

**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, 2017**

**Comprehensive Annual
Financial Report**

of the

**Roxbury Township School District
Board of Education**

Succasunna, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

**Roxbury Township School District
Board of Education**

ROXBURY TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

ROXBURY TOWNSHIP PUBLIC SCHOOLS

BOARD OF EDUCATION OFFICE

42 NORTH HILLSIDE AVENUE, SUCCASUNNA, NEW JERSEY 07876

Phone (973) 584-6099

www.roxbury.org

Fax (973) 584-0426

October 5, 2017

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, 2017, 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.

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.

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, 2017.

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.

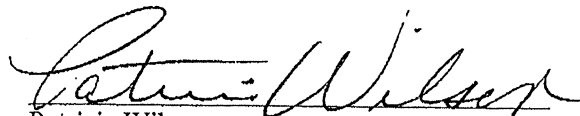
The Honorable President and Members of
the Board of Education
Roxbury Township School District
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October 5, 2017

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.

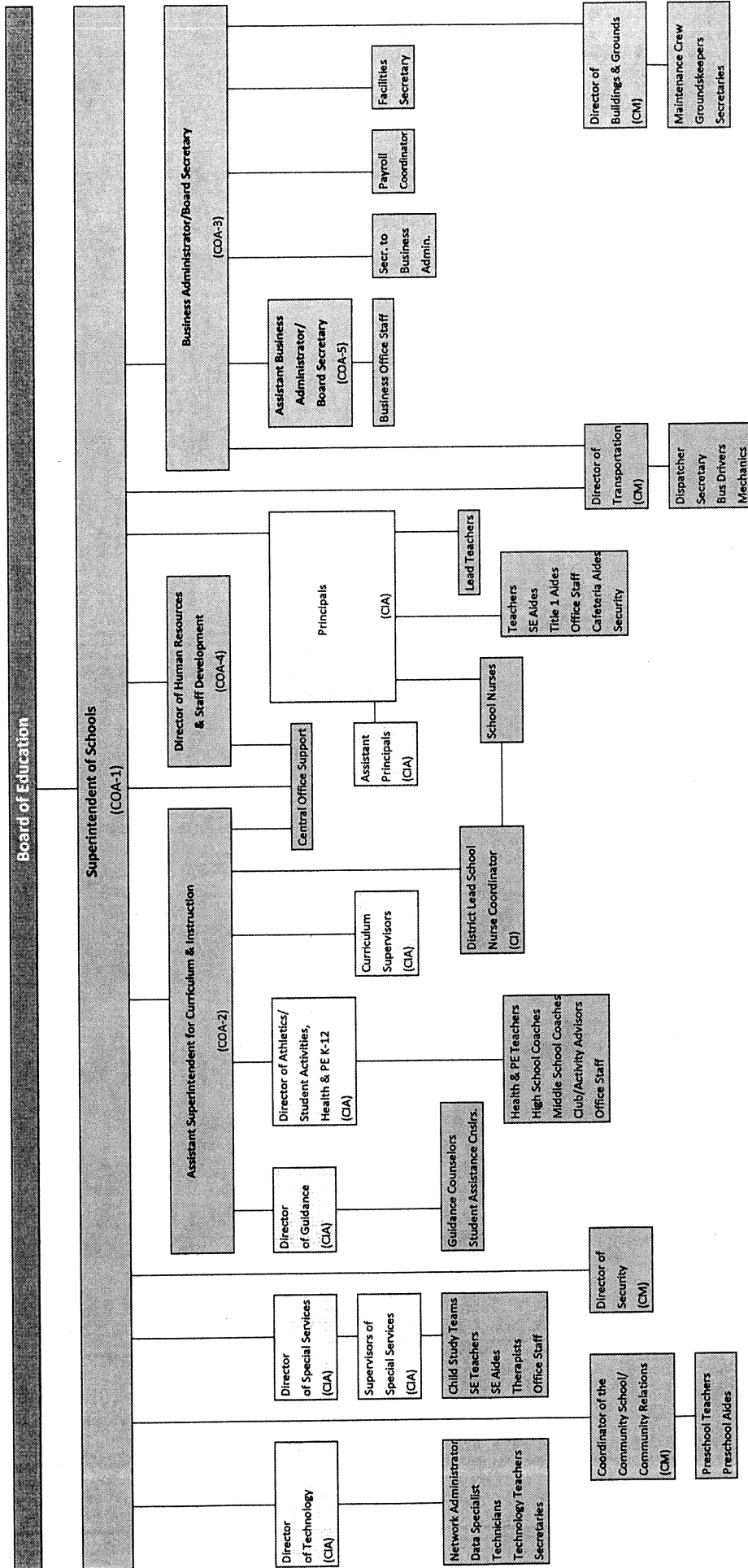
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Roxbury Township School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance 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, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Leo J. Coakley, President	2018
Pat Miller, Vice President	2017
Richard Alexander	2019
Margaret Casola	2018
Ronald Lucas	2018
Dan Masi	2019
James Monaghan, Jr.	2017
David Ramage	2017
Carol Scheneck	2019
Rachel Byrne, Mt. Arlington Representative	2017

<u>Other Officers</u>	<u>Title</u>
Loretta Radulic	Superintendent
Charles Seipp	Assistant Superintendent
Mark Kenney	Interim School Business Administrator/Board Secretary (to 09/30/16)
Patricia Wilson	School Business Administrator/Board Secretary (from 10/04/16)
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

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, 2017, 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.

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, 2017, 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
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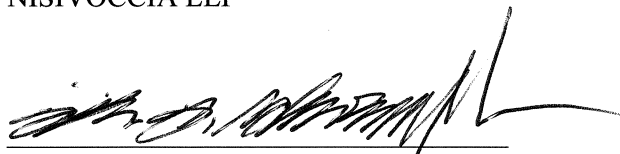
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017 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 5, 2017
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, 2017
(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, 2017. 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 2016-2017 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 2016-2017 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 phase II 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 \$5,822,690 during the course of the fiscal year.
- Overall revenue was \$99,325,318 for the fiscal year.
- Overall expenditures were \$93,503,708 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

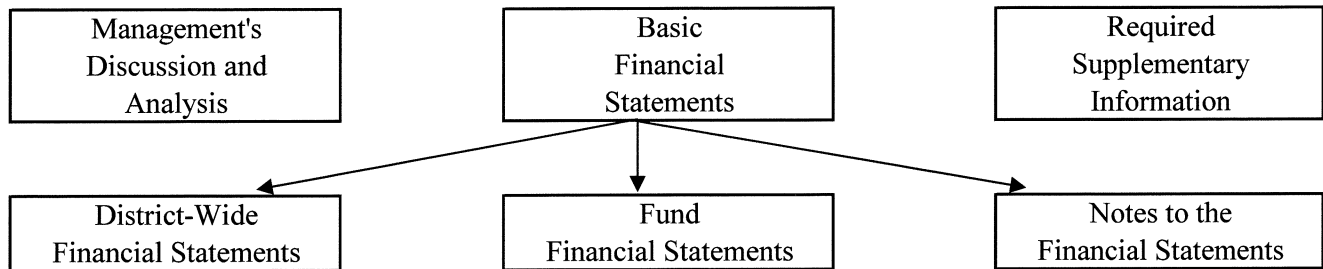


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenue, expenses, and changes in net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in fiduciary net position
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 \$5,822,690. Net position from governmental activities increased by \$5,530,600 and net position from business-type activities increased by \$292,090. Net investment in capital assets increased by \$3,557,285, restricted net position increased by \$1,506,965, and unrestricted net position increased by \$758,440.

