. (Great American)	VALIC (AIG Retirement)
Lincoln Financial Advisors	The Legend Group
Metropolitan Life	

NOTE 17. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2016:

	Governmental Funds			District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund			Proprietary Funds
Salaries	\$ 2,461,090	\$ 4,760			\$ 2,465,850	
State of New Jersey				\$ 714,296	714,296	
Vendors	330,910	129,252	\$ 456,473		916,635	\$ 97,069
	<u>\$ 2,792,000</u>	<u>\$ 134,012</u>	<u>\$ 456,473</u>	<u>\$ 714,296</u>	<u>\$ 4,096,781</u>	<u>\$ 97,069</u>

NOTE 19. COMMITMENTS AND CONTINGENCIESGrant Programs

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

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

NOTE 19. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2016, if any, is unknown.

Encumbrances

At June 30, 2016, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 460,434	\$ 20,114	\$ 133,125	\$ 613,673

On the District's Governmental Funds Balance Sheet as of June 30, 2016, \$0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$20,114 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grant receivables or an increase in unearned revenue. The \$133,125 year-end encumbrances in the Capital Projects Fund is included in the \$138,124 restricted fund balance on a GAAP basis at June 30, 2016.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0879080154%	0.0814226014%
District's proportionate share of the net pension liability	\$ 16,458,785	\$ 18,277,742
District's covered employee payroll	\$ 5,655,443	\$ 5,465,431
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	291.03%	334.42%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 724,701	\$ 700,016
Contributions in relation to the contractually required contribution	<u>(724,701)</u>	<u>(700,016)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 5,465,431	\$ 5,410,830
Contributions as a percentage of covered employee payroll	13.26%	12.94%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's proportion of the net pension liability attributable to the District	0.2823140342%	0.2838710877%
State's proportionate share of the net pension liability attributable to the District	\$ 150,887,663	\$ 179,418,650
District's covered employee payroll	\$ 28,514,332	\$ 28,760,876
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	529.16%	623.83%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST FISCAL YEAR  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 8,119,173	\$ 10,955,124
Contributions in relation to the contractually required contribution	<u>(1,534,711)</u>	<u>(2,280,967)</u>
Contribution deficiency/(excess)	<u>\$ 6,584,462</u>	<u>\$ 8,674,157</u>
District's covered employee payroll	\$ 28,760,876	\$ 28,149,592
Contributions as a percentage of covered employee payroll	5.34%	8.10%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.



BUDGETARY COMPARISON SCHEDULES

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 51,644,630		\$ 51,644,630	\$ 51,644,630 ✓	
Tuition From Other LEAs	3,260,408		3,260,408	3,587,623 ✓	\$ 327,215
Transportation Fees From Individuals	50,000		50,000	56,163 ✓	6,163
Restricted Miscellaneous Revenue	72,749		72,749	227,862 ✓	155,113
Unrestricted Miscellaneous Revenue	448,338		448,338	179,906 ✓	(268,432)
Total - Local Sources	<u>55,476,125</u>		<u>55,476,125</u>	<u>55,696,184</u>	<u>220,059</u>
State Sources:					
Equalization Aid	10,300,890		10,300,890	10,300,890	
School Choice Aid	192,542		192,542	192,542	
Transportation Aid	233,042		233,042	233,042	
Special Education Aid	2,433,575		2,433,575	2,433,575	
Security Aid	61,433		61,433	61,433	
Adjustment Aid		\$ 470,428	470,428	470,428	
Other State Aid	538,978	(470,428)	68,550	68,550	
Extraordinary Special Education Costs Aid	596,518		596,518	485,625	(110,893)
Excess Nonpublic School Transportation Costs				25,752	25,752
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				2,280,967	2,280,967
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,716,002	2,716,002
TPAF Social Security (Reimbursed - Non-Budgeted)				2,041,936	2,041,936
Total State Sources	<u>14,356,978</u>		<u>14,356,978</u>	<u>21,310,742</u>	<u>6,953,764</u>
Federal Sources:					
Medicaid Assistance Program	34,036		34,036	58,895	24,859
Total - Federal Sources	<u>34,036</u>		<u>34,036</u>	<u>58,895</u>	<u>24,859</u>
Total Revenues	<u>69,867,139</u>		<u>69,867,139</u>	<u>77,065,821</u>	<u>7,198,682</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 708,816	\$ (150,991)	\$ 557,825	\$ 531,477	\$ 26,348
Grades 1-5 - Salaries of Teachers	6,255,928	320,416	6,576,344	6,432,722	143,622
Grades 6-8 - Salaries of Teachers	3,964,304	488,062	4,452,366	4,339,193	113,173
Grades 9-12 - Salaries of Teachers	7,961,784	(176,154)	7,785,630	7,568,554	217,076
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	1,278	36,278	23,739	12,539
Purchased Professional-Educational Services	15,000		15,000	9,091	5,909
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	12,005		12,005	5,000	7,005
Purchased Technical Services	8,000	(4,000)	4,000	4,000	
Other Purchased Services (400-500 series)	577,117	85,557	662,674	614,281	48,393
General Supplies	1,231,034	(358,922)	872,112	624,085	248,027
Textbooks	231,377	(13,156)	218,221	199,781	18,440
Other Objects	5,975	732	6,707	5,682	1,025
Total Regular Programs - Instruction	<u>21,006,340</u>	<u>192,822</u>	<u>21,199,162</u>	<u>20,357,605</u>	<u>841,557</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	573,379	131,336	704,715	684,688	20,027
Other Salaries for Instruction	318,259	9,941	328,200	328,199	1
General Supplies	6,050	(3,292)	2,758	2,758	
Textbooks	3,300	(2,190)	1,110	1,110	
Total Learning and/or Language Disabilities	<u>900,988</u>	<u>135,795</u>	<u>1,036,783</u>	<u>1,016,755</u>	<u>20,028</u>
Auditory Impairments:					
Salaries of Teachers	70,389	2,772	73,161	71,485	1,676
Other Purchased Services (400-500 series)	3,150	(152)	2,998	1,278	1,720

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Special Education - Instruction: (Cont'd)					
Auditory Impairments: (Cont'd)					
General Supplies	\$ 4,912		\$ 4,912	\$ 4,912	
Total Auditory Impairments	78,451	\$ 2,620	81,071	77,675	\$ 3,396
Behavioral Disabilities:					
Salaries of Teachers	117,636	32,143	149,779	146,694	3,085
Other Salaries for Instruction	76,514	(2,313)	74,201	72,127	2,074
Total Behavioral Disabilities	194,150	29,830	223,980	218,821	5,159
Multiple Disabilities:					
Salaries of Teachers	53,342	83,330	136,672	135,402	1,270
Other Salaries for Instruction	82,304	23,524	105,828	104,198	1,630
Purchased Professional-Educational Services	360,000	(19,566)	340,434	340,421	13
General Supplies	20,590	(1,099)	19,491	15,686	3,805
Textbooks	800	1,200	2,000	1,653	347
Total Multiple Disabilities	517,036	87,389	604,425	597,360	7,065
Resource Room/Resource Center:					
Salaries of Teachers	3,224,057	110,646	3,334,703	3,194,011	140,692
Other Salaries for Instruction	553,224	226,428	779,652	759,217	20,435
General Supplies	19,800		19,800	12,311	7,489
Textbooks	13,200		13,200	5,024	8,176
Total Resource Room/Resource Center	3,810,281	337,074	4,147,355	3,970,563	176,792
Autism:					
Salaries of Teachers	174,532	(30,680)	143,852	139,533	4,319
Other Salaries for Instruction	172,532	67,660	240,192	235,565	4,627
Purchased Professional-Educational Services	101,250		101,250	97,267	3,983

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Special Education - Instruction:					
Autism: (Cont'd)					
General Supplies	\$ 2,250		\$ 2,250	\$ 618	\$ 1,632
Textbooks	1,125		1,125		1,125
Total Autism	<u>451,689</u>	<u>\$ 36,980</u>	<u>488,669</u>	<u>472,983</u>	<u>15,686</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	53,683	20,785	74,468	72,803	1,665
Other Salaries for Instruction	48,732	(8,652)	40,080	38,958	1,122
General Supplies	1,100		1,100	894	206
Total Preschool Disabilities - Part-Time	<u>103,515</u>	<u>12,133</u>	<u>115,648</u>	<u>112,655</u>	<u>2,993</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	113,383	5,391	118,774	116,013	2,761
Other Salaries for Instruction	61,701	(6,860)	54,841	52,424	2,417
General Supplies	1,100		1,100	968	132
Other Objects	2,500	(200)	2,300	966	1,334
Total Preschool Disabilities - Part-Time	<u>178,684</u>	<u>(1,669)</u>	<u>177,015</u>	<u>170,371</u>	<u>6,644</u>
Home Instruction:					
Salaries of Teachers	1,700	10,890	12,590	11,935	655
Purchased Professional-Educational Services	50,313	(2,485)	47,828	7,230	40,598
Total Home Instruction	<u>52,013</u>	<u>8,405</u>	<u>60,418</u>	<u>19,165</u>	<u>41,253</u>
Total Special Education - Instruction	<u>6,286,807</u>	<u>648,557</u>	<u>6,935,364</u>	<u>6,656,348</u>	<u>279,016</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	437,665	(49,243)	388,422	374,839	13,583
General Supplies	3,500		3,500	3,500	
Total Basic Skills/Remedial - Instruction	<u>441,165</u>	<u>(49,243)</u>	<u>391,922</u>	<u>378,339</u>	<u>13,583</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 389,248	\$ (115,296)	\$ 273,952	\$ 244,297	\$ 29,655
Other Purchased Services (400-500 series)	1,000		1,000	1,000	
General Supplies	2,000		2,000	1,072	928
Total Bilingual Education - Instruction	<u>392,248</u>	<u>(115,296)</u>	<u>276,952</u>	<u>246,369</u>	<u>30,583</u>
School Sponsored Cocurricular Activities:					
Salaries	155,600	61,973	217,573	212,107	5,466
Purchased Services (300-500 series)	26,900		26,900	21,436	5,464
Supplies and Materials	54,354	(9,015)	45,339	32,318	13,021
Other Objects	38,600	(8,515)	30,085	28,362	1,723
Total School-Sponsored Cocurricular Activities	<u>275,454</u>	<u>44,443</u>	<u>319,897</u>	<u>294,223</u>	<u>25,674</u>
School-Sponsored Athletics:					
Salaries	634,606	50,317	684,923	670,576	14,347
Purchased Services	182,426	(28,422)	154,004	123,214	30,790
Supplies and Materials	96,399		96,399	85,489	10,910
Other Objects	111,407	1,244	112,651	103,529	9,122
Total School-Sponsored Athletics	<u>1,024,838</u>	<u>23,139</u>	<u>1,047,977</u>	<u>982,808</u>	<u>65,169</u>
Total Instruction	<u>29,426,852</u>	<u>744,422</u>	<u>30,171,274</u>	<u>28,915,692</u>	<u>1,255,582</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	93,000	(70,940)	22,060		22,060
Tuition to Other LEA's Within the State - Special	614,704	(154,332)	460,372	460,370	2
Tuition to County Vocational School - Regular	478,860	(52,061)	426,799	367,832	58,967
Tuition to County Vocational School - Special	21,000	16,200	37,200	37,200	
Tuition to CSSD & Regional Day Schools	185,618	(50,139)	135,479	15,213	120,266
Tuition to Private Schools for the Handicapped Within State	2,414,645	(431,162)	1,983,483	1,892,390	91,093