Figure A-3

	Condensed Statement of Net Position						Percentage Change 2016/17
	Government Activities		Business-Type Activities		Total School District		
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	
Current and							
Other Assets	\$ 11,989,134	\$ 12,122,615	\$ 479,798	\$ 198,684	\$ 12,468,932	\$ 12,321,299	1.20%
Capital Assets, Net	50,539,385	48,908,560	515,194	582,029	51,054,579	49,490,589	3.16%
Total Assets	<u>62,528,519</u>	<u>61,031,175</u>	<u>994,992</u>	<u>780,713</u>	<u>63,523,511</u>	<u>61,811,888</u>	2.77%
Deferred Outflows of Resources	<u>7,624,380</u>	<u>3,687,972</u>			<u>7,624,380</u>	<u>3,687,972</u>	106.74%
Other Liabilities	2,391,703	4,623,492	128,500	112,412	2,520,203	4,735,904	-46.79%
Long-Term Liabilities	42,043,494	39,300,745	313,215	407,114	42,356,709	39,707,859	6.67%
Total Liabilities	<u>44,435,197</u>	<u>43,924,237</u>	<u>441,715</u>	<u>519,526</u>	<u>44,876,912</u>	<u>44,443,763</u>	0.97%
Deferred Inflows of Resources	<u>1,878,221</u>	<u>2,486,029</u>			<u>1,878,221</u>	<u>2,486,029</u>	-32.36%
Net Position:							
Net Investment in							
Capital Assets	34,828,813	31,298,592	201,979	174,915	35,030,792	31,473,507	11.30%
Restricted	9,319,866	7,812,901			9,319,866	7,812,901	19.29%
Unrestricted/(Deficit)	<u>(20,309,198)</u>	<u>(20,802,612)</u>	<u>351,298</u>	<u>86,272</u>	<u>(19,957,900)</u>	<u>(20,716,340)</u>	3.66%
Total Net Position	<u>\$ 23,839,481</u>	<u>\$ 18,308,881</u>	<u>\$ 553,277</u>	<u>\$ 261,187</u>	<u>\$ 24,392,758</u>	<u>\$ 18,570,068</u>	31.36%

Figure A-4 represents the *Changes in Net Position*. The District's *combined* net position was \$24,392,758 on June 30, 2017, an increase of \$5,827,790 or 31.36% more than the year before. (See Figure A-3). Net Investment in Capital Assets increased by \$3,557,285 due to the current year maturity of serial bonds payable of \$1,580,000, \$1,171,973 pay down on capital leases payable, as well as current year capital assets additions (net of deletions) of \$3,602,764; offset by current year depreciation expense of \$2,038,774, a new capital lease of \$676,571 and the amortization of \$82,107 of the deferred amount on refunding. Restricted net position increased by \$1,506,965 due to the net increase of \$24,710 in excess surplus, a net increase in Capital Reserve of \$1,375,360, a net increase in Maintenance Reserve of \$286,996 and a \$510,844 increase in restricted funds for debt service; offset by a \$110,945 decrease in restricted Capital Projects Fund as a result of capital expenses and a \$580,000 decrease in the Emergency Reserve. The \$758,440 increase in unrestricted net position was due to the retirement of \$270,000 of early retirement incentive loan revenue bonds, amortized bond premiums of \$106,690, a decrease in accrued interest of \$22,267, a net decrease in compensated absences of \$434,620, an increase in the changes in pension assumptions of \$2,969,961, a \$6,812 increase in the difference between expected and actual pension experience, a \$1,201,894 increase in the net difference between projected and actual pension investment earnings, a \$313,937 decrease in the changes in pension proportion, an increase in General Fund unassigned fund balance of \$113,142, and an increase in assigned fund balances for year-end encumbrances of \$183,48, as well as a \$503,114 increase in resources committed for capital projects and an increase in business-type activities unrestricted net position of \$265,026; offset by an increase in net pension liability of \$5,535,562 and the decrease in designated for subsequent year's expenditures of \$96,944.

Figure A-4

	Changes in Net Position from Operating Results						
	Governmental	Business-	Governmental	Business-	Total	Total	Percentage
	Activities	Type	Activities	Type	School	School	Change
	2016/17	2016/17	2015/16	2015/16	District	District	2016/17
	2016/17	2016/17	2015/16	2015/16	2016/17	2015/16	2016/17
Revenue:							
Program Revenue:							
Charges for Services	\$ 4,083,871	\$ 921,744	\$ 3,643,786	\$ 904,584	\$ 5,005,615	\$ 4,548,370	10.05%
Operating Grants and Contributions	26,841,000	207,568	20,524,419	207,061	27,048,568	20,731,480	30.47%
General Revenue:							
Property Taxes	55,710,325		53,940,084		55,710,325	53,940,084	3.28%
Unrestricted State and Federal Aid	10,931,095		10,903,265		10,931,095	10,903,265	0.26%
Other	629,715		407,768		629,715	407,768	54.43%
Total Revenue	<u>98,196,006</u>	<u>1,129,312</u>	<u>89,419,322</u>	<u>1,111,645</u>	<u>99,325,318</u>	<u>90,530,967</u>	9.71%
Expenses:							
Instruction	54,102,744		51,675,652		54,102,744	51,675,652	4.70%
Pupil and Instruction Services	15,057,802		14,275,148		15,057,802	14,275,148	5.48%
Administrative and Business	9,308,280		5,660,473		9,308,280	5,660,473	64.44%
Maintenance and Operations	6,894,118		6,836,125		6,894,118	6,836,125	0.85%
Transportation	5,645,318		5,023,207		5,645,318	5,023,207	12.38%
Special Schools	859,803		533,488		859,803	533,488	61.17%
Other	508,421	1,127,222	416,645	1,112,108	1,635,643	1,528,753	6.99%
Total Expenses	<u>92,376,486</u>	<u>1,127,222</u>	<u>84,420,738</u>	<u>1,112,108</u>	<u>93,503,708</u>	<u>85,532,846</u>	9.32%
Disposal of Capital Assets, Net Transfers	(288,920)	290,000	4,008	(5,100)	5,100	4,008	-100%
					1,080		-73.05%
Increase/(Decrease) in Net Position	<u>\$ 5,530,600</u>	<u>\$ 292,090</u>	<u>\$ 5,002,592</u>	<u>\$ (463)</u>	<u>\$ 5,827,790</u>	<u>\$ 5,002,129</u>	16.51%

Figure A-5 represents the *Revenue Sources*. The District's total revenue for the 2016/17 school year was \$99,325,318. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$55,710,325 of the total, or 56.09 percent. (See Figure A-5). Another 38.24 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

Figure A-5 (Cont'd)

Sources of Revenue for Fiscal Year 2017

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
Grants and Contributions	\$ 27,048,568	27.23%
Property Taxes	55,710,325	56.09%
Unrestricted Federal and State Aid	10,931,095	11.01%
Charges for Services	5,005,615	5.04%
Other	629,715	0.63%
	<u>\$ 99,325,318</u>	<u>100.00%</u>

Figure A-6 represents the total cost of all programs and services, which was \$93,503,708. The District's expenses are predominantly related to instructing and providing pupil services (73.96 percent). (See Figure A-6). The District's administrative and business activities accounted for 9.96 percent of total costs, while maintenance and transportation costs accounted for 7.37 percent and 6.04 percent of total costs, respectively. It is important to note that expenses for the year include \$2,038,774 of depreciation.