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures - Instruction: (Cont'd)					
Tuition to Private Schools for the Handicapped Outside State	\$ 140,150		\$ 140,150	\$ 113,298	\$ 26,852
Tuition - State Facilities		\$ 38,033	38,033	38,033	
Total Undistributed Expenditures - Instruction	<u>3,947,977</u>	<u>(704,401)</u>	<u>3,243,576</u>	<u>2,924,336</u>	<u>319,240</u>
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	91,621	(11,144)	80,477	75,054	5,423
Supplies and Materials	1,518		1,518	1,476	42
Total Undistributed Expenditures - Attendance and Social Work Services	<u>93,139</u>	<u>(11,144)</u>	<u>81,995</u>	<u>76,530</u>	<u>5,465</u>
Undistributed Expenditures:					
Health Services:					
Salaries	602,400	103,889	706,289	692,445	13,844
Purchased Professional and Technical Services	33,500	(1,600)	31,900	31,521	379
Other Purchased Services	450		450.00	450	450
Supplies and Materials	18,319	1	18,320	14,060	4,260
Total Health Services	<u>654,669</u>	<u>102,290</u>	<u>756,959</u>	<u>738,026</u>	<u>18,933</u>
Speech, OT, PT & Related Services:					
Salaries	719,584	87,448	807,032	789,780	17,252
Purchased Professional - Educational Services	110,200	(33,290)	76,910	59,329	17,581
Supplies and Materials	8,518		8,518	5,160	3,358
Total Speech, OT, PT & Related Services	<u>838,302</u>	<u>54,158</u>	<u>892,460</u>	<u>854,269</u>	<u>38,191</u>
Other Support Services - Extraordinary Services:					
Salaries		12,426	12,426	11,638	788
Purchased Professional - Educational Services	316,669	43,534	360,203	338,159	22,044
Total Other Support Services - Extraordinary Services	<u>316,669</u>	<u>55,960</u>	<u>372,629</u>	<u>349,797</u>	<u>22,832</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 1,010,850	\$ 27,035	\$ 1,037,885	\$ 1,008,454	29,431
Salaries of Secretarial and Clerical Assistants	147,433	(2,993)	144,440	144,440	
Purchased Professional-Educational Services	41,930		41,930	41,627	303
Purchased Professional and Technical Services	600	4,000	4,600	3,275	1,325
Other Purchased Services (400-500 series)	12,020		12,020	11,658	362
Supplies and Materials	8,314	2	8,316	6,078	2,238
Other Objects	1,800		1,800	685	1,115
Total Guidance	<u>1,222,947</u>	<u>28,044</u>	<u>1,250,991</u>	<u>1,216,217</u>	<u>34,774</u>
Child Study Team:					
Salaries of Other Professional Staff	1,155,120	(131,278)	1,023,842	990,625	33,217
Salaries of Secretarial and Clerical Assistants	229,691	14,803	244,494	244,494	
Purchased Professional - Educational Services	64,033	8,500	72,533	71,077	1,456
Other Purchased Professional and Technical Services	46,902	7,500	54,402	54,054	348
Other Purchased Services (400-500 series)	1,920		1,920	131	1,789
Miscellaneous Purchased Services	9,750		9,750	6,262	3,488
Supplies and Materials	109,475		109,475	106,325	3,150
Other Objects	1,000		1,000	898	102
Total Child Study Team	<u>1,617,891</u>	<u>(100,475)</u>	<u>1,517,416</u>	<u>1,473,866</u>	<u>43,550</u>
Improvement of Instructional Services:					
Salaries of Other Professional Staff	586,089	1,293	587,382	527,272	60,110
Salaries of Secretarial and Clerical Assistants	25,515	27,122	52,637	49,837	2,800
Supplies and Materials	155,545		155,545	155,030	515
Total Improvement of Instructional Services	<u>767,149</u>	<u>28,415</u>	<u>795,564</u>	<u>732,139</u>	<u>63,425</u>



ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Educational Media Services/School Library:					
Salaries	\$ 440,908	\$ 200,396	\$ 641,304	\$ 630,772	\$ 10,532
Purchased Professional and Technical Services	15,450		15,450	14,652	798
Other Purchased Services (400-500 series)	195,949	50,495	246,444	237,818	8,626
Supplies and Materials	706,614	395,626	1,102,240	1,081,106	21,134
Total Educational Media Services/School Library	<u>1,358,921</u>	<u>646,517</u>	<u>2,005,438</u>	<u>1,964,348</u>	<u>41,090</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	517,827	(1,525)	516,302	494,944	21,358
Salaries of Secretarial and Clerical Assistants	25,515	(11,581)	13,934	5,342	8,592
Other Salaries	30,000	(7,310)	22,690		22,690
Purchased Professional - Educational Services	24,000	250	24,250	18,414	5,836
Other Purchased Services	64,889	(2,709)	62,180	39,004	23,176
Supplies and Materials	5,000	744	5,744	4,216	1,528
Total Instructional Staff Training Services	<u>667,231</u>	<u>(22,131)</u>	<u>645,100</u>	<u>561,920</u>	<u>83,180</u>
General Administration:					
Salaries	281,069	28,208	309,277	305,804	3,473
Legal Services	101,425	66,337	167,762	137,293	30,469
Audit Fees	55,182	418	55,600	55,600	
Other Purchased Professional Services	93,150	25,260	118,410	116,117	2,293
Communications/Telephone	97,940	2,050	99,990	90,842	9,148
BOE Other Purchased Services	4,000	1,340	5,340	5,340	
Other Purchased Services (400-500)	38,920	(15,950)	22,970	7,957	15,013
General Supplies	16,600	(1,342)	15,258	8,650	6,608
Judgments Against the School District	25,000	(25,000)			
Miscellaneous Expenditures	17,500	(5,115)	12,385	11,070	1,315
BOE Membership Dues and Fees	32,000	(1,345)	30,655	27,111	3,544
Total General Administration	<u>762,786</u>	<u>74,861</u>	<u>837,647</u>	<u>765,784</u>	<u>71,863</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
School Administration:					
Salaries of Principals/Assistant Principals	\$ 1,482,099	\$ 10,558	\$ 1,492,657	\$ 1,457,615	\$ 35,042
Salaries of Other Professional Staff	137,594	3,615	141,209	137,933	3,276
Salaries of Secretarial and Clerical Assistants	680,565	(2,887)	677,678	661,625	16,053
Purchased Professional and Technical Services	18,693	6,938	25,631	24,784	847
Other Purchased Services (400-500)	5,100		5,100	3,810	1,290
Supplies and Materials	49,642	900	50,542	49,259	1,283
Other Objects	37,848	1,765	39,613	38,403	1,210
<b>Total School Administration</b>	<b>2,411,541</b>	<b>20,889</b>	<b>2,432,430</b>	<b>2,373,429</b>	<b>59,001</b>
Central Services:					
Salaries	776,135	5,435	781,570	742,790	38,780
Purchased Professional Services		3,000	3,000	2,168	832
Purchased Technical Services	42,000	15,674	57,674	57,506	168
Miscellaneous Purchased Services	24,500	9,727	34,227	33,622	605
Supplies and Materials	22,175	12,691	34,866	31,101	3,765
Miscellaneous Expenditures	28,300	5,233	33,533	31,006	2,527
<b>Total Central Services</b>	<b>893,110</b>	<b>51,760</b>	<b>944,870</b>	<b>898,193</b>	<b>46,677</b>
Administrative Information Technology:					
Salaries	395,651	(316,044)	79,607	74,008	5,599
Other Objects	2,125		2,125	1,925	200
<b>Total Administrative Information Technology</b>	<b>397,776</b>	<b>(316,044)</b>	<b>81,732</b>	<b>75,933</b>	<b>5,799</b>
Required Maintenance for School Facilities:					
Salaries	723,911	(113,512)	610,399	564,624	45,775
Cleaning, Repair and Maintenance Services	906,940	30,064	937,004	915,643	21,361
General Supplies	344,157	11,332	355,489	334,843	20,646

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Required Maintenance for School Facilities: (Cont'd)					
Other Objects		\$ 68	\$ 68	\$ 68	
Total Required Maintenance for School Facilities	\$ 1,975,008	(72,048)	1,902,960	1,815,178	\$ 87,782
Custodial Services:					
Salaries	208,849	477,761	686,610	671,417	15,193
Purchased Professional and Technical Services	58,650		58,650	51,272	7,378
Cleaning, Repair and Maintenance Services	2,190,360	(25,121)	2,165,239	2,093,728	71,511
Rental of Land & Bldg. Other Than Lease Pur Agrmt	27,000		27,000	13,983	13,017
Other Purchased Property Services	232,056	(4,221)	227,835	161,050	66,785
Insurance	300,000	(1,300)	298,700	286,404	12,296
Miscellaneous Purchased Services	7,000	(4,944)	2,056	2,056	
General Supplies	209,613	4,222	213,835	212,502	1,333
Energy (Natural Gas)	907,000	(580,281)	326,719	206,220	120,499
Energy (Electricity)	825,000	(17,290)	807,710	776,346	31,364
Interest - Energy Savings Improvement Program Bonds		270,312	270,312	270,312	
Principal - Energy Savings Impr Prog Bonds		225,000	225,000	225,000	
Other Objects	9,500		9,500	6,708	2,792
Total Custodial Services	4,975,028	344,138	5,319,166	4,976,998	342,168
Care & Upkeep of Grounds:					
Salaries	229,722	(153,227)	76,495	76,495	
Total Care & Upkeep of Grounds	229,722	(153,227)	76,495	76,495	
Security:					
Salaries	113,327	(88,431)	24,896	24,326	570
Total Security	113,327	(88,431)	24,896	24,326	570

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	\$ 2,074,628	\$ 143,377	\$ 2,218,005	\$ 2,189,513	\$ 28,492
Between Home and School - Special Education	32,204	(19,000)	13,204	466	12,738
Other than Between Home and School	127,250	(44,684)	82,566	55,366	27,200
Between Home and School - Non Public Schools	72,500	(17,373)	55,127	50,799	4,328
Other Purchased Professional and Technical Services	15,000	(9,830)	5,170	3,620	1,550
Cleaning, Repair and Maintenance Services	186,110	(82,101)	104,009	93,063	10,946
Lease Payments - Buses	201,649	(201,649)			
Aid in Lieu of Payments for Nonpublic School Students	120,000	(31,422)	88,578	85,237	3,341
Contracted Services:					
Other than Between Home and School -Vendors	15,000	(8,678)	6,322	4,725	1,597
Other than Between Home and School - Joint Agreements	60,000	(4,148)	55,852	28,899	26,953
Special Education Students - Vendors	7,700	510	8,210	8,209	1
Special Education Students - Joint Agreements	1,270,658	(69,456)	1,201,202	1,106,157	95,045
Regular Education Students - ESCs & CTSA's	100,000	50,000	150,000	83,365	66,635
Miscellaneous Purchased Services - Transportation	101,000	13,908	114,908	113,398	1,510
General Supplies	628,508	(188,000)	440,508	301,712	138,796
Other Objects	6,250		6,250	5,650	600
Total Student Transportation Services	<u>5,018,457</u>	<u>(468,546)</u>	<u>4,549,911</u>	<u>4,130,179</u>	<u>419,732</u>
Allocated Benefits - Regular Program Instruction:					
Unemployment Compensation	160,000	(160,000)			
Workmen's Compensation	160,000	(115)	159,885	131,299	28,586
Health Benefits	4,500,000	(55,000)	4,445,000	4,445,000	
Tuition Reimbursement	85,000	(220)	84,780	76,142	8,638
Total Allocated Benefits - Regular Program Instruction	<u>4,905,000</u>	<u>(215,335)</u>	<u>4,689,665</u>	<u>4,652,441</u>	<u>37,224</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Allocated Benefits - Special Program Instruction:					
Unemployment Compensation	\$ 50,000	\$ (250)	\$ 49,750	\$ 15,527	\$ 34,223
Workmen's Compensation	50,000		50,000	42,113	7,887
Health Benefits	1,500,000		1,500,000	1,499,456	544
Tuition Reimbursement	25,000		25,000	24,449	551
Total Allocated Benefits - Special Program Instruction	<u>1,625,000</u>	<u>(250)</u>	<u>1,624,750</u>	<u>1,581,545</u>	<u>43,205</u>
 Total Allocated Benefits	 <u>6,530,000</u>	 <u>(215,585)</u>	 <u>6,314,415</u>	 <u>6,233,986</u>	 <u>80,429</u>
Unallocated Benefits:					
Social Security Contributions	875,000	718,910	1,593,910	776,942	816,968
Other Retirement Contributions - PERS	830,596	(127,800)	702,796	700,016	2,780
Other Retirement Contributions - Regular		32,682	32,682	32,682	
Unemployment Compensation	151,680	(82,000)	69,680	69,580	100
Workmen's Compensation	90,000	5,800	95,800	95,700	100
Health Benefits	3,182,787	(850,389)	2,332,398	2,301,837	30,561
Tuition Reimbursement	15,330	20,000	35,330	11,288	24,042
Other Employee Benefits	316,330	(51,000)	265,330	99,512	165,818
Total Unallocated Benefits	<u>5,461,723</u>	<u>(333,797)</u>	<u>5,127,926</u>	<u>4,087,557</u>	<u>1,040,369</u>
On-Behalf Contributions (Non-budgeted):					
TPAF Pension Contributions				2,280,967	(2,280,967)
TPAF Post Retirement Medical Benefits Contributions				2,716,002	(2,716,002)
Reimbursed TPAF Social Security Contributions				2,041,936	(2,041,936)
Total On-Behalf Contributions (Non-Budgeted)				<u>7,038,905</u>	<u>(7,038,905)</u>
 Total Employee Benefits	 <u>5,461,723</u>	 <u>(333,797)</u>	 <u>5,127,926</u>	 <u>11,126,462</u>	 <u>(5,998,536)</u>
Total Undistributed Expenditures	<u>40,253,373</u>	<u>(1,078,797)</u>	<u>39,174,576</u>	<u>43,388,411</u>	<u>(4,213,835)</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
TOTAL GENERAL CURRENT EXPENSE	\$ 69,680,225	\$ (334,375)	\$ 69,345,850	\$ 72,304,103	\$ (2,958,253)
 CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8	22,609		22,609	22,609	
Grades 9-12		59,857	59,857	17,191	42,666
School Sponsored and Other Instructional Program	58,790		58,790	58,789	1
Undistributed - Support Services:					
Students - Regular		3,612	3,612	3,400	212
Child Study Team	20,000	(4,812)	15,188		15,188
Instructional Staff		1,688	1,688	1,688	
General Administration		49,567	49,567	13,567	36,000
Central Services	224,233		224,233	224,233	
Custodial Services	559,595	16,845	576,440	545,593	30,847
Student Transportation - Non-Instructional	10,000	18,935	28,935	26,060	2,875
School Buses - Regular	168,673	188,785	357,458	168,673	188,785
School Buses - Special	210,696	(210,696)			
Total Equipment	1,274,596	123,781	1,398,377	1,081,803	316,574
 Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	80,000	(40,665)	39,335	25,926	13,409
Construction Services	10,587	230,625	241,212	226,692	14,520
Assessment for Debt Service on SDA Funding	56,664		56,664	56,664	
Total Facilities Acquisition and Construction Services	147,251	189,960	337,211	309,282	27,929
 TOTAL CAPITAL OUTLAY	1,421,847	313,741	1,735,588	1,391,085	344,503