Figure A-6

Expenses for Fiscal Year 2017

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 54,102,744	57.86%
Pupil and Instruction Services	15,057,802	16.10%
Administrative and Business	9,308,280	9.96%
Maintenance and Operations	6,894,118	7.37%
Transportation	5,645,318	6.04%
Special Schools	859,803	0.92%
Other	1,635,643	1.75%
	<u>\$ 93,503,708</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 2016-2017.

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:

- 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 2016-2017 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

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2016/17	2016/17	2015/16	2015/16
Instruction	\$ 54,102,744	\$ 29,322,113	\$ 51,675,652	\$ 31,648,361
Pupil and Instruction Services	15,057,802	11,318,502	14,275,148	11,527,197
Administrative and Business	9,308,280	7,830,395	5,660,473	4,707,659
Maintenance and Operations	6,894,118	6,894,118	6,836,125	6,836,125
Transportation	5,645,318	5,342,684	5,023,207	4,708,184
Special Schools	859,803	235,382	533,488	408,362
Other	508,421	508,421	416,645	416,645
	<u>\$ 92,376,486</u>	<u>\$ 61,451,615</u>	<u>\$ 84,420,738</u>	<u>\$ 60,252,533</u>

- The cost of all governmental activities this fiscal year was \$92.38 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$26.84 million).
- Most of the District’s costs (\$55.71 million), however, were financed by District taxpayers.
- A portion of governmental activities was financed with \$10.93 million in state aid based on the SFRA formula.
- The remainder of the funding came from miscellaneous revenue, investment earnings and charges for services (\$4.71 million).

Business-Type Activities

Net position from the District’s business-type activity increased by \$292,090 (Refer to Figure A-4). The increase in net position was primarily due to the following factor:

- The District made a board contribution of \$290,000 to the Food Service Fund in anticipation of an early payoff of the capital equipment lease.

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 2016/17
	Government Activities		Business-Type Activities		Total School District		
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	
Sites and Site Improvements	\$ 773,826	\$ 819,594			\$ 773,826	\$ 819,594	-5.58%
Construction in Progress	13,189,481	10,745,658			13,189,481	10,745,658	22.74%
Buildings and Building Improvements	28,755,318	29,702,323	\$ 108,972	114,707	28,864,290	29,817,030	-3.20%
Machinery and Equipment	7,820,760	7,640,985	406,222	\$ 467,322	8,226,982	8,108,307	1.46%
Total	<u>\$ 50,539,385</u>	<u>\$ 48,908,560</u>	<u>\$ 515,194</u>	<u>\$ 582,029</u>	<u>\$ 51,054,579</u>	<u>\$ 49,490,589</u>	3.16%

The District had \$3,666,584 in capital assets additions, \$63,820 of capital assets disposals (net of accumulated depreciation), and depreciation expense was \$1,971,939 for governmental activities and \$66,835 for business-type activities in the current fiscal year.

Long-term Liabilities

At fiscal year-end, the District had \$15,425,000 in general obligation bonds outstanding, \$23,813,304 in net pension liability, \$1,091,429 in capital leases and \$1,235,196 in compensated absences payable – an increase of \$2,648,850 or 6.67% 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 2016/17
	Total School District		
	2016/17	2015/16	
General Obligation Bonds (Financed with Property Taxes)	\$ 15,425,000	\$ 17,005,000	-9.29%
Unamortized Bond Issuance Premium	791,780	898,470	-11.87%
Net Pension Liability	23,813,304	18,277,742	30.29%
Capital Leases Payable	1,091,429	1,586,831	-31.22%
Other Long-Term Liabilities	1,235,196	1,939,816	-36.32%
	<u>\$ 42,356,709</u>	<u>\$ 39,707,859</u>	6.67%

Long-term Liabilities (Cont'd)

- The District continued to pay down its outstanding debt, retiring \$1,580,000 of outstanding bonds and \$270,000 of early retirement incentive loan revenue bonds.
- The District entered into a \$676,571 capital lease in the current fiscal year and paid down \$1,171,973 in capital lease principal.
- The District's net pension liability increased by \$5,535,562.
- The District's compensated absences payable decreased by \$434,620.
- 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 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 expects to increase the balance in its capital reserve account by approximately \$4.9 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 2016-2017 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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,993,467	\$ 360,836	\$ 4,354,303
Interfund Receivable - Fiduciary Fund	3,620		3,620
Receivables from State Government	725,675	1,270	726,945
Receivables from Federal Government	75,861	35,714	111,575
Receivables from Other Governments	697,569		697,569
Other Receivables		70,421	70,421
Capital Leases Receivable	605		605
Inventories		11,557	11,557
Restricted Cash and Cash Equivalents	6,492,337		6,492,337
Capital Assets, Net:			
Sites (Land) and Construction in Progress	13,363,961		13,363,961
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	37,175,424	515,194	37,690,618
Total Assets	<u>62,528,519</u>	<u>994,992</u>	<u>63,523,511</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	492,642		492,642
Changes in Assumptions - Pensions	4,932,845		4,932,845
Difference Between Expected and Actual Experience - Pensions	442,855		442,855
Net Difference Between Projected and Actual Pension Investment Earnings	908,023		908,023
District Contribution Subsequent to the Measurement Date - Pensions	848,015		848,015
Total Deferred Outflows of Resources	<u>7,624,380</u>		<u>7,624,380</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,026,253	113,708	2,139,961
Accrued Interest Payable	162,580		162,580
Payable to State Government	31,161		31,161
Payable to Federal Government	12,301		12,301
Unearned Revenue	159,408	14,792	174,200
Noncurrent Liabilities:			
Due Within One Year	2,015,950	93,880	2,109,830
Due Beyond One Year	40,027,544	219,335	40,246,879
Total Liabilities	<u>44,435,197</u>	<u>441,715</u>	<u>44,876,912</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in Proportion - Pensions	1,878,221		1,878,221
Total Deferred Inflows of Resources	<u>1,878,221</u>		<u>1,878,221</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	34,828,813	201,979	35,030,792
Restricted for:			
Capital Projects	4,148,188		4,148,188
Debt Service	559,383		559,383
Maintenance	2,316,328		2,316,328
Emergency	55,000		55,000
Excess Surplus	2,240,967		2,240,967
Unrestricted/(Deficit)	(20,309,198)	351,298	(19,957,900)
Total Net Position	<u>\$ 23,839,481</u>	<u>\$ 553,277</u>	<u>\$ 24,392,758</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, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 39,505,711	\$ 2,343,997	\$ 13,817,861	\$ (23,343,853)		\$ (23,343,853)
Special Education	11,713,365	1,311,435	6,923,654	(3,478,276)		(3,478,276)
Other Special Instruction	1,089,796		383,684	(706,112)		(706,112)
School Sponsored/Other Instruction	1,793,872			(1,793,872)		(1,793,872)
Support Services:						
Tuition	3,090,198			(3,090,198)		(3,090,198)
Student and Instruction Related Services	11,967,604		3,739,300	(8,228,304)		(8,228,304)
General Administrative Services	1,497,676		305,083	(1,192,593)		(1,192,593)
School Administrative Services	4,783,205		1,091,956	(3,691,249)		(3,691,249)
Central Services	1,289,114		80,846	(1,208,268)		(1,208,268)
Administrative Information Technology	1,738,285			(1,738,285)		(1,738,285)
Plant Operations and Maintenance	6,894,118			(6,894,118)		(6,894,118)
Pupil Transportation	5,645,318	48,200	254,434	(5,342,684)		(5,342,684)
Transfer of Funds to Charter School	195,324			(195,324)		(195,324)
Special Schools	859,803	380,239	244,182	(235,382)		(235,382)
Interest on Long-Term Debt	313,097			(313,097)		(313,097)
Total Governmental Activities	92,376,486	4,083,871	26,841,000	(61,451,615)		(61,451,615)
Business-Type Activities:						
Food Service	1,127,222	921,744	207,568		\$ 2,090	2,090
Total Business-Type Activities	1,127,222	921,744	207,568		2,090	2,090
Total Primary Government	\$ 93,503,708	\$ 5,005,615	\$ 27,048,568	(61,451,615)	2,090	(61,449,525)