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Special Schools:					
Other Special Schools - Instruction:					
Salaries of Teachers	\$ 140,000	\$ 43,277	\$ 183,277	\$ 155,071	\$ 28,206
Other Salaries for Instruction	69,000		69,000	59,870	9,130
Purchased Professional and Technical Services	35,100		35,100	10,760	24,340
Other Purchased Services	40,500	(7,440)	33,060	32,776	284
General Supplies	41,123	(12,092)	29,031	21,552	7,479
Total Other Special Schools - Instruction	<u>325,723</u>	<u>23,745</u>	<u>349,468</u>	<u>280,029</u>	<u>69,439</u>
Other Special Schools - Support Services:					
Salaries	103,676	2,499	106,175	94,888	11,287
Other Purchased Services	8,500	(5,744)	2,756	1,732	1,024
Total Other Special Schools - Support Services	<u>112,176</u>	<u>(3,245)</u>	<u>108,931</u>	<u>96,620</u>	<u>12,311</u>
Total Other Special Schools	<u>437,899</u>	<u>20,500</u>	<u>458,399</u>	<u>376,649</u>	<u>81,750</u>
Total Special Schools	<u>437,899</u>	<u>20,500</u>	<u>458,399</u>	<u>376,649</u>	<u>81,750</u>
Transfer of Funds to Charter Schools	<u>81,309</u>	<u>134</u>	<u>81,443</u>	<u>42,044</u>	<u>39,399</u>
TOTAL EXPENDITURES	<u>71,621,280</u>		<u>71,621,280</u>	<u>74,113,881</u>	<u>(2,492,601)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(1,754,141)</u>		<u>(1,754,141)</u>	<u>2,951,940</u>	<u>4,706,081</u>
Other Financing Sources/(Uses):					
Transfer from Flexible Spending Trust Fund				4,008	(4,008)
Capital Reserve - Transfer to Capital Projects Fund		(1,624,700)	(1,624,700)	(1,624,700)	
Total Other Financing Sources/(Uses)		<u>(1,624,700)</u>	<u>(1,624,700)</u>	<u>(1,620,692)</u>	<u>(4,008)</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (1,754,141)	\$ (1,624,700)	\$ (3,378,841)	\$ 1,331,248	\$ 4,710,089
Fund Balance, July 1	8,252,114		8,252,114	8,252,114	
Fund Balance, June 30	\$ 6,497,973	\$ (1,624,700)	\$ 4,873,273	\$ 9,583,362	\$ 4,710,089
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,745,649	
Maintenance Reserve				2,029,332	
Emergency Reserve				635,000	
Excess Surplus - Restricted For 2017-2018				1,540,967	
Excess Surplus - Restricted For 2016-2017				675,290	
Assigned Fund Balance:					
Year End Encumbrances				460,434	
Designated for Subsequent Year's Expenditures				96,944	
Unassigned Fund Balance				1,399,746	
				9,583,362	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(1,364,677)	
Fund Balance per Governmental Funds (GAAP)				\$ 8,218,685	



ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 42,090	\$ 42,090	\$ 2,114	\$ (39,976)
State Sources	\$ 204,000	85,481	289,481	259,701	(29,780)
Federal Sources	944,000	325,773	1,269,773	1,124,788	(144,985)
Total Revenues	<u>1,148,000</u>	<u>453,344</u>	<u>1,601,344</u>	<u>1,386,603</u>	<u>(214,741)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		104,787	104,787	59,120	45,667
Purchased Professional and Educational Services	114,800	159,749	274,549	259,333	15,216
Tuition	861,000	114,517	975,517	889,132	86,385
General Supplies		76,473	76,473	23,641	52,832
Textbooks	57,400	(33,590)	23,810	18,196	5,614
Total Instruction	<u>1,033,200</u>	<u>421,936</u>	<u>1,455,136</u>	<u>1,249,422</u>	<u>205,714</u>
Support Services:					
Purchased Professional and Educational Services	114,800	(65,782)	49,018	45,754	3,264
Other Purchased Services		75,789	75,789	71,560	4,229
Supplies and Materials		21,401	21,401	19,867	1,534
Total Support Services	<u>114,800</u>	<u>31,408</u>	<u>146,208</u>	<u>137,181</u>	<u>9,027</u>
Total Expenditures	<u>\$ 1,148,000</u>	<u>\$ 453,344</u>	<u>\$ 1,601,344</u>	<u>\$ 1,386,603</u>	<u>\$ 214,741</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
 (UNAUDITED)

Note A - 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	\$ 77,065,821	\$ 1,386,603
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(20,114)
Cancellation of Prior Year Encumbrances		(1,047)
Prior Year Encumbrances		14,547
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,368,578	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,364,677)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 77,069,722	\$ 1,379,989
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 74,113,881	\$ 1,386,603
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(20,114)
Cancellation of Prior Year Encumbrances		(1,047)
Prior Year Encumbrances		14,547
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 74,113,881	\$ 1,379,989

ROXBURY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Nonpublic Auxiliary Services</u>		<u>Nonpublic Handicapped Services</u>		
	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>
REVENUES:					
Local Sources					
State Sources	\$ 54,905	\$ 24,496	\$ 48,742	\$ 27,504	\$ 36,011
Federal Sources					
Total Revenues	<u>54,905</u>	<u>24,496</u>	<u>48,742</u>	<u>27,504</u>	<u>36,011</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Educational Services	54,905	24,496	48,742	27,504	36,011
Tuition					
General Supplies					
Textbooks					
Total Instruction	<u>54,905</u>	<u>24,496</u>	<u>48,742</u>	<u>27,504</u>	<u>36,011</u>
Support Services:					
Purchased Professional and Educational Services					
Other Purchased Services					
Supplies and Materials					
Total Support Services					
Total Expenditures	<u>\$ 54,905</u>	<u>\$ 24,496</u>	<u>\$ 48,742</u>	<u>\$ 27,504</u>	<u>\$ 36,011</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonpublic			
	Textbooks	Nursing	Technology Initiative	Security Aid
REVENUES:				
Local Sources				
State Sources	\$ 18,196	\$ 37,530	\$ 10,744	\$ 1,573
Federal Sources				
Total Revenues	<u>18,196</u>	<u>37,530</u>	<u>10,744</u>	<u>1,573</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Educational Services				
Tuition				
General Supplies			10,744	1,573
Textbooks	18,196			
Total Instruction	<u>18,196</u>		<u>10,744</u>	<u>1,573</u>
Support Services:				
Purchased Professional and Educational Services		37,530		
Other Purchased Services				
Supplies and Materials				
Total Support Services		<u>37,530</u>		
Total Expenditures	<u>\$ 18,196</u>	<u>\$ 37,530</u>	<u>\$ 10,744</u>	<u>\$ 1,573</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	No Child Left Behind			
	Title I	Title IIA	Title III	Title III Immigrant
REVENUES:				
Local Sources				
State Sources				
Federal Sources	\$ 66,705	\$ 88,290	\$ 12,352	\$ 634
Total Revenues	<u>66,705</u>	<u>88,290</u>	<u>12,352</u>	<u>634</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	59,120			
Purchased Professional and Educational Services				
Tuition				
General Supplies	7,585		991	634
Textbooks				
Total Instruction	<u>66,705</u>		<u>991</u>	<u>634</u>
Support Services:				
Purchased Professional and Educational Services		8,025	199	
Other Purchased Services		71,560		
Supplies and Materials		8,705	11,162	
Total Support Services		<u>88,290</u>	<u>11,361</u>	
Total Expenditures	<u>\$ 66,705</u>	<u>\$ 88,290</u>	<u>\$ 12,352</u>	<u>\$ 634</u>



ROXBURY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	I.D.E.A.		Local Donations	Totals 2016
	Basic	Preschool		
REVENUES:				
Local Sources			\$ 2,114	\$ 2,114
State Sources				259,701
Federal Sources	\$ 915,086	\$ 41,721		1,124,788
Total Revenues	<u>915,086</u>	<u>41,721</u>	<u>2,114</u>	<u>1,386,603</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				59,120
Purchased Professional and Educational Services	67,675			259,333
Tuition	847,411	41,721		889,132
General Supplies			2,114	23,641
Textbooks				18,196
Total Instruction	<u>915,086</u>	<u>41,721</u>	<u>2,114</u>	<u>1,249,422</u>
Support Services:				
Purchased Professional and Educational Services				45,754
Other Purchased Services				71,560
Supplies and Materials				19,867
Total Support Services				<u>137,181</u>
Total Expenditures	<u>\$ 915,086</u>	<u>\$ 41,721</u>	<u>\$ 2,114</u>	<u>\$ 1,386,603</u>

CAPITAL PROJECTS FUND

Exhibit F-1

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 1,149,800
Transfer from Capital Reserve	<u>1,624,700</u>
Total Revenue and Other Financing Sources	<u>2,774,500</u>
Expenditures:	
Purchased Professional and Technical Services	159,268
Construction Services	<u>1,791,332</u>
Total Expenditures	<u>1,950,600</u>
Excess of Revenue and Other Financing Sources Over Expenditures	823,900
Fund Balance - Beginning of Year	<u>1,352,942</u>
Fund Balance - End of Year	<u>\$ 2,176,842</u>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 4,999
Restricted - Year End Encumbrances	133,125
Committed Fund Balance	<u>2,038,718</u>
Total Fund Balance - Budgetary Basis	<u>\$ 2,176,842</u>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	<u>(2,045,800)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 131,042</u>

Exhibit F-1A

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
ENERGY SAVINGS IMPROVEMENT PROGRAM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 7,740,000		\$ 7,740,000	\$ 7,740,000
Total Revenue and Other Financing Sources	7,740,000		7,740,000	7,740,000
Expenditures:				
Legal Services	4,808		4,808	300,000
Purchased Professional and Technical Services	501,620	\$ 59,197	560,817	1,440,000
Construction Services	6,139,558	896,693	7,036,251	6,000,000
Total Expenditures	6,645,986	955,890	7,601,876	7,740,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,094,014	\$ (955,890)	\$ 138,124	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	3/12/14
Bonds Authorized	\$ 8,000,000
Bonds Issued	7,740,000
Original Authorized Cost	7,740,000
Additional Authorized Cost	-0-
Revised Authorized Cost	7,740,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	98%
Original Target Completion Date	09/14
Revised Target Completion Date	12/16

Exhibit F-1B

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
EISENHOWER MIDDLE SCHOOL ROOF REPLACEMENT PHASE I  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 536,000		\$ 536,000	\$ 536,000
Transfer from Capital Reserve	872,000		872,000	872,000
 Total Revenue and Other Financing Sources	 1,408,000		 1,408,000	 1,408,000
Expenditures:				
Legal Services	160		160	2,500
Purchased Professional and Technical Services	93,919	\$ 2,037	95,956	100,495
Construction Services	1,195,142	104,997	1,300,139	1,305,005
 Total Expenditures	 1,289,221	 107,034	 1,396,255	 1,408,000
 Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	 \$ 118,779	 \$ (107,034)	 \$ 11,745	 \$ -0-

Additional Project Information:

Project Numbers	4560-055-13-3003
Grant Date	6/26/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,340,000
Additional Authorized Cost	68,000
Revised Authorized Cost	1,408,000
Percentage Increase over Original	
Authorized Cost	5%
Percentage Completion	99%
Original Target Completion Date	12/15
Revised Target Completion Date	12/16

Exhibit F-1C

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
EISENHOWER MIDDLE SCHOOL ROOF REPLACEMENT PHASE II  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 373,800	\$ 373,800	\$ 373,800
Transfer from Capital Reserve	\$ 100,000	460,700	560,700	560,700
Total Revenue and Other Financing Sources	100,000	834,500	934,500	934,500
Expenditures:				
Legal Services				2,500
Purchased Professional and Technical Services	45,555	13,662	59,217	69,845
Construction Services		716,565	716,565	862,155
Total Expenditures	45,555	730,227	775,782	934,500
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 54,445	\$ 104,273	\$ 158,718	\$ -0-

Additional Project Information:

Project Numbers	4560-055-13-3004
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 934,500
Additional Authorized Cost	-0-
Revised Authorized Cost	934,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	83%
Original Target Completion Date	06/15
Revised Target Completion Date	12/16

Exhibit F-1D

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL WINDOWS REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 360,000		\$ 360,000	\$ 360,000
Capital Lease Proceeds	540,000		540,000	540,000
Total Revenue and Other Financing Sources	<u>900,000</u>		<u>900,000</u>	<u>900,000</u>
Expenditures:				
Legal Services				5,000
Purchased Professional and Technical Services	19,929	\$ 7,395	27,324	84,300
Construction Services	<u>794,367</u>	<u>73,077</u>	<u>867,444</u>	<u>810,700</u>
Total Expenditures	<u>814,296</u>	<u>80,472</u>	<u>894,768</u>	<u>900,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 85,704</u>	<u>\$ (80,472)</u>	<u>\$ 5,232</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	4560-050-13-5002
Grant Date	12/19/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 900,000
Additional Authorized Cost	-0-
Revised Authorized Cost	900,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	99%
Original Target Completion Date	12/15
Revised Target Completion Date	12/16

Exhibit F-1E

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
ROXBURY HIGH SCHOOL ROOF REPLACEMENT PHASE I  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant		\$ 776,000	\$ 776,000	\$ 776,000
Transfer from Capital Reserve		1,164,000	1,164,000	1,164,000
<b>Total Revenue and Other Financing Sources</b>		<b>1,940,000</b>	<b>1,940,000</b>	<b>1,940,000</b>
<b>Expenditures:</b>				
Legal Services				2,500
Purchased Professional and Technical Services		76,977	76,977	144,100
Construction Services				1,793,400
<b>Total Expenditures</b>		<b>76,977</b>	<b>76,977</b>	<b>1,940,000</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ 1,863,023</b>	<b>\$ 1,863,023</b>	<b>\$ -0-</b>

Additional Project Information:

Project Numbers	4560-065-13-2007
Grant Date	01/06/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,940,000
Additional Authorized Cost	-0-
Revised Authorized Cost	1,940,000
<b>Percentage Increase over Original</b>	
Authorized Cost	0%
Percentage Completion	4%
Original Target Completion Date	12/15
Revised Target Completion Date	12/16



PROPRIETARY FUNDS

Exhibit G-1

ROXBURY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND - FOOD SERVICE  
STATEMENT OF NET POSITION  
JUNE 30, 2016

ASSETS:

## Current Assets:

Intergovernmental Accounts Receivable:

State

\$ 1,111

Federal

28,743

Other Accounts Receivable

168,092

Inventories

15,575

Total Current Assets

213,521

## Non-Current Assets:

Capital Assets

1,045,999

Less: Accumulated Depreciation

(463,970)

Total Non-Current Assets

582,029

Total Assets

795,550LIABILITIES:

## Current Liabilities:

Interfund Payable - General Fund

14,837

Accounts Payable

97,069

Unearned Revenue

15,343

## Non-Current Liabilities:

Capital Leases Payable:

Due within one year

78,547

Due beyond one year

328,567

Total Liabilities

534,363NET POSITION:

Net Investment in Capital Assets

174,915

Unrestricted

86,272

Total Net Position

\$ 261,187

Exhibit G-2

ROXBURY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND - FOOD SERVICE  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 607,850
Non-Reimbursable Programs	236,386
Special Events	59,751
Miscellaneous Revenue	597
Total Operating Revenue	<u>904,584</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	224,862
Non-Reimbursable Programs	87,446
Salaries	406,507
Benefits & Payroll Taxes	94,994
Other Purchased Services	114,651
Supplies and Materials	92,594
Miscellaneous Expenses	62,868
Depreciation Expense	28,186
Total Operating Expenses	<u>1,112,108</u>
Operating Loss	(207,524)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	6,108
Federal Sources:	
National School Lunch Program	155,379
School Breakfast Program	5,900
Food Distribution Program	39,674
Total Non-Operating Income	<u>207,061</u>
Change in Net Position Before Other Item	<u>(463)</u>
Other Item:	
Disposals of Capital Assets, Net of Accumulated Depreciation	<u>(5,100)</u>
Change in Net Position	(5,563)
Net Position - Beginning of Year	<u>266,750</u>
Net Position - End of Year	<u>\$ 261,187</u>

Exhibit G-3

ROXBURY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND - FOOD SERVICE  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 907,054
Payments to Food Service Contractors	(1,127,058)
Payments to Suppliers	(32,113)
Net Cash Used for Operating Activities	<u>(252,117)</u>
Cash Flows from Capital and Related Financing Activities:	
Lease Purchase Principal Payment	(36,733)
Net Cash Used for Capital and Related Financing Activities	<u>(36,733)</u>
Cash Flows from Noncapital & Financing Activities:	
State Sources	5,844
Federal Sources	154,520
Interfund Advanced - General Fund	14,837
Net Cash Provided by Noncapital & Financing Activities	<u>175,201</u>
Net Decrease in Cash and Cash Equivalents	(113,649)
Cash and Cash Equivalents, July 1	<u>113,649</u>
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (207,524)
Adjustment to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	28,186
Food Distribution Program	39,674
Changes in Assets and Liabilities:	
(Increase) in Other Accounts Receivable	(168,092)
(Increase) in Inventory	(9,969)
Increase in Accounts Payable	61,404
Increase in Unearned Revenue	4,204
Net Cash Used for Operating Activities	<u>\$ (252,117)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$41,408 and Utilized Commodities Valued at \$39,674.

The Food Service Enterprise Fund paid down \$36,733 of capital lease payable.

FIDUCIARY FUNDS

ROXBURY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Agency</u>			<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Totals</u>		
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 259,614	\$ 148,536	\$ 408,150	\$ 358	\$ 14,193
Interfund Receivable - Payroll Agency				64,554	
Total Assets	<u>259,614</u>	<u>148,536</u>	<u>408,150</u>	<u>64,912</u>	<u>14,193</u>
<u>LIABILITIES:</u>					
Interfund Payable:					
General Fund					8,542
Unemployment Compensation Trust		64,554	64,554		
Payroll Deductions and Withholdings		83,982	83,982		
Due to Student Groups	259,614		259,614		
Total Liabilities	<u>259,614</u>	<u>148,536</u>	<u>408,150</u>		<u>8,542</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims				64,912	
Flex Spending Claims					5,651
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 64,912</u>	<u>\$ 5,651</u>

Exhibit H-2

ROXBURY TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 8,866	\$ 29,600
Board Contribution	<u>85,107</u>	<u>          </u>
Total Additions	<u>93,973</u>	<u>29,600</u>
DEDUCTIONS:		
Unemployment Benefit Claims	85,473	
Flexible Spending Claims		<u>32,476</u>
Total Deductions	<u>85,473</u>	<u>32,476</u>
Change in Net Position Before Other Financing Uses	8,500	(2,876)
Other Financing Uses:		
Transfer to General Fund		<u>(4,008)</u>
Change in Net Position	8,500	(6,884)
Net Position - Beginning of the Year	<u>56,412</u>	<u>12,535</u>
Net Position - End of the Year	<u>\$ 64,912</u>	<u>\$ 5,651</u>

Exhibit H-3

ROXBURY TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 91,880	\$ 42,148,585	\$ 42,091,929	\$ 148,536
Total Assets	<u>\$ 91,880</u>	<u>\$ 42,148,585</u>	<u>\$ 42,091,929</u>	<u>\$ 148,536</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 36,192	\$ 42,139,719	\$ 42,091,929	\$ 83,982
Interfund Payable: Unemployment Compensation Trust	<u>55,688</u>	<u>8,866</u>	<u></u>	<u>64,554</u>
Total Liabilities	<u>\$ 91,880</u>	<u>\$ 42,148,585</u>	<u>\$ 42,091,929</u>	<u>\$ 148,536</u>



Exhibit H-4

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 286,821	\$ 622,330	\$ 649,537	\$ 259,614
Total Assets	<u>\$ 286,821</u>	<u>\$ 622,330</u>	<u>\$ 649,537</u>	<u>\$ 259,614</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 286,821	\$ 622,330	\$ 649,537	\$ 259,614
Total Liabilities	<u>\$ 286,821</u>	<u>\$ 622,330</u>	<u>\$ 649,537</u>	<u>\$ 259,614</u>

Exhibit H-5

ROXBURY TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
High School	\$ 228,724	\$ 400,925	\$ 434,146	\$ 195,503
Eisenhower Middle School	11,808	82,266	76,416	17,658
Elementary Schools:				
Franklin	9,308	9,499	10,644	8,163
Jefferson	4,159	1,383	1,273	4,269
Kennedy	3,236	6,278	6,116	3,398
Lincoln/Roosevelt	24,691	32,058	39,824	16,925
Nixon	2,983	5,734	4,782	3,935
Athletic Account	1,912	84,187	76,336	9,763
Total Assets	<u>\$ 286,821</u>	<u>\$ 622,330</u>	<u>\$ 649,537</u>	<u>\$ 259,614</u>

LONG-TERM DEBT

ROXBURY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2016		Interest Rate	Balance June 30, 2015	Matured	Balance June 30, 2016
			Date	Amount				
School Refunding Bonds	08/19/10	\$ 13,305,000	09/01/16	\$ 1,335,000	4.000%			
			09/01/17	1,395,000	4.000%			
			09/01/18	1,460,000	4.000%			
			09/01/19	1,520,000	4.000%			
			09/01/20	1,580,000	4.000%			
			09/01/21	1,650,000	4.000%			
			09/01/22	550,000	4.000%	\$ 10,775,000	\$ 1,285,000	\$ 9,490,000
Energy Savings Improvement Program	04/24/14	7,740,000	04/15/17	245,000	3.000%			
			04/15/18	260,000	4.000%			
			04/15/19	225,000	4.000%			
			04/15/20	245,000	4.000%			
			04/15/21	265,000	4.000%			
			04/15/22	285,000	4.000%			
			04/15/23	310,000	2.625%			
			04/15/24	330,000	2.625%			
			04/15/25	350,000	2.625%			
			04/15/26	375,000	3.000%			
			04/15/27	395,000	3.000%			
			04/15/28	420,000	3.000%			
			04/15/29	445,000	3.000%			
			04/15/30	475,000	3.500%			
			04/15/31	505,000	4.000%			
			04/15/32	540,000	4.000%			
			04/15/33	575,000	4.000%			
			04/15/34	615,000	4.000%			
04/15/35	655,000	4.000%						
						7,740,000	225,000	7,515,000
						<u>\$ 18,515,000</u>	<u>\$ 1,510,000</u>	<u>\$ 17,005,000</u>

Exhibit I-2

ROXBURY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Purpose	Original Issue	Interest Rate	Balance July 1, 2015	Issued	Matured	Balance June 30, 2016
Rooftop HVAC Units	\$ 1,760,000	1.2758%	\$ 1,069,473		\$ 351,955	\$ 717,518
District-Wide Network Upgrades	437,906	0.0000%	225,271		112,635	112,636
Jefferson Windows Project	540,000	1.6400%	461,189		111,626	349,563
Cafeteria and Kitchen Upgrades	443,847	0.0000%		\$ 443,847	36,733	407,114
			<u>\$ 1,755,933</u>	<u>\$ 443,847</u>	<u>\$ 612,949</u>	<u>\$ 1,586,831</u>
Governmental Activities			\$ 1,755,933		\$ 576,216	\$ 1,179,717
Business-Type Activities				\$ 443,847	36,733	407,114
			<u>\$ 1,755,933</u>	<u>\$ 443,847</u>	<u>\$ 612,949</u>	<u>\$ 1,586,831</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,295,454		\$ 2,295,454	\$ 2,295,454	
Total Revenue	<u>2,295,454</u>		<u>2,295,454</u>	<u>2,295,454</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	466,484		466,484	417,945	\$ 48,539
Redemption of Principal	1,830,000		1,830,000	1,830,000	
Total Regular Debt Service	<u>2,296,484</u>		<u>2,296,484</u>	<u>2,247,945</u>	<u>48,539</u>
Total Expenditures	<u>2,296,484</u>		<u>2,296,484</u>	<u>2,247,945</u>	<u>48,539</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,030)		(1,030)	47,509	48,539
Fund Balance, July 1	<u>1,030</u>		<u>1,030</u>	<u>1,030</u>	
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 48,539</u>	<u>\$ 48,539</u>
Recapitulation:					
Restricted				<u>\$ 48,539</u>	

ROXBURY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF EARLY RETIREMENT INCENTIVE LOAN REVENUE BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2016		Int. Rate	Balance June 30, 2015	Matured	Balance June 30, 2016
			Date	Amount				
Early Retirement Incentive Program Refunding Bonds of 2011	12/20/11	\$ 1,955,000	02/01/17	\$ 270,000	2.61%	\$ 815,000	\$ 545,000	\$ 270,000
						<u>\$ 815,000</u>	<u>\$ 545,000</u>	<u>\$ 270,000</u>