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Transfers:			
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 53,234,534		\$ 53,234,534
Taxes Levied for Debt Service	2,475,791		2,475,791
Federal, State and Local Aid not Restricted	10,931,095		10,931,095
Interest Earnings	15,946		15,946
Miscellaneous Income	613,769		613,769
Transfers	(288,920)	\$ 290,000	1,080
	66,982,215	290,000	67,272,215
Total General Revenues and Transfers			
Change in Net Position	5,530,600	292,090	5,822,690
Net Position - Beginning	18,308,881	261,187	18,570,068
Net Position - Ending	\$ 23,839,481	\$ 553,277	\$ 24,392,758

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

FUND FINANCIAL STATEMENTS

ROXBURY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 2,377,047	\$ 87,055	\$ 969,982	\$ 559,383	\$ 3,993,467
Interfund Receivable	3,620				3,620
Receivables From State Government	707,924	17,751			725,675
Receivables From Federal Government	594	75,267			75,861
Receivables From Other Governments	697,569				697,569
Capital Leases Receivable			605		605
Restricted Cash and Cash Equivalents	6,492,337				6,492,337
Total Assets	\$ 10,279,091	\$ 180,073	\$ 970,587	\$ 559,383	\$ 11,989,134
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 663,644	\$ 74,300	\$ 440,294		\$ 1,178,238
Payable to State Government		31,161			31,161
Payable to Federal Government		12,301			12,301
Unearned Revenue	97,097	62,311			159,408
Total Liabilities	760,741	180,073	440,294		1,381,108
Fund Balances:					
Restricted for:					
Capital Reserve	4,121,009				4,121,009
Maintenance Reserve	2,316,328				2,316,328
Emergency Reserve	55,000				55,000
Excess Surplus - 2018-2019	700,000				700,000
Excess Surplus - 2017-2018	1,540,967				1,540,967
Capital Projects			27,179		27,179
Debt Service				\$ 559,383	559,383
Committed			503,114		503,114
Assigned:					
Year-End Encumbrances	643,917				643,917
Unassigned	141,129				141,129
Total Fund Balances	9,518,350		530,293	559,383	10,608,026
Total Liabilities and Fund Balances	\$ 10,279,091	\$ 180,073	\$ 970,587	\$ 559,383	\$ 11,989,134

ROXBURY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

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

Total Fund Balances	\$ 10,608,026
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$79,543,421 and the accumulated depreciation is \$29,004,036.	50,539,385
Deferred Amount on Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$1,067,398 and the accumulated amortization is \$574,756.	492,642
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.	(17,438,410)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(162,580)
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 \$708,924.	(791,780)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(23,813,304)
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:	
Deferred Outflows:	
Changes in Assumptions - Pensions	4,932,845
Difference Between Expected and Actual Experience - Pensions	442,855
Difference Between Projected and Actual Investment Earnings - Pensions	908,023
Deferred Inflows:	
Changes in Proportions - Pensions	<u>(1,878,221)</u>
Net Position of Governmental Activities	<u><u>\$ 23,839,481</u></u>

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 53,234,534			\$ 2,475,791	\$ 55,710,325
Tuition Charges	4,035,671				4,035,671
Transportation Fees from Individuals	48,200				48,200
Rents and Royalties	33,480				33,480
Miscellaneous	596,235	\$ 5,714			601,949
Total - Local Sources	57,948,120	5,714		2,475,791	60,429,625
State Sources	22,509,575	281,229			22,790,804
Federal Sources	63,545	1,123,392			1,186,937
Total Revenues	80,521,240	1,410,335		2,475,791	84,407,366
EXPENDITURES:					
Current:					
Regular Instruction	20,556,175	461,738			21,017,913
Special Education Instruction	6,054,593	774,959			6,829,552
Other Special Instruction	554,372				554,372
School Sponsored/Other Instruction	1,334,306				1,334,306
Support Services and Undistributed Costs:					
Tuition	3,090,198				3,090,198
Student & Instruction Related Services	6,663,470	158,639			6,822,109
General Administrative Services	950,879				950,879
School Administrative Services	2,729,589				2,729,589
Central Services	834,544				834,544
Administration Information Technology	1,453,167				1,453,167
Plant Operations and Maintenance	7,044,120				7,044,120
Pupil Transportation	4,276,315				4,276,315
Unallocated Benefits	19,345,801				19,345,801
Debt Service:					
Principal				1,605,000	1,605,000
Interest and Other Charges				359,947	359,947
Capital Outlay	1,192,009	14,999	\$ 2,443,823		3,650,831
Special Schools	491,290				491,290
Transfer of Funds to Charter Schools	195,324				195,324
Total Expenditures	76,766,152	1,410,335	2,443,823	1,964,947	82,585,257
Excess/(Deficiency) of Revenue over/(under) Expenditures	3,755,088		(2,443,823)	510,844	1,822,109
OTHER FINANCING SOURCES/(USES):					
Capital Leases (Non-Budgeted)	676,571				676,571
Transfers	(3,131,994)		2,843,074		(288,920)
Total Other Financing Sources/(Uses)	(2,455,423)		2,843,074		387,651
Net Change in Fund Balances	1,299,665		399,251	510,844	2,209,760
Fund Balance—July 1	8,218,685		131,042	48,539	8,398,266
Fund Balance—June 30	\$ 9,518,350	\$ -0-	\$ 530,293	\$ 559,383	\$ 10,608,026

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

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, 2017

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 2,209,760
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	\$ (1,971,939)
Disposals of Capital Assets, Net of Depreciation	(63,820)
Capital Outlays	<u>3,666,584</u>
	1,630,825
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.	1,850,000
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.	1,078,074
Capital leases entered into by the district are an other financing source in the governmental funds, however, the acquisition increases long-term liabilities in the statement of net assets and is not reported in the statement of activities.	(676,571)
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.	22,267
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	(5,535,562)
Change in Deferred Outflows:	
Changes in Assumptions	2,969,961
Difference Between Expected and Actual Experience	6,812
Net Difference Between Projected and Actual Investment Earnings on Pensions	908,023
Deferred Inflows:	
Changes in Proportion	313,937
Net Difference Between Projected and Actual Investment Earnings on Pensions	293,871
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 (+).	<u>434,620</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 5,530,600</u>

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 360,836
Accounts Receivable:	
State	1,270
Federal	35,714
Other Accounts Receivable	70,421
Inventories	<u>11,557</u>

Total Current Assets

479,798

Non-Current Assets:

Capital Assets	1,045,999
Less: Accumulated Depreciation	<u>(530,805)</u>

Total Non-Current Assets

515,194

Total Assets

994,992

LIABILITIES:

Current Liabilities:

Accounts Payable	113,708
Unearned Revenue	14,792

Non-Current Liabilities:

Capital Leases Payable:	
Due within one year	93,880
Due beyond one year	<u>219,335</u>

Total Liabilities

441,715

NET POSITION:

Net Investment in Capital Assets	201,979
Unrestricted	<u>351,298</u>

Total Net Position

\$ 553,277

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 293,358
Non-Reimbursable Programs	559,482
Special Events	55,887
Miscellaneous Revenue	13,017
	<hr/>
Total Operating Revenue	921,744
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	149,672
Non-Reimbursable Programs	179,767
Salaries	414,790
Benefits & Payroll Taxes	95,463
Other Purchased Services	122,532
Supplies and Materials	38,529
Miscellaneous Expenses	59,634
Depreciation Expense	66,835
	<hr/>
Total Operating Expenses	1,127,222
Operating Loss	<hr/> (205,478)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	5,965
Federal Sources:	
National School Lunch Program	160,932
School Breakfast Program	4,361
Food Distribution Program	36,310
	<hr/>
Total Non-Operating Income	207,568
Change in Net Position Before Other Item	2,090
Other Item:	
Transfer - General Fund	290,000
	<hr/>
Change in Net Position	292,090
Net Position - Beginning of Year	<hr/> 261,187
Net Position - End of Year	<hr/> <hr/> \$ 553,277

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 922,927
Payments to Food Service Contractor	(879,229)
Payments to Suppliers	(28,254)
	15,444
Net Cash Provided by Operating Activities	15,444
Cash Flows from Capital and Related Financing Activities:	
Lease Purchase Principal Payment	(93,899)
	(93,899)
Net Cash Used for Capital and Related Financing Activities	(93,899)
Cash Flows from Noncapital Financing Activities:	
State Sources	5,806
Federal Sources	158,322
Interfund Returned - General Fund	(14,837)
Transfer from General Fund	290,000
	439,291
Net Cash Provided by Noncapital & Financing Activities	439,291
Net Increase in Cash and Cash Equivalents	360,836
Cash and Cash Equivalents, July 1	-0-
Cash and Cash Equivalents, June 30	\$ 360,836
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (205,478)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	66,835
Federal Food Distribution Program	36,310
Changes in Assets and Liabilities:	
Decrease in Other Accounts Receivable	97,671
Decrease in Inventory	4,018
Increase in Accounts Payable	16,639
(Decrease) in Unearned Revenue	(551)
	15,444
Net Cash Provided by Operating Activities	\$ 15,444
<u>Non-Cash Investing, Capital and Financing Activities:</u>	
The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$34,576 and utilized U.S.D.A. Commodities valued at \$36,310.	
The Food Service Enterprise Fund paid down \$93,899 of capital lease payable.	

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 544,910	\$ 203,486	\$ 14,596
Total Assets	<u>544,910</u>	<u>203,486</u>	<u>14,596</u>
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund			3,620
Payroll Deductions and Withholdings	261,717		
Due to Student Groups	<u>283,193</u>		
Total Liabilities	<u>544,910</u>		<u>3,620</u>
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Benefit Claims		203,486	
Flexible Spending Claims			<u>10,976</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 203,486</u>	<u>\$ 10,976</u>

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust	Flexible Spending Trust
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 127,606	\$ 36,825
Board Contribution	125,596	
	<u> </u>	<u> </u>
Total Additions	253,202	36,825
	<u> </u>	<u> </u>
DEDUCTIONS:		
Unemployment Benefit Claims	114,628	
Flexible Spending Claims		30,420
	<u> </u>	<u> </u>
Total Deductions	114,628	30,420
	<u> </u>	<u> </u>
Change in Net Position Before Other Financing Uses	138,574	6,405
Other Financing Uses:		
Transfer to General Fund		(1,080)
	<u> </u>	<u> </u>
Change in Net Position	138,574	5,325
Net Position - Beginning of the Year	64,912	5,651
	<u> </u>	<u> </u>
Net Position - End of the Year	<u>\$ 203,486</u>	<u>\$ 10,976</u>

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, 2017

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation (Cont'd)

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. 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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, 2017 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. 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. The capital projects fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grant receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

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	\$ 80,531,867	\$ 1,422,448
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		(25,002)
Cancellation of Prior Year Encumbrances		(7,225)
Prior Year Encumbrances		20,114
Prior Year State Aid Payments Recognized for GAAP Statements	1,364,677	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,375,304)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 80,521,240	\$ 1,410,335

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 76,766,152	\$ 1,422,448
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		(25,002)
Cancellation of Prior Year Encumbrances		(7,225)
Prior Year Encumbrances		20,114
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 76,766,152	\$ 1,410,335
		<u>Capital Projects Fund</u>
	Revenue	Fund Balance
Revenue/Committed or Restricted Fund Balance	\$ 845,857	\$ 732,879
Committed or Restricted - Year End Encumbrances		2,689,071
Total Revenue/Fund Balance - Budgetary Basis	845,857	3,421,950
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue not Recognized on GAAP Basis	(845,857)	
SDA Grant Receivable not Recognized on GAAP Basis		(2,891,657)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ -0-	\$ 530,293

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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.

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, 2017.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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, 2017.

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 \$9,518,350 General Fund fund balance at June 30, 2017, \$643,917 is assigned for encumbrances; \$4,121,009 is restricted in the capital reserve account; \$2,316,328 is restricted in the maintenance reserve account; \$55,000 is restricted in the emergency reserve account; \$1,540,967 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, 2018; \$700,000 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, 2019; and \$141,129 is unassigned fund balance, which is \$1,375,304 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, 2018.

Capital Projects Fund: Of the \$530,293 Capital Projects Fund fund balance at June 30, 2017, \$27,179 is restricted and \$503,114 is committed, which is \$2,891,657 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: Of the \$559,383 fund balance restricted in the Debt Service Fund fund balance at June 30, 2017, \$48,539 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

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, 2017 as indicated on the prior page.

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

The District has a deficit in unrestricted net position of \$20,309,198 in governmental activities, which is due to accrued interest payable of \$162,580, \$1,235,196 of compensated absences payable, an unamortized bond premium of \$791,780, changes in proportion in pensions of \$1,878,221 and the net pension liability of \$23,813,304; offset by \$141,129 in unassigned fund balance, \$643,917 fund balance assigned for encumbrances, \$503,114 fund balance committed for capital projects, changes in pension assumptions of \$4,932,845, the difference between expected and actual pension experience of \$442,855 and the net difference between projected and actual investment earnings on pension plan investments of \$908,023. This deficit does 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, 2017 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, the net difference between projected and actual investment earnings on pension plan investments and the District contribution subsequent to the measurement date related to pension.

The District had a deferred inflow of resources at June 30, 2017 for the changes in proportion in pension.

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

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

R. Net Position: (Cont'd)

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.

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, 2017.

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 encumbrances in the General Fund at June 30, 2017.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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.

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.

GASB 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 and on the following page.

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;

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Investments: (Cont'd)

- (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;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); 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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, 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	\$ 5,117,295	\$ 4,121,009	\$ 2,316,328	\$ 55,000	\$ 11,609,632

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$11,609,632 and the bank balance was \$12,779,047.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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.

Beginning Balance, July 1, 2016	\$ 2,745,649
Add:	
Transfer from Unassigned Fund Balance as per Board Resolution	3,500,000
Less:	
Transfer to Capital Projects Fund as per Board Resolutions	<u>(2,124,640)</u>
Ending Balance, June 30, 2017	<u>\$ 4,121,009</u>

The balance in the capital reserve account at June 30, 2017 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2016	\$ 2,029,332
Add: Transfer from Unassigned Fund Balance as per Board Resolution	<u>286,996</u>
Ending Balance, June 30, 2017	<u><u>\$ 2,316,328</u></u>

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 1st and June 30th. 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 or to finance school security improvements.

Beginning Balance, July 1, 2016	\$ 635,000
Less: Transfer to Capital Projects Fund as per Board Resolution and with Approval of the County Superintendent's Office	<u>(580,000)</u>
Ending Balance, June 30, 2017	<u><u>\$ 55,000</u></u>

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 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	<u>10,745,658</u>	\$ 2,443,823		<u>13,189,481</u>
Total Capital Assets Not Being Depreciated	<u>10,920,138</u>	<u>2,443,823</u>		<u>13,363,961</u>
Capital Assets Being Depreciated:				
Site Improvements	2,108,145			2,108,145
Buildings and Building Improvements	50,837,788	25,914		50,863,702
Machinery and Equipment	<u>12,750,843</u>	1,196,847	\$ (740,077)	<u>13,207,613</u>
Total Capital Assets Being Depreciated	<u>65,696,776</u>	<u>1,222,761</u>	<u>(740,077)</u>	<u>66,179,460</u>
Governmental Activities Capital Assets	<u>76,616,914</u>	<u>3,666,584</u>	<u>(740,077)</u>	<u>79,543,421</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Less Accumulated Depreciation for:				
Site Improvements	\$ (1,463,031)	\$ (45,768)		\$ (1,508,799)
Buildings and Building Improvements	(21,135,465)	(972,919)		(22,108,384)
Machinery and Equipment	(5,109,858)	(953,252)	\$ 676,257	(5,386,853)
	(27,708,354)	(1,971,939)	676,257	(29,004,036)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 48,908,560	\$ 1,694,645	\$ (63,820)	\$ 50,539,385
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 931,292			\$ 931,292
Building Improvements	114,707			114,707
	1,045,999			1,045,999
Less Accumulated Depreciation for:				
Machinery and Equipment	(463,970)	(61,100)		(525,070)
Building Improvements		(5,735)		(5,735)
	(463,970)	(66,835)		(530,805)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 582,029	\$ (66,835)	\$ -0-	\$ 515,194

The District expended \$2,443,823 towards construction projects in progress during the fiscal year. As of June 30, 2017, the District has \$3,421,950 in active construction projects including \$2,689,071 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 775,256
Special Instruction	105,973
Student and Instruction Related Services	103,714
General Administration	118,475
School Administration	46,216
Central Services	41,792
Administrative Information Technology	78,748
Operations and Maintenance of Plant	328,359
Student Transportation	373,406
	\$ 1,971,939

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2017, the District transferred \$335,915 to the capital outlay accounts for equipment and therefore did not require approval from the County Superintendent.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. OPERATING LEASES

The District has a commitment to lease copying equipment under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2018	\$ 80,244
June 30, 2019	80,244
June 30, 2020	80,244
June 30, 2021	80,244
June 30, 2022	60,183
Total future minimum lease payments	<u>\$ 381,159</u>

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2016</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2017</u>
Serial Bonds Payable	\$ 17,005,000		\$ 1,580,000	\$ 15,425,000
Unamortized Bond Issuance Premium	898,470		106,690	791,780
Early Retirement Incentive Loan				
Revenue Bonds Payable	270,000		270,000	
Net Pension Liability	18,277,742	\$ 5,535,562		23,813,304
Capital Leases Payable	1,586,831	676,571	1,171,973	1,091,429
Compensated Absences Payable	1,669,816	140,459	575,079	1,235,196
	<u>\$ 39,707,859</u>	<u>\$ 6,352,592</u>	<u>\$ 3,703,742</u>	<u>\$ 42,356,709</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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

A. Bonds Payable: (Cont'd)

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, 2017 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	\$ 8,155,000
Energy Savings Improvement Program (ESIP)	04/24/14	2.625%-4.00%	04/15/35	7,270,000
				\$ 15,425,000

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

Fiscal Year Ending June 30,	<u>Bonds</u>		
	Principal	Interest	Total
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	1,935,000	273,663	2,208,663
2023-2027	2,310,000	959,150	3,269,150
2028-2032	2,385,000	646,975	3,031,975
2033-2035	1,845,000	150,800	1,995,800
	\$ 15,425,000	\$ 3,846,137	\$ 19,271,137

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, 2017, 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 \$685,090.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

D. Capital Leases Payable:

The District's capital leases relate to the financing of HVAC units, district-wide network upgrades, Jefferson school windows replacement, cafeteria and kitchen upgrades and purchase of school buses. The capital leases total \$3,858,324, of which \$2,766,895 has been liquidated as of June 30, 2017. 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, 2017.

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2018	\$ 352,952
June 30, 2019	353,549
June 30, 2020	233,061
June 30, 2021	<u>170,756</u>
Total minimum lease payments	1,110,318
Less: Amount representing interest	<u>(18,889)</u>
Present value of net minimum lease payments	<u>\$ 1,091,429</u>

The current portion of capital lease payable at June 30, 2017 in the governmental activities is \$254,260 and the long-term portion is \$523,954. 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, 2017 in the business-type activities is \$93,880 and the long-term portion is \$219,335. 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 \$1,235,196. 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, 2017, \$-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, 2017 is \$-0- and the long-term portion is \$23,813,304. 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, 2017
(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/annrprts.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:

<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 1/55th 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 1/60th 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 with 25 or more years of service credit before age 62 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 members 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. 43:15A 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 \$717,605 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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, 2017, the District reported a liability of \$23,813,304 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.080%, which was a decrease of 0.001% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$1,757,211. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 299,338	
	2015	5.72	1,223,161	
	2016	5.57	3,410,346	
			<u>4,932,845</u>	
Difference Between Expected and Actual Experience	2015	5.72	339,361	
	2016	5.57	103,494	
			<u>442,855</u>	
Changes in Proportion	2014	6.44		\$ 900,278
	2015	5.72		811,916
	2016	5.57		166,027
				<u>1,878,221</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(448,562)	
	2015	5.00	286,987	
	2016	5.00	1,069,598	
			<u>908,023</u>	
District Contribution Subsequent to the Measurement Date	2016	1.00	848,015	
			<u>\$ 7,131,738</u>	<u>\$ 1,878,221</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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 (Cont'd)

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:

Fiscal Year Ending June 30,	Total
2017	\$ 1,414,724
2018	1,414,723
2019	1,639,004
2020	1,377,003
2021	438,269
	\$ 6,283,723

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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 method 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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their 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 2034.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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, 2016 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:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 29,180,424	\$ 23,813,304	\$ 19,382,280

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/annrprts.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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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 1/55th 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 1/60th 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.

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 2016, 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 2017, the State of New Jersey contributed \$3,050,500 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$16,839,140.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$224,115,218. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.285%, which was an increase of 0.001% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	224,155,218
Total	<u>\$ 224,155,218</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$16,839,140 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements. 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	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			<u>15,702,750,875</u>	
Difference Between Expected and Actual Experience	2014	8.3		\$ 16,110,615
	2015	8.5	277,221,464	
	2016	8.3		118,421,979
			<u>277,221,464</u>	<u>134,532,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			<u>1,434,728,663</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>	

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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)

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
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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 method 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 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%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. 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 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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, 2016 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:

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Total Net Pension Liability	\$ 267,643,654	\$ 224,115,218	\$ 188,568,632

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.

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 \$53,192 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$76,432 for the fiscal year ended June 30, 2017.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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/financial_2015combined.pdf.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$2,633,854, \$2,716,002 and \$2,436,353 for 2017, 2016 and 2015, 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.

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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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.