STATISTICAL SECTION



**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,291,955	\$ 14,190,778	\$ 15,557,294	\$ 15,969,970	\$ 16,718,612	\$ 22,108,128	\$ 22,794,344	\$ 16,721,930	\$ 27,882,466	\$ 31,298,592
Restricted	4,175,560	3,091,263	1,233,941	2,451,255	3,116,819	4,284,834	5,441,352	11,988,077	6,405,015	7,812,901
Unrestricted/(Deficit)	(4,802,488)	(4,657,109)	(4,692,415)	(4,185,705)	(4,330,260)	(3,862,985)	(2,260,897)	(19,138,751)	(20,981,192)	(20,802,612)
Total Governmental Activities Net Position	<u>\$ 12,665,027</u>	<u>\$ 12,624,932</u>	<u>\$ 12,098,820</u>	<u>\$ 14,235,520</u>	<u>\$ 15,505,171</u>	<u>\$ 22,529,977</u>	<u>\$ 25,974,799</u>	<u>\$ 9,571,256</u>	<u>\$ 13,306,289</u>	<u>\$ 18,308,881</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 98,159	\$ 91,767	\$ 80,453	\$ 73,246	\$ 67,612	\$ 155,055	\$ 147,116	\$ 199,654	\$ 171,468	\$ 174,915
Unrestricted	36,005	39,907	101,277	97,591	23,701	1,864			95,282	86,272
Total Business-Type Activities Net Position	<u>\$ 134,164</u>	<u>\$ 131,674</u>	<u>\$ 181,730</u>	<u>\$ 170,837</u>	<u>\$ 91,313</u>	<u>\$ 156,919</u>	<u>\$ 147,116</u>	<u>\$ 199,654</u>	<u>\$ 266,750</u>	<u>\$ 261,187</u>
District-Wide:										
Net Investment in Capital Assets	\$ 13,390,114	\$ 14,282,545	\$ 15,637,747	\$ 16,043,216	\$ 16,786,224	\$ 22,263,183	\$ 22,941,460	\$ 16,921,584	\$ 28,053,934	\$ 31,473,507
Restricted	4,175,560	3,091,263	1,233,941	2,451,255	3,116,819	4,284,834	5,441,352	11,988,077	6,405,015	7,812,901
Unrestricted/(Deficit)	(4,766,483)	(4,617,202)	(4,591,138)	(4,088,114)	(4,306,559)	(3,861,121)	(2,260,897)	(19,138,751)	(20,885,910)	(20,716,340)
Total District Net Position	<u>\$ 12,799,191</u>	<u>\$ 12,756,606</u>	<u>\$ 12,280,550</u>	<u>\$ 14,406,357</u>	<u>\$ 15,596,484</u>	<u>\$ 22,686,896</u>	<u>\$ 26,121,915</u>	<u>\$ 9,770,910</u>	<u>\$ 13,573,039</u>	<u>\$ 18,570,068</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 27,296,843	\$ 27,735,560	\$ 26,382,262	\$ 26,854,085	\$ 26,836,989	\$ 26,787,547	\$ 27,421,786	\$ 27,008,806	\$ 32,785,807	\$ 37,027,321
Special Education	5,843,484	6,309,639	6,534,046	7,021,025	7,464,859	7,570,082	8,272,538	8,562,387	10,716,558	12,225,720
Other Special Education	915,711	983,687	1,008,684	990,201	726,082	805,326	676,111	784,274	1,334,298	988,051
Other Instruction	1,248,038	1,327,481	1,533,764	1,419,476	1,394,311	1,341,120	1,525,030	1,548,947	1,495,906	1,434,560
Support Services:										
Tuition	3,721,787	4,314,503	4,669,056	4,472,945	4,072,686	4,086,895	5,237,483	4,814,149	3,538,980	2,924,336
Student and Instruction Related Services	8,654,332	9,321,988	9,324,154	9,632,760	9,269,919	9,480,921	9,382,819	9,275,889	12,061,374	11,350,812
General Administrative Services	1,163,811	1,209,572	1,064,351	3,004,653	896,453	761,463	899,917	885,954	1,066,758	1,053,382
School Administrative Services	3,174,419	3,156,200	3,169,486	703,265	3,030,143	3,009,291	3,166,986	3,146,231	3,610,516	3,472,245
Central Services	1,211,855	1,119,225	1,228,392	1,194,015	1,298,659	1,136,733	1,202,245	1,274,730	1,245,370	1,000,404
Administrative Information Technology						10,313	83,650	100,284	105,992	134,442
Plant Operations and Maintenance	6,669,262	8,141,415	8,095,828	7,693,273	7,223,479	6,726,867	6,310,143	6,675,981	6,775,335	6,836,125
Pupil Transportation	5,015,930	5,713,364	5,496,300	5,214,720	5,593,179	5,720,656	5,752,185	5,779,495	5,267,105	5,023,207
Capital Outlay	337,121									
Special Schools	525,826	635,810	600,533	622,669	660,413	719,627	635,563	672,758	841,394	533,488
Charter Schools	17,563	23,458	32,950	21,642			52,082	19,374	58,082	42,044
Interest on Long-Term Debt	1,055,469	1,004,478	953,789	899,581	749,140	804,515	550,537	543,737	427,217	374,601
Unallocated Depreciation	304,231	307,853	284,146	935,029	828,363	727,330	758,700	760,780		
Total Governmental Activities Expenses	<u>67,155,682</u>	<u>71,304,233</u>	<u>70,377,741</u>	<u>70,679,339</u>	<u>70,044,675</u>	<u>69,688,686</u>	<u>71,927,775</u>	<u>71,853,776</u>	<u>81,330,692</u>	<u>84,420,738</u>
Business-Type Activities:										
Food Service	1,765,833	1,781,400	1,773,288	1,695,807	1,711,339	1,574,866	1,417,658	1,101,136	1,101,557	1,112,108
Total Business-Type Activities Expense	<u>1,765,833</u>	<u>1,781,400</u>	<u>1,773,288</u>	<u>1,695,807</u>	<u>1,711,339</u>	<u>1,574,866</u>	<u>1,417,658</u>	<u>1,101,136</u>	<u>1,101,557</u>	<u>1,112,108</u>
Total District Expenses	<u>\$ 68,921,515</u>	<u>\$ 73,085,633</u>	<u>\$ 72,151,029</u>	<u>\$ 72,375,146</u>	<u>\$ 71,756,014</u>	<u>\$ 71,263,552</u>	<u>\$ 73,345,433</u>	<u>\$ 72,954,912</u>	<u>\$ 82,432,249</u>	<u>\$ 85,532,846</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 3,090,091	\$ 2,894,318	\$ 2,701,308	\$ 2,918,539	\$ 2,796,406	\$ 2,602,361	\$ 2,741,246	\$ 2,766,919	\$ 3,342,924	\$ 3,587,623
Pupil Transportation						21,418	62,319	139,384	57,575	56,163
Operating Grants and Contributions	11,014,161	10,943,785	8,693,374	8,975,032	8,543,660	8,650,196	10,469,091	9,684,847	17,333,605	20,524,419
Capital Grants and Contributions	118,376	195,303	95,786							
Total Governmental Activities Program Revenues	<u>14,222,628</u>	<u>14,033,406</u>	<u>11,490,468</u>	<u>11,893,571</u>	<u>11,340,066</u>	<u>11,273,975</u>	<u>13,272,656</u>	<u>12,591,150</u>	<u>20,734,104</u>	<u>24,168,205</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED  
(CONTINUED)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues:										
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 1,384,214	\$ 1,494,711	\$ 1,529,078	\$ 1,410,092	\$ 1,382,792	\$ 1,286,052	\$ 1,081,466	\$ 856,283	\$ 887,758	\$ 904,584
Operating grants and contributions	201,712	219,199	244,266	274,822	249,023	261,804	225,138	235,186	280,895	207,061
Total Business-Type Activities Program Revenues	<u>1,585,926</u>	<u>1,713,910</u>	<u>1,773,344</u>	<u>1,684,914</u>	<u>1,631,815</u>	<u>1,547,856</u>	<u>1,306,604</u>	<u>1,091,469</u>	<u>1,168,653</u>	<u>1,111,645</u>
Total District Program Revenues	<u>\$ 15,808,554</u>	<u>\$ 15,747,316</u>	<u>\$ 13,263,812</u>	<u>\$ 13,578,485</u>	<u>\$ 12,971,881</u>	<u>\$ 12,821,831</u>	<u>\$ 14,579,260</u>	<u>\$ 13,682,619</u>	<u>\$ 21,902,757</u>	<u>\$ 25,279,850</u>
Net (Expense)/Revenue:										
Governmental Activities	\$(52,933,054)	\$(57,270,827)	\$(58,887,273)	\$(58,785,768)	\$(58,704,609)	\$(58,414,711)	\$(58,655,119)	\$(59,262,626)	\$(60,596,588)	\$(60,252,533)
Business-Type Activities	(179,907)	(67,490)	56	(10,893)	(79,524)	(27,010)	(111,054)	(9,667)	67,096	(463)
Total District-Wide Net Expense	<u>\$(53,112,961)</u>	<u>\$(57,338,317)</u>	<u>\$(58,887,217)</u>	<u>\$(58,796,661)</u>	<u>\$(58,784,133)</u>	<u>\$(58,441,721)</u>	<u>\$(58,766,173)</u>	<u>\$(59,272,293)</u>	<u>\$(60,529,492)</u>	<u>\$(60,252,996)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 41,553,971	\$ 43,503,488	\$ 44,263,323	\$ 46,502,323	\$ 47,061,915	\$ 48,003,153	\$ 48,723,200	\$ 49,648,941	\$ 50,636,955	\$ 51,644,630
Taxes Levied for Debt Service	1,952,834	2,162,625	2,171,656	2,235,130	2,191,817	2,226,747	2,166,330	2,227,877	2,235,484	2,295,454
Federal and State Aid not Restricted	10,341,620	10,690,058	11,149,465	11,034,026	9,721,205	11,277,693	10,758,556	10,914,722	10,883,688	10,903,265
Investment Earnings	86,187	287,489	67,977	19,139	15,283	7,241	3,187	5,337	7,828	9,870
Miscellaneous Income	1,371,283	652,072	758,740	1,131,850	984,040	711,152	486,099	903,264	565,788	397,898
Transfers	(100,000)	(65,000)	(50,000)				(91,135)	(11,182)	1,878	4,008
Total Governmental Activities	<u>55,205,895</u>	<u>57,230,732</u>	<u>58,361,161</u>	<u>60,922,468</u>	<u>59,974,260</u>	<u>62,225,986</u>	<u>62,046,237</u>	<u>63,688,959</u>	<u>64,331,621</u>	<u>65,255,125</u>
Business-Type Activities:										
Transfers	100,000	65,000	50,000				91,135	62,205		
Disposals of Capital Assets, Net										(5,100)
Total Business-Type Activities	<u>100,000</u>	<u>65,000</u>	<u>50,000</u>				<u>91,135</u>	<u>62,205</u>		<u>(5,100)</u>
Total District-Wide	<u>\$ 55,305,895</u>	<u>\$ 57,295,732</u>	<u>\$ 58,411,161</u>	<u>\$ 60,922,468</u>	<u>\$ 59,974,260</u>	<u>\$ 62,225,986</u>	<u>\$ 62,137,372</u>	<u>\$ 63,751,164</u>	<u>\$ 64,331,621</u>	<u>\$ 65,250,025</u>
Change in Net Position:										
Governmental Activities	\$ 2,272,841	\$ (40,095)	\$ (526,112)	\$ 2,136,700	\$ 1,269,651	\$ 3,811,275	\$ 3,391,118	\$ 4,426,333	\$ 3,735,033	\$ 5,002,592
Business-Type Activities	(79,907)	(2,490)	50,056	(10,893)	(79,524)	(27,010)	(19,919)	52,538	67,096	(5,563)
Total District	<u>\$ 2,192,934</u>	<u>\$ (42,585)</u>	<u>\$ (476,056)</u>	<u>\$ 2,125,807</u>	<u>\$ 1,190,127</u>	<u>\$ 3,784,265</u>	<u>\$ 3,371,199</u>	<u>\$ 4,478,871</u>	<u>\$ 3,802,129</u>	<u>\$ 4,997,029</u>

Source: School District Financial Reports

ROXBURY TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Restricted/Reserved	\$ 3,349,379	\$ 2,409,730	\$ 1,113,946	\$ 2,365,636	\$ 2,170,780	\$ 3,941,154	\$ 5,298,203	\$ 5,456,681	\$ 5,309,971	\$ 7,626,238
Unreserved	1,116,382	1,066,151	814,354	752,331						
Assigned					887,238	1,157,339	1,292,321	2,384,338	1,261,143	557,378
Unassigned					166,832	135,080	149,269	382,771	312,422	35,069
<b>Total General Fund</b>	<b><u>\$ 4,465,761</u></b>	<b><u>\$ 3,475,881</u></b>	<b><u>\$ 1,928,300</u></b>	<b><u>\$ 3,117,967</u></b>	<b><u>\$ 3,224,850</u></b>	<b><u>\$ 5,233,573</u></b>	<b><u>\$ 6,739,793</u></b>	<b><u>\$ 8,223,790</u></b>	<b><u>\$ 6,883,536</u></b>	<b><u>\$ 8,218,685</u></b>
All Other Governmental Funds:										
Restricted/Reserved for:										
Capital Projects Fund	\$ 170,765	\$ 539,218						\$ 6,530,366	\$ 1,094,014	\$ 138,124
Debt Service Fund					\$ 58,801	\$ 60,029	\$ 2,258	1,030	1,030	48,539
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	475,555	17,219								
Debt Service Fund	179,861	125,096	\$ 119,995	\$ 85,619						
Committed						283,651	140,891			
Unassigned/(Deficit)									(637,072)	(7,082)
<b>Total All Other Governmental Funds</b>	<b><u>\$ 826,181</u></b>	<b><u>\$ 681,533</u></b>	<b><u>\$ 119,995</u></b>	<b><u>\$ 85,619</u></b>	<b><u>\$ 58,801</u></b>	<b><u>\$ 343,680</u></b>	<b><u>\$ 143,149</u></b>	<b><u>\$ 6,531,396</u></b>	<b><u>\$ 457,972</u></b>	<b><u>\$ 179,581</u></b>
<b>Total All Governmental Funds</b>	<b><u>\$ 5,291,942</u></b>	<b><u>\$ 4,157,414</u></b>	<b><u>\$ 2,048,295</u></b>	<b><u>\$ 3,203,586</u></b>	<b><u>\$ 3,283,651</u></b>	<b><u>\$ 5,577,253</u></b>	<b><u>\$ 6,882,942</u></b>	<b><u>\$ 14,755,186</u></b>	<b><u>\$ 7,341,508</u></b>	<b><u>\$ 8,398,266</u></b>

Source: School District Financial Reports

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Tax Levy	\$ 43,506,805	\$ 45,666,113	\$ 46,434,979	\$ 48,737,453	\$ 49,253,732	\$ 50,229,900	\$ 50,889,530	\$ 51,876,818	\$ 52,872,439	\$ 53,940,084
Tuition Charges	3,090,091	2,894,318	2,701,308	2,918,539	2,796,406	2,602,361	2,741,246	2,766,919	3,342,924	3,587,623
Transportation Fees from Individuals							62,319	139,384	57,575	56,163
Interest Earnings - Capital Reserve Fund	4,606	3,501	895	230	182	76	215	215		
Miscellaneous	1,459,613	951,445	843,339	1,162,699	1,015,453	763,806	501,344	918,687	578,167	410,620
State Sources	20,198,024	20,710,040	18,687,436	16,485,377	16,503,839	18,143,013	20,046,042	19,364,528	20,498,977	21,574,344
Federal Sources	1,269,385	1,103,721	1,233,672	3,511,741	1,744,714	1,760,805	1,169,332	1,224,740	1,129,303	1,176,331
<b>Total Revenue</b>	<b>69,528,524</b>	<b>71,329,138</b>	<b>69,901,629</b>	<b>72,816,039</b>	<b>71,314,326</b>	<b>73,499,961</b>	<b>75,410,028</b>	<b>76,291,291</b>	<b>78,479,385</b>	<b>80,745,165</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	19,410,018	19,874,877	19,556,955	20,125,347	19,985,819	19,674,836	19,630,540	19,794,737	20,168,005	20,646,364
Special Education Instruction	4,394,545	4,660,425	5,053,576	5,517,718	5,768,739	5,803,320	5,920,508	6,326,808	7,262,478	7,613,155
Other Special Instruction	632,447	684,554	737,080	736,853	495,129	582,753	472,833	565,861	812,073	624,708
Other Instruction	972,243	1,012,515	1,214,523	1,135,741	1,103,439	1,062,039	1,169,063	1,223,454	1,221,353	1,277,031
<b>Support Services:</b>										
Tuition	3,721,787	4,314,503	4,669,056	4,472,945	4,072,686	4,086,895	5,237,483	4,814,149	3,538,980	2,924,336
Student and Instruction Related Services	6,321,154	6,664,007	7,187,925	7,482,191	7,076,538	7,334,867	7,074,710	7,038,840	8,338,657	8,101,535
General Administrative Services	1,015,208	992,306	940,543	634,630	778,361	664,346	690,381	698,758	739,405	765,784
School Administrative Services	2,150,168	2,215,830	2,320,016	2,379,511	2,232,117	2,178,305	2,229,080	2,267,196	2,361,345	2,373,429
Central Services	715,320	703,264	830,421	886,590	853,353	815,883	861,520	968,943	918,042	898,193
Administration Information Technology	118,319	43,554	51,462	54,356	49,456	52,178	59,947	72,413	79,826	75,933
Plant Operations and Maintenance	5,451,376	6,414,803	6,535,101	6,057,791	5,575,819	5,932,064	5,639,082	6,351,512	6,421,043	6,892,997
Pupil Transportation	4,101,583	4,541,113	4,536,652	4,583,966	4,713,299	4,301,213	4,482,796	4,628,685	5,267,709	4,130,179
Allocated Benefits										6,233,986
Unallocated Benefits	15,894,013	17,012,647	14,719,649	14,731,074	15,456,710	15,051,387	16,126,871	15,057,212	16,448,655	11,126,462
Special Schools	393,585	500,955	472,161	469,952	465,975	544,916	429,065	507,558	578,149	376,649
Charter Schools	17,563	23,458	32,950	21,642			52,082	19,374	58,082	42,044
Capital Outlay	1,808,342	488,089	1,270,812	381,979	388,186	1,202,308	1,713,142	6,061,270	11,075,561	3,341,685
<b>Debt Service:</b>										
Principal	1,239,000	1,230,000	1,290,000	1,350,000	1,415,000	1,565,000	1,650,000	1,720,000	1,770,000	1,830,000
Interest and Other Charges	1,068,944	1,021,766	972,376	919,506	803,635	660,519	574,101	509,105	465,484	417,945
<b>Total Expenditures</b>	<b>69,425,615</b>	<b>72,398,666</b>	<b>72,391,258</b>	<b>71,941,792</b>	<b>71,234,261</b>	<b>71,512,829</b>	<b>74,013,204</b>	<b>78,625,875</b>	<b>87,524,847</b>	<b>79,692,415</b>
Excess (Deficiency) of revenues over (under) expenditures	102,909	(1,069,528)	(2,489,629)	874,247	80,065	1,987,132	1,396,824	(2,334,584)	(9,045,462)	1,052,750

ROXBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing sources (uses)										
Bond Proceeds								\$ 7,740,000		
Bond Premium								278,010		
Capital Lease Proceeds									\$ 540,000	
Capital Leases	\$ 577,225		\$ 430,510	\$ 281,044		\$ 306,470		2,200,000	1,089,906	
Transfers	(100,000)	\$ (65,000)	(50,000)				\$ (91,135)	(11,182)	1,878	
										\$ 4,008
Total other financing sources (uses)	<u>477,225</u>	<u>(65,000)</u>	<u>380,510</u>	<u>281,044</u>		<u>306,470</u>	<u>(91,135)</u>	<u>10,206,828</u>	<u>1,631,784</u>	<u>4,008</u>
Net Change in Fund Balances	<u>\$ 580,134</u>	<u>\$ (1,134,528)</u>	<u>\$ (2,109,119)</u>	<u>\$ 1,155,291</u>	<u>\$ 80,065</u>	<u>\$ 2,293,602</u>	<u>\$ 1,305,689</u>	<u>\$ 7,872,244</u>	<u>\$ (7,413,678)</u>	<u>\$ 1,056,758</u>
Debt Service as a Percentage of Noncapital Expenditures	3.41 %	3.13 %	3.18 %	3.17 %	3.13 %	3.17 %	3.08 %	3.07 %	2.92 %	2.94 %

ROXBURY TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Transportation	Tuition	Rentals - Use of Facilities	Prior Year Refunds	Prior Year Accounts Payable Canceled	Community Adult School	School Enrichment	Gate Receipts	Athletic/ Activity Fees	Other	Total
2007	\$ 311,842	\$ 52,040	\$ 3,090,091	\$ 60,884	\$ 460	\$ 569,598	\$ 173,509	\$ 123,644			\$ 83,912	\$ 4,465,980
2008	253,330	43,942	2,894,318	66,039	11,338	16,491	173,304	127,529			213,212	3,799,503
2009	67,977	46,129	2,701,308	82,367	83,811		290,098	155,921			117,931	3,545,542
2010	19,139	85,289	2,918,539	67,806	141,872	360,268	283,249	133,327			60,039	4,069,528
2011	15,283	19,550	2,796,406	61,361		19,908	378,701	130,318	\$ 31,777	\$ 150,650	191,775	3,795,729
2012	7,241	21,418	2,602,361	38,417			438,918	43,127	24,313	3,175	163,202	3,342,172
2013	3,187	62,319	2,741,246	40,453	11,661		291,678	46,613	28,673		67,021	3,292,851
2014	5,337	139,384	2,766,919	8,678	52,153		208,834	46,587	21,412		565,600 *	3,814,904
2015	7,828	57,575	3,342,924	15,906	95,602		164,687	105,657	20,382		163,554	3,974,115
2016	9,870	56,163	3,587,623	47,408			227,862		16,509		106,119	4,051,554

\* Includes \$435,459 in favorable settlements in excess of receivables recorded.

Source: Roxbury Township School District records



ROXBURY TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	\$ 38,585,400	\$ 1,604,788,500	\$ 4,185,000	\$ 189,300	\$ 323,329,800	\$ 60,664,100	\$ 10,934,900	\$ 2,042,677,000	\$ 5,685,888	\$ 2,048,362,888	\$ 90,302,900	\$ 2.10	\$ 3,531,316,796
2007	34,695,400	1,611,457,800	4,062,500	231,800	313,012,000	64,614,100	11,360,200	2,039,433,800	5,330,121	2,044,763,921	92,181,500	2.19	3,788,035,926
2008	33,008,400	1,623,484,500	3,829,400	228,000	306,868,700	64,422,300	9,584,900	2,041,426,200	5,876,442	2,047,302,642	92,705,800	2.25	4,036,287,915
2009	30,877,100	1,633,580,500	3,829,400	228,000	315,640,000	65,075,600	9,584,900	2,058,815,500	7,377,254	2,066,192,754	92,869,500	2.31	3,951,401,584
2010	32,933,600	1,635,087,600	3,829,400	225,300	314,938,400	64,775,600	9,584,900	2,061,374,800	7,658,118	2,069,032,918	95,355,800	2.36	3,764,049,787
2011	32,226,000	1,636,148,300	3,828,900	226,000	314,474,500	64,775,600	9,584,900	2,061,264,200	7,216,033	2,068,480,233	97,111,900	2.40	3,642,015,229
2012	31,208,400	1,635,612,800	3,834,600	226,000	317,718,200	64,715,800	9,584,900	2,062,900,700	7,427,104	2,070,327,804	97,598,500	2.44	3,513,190,500
2013	41,400,600	1,632,602,200	4,164,100	227,600	305,435,800	64,715,800	9,584,900	2,058,131,000	-0-	2,058,131,000	98,367,700	2.50	3,290,349,682
2014	26,665,900	1,631,922,500	4,164,100	227,600	303,970,800	76,346,800	9,584,900	2,052,882,600	-0-	2,052,882,600	98,731,500	2.55	3,104,453,299
2015	26,741,600	1,631,433,400	4,164,100	227,600	303,811,000	75,093,500	9,584,500	2,051,055,700	-0-	2,051,055,700	98,655,900	2.61	3,141,577,131

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

Source: Municipal Tax Assessor

Exhibit J-7

ROXBURY TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
UNAUDITED

Year Ended December 31,	Roxbury Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Roxbury Township	Morris County	
2006	\$ 2.006	\$ 0.094	\$ 2.100	\$ 0.820	\$ 0.430	\$ 3.350
2007	2.086	0.104	2.190	0.860	0.441	3.491
2008	2.145	0.105	2.250	0.933	0.456	3.639
2009	2.204	0.106	2.310	0.960	0.430	3.700
2010	2.255	0.105	2.360	1.020	0.420	3.800
2011	2.294	0.106	2.400	1.050	0.420	3.870
2012	2.336	0.104	2.440	1.070	0.420	3.930
2013	2.393	0.107	2.500	1.070	0.400	3.970
2014	2.443	0.108	2.551	1.099	0.383	4.033
2015	2.494	0.111	2.605	1.109	0.385	4.099

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

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 calculation.

Exhibit J-8

ROXBURY TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Roxville Associates	\$ 55,970,200	1	2.73 %
AC I Ledgewood LLC	21,300,000	2	1.04 %
Hercules, Inc.	14,999,000	3	0.73 %
Roxbury 2002, LLC	14,440,000	4	0.70 %
Strategic Environmental Partners	11,631,000	5	0.57 %
National Retail Properties LP	8,386,000	6	0.41 %
200 Route 10 LLC	7,044,700	7	0.34 %
118 Main Street, Inc.	6,541,600	8	0.32 %
Individual Taxpayer #1	5,000,000	9	0.24 %
KBC Properties, LLC	4,984,700	10	0.24 %
Total	<u>\$ 150,297,200</u>		<u>7.33%</u>

Taxpayer	2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Roxville Associates	\$ 75,670,000	1	3.69 %
Acadia Realty Trust	32,300,000	2	1.58 %
Hercules, Inc.	15,000,000	3	0.73 %
Roxbury 2002, LLC	10,240,000	4	0.50 %
Natick Fourth Realty Corp.	8,000,000	5	0.39 %
Roxbury Associates	7,605,000	6	0.37 %
Merry Heart Nursing Home	7,324,900	7	0.36 %
Individual Taxpayer #1	5,000,000	8	0.24 %
Gruber Partners, LLP	4,725,000	9	0.23 %
Ledgewood Circle/ Riback	4,160,000	10	0.20 %
Total	<u>\$ 170,024,900</u>		<u>8.29%</u>

Note - Individual taxpayers may be different in 2015 and 2006.