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2016-2017	\$ 125,596	\$ -0-	\$ 127,606	\$ 114,628	\$ 203,486
2015-2016	85,107	-0-	8,866	85,473	64,912
2014-2015	96,032	-0-	55,688	100,950	56,412

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 3,620	
Fiduciary Funds:		
Flexible Spending Trust		\$ 3,620
	<u>\$ 3,620</u>	<u>\$ 3,620</u>

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 \$2,124,640 from the Capital Reserve, \$580,000 from the Emergency Reserve and \$138,434 from capital outlay in the General Fund to the Capital Projects Fund to fund the local share of two SDA projects and to fully fund three other facilities projects.

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	

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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, 2017:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Salaries	\$ 167,433				\$ 167,433	
State of New Jersey				\$ 848,015	848,015	
Vendors	496,211	\$ 74,300	\$ 440,294		1,010,805	\$ 113,708
	<u>\$ 663,644</u>	<u>\$ 74,300</u>	<u>\$ 440,294</u>	<u>\$ 848,015</u>	<u>\$ 2,026,253</u>	<u>\$ 113,708</u>

NOTE 19. COMMITMENTS AND CONTINGENCIES

Grant 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.

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, 2017, if any, is unknown.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 19. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 643,917	\$ 25,002	\$ 2,689,071	\$ 3,357,990

On the District's Governmental Funds Balance Sheet as of June 30, 2017, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$25,022 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 \$2,689,071 year-end encumbrances in the Capital Projects Fund is included in the \$503,114 committed fund balance on a GAAP basis at June 30, 2017, which is \$2,891,657 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.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0879080154%	0.0814226014%	0.0804038141%
District's proportionate share of the net pension liability	\$ 16,458,785	\$ 18,277,742	\$ 23,813,304
District's covered employee payroll	\$ 5,655,443	\$ 5,465,431	\$ 5,410,830
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	291.03%	334.42%	440.10%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

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 DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 724,701	\$ 700,016	\$ 717,605
Contributions in relation to the contractually required contribution	<u>(724,701)</u>	<u>(700,016)</u>	<u>(717,605)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 6,110,275	\$ 5,655,443	\$ 5,465,431
Contributions as a percentage of covered employee payroll	11.86%	12.38%	13.13%

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 THE STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.2823140342%	0.2838710877%	0.2848933108%
State's proportionate share of the net pension liability attributable to the District	\$ 150,887,663	\$ 179,418,650	\$ 224,115,218
District's covered employee payroll	\$ 28,514,332	\$ 28,760,876	\$ 28,149,592
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%	796.16%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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 THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 8,119,173	\$ 10,955,124	\$ 16,839,140
Contributions in relation to the contractually required contribution	<u>(1,534,711)</u>	<u>(2,280,967)</u>	<u>(3,050,500)</u>
Contribution deficiency/(excess)	<u>\$ 6,584,462</u>	<u>\$ 8,674,157</u>	<u>\$ 13,788,640</u>
District's covered employee payroll	\$ 28,760,876	\$ 28,149,592	\$ 29,328,741
Contributions as a percentage of covered employee payroll	5.34%	8.10%	10.40%

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, 2017
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 53,234,534		\$ 53,234,534	\$ 53,234,534	
Tuition From Other LEAs	3,260,000		3,260,000	3,655,432	\$ 395,432
Tuition From Other Sources		\$ 253,844	253,844	380,239	126,395
Tuition From Summer School	253,844	(253,844)			
Transportation Fees From Individuals	50,000		50,000	48,200	(1,800)
Rents and Royalties	30,000		30,000	33,480	3,480
Unrestricted Miscellaneous Revenue	59,184		59,184	596,235	537,051
Total - Local Sources	56,887,562		56,887,562	57,948,120	1,060,558
State Sources:					
Equalization Aid	10,300,890		10,300,890	10,300,890	
School Choice Aid	249,172		249,172	249,172	
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	
PARCC Readiness Aid	34,275		34,275	34,275	
Per Pupil Growth Aid	34,275		34,275	34,275	
Professional Learning Community Aid	34,470		34,470	34,470	
Extraordinary Special Education Costs Aid	495,000		495,000	584,222	89,222
Excess Nonpublic School Transportation Costs				21,418	21,418
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				2,633,854	2,633,854
On-Behalf TPAF Pension Contributions (Non-Budgeted)				3,050,500	3,050,500
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				110,527	110,527
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				7,207	7,207
TPAF Social Security (Reimbursed - Non-Budgeted)				2,260,914	2,260,914
Total State Sources	14,346,560		14,346,560	22,520,202	8,173,642
Federal Sources:					
Medicaid Assistance Program	38,427		38,427	63,545	25,118
Total - Federal Sources	38,427		38,427	63,545	25,118
Total Revenues	71,272,549		71,272,549	80,531,867	9,259,318

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 815,140	\$ (392,193)	\$ 422,947	\$ 422,624	\$ 323
Grades 1-5 - Salaries of Teachers	6,086,815	620,913	6,707,728	6,688,552	19,176
Grades 6-8 - Salaries of Teachers	4,220,077	109,336	4,329,413	4,328,663	750
Grades 9-12 - Salaries of Teachers	8,050,855	(651,279)	7,399,576	7,399,576	
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000	(34,543)	15,457	15,457	
Purchased Professional-Educational Services	5,000		5,000	4,903	97
Purchased Technical Services	8,000	(8,000)			
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	8,005	18,039	26,044	25,585	459
Purchased Technical Services	5,000	(5,000)			
Other Purchased Services (400-500 series)	605,774	133,757	739,531	736,602	2,929
General Supplies	839,484	(121,543)	717,941	690,165	27,776
Textbooks	247,506	1,463	248,969	241,291	7,678
Other Objects	5,975	2,761	8,736	2,757	5,979
Total Regular Programs - Instruction	<u>20,947,631</u>	<u>(326,289)</u>	<u>20,621,342</u>	<u>20,556,175</u>	<u>65,167</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	602,540	54,183	656,723	656,207	516
Other Salaries for Instruction	322,238	(48,805)	273,433	273,433	
General Supplies	6,050	(2,628)	3,422	3,422	
Textbooks	3,300	(1,709)	1,591	1,567	24
Total Learning and/or Language Disabilities	<u>934,128</u>	<u>1,041</u>	<u>935,169</u>	<u>934,629</u>	<u>540</u>
Auditory Impairments:					
Salaries of Teachers	72,172	(72,172)			
Other Purchased Services (400-500 series)	3,308	(3,308)			
General Supplies	5,150	(5,150)			
Total Auditory Impairments	<u>80,630</u>	<u>(80,630)</u>			

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction: (Cont'd)					
Behavioral Disabilities:					
Salaries of Teachers	\$ 132,882	\$ 151,361	\$ 284,243	\$ 284,243	\$ 22,833
Other Salaries for Instruction	73,873	110,812	184,685	161,852	22,833
Total Behavioral Disabilities	206,755	262,173	468,928	446,095	22,833
Multiple Disabilities:					
Salaries of Teachers	141,568	7,912	149,480	149,480	
Other Salaries for Instruction	104,084	56,436	160,520	160,520	
Purchased Professional-Educational Services	328,000	(126,567)	201,433	194,533	6,900
General Supplies	20,400	(4,960)	15,440	15,440	
Textbooks	800	(24)	776	776	
Other Objects		3,138	3,138	3,138	
Total Multiple Disabilities	594,852	(64,065)	530,787	523,887	6,900
Resource Room/Resource Center:					
Salaries of Teachers	3,125,242	(115,471)	3,009,771	3,009,771	
Other Salaries for Instruction	766,509	(253,100)	513,409	513,409	
General Supplies	19,800	25	19,825	19,825	
Textbooks	13,200	(8,491)	4,709	4,709	
Total Resource Room/Resource Center	3,924,751	(377,037)	3,547,714	3,547,714	
Autism:					
Salaries of Teachers	182,966	(61,463)	121,503	121,503	
Other Salaries for Instruction	252,127	(113,673)	138,454	136,154	2,300
Purchased Professional-Educational Services	106,313		106,313	97,929	8,384
General Supplies	2,250	(1,456)	794	794	
Textbooks	1,125	(821)	304	303	1
Total Autism	544,781	(177,413)	367,368	356,683	10,685