Source: Municipal Tax Assessor

Exhibit J-9

ROXBURY TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2007	\$ 43,506,805	\$ 43,506,805	100.00 %	\$ -0-
2008	45,666,113	45,666,113	100.00 %	-0-
2009	46,434,979	46,434,979	100.00 %	-0-
2010	48,737,453	48,737,453	100.00 %	-0-
2011	49,253,732	49,253,732	100.00 %	-0-
2012	50,229,900	50,229,900	100.00 %	-0-
2013	50,889,530	50,889,530	100.00 %	-0-
2014	51,876,818	51,876,818	100.00 %	-0-
2015	52,872,439	52,872,439	100.00 %	-0-
2016	53,940,084	53,940,079	100.00 %	-0-

<sup>a</sup> 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 the amount voted upon or certified prior to the end of the school year.

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

## Exhibit J-10

ROXBURY TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Capital Leases			
2007	\$ 23,376,000	\$ 1,181,417	\$ -0-	\$ 24,557,417	1.45 %	\$ 1,046.11
2008	22,146,000	875,215	-0-	23,021,215	1.31 %	976.30
2009	20,856,000	877,081	-0-	21,733,081	1.30 %	918.71
2010	19,515,000	721,549	-0-	20,236,549	1.19 %	866.70
2011	18,100,000	-0-	-0-	18,100,000	1.01 %	771.95
2012	16,730,000	-0-	-0-	16,730,000	0.90 %	711.61
2013	15,080,000	-0-	-0-	15,080,000	0.81 %	640.01
2014	21,100,000	1,796,932	-0-	22,896,932	1.17 %	972.85
2015	19,330,000	1,755,933	-0-	21,085,933	1.08 %	896.85
2016	17,275,000	1,179,717	407,114	18,454,717	0.95 %	784.94

<sup>a</sup> See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>b</sup> Includes Early Retirement Incentive Loan Revenue Bonds and Energy Savings Improvement Bonds

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

Source: School District Financial Reports

Exhibit J-11

ROXBURY TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>b</sup>	Per Capita <sup>c</sup>
	General Obligation Bonds <sup>a</sup>	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 23,376,000	\$ -0-	\$ 23,376,000	1.14 %	\$ 996
2008	22,146,000	-0-	22,146,000	1.08 %	939
2009	20,856,000	-0-	20,856,000	1.02 %	882
2010	19,515,000	-0-	19,515,000	0.94 %	836
2011	18,100,000	-0-	18,100,000	0.87 %	772
2012	16,730,000	-0-	16,730,000	0.81 %	712
2013	15,080,000	-0-	15,080,000	0.73 %	640
2014	21,100,000	-0-	21,100,000	1.03 %	896
2015	19,330,000	-0-	19,330,000	0.94 %	822
2016	17,275,000	-0-	17,275,000	0.84 %	735

<sup>a</sup> Includes Early Retirement Incentive Loan Revenue Bonds

<sup>b</sup> See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

<sup>c</sup> See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

Source: School District Financial Reports

Exhibit J-12

ROXBURY TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Roxbury Township	\$ 9,622,040	100.00 %	\$ 9,622,040
Morris County General Obligation Debt	226,745,317	3.46 %	<u>7,852,814</u>
Subtotal, Overlapping Debt			17,474,854
Roxbury Township School District Direct Debt			<u>18,045,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 35,519,854</u></u>

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

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 Roxbury. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized Valuation Basis	
	2015	\$ 3,288,002,084
	2014	3,129,871,322
	2013	3,096,796,569
		\$ 9,514,669,975
Average Equalized Valuation of Taxable Property		\$ 3,171,556,658
Debt Limit (4% of Average Equalization Value)		\$ 126,862,266 <sup>a</sup>
Net Bonded School Debt		17,275,000
Legal Debt Margin		\$ 109,587,266

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 144,448,148	\$ 138,440,814	\$ 131,512,141	\$ 126,771,789	\$ 126,862,266
Total Net Debt Applicable to Limit	16,730,000	15,080,000	21,100,000	19,330,000	17,275,000
Legal Debt Margin	\$ 127,718,148	\$ 123,360,814	\$ 110,412,141	\$ 107,441,789	\$ 109,587,266
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.58 %	10.89 %	16.04 %	15.25 %	13.62 %

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 137,827,124	\$ 150,408,892	\$ 155,528,648	\$ 155,035,176	\$ 146,195,473
Total Net Debt Applicable to Limit	23,376,000	22,146,000	20,856,000	19,515,000	18,100,000
Legal Debt Margin	\$ 114,451,124	\$ 128,262,892	\$ 134,672,648	\$ 132,052,892	\$ 128,095,473
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.96 %	14.72 %	13.41 %	12.59 %	12.38 %

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts



Exhibit J-14

ROXBURY TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Morris County Per Capita Personal Income <sup>b</sup>	Township of Roxbury Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	23,475	\$ 72,211	\$ 1,695,153,225	2.9 %
2008	23,580	74,636	1,759,916,880	3.9 %
2009	23,656	70,516	1,668,126,496	6.6 %
2010	23,349	72,780	1,699,340,220	6.7 %
2011	23,447	76,194	1,786,520,718	6.5 %
2012	23,510	78,693	1,850,072,430	6.7 %
2013	23,562	79,094	1,863,612,828	5.5 %
2014	23,536	82,810	1,949,016,160	5.4 %
2015	23,511	82,810 *	1,946,945,910	4.6 %
2016	23,511 **	82,810 *	1,946,945,910 ***	N/A

\* - Latest Morris County per capita personal income available (2014) was used for calculation purposes.

\*\* - Latest population data available (2015) was used for calculation purposes.

\*\*\* - Latest available population data (2015) and latest available Morris County per capita personal income (2014) was used for calculation purposes.

N/A - Information unavailable.

Source: <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

ROXBURY TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS, COUNTY OF MORRIS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2015		
	Employees	Rank (Optional)	Percentage of Total Employment
U.S. Army Armament Research and Development	6,000	1	2.38%
Atlantic Health Systems	5,171	2	2.05%
Novartis Corporation	4,622	3	1.83%
Bayer Healthcare, LLC	2,800	4	1.11%
County of Morris	1,757	5	0.70%
Wyndham Worldwide Corporation	1,626	6	0.64%
Accenture	1,561	7	0.62%
St. Clare's Health Services	1,504	8	0.60%
BASF Corporation	1,500	9	0.59%
Pricewaterhouse Coopers	1,360	10	0.54%
	<u>27,901</u>		<u>11.07%</u>
Total Employment	<u>252,145</u>		

Employer	2006		
	Employees	Rank (Optional)	Percentage of Total Employment
Atlantic Health Systems	5,900	1	2.24%
Novartis Corporation	5,000	2	1.90%
U.S. Army Armament Research and Development	3,412	3	1.30%
Lucent Technologies	2,300	4	0.87%
St. Clare's Health Services	2,250	5	0.85%
County of Morris	2,228	6	0.85%
United Parcel Service	2,131	7	0.81%
Automated Data Processing	1,986	8	0.75%
AT&T	1,500	9	0.57%
Greystone Psychiatric Center	1,300	10	0.49%
	<u>28,007</u>		<u>10.64%</u>
Total Employment	<u>263,196</u>		

Source: County of Morris

ROXBURY TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</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>2016</u>
Instruction										
Regular	290	287	288	291	253	261	259	254	254	299
Special education	67	66	68	66	84	97	121	126	126	97
Support Services:										
Student & instruction related services	84	84	84	83	88	88	74	71	71	88
School administrative services	33	33	34	34	28	40	30	30	30	26
General and business administrative services	20	20	20	20	20	23	35	35	35	23
Plant operations and maintenance	69	69	69	69	64	65	35	33	33	46
Pupil transportation	73	73	73	73	62	63	60	62	62	58
Total	<u>636</u>	<u>632</u>	<u>636</u>	<u>636</u>	<u>599</u>	<u>637</u>	<u>614</u>	<u>611</u>	<u>611</u>	<u>637</u>

Source: District Personnel Records

ROXBURY TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment <sup>d</sup>	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Teacher/Pupil Ratio			Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2007	4,487	\$ 65,309,329	\$ 14,555	6.41 %	534	1:12.6	1:12.6	1:10.9	4,481	4,299	0.04 %	95.94 %
2008	3,396	69,658,811	20,512	40.93 %	535	1:12.7	1:12.3	1:11.2	4,396	4,238	-1.90 %	96.41 %
2009	3,396	68,858,070	20,276	-1.15 %	534	1:12.4	1:11.8	1:11.7	4,361	4,194	-0.80 %	96.17 %
2010	3,396	69,290,307	20,404	0.63 %	534	1:12.4	1:11.8	1:11.7	4,267	4,106	-2.16 %	96.23 %
2011	3,396	68,627,440	20,208	-0.96 %	479	1:12.2	1:10.4	1:10.9	4,143	3,975	-2.91 %	95.94 %
2012	3,396	68,085,002	20,049	-0.79 %	483	1:12.1	1:10.3	1:10.6	4,019	3,868	-2.99 %	96.24 %
2013	3,888	70,075,961	18,024	-10.10 %	494	1:12.1	1:10.1	1:10.8	3,888	3,731	-3.26 %	95.96 %
2014	3,865	70,335,500	18,198	0.97 %	459	1:12.1	1:10.1	1:10.6	3,624	3,479	-6.79 %	96.00 %
2015	3,709	74,213,802	20,009	9.95 %	459	1:12.1	1:10.1	1:10.6	3,624	3,479	0.00 %	96.00 %
2016	3,662	74,102,785	20,236	1.13 %	537	1:12.1	1:10.1	1:10.6	3,636	3,490	0.33 %	95.98 %

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost per Pupil may be different from other Cost per Pupil calculations.

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>d</sup> Enrollment, average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Roosevelt/Lincoln Intermediate School										
Square Feet	119,550	119,550	119,550	119,550	119,550	119,550	119,550	119,550	119,550	119,550
Capacity (students)	831	831	831	831	831	831	831	831	831	831
Enrollment	654	634	634	634	634	634	540	539	551	496
Nixon Elementary School										
Square Feet	50,890	50,890	50,890	50,890	50,890	50,890	50,890	50,890	50,890	50,890
Capacity (students)	464	464	464	464	464	464	464	464	464	464
Enrollment	367	350	350	350	350	350	280	277	284	289
Kennedy Elementary School										
Square Feet	46,970	46,970	46,970	46,970	46,970	46,970	46,970	46,970	46,970	46,970
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	355	318	318	318	318	318	229	229	220	219
Jefferson Elementary School										
Square Feet	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050
Capacity (students)	614	614	614	614	614	614	614	614	614	614
Enrollment	500	480	480	480	480	480	387	388	335	334
Franklin Elementary School										
Square Feet	47,260	47,260	47,260	47,260	47,260	47,260	47,260	47,260	47,260	47,260
Capacity (students)	482	482	482	482	482	482	482	482	482	482
Enrollment	376	362	362	362	362	362	350	349	332	330
Eisenhower Middle School										
Square Feet	105,840	105,840	105,840	105,840	105,840	105,840	105,840	105,840	105,840	105,840
Capacity (students)	864	864	864	864	864	864	864	864	864	864
Enrollment	711	674	674	674	674	674	645	642	568	582
Roxbury High School										
Square Feet	281,740	281,740	281,740	281,740	281,740	281,740	281,740	281,740	281,740	281,740
Capacity (students)	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968	1,968
Enrollment	1,524	578	578	578	578	578	1,457	1,441	1,419	1,412
Central Administration										
Square Feet	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Special Education Building										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Number of Schools at June 30, 2016

Elementary = 5  
Middle School = 1  
High School = 1  
Other = 2

Note: Enrollment is based on the annual October district count.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities  
 11-000-261-xxx

Fiscal Year Ended June 30,	Roosevelt/ Lincoln Intermediate School	Nixon Elementary School	Kennedy Elementary School	Jefferson Elementary School	Franklin Elementary School	Eisenhower Middle School	Roxbury High School	Total
2007	\$ 159,085	\$ 68,510	\$ 63,233	\$ 63,340	\$ 63,098	\$ 142,486	\$ 379,289	\$ 939,041
2008	182,846	78,743	72,677	72,801	72,522	163,353	434,835	1,077,777
2009	187,382	80,696	74,480	74,607	74,322	167,830	446,755	1,106,072
2010	170,693	73,509	67,847	67,962	67,702	152,882	406,964	1,007,559
2011	172,587	70,050	75,362	65,523	73,321	152,280	406,082	1,015,205
2012	213,665	91,350	86,414	84,699	85,935	191,555	509,414	1,263,032
2013	210,899	65,626	55,678	53,123	64,669	142,733	426,283	1,019,011
2014	295,121	127,713	114,769	122,535	114,769	260,604	690,340	1,725,851
2015	186,717	80,474	77,229	172,635	77,295	161,678	781,829	1,537,857
2016	264,514	82,907	166,759	293,658	76,209	220,806	710,325	1,815,178

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

Source: Roxbury Township School District records

ROXBURY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Zurick American Insurance Company:		
Educators Legal Liability	\$ 1,000,000	\$ 5,000
Public Official Bonds:		
Selective Insurance Company:		
Treasurer	290,000	
School Board Secretary/Business Administrator	290,000	
Hartford Fire Insurance Company:		
Assistant Business Administrator	290,000	
Excess Liability:		
Markel Insurance Company	15,000,000	
Torus Insurance	15,000,000	
American Guarantee & Liability Insurance Company:		
Property:		
Building and Contents	167,876,742	2,500
Business Income & Extra Expense	5,000,000	
Crime Coverage:		
Employee Theft	600,000	1,000
Faithful Performance	600,000	1,000
Forgery or Alteration	600,000	1,000
Computer Fraud	100,000	500
Money Orders and Counterfeit Paper Currency	100,000	500
Equipment Breakdown	75,000,000	5,000
Inland Marine:		
Portable Equipment, Employee Tools, AEDs	845,759	500
Electronic Data Processing	3,250,000	5,000
General Liability:		
General Aggregate	2,000,000	
Products Aggregate	2,000,000	
Personal and Advertising Injury	1,000,000	
Each Occurrence Limit	1,000,000	
Employee Benefits	1,000,000	
Abuse Act Liability	1,000,000	
Zurich Insurance Company:		
Automobile Liability	1,000,000	
Umbrella	10,000,000	
New Jersey Schools Insurance Group:		
Workers Compensation	2,000,000	
Supplemental Indemnity	7 Day Waiting Period	

ROXBURY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commerce and Industry Insurance Company:		
Pollution Legal Liability:		
Each Occurrence Limit	1,000,000	10,000
Annual Aggregate	2,000,000	
Gerber Life Insurance Company:		
Travel Accident Policy:		
Class 1	100,000	
Class 2 & 3	500,000	
National Union Fire Insurance Company:		
Cyber Liability:		
Security and Privacy Liability	1,000,000	15,000
Event Management	100,000	10,000
Arch Insurance Company:		
Student Accident	500,000	



SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
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Report on Internal Control over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Roxbury Township School District  
 County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roxbury Township, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2016.

**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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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.

The Honorable President and Members  
of the Board of Education  
Roxbury Township School District  
Page 2

### **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*.

### **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 not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 28, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder  
Licensed Public School Accountant #2112  
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program  
 and Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Roxbury Township School District  
 County of Morris, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Roxbury Township's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' 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 federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and 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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 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 federal or 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.

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

***Opinion on Each Major Federal and State Program***

In our opinion, the District 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 federal and state programs for the fiscal year ended June 30, 2016.

The Honorable President and Members  
of the Board of Education  
Roxbury Township School District  
Page 2

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing 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 federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *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 federal or 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

October 28, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder  
Licensed Public School Accountant #2112  
Certified Public Accountant

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2015			Cancellation of Prior Year Encum- brances	Balance at June 30, 2016			Amounts Provided to Subrecipients	
					Budgetary Accounts Receivable	Due to Grantor	Cash Received		Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue		Due to Grantor
<u>U.S. Department of Agriculture:</u>													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	\$ 41,408			\$ 41,408	\$ (39,674)			\$ 1,734		
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	155,379			127,705	(155,379)		\$ (27,674)			
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	245,961	\$ (21,464)		21,464						
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	5,900			4,831	(5,900)		(1,069)			
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	4,723	(520)		520						
Total Child Nutrition Cluster					(21,984)		195,928	(200,953)		(28,743)	1,734		
Total U.S. Department of Agriculture					(21,984)		195,928	(200,953)		(28,743)	1,734		
<u>U.S. Department of Education:</u>													
<u>Special Revenue Fund:</u>													
Passed-through State Department of Education:													
No Child Left Behind:													
Title I	84.010	NCLB055516	7/1/15-6/30/16	112,439				(66,705)		(66,705)			
Title I	84.010	NCLB055515	7/1/14-6/30/15	108,645	(95,489)		95,489			(66,705)			
Total Title I					(95,489)		95,489	(66,705)		(66,705)			
Title IIA	84.367	NCLB055516	7/1/15-6/30/16	95,710			59,220	(88,290)		(29,070)			
Title IIA	84.367	NCLB055515	7/1/14-6/30/15	80,875	(60,954)		60,954						
Total Title II					(60,954)		120,174	(88,290)		(29,070)			
Title III	84.365	NCLB055516	7/1/15-6/30/16	15,133				(12,352)		(12,352)			
Title III	84.365	NCLB055515	7/1/14-6/30/15	10,482	(8,554)		8,554						
Title III - Immigrant	84.365	NCLB055516	7/1/14-6/30/15	4,226				(634)		(634)			
Total Title III					(8,554)		8,554	(12,986)		(12,986)			
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA055516	7/1/15-6/30/16	915,086			796,774	(915,086)		(118,312)			
I.D.E.A. Part B, Basic	84.027	IDEA055515	7/1/14-6/30/15	957,634	(872,177)		972,799		\$ 928			\$ 101,550	
I.D.E.A. Part B, Basic	84.027	IDEA055514	7/1/13-6/30/14	852,549		\$ 700						700	
I.D.E.A. Preschool	84.173	IDEA055516	7/1/15-6/30/16	41,721				(41,721)		(41,721)			
I.D.E.A. Preschool	84.173	IDEA055515	7/1/14-6/30/15	38,397	(35,997)		59,650					23,653	
I.D.E.A. Preschool	84.173	IDEA055514	7/1/13-6/30/14	38,464		23,653						23,653	
Total Special Education Cluster					(908,174)	24,353	1,829,223	(956,807)	928	(160,033)		149,556	
Subtotal - Special Revenue Fund					(1,073,171)	24,353	2,053,440	(1,124,788)	928	(268,794)		149,556	
Total U.S. Department of Education					(1,073,171)	24,353	2,053,440	(1,124,788)	928	(268,794)		149,556	

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2015			Cancellation of Prior Year Encum- brances	Balance at June 30, 2016			Amounts Provided to Subrecipients	
					Budgetary Accounts Receivable	Due to Grantor	Cash Received		Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue		Due to Grantor
U.S. Department of Health and Human Services:													
Medicaid Assistance Program	93.778	N/A	7/1/15-6/30/16	\$ 46,003			\$ 46,003	\$ (46,003)					
Medicaid Assistance Program	93.778	N/A	7/1/13-6/30/14	12,892				(12,892)		\$ (12,892)			
Total U.S. Department of Health and Human Services							46,003	(58,895)		(12,892)			
Total Federal Awards					<u>\$ (1,095,155)</u>	<u>\$ 24,353</u>	<u>\$ 2,295,371</u>	<u>\$ (1,384,636)</u>	<u>\$ 928</u>	<u>\$ (310,429)</u>	<u>\$ 1,734</u>	<u>\$ 149,556</u>	<u>\$ -0-</u>

N/A - Not Applicable

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>												
<b>General Fund State Aid:</b>												
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 10,300,890			\$ 9,279,312	\$ (10,300,890)				\$ (1,021,578)	\$ 10,300,890
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	233,042			209,930	(233,042)				(23,112)	233,042
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	2,433,575			2,192,228	(2,433,575)				(241,347)	2,433,575
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	61,433			55,340	(61,433)				(6,093)	61,433
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	470,428			423,774	(470,428)				(46,654)	470,428
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	192,542			173,447	(192,542)				(19,095)	192,542
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	34,275			30,876	(34,275)				(3,399)	34,275
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	34,275			30,876	(34,275)				(3,399)	34,275
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15-6/30/16	485,625				(485,625)		\$ (485,625)		(485,625)	485,625
Excess Nonpublic Transportation Costs	16-495-034-5120-014	7/1/15-6/30/16	25,752				(25,752)		(25,752)		(25,752)	25,752
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	2,041,936			2,041,936	(2,041,936)					2,041,936
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 10,300,890	\$ (1,024,498)		1,024,498						10,300,890
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	233,042	(23,178)		23,178						233,042
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	2,433,575	(242,037)		242,037						2,433,575
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	61,433	(6,110)		6,110						61,433
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	459,102	(45,661)		45,661						459,102
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	203,868	(20,276)		20,276						203,868
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	34,275	(3,409)		3,409						34,275
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	34,275	(3,409)		3,409						34,275
Extraordinary Special Education Costs Aid	15-495-034-5120-044	7/1/14-6/30/15	496,032	(496,032)		496,032						496,032
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	20,532	(20,532)		20,532						20,532
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,076,856	(101,015)		101,015						2,076,856
<b>Subtotal - General Fund</b>				<b>(1,986,157)</b>		<b>16,423,876</b>	<b>(16,313,773)</b>		<b>(511,377)</b>		<b>(1,876,054)</b>	<b>32,667,653</b>
<b>Special Revenue Fund Aid:</b>												
<b>Nonpublic Auxiliary Services:</b>												
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	57,783			57,783	(54,905)			\$ 2,878		54,905
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	33,145		\$ 4,032			\$ (4,032)				29,113
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	33,383		2,910			(2,910)				24,824
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	1,279		1,279			(1,279)				
Transportation	16-100-034-5120-067	7/1/15-6/30/16	24,496			24,496	(24,496)					24,496
Transportation	15-100-034-5120-067	7/1/14-6/30/15	25,181		2,518			(2,518)				22,663
Transportation	14-100-034-5120-067	7/1/13-6/30/14	23,361		2,336					2,336		18,689
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	2,159		2,159					2,159		
<b>Nonpublic Handicapped Services:</b>												
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	36,980			36,980	(36,011)			969		36,011
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	34,527		10,751			(10,751)				23,776
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	28,447		1,874			(1,874)				21,647
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	34,279			34,279	(27,504)			6,775		27,504
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	40,641		20,762			(20,762)				19,879
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	39,060		2,656			(2,656)				25,701



ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received			GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education:</u>												
Special Revenue Fund Aid (Cont'd):												
Nonpublic Handicapped Services:												
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	\$ 53,336			\$ 53,336	\$ (48,742)		\$ 4,594		\$ 48,742	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	52,766		\$ 12,915			\$ (12,915)			39,851	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	40,130		17,667				17,667		17,524	
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	23,810			23,810	(18,196)		5,614		18,196	
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	25,739		1,530			(1,530)			24,209	
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	37,530			37,530	(37,530)				37,530	
N.J. Nonpublic Technology Initiative	15-100-034-5120-373	7/1/15-6/30/16	10,842			10,842	(10,744)		98		10,744	
N.J. Nonpublic Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	13,824		13,824			(13,824)				
N.J. Nonpublic Security Aid	16-100-034-5120-509	7/1/15-6/30/16	10,425			10,425	(1,573)		8,852		1,573	
Subtotal - Special Revenue Fund					97,213	289,481	(259,701)	(75,051)	51,942		527,577	
Food Service Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	6,108			4,997	(6,108)		\$ (1,111)	\$ (1,111)	6,108	
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	9,811	\$ (847)		847					9,811	
Subtotal - Food Service Fund				(847)		5,844	(6,108)		(1,111)	(1,111)	15,919	
Total State Department of Education				(1,987,004)	97,213	16,719,201	(16,579,582)	(75,051)	(512,488)	51,942	(1,877,165)	33,211,149
Total State Awards				\$ (1,987,004)	\$ 97,213	\$ 16,719,201	\$ (16,579,582)	\$ (75,051)	\$ (512,488)	\$ 51,942	\$ (1,877,165)	\$ 33,211,149

N/A - Not Applicable/Available

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Roxbury Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,901 for the general fund and (\$6,614) for the special revenue fund (of which \$738 is associated with local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and on-behalf TPAF Post Retirement Contributions revenue of \$2,280,967 and \$2,716,002 respectively. Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 58,895	\$ 21,314,643	\$ 21,373,538
Special Revenue Fund	1,117,436	259,701	1,377,137
Food Service Fund	200,953	6,108	207,061
Total Awards	<u>\$ 1,377,284</u>	<u>\$ 21,580,452</u>	<u>\$ 22,957,736</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 4. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2016.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded four grants in the amount of \$2,045,800 in the Capital Projects Fund from the New Jersey School Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, two of the projects are near completion. As of June 30, 2016, \$-0- of the grant funds has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures, if any, reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	<u>C.F.D.A./</u> <u>State Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/15-6/30/16	\$ 915,086	\$ 915,086
I.D.E.A. Preschool	84.173	7/1/15-6/30/16	41,721	41,721
<u>State:</u>				
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	10,300,890	10,300,890
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	2,433,575	2,433,575
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	61,433	61,433
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	470,428	470,428
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	192,542	192,542
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	34,275	34,275
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	34,275	34,275

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

ROXBURY TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

The District had no prior year audit findings.