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 71,693	\$ (8,500)	\$ 63,193	\$ 60,162	\$ 3,031
Other Salaries for Instruction	39,545	(20,000)	19,545	19,354	191
General Supplies	1,100	(119)	981	981	
Total Preschool Disabilities - Part-Time	<u>112,338</u>	<u>(28,619)</u>	<u>83,719</u>	<u>80,497</u>	<u>3,222</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	116,287	7,556	123,843	123,843	
Other Salaries for Instruction	50,605	(39,532)	11,073	6,890	4,183
General Supplies	1,100	(224)	876	876	
Other Objects	2,500	(2,500)			
Total Preschool Disabilities - Part-Time	<u>170,492</u>	<u>(34,700)</u>	<u>135,792</u>	<u>131,609</u>	<u>4,183</u>
Home Instruction:					
Salaries of Teachers		5,909	5,909	5,804	105
Purchased Professional-Educational Services	50,313	(10,000)	40,313	27,675	12,638
Total Home Instruction	<u>50,313</u>	<u>(4,091)</u>	<u>46,222</u>	<u>33,479</u>	<u>12,743</u>
Total Special Education - Instruction	<u>6,619,040</u>	<u>(503,341)</u>	<u>6,115,699</u>	<u>6,054,593</u>	<u>61,106</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	528,764	(191,974)	336,790	335,077	1,713
General Supplies	3,500	(3,500)			
Total Basic Skills/Remedial - Instruction	<u>532,264</u>	<u>(195,474)</u>	<u>336,790</u>	<u>335,077</u>	<u>1,713</u>
Bilingual Education - Instruction:					
Salaries of Teachers	296,225	(66,689)	229,536	216,629	12,907
Other Purchased Services (400-500 series)	1,000	(769)	231	230	1
General Supplies	2,000	436	2,436	2,436	
Total Bilingual Education - Instruction	<u>299,225</u>	<u>(67,022)</u>	<u>232,203</u>	<u>219,295</u>	<u>12,908</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
School Sponsored Cocurricular Activities:					
Salaries	\$ 166,135	\$ 61,158	\$ 227,293	227,293	
Purchased Services (300-500 series)	32,902	(25,006)	7,896	7,548	\$ 348
Supplies and Materials	53,730	(34,110)	19,620	19,620	
Other Objects	38,725	6,457	45,182	45,182	
Total School-Sponsored Cocurricular Activities	291,492	8,499	299,991	299,643	348
School-Sponsored Athletics:					
Salaries	691,875	44,836	736,711	736,673	38
Purchased Services	189,721	(90,045)	99,676	93,053	6,623
Supplies and Materials	116,040	(12,076)	103,964	101,833	2,131
Other Objects	123,200	(18,871)	104,329	103,104	1,225
Total School-Sponsored Athletics	1,120,836	(76,156)	1,044,680	1,034,663	10,017
Total Instruction	29,810,488	(1,159,783)	28,650,705	28,499,446	151,259
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	60,000	(21,671)	38,329	38,329	
Tuition to Other LEA's Within the State - Special	722,295		722,295	688,724	33,571
Tuition to County Vocational School - Regular	480,000	(43,200)	436,800	404,910	31,890
Tuition to County Vocational School - Special	6,500	28,500	35,000	28,700	6,300
Tuition to CSSD & Regional Day Schools	195,940		195,940	130,276	65,664
Tuition to Private Schools for the Handicapped Within State	2,237,576	(308,583)	1,928,993	1,785,483	143,510
Tuition to Private Schools for the Handicapped Outside State	130,521		130,521	52,105	78,416
Total Undistributed Expenditures - Instruction	3,832,832	(344,954)	3,487,878	3,090,198	397,680
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	89,875	34,578	124,453	89,811	34,642
Supplies and Materials	690		690	118	572
Total Undistributed Expenditures - Attendance and Social Work Services	90,565	34,578	125,143	89,929	35,214

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 636,288	\$ 69,156	\$ 705,444	\$ 623,702	\$ 81,742
Purchased Professional and Technical Services	30,700		30,700	25,728	4,972
Supplies and Materials	18,050		18,050	15,227	2,823
Total Health Services	<u>685,038</u>	<u>69,156</u>	<u>754,194</u>	<u>664,657</u>	<u>89,537</u>
Speech, OT, PT & Related Services:					
Salaries	738,013	81,268	819,281	819,281	
Purchased Professional - Educational Services	126,303	361	126,664	73,430	53,234
Supplies and Materials		8,350	8,350	8,348	2
Total Speech, OT, PT & Related Services	<u>864,316</u>	<u>89,979</u>	<u>954,295</u>	<u>901,059</u>	<u>53,236</u>
Other Support Services - Extraordinary Services:					
Salaries	17,650	402,874	420,524	411,041	9,483
Purchased Professional - Educational Services	320,000	198,771	518,771	473,282	45,489
Total Other Support Services - Extraordinary Services	<u>337,650</u>	<u>601,645</u>	<u>939,295</u>	<u>884,323</u>	<u>54,972</u>
Guidance:					
Salaries of Other Professional Staff	1,036,738	34,578	1,071,316	880,835	190,481
Salaries of Secretarial and Clerical Assistants	143,885	33,937	177,822	142,687	35,135
Purchased Professional-Educational Services	35,000	7,285	42,285	40,750	1,535
Purchased Professional and Technical Services	5,190		5,190	1,363	3,827
Other Purchased Services (400-500 series)	14,020	33,397	47,417	12,704	34,713
Supplies and Materials	8,465	9,210	17,675	15,581	2,094
Other Objects	2,200	(300)	1,900	715	1,185
Total Guidance	<u>1,245,498</u>	<u>118,107</u>	<u>1,363,605</u>	<u>1,094,635</u>	<u>268,970</u>
Child Study Team:					
Salaries of Other Professional Staff	1,191,230	(101,098)	1,090,132	1,053,018	37,114
Salaries of Secretarial and Clerical Assistants	235,573	34,578	270,151	227,918	42,233

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team: (Cont'd)					
Purchased Professional - Educational Services	\$ 13,252	\$ 40,000	\$ 53,252	\$ 52,736	\$ 516
Other Purchased Professional and Technical Services	47,698	(7,000)	40,698	35,928	4,770
Other Purchased Services (400-500 series)	1,920		1,920	913	1,007
Miscellaneous Purchased Services	9,750	(216)	9,534	5,222	4,312
Supplies and Materials	28,000	(984)	27,016	23,180	3,836
Other Objects	1,000		1,000	963	37
Total Child Study Team	1,528,423	(34,720)	1,493,703	1,399,878	93,825
Improvement of Instructional Services:					
Salaries of Other Professional Staff	632,585	75,750	708,335	480,908	227,427
Salaries of Secretarial and Clerical Assistants	326,807	(102,993)	223,814	26,679	197,135
Supplies and Materials	157,500		157,500	154,366	3,134
Total Improvement of Instructional Services	1,116,892	(27,243)	1,089,649	661,953	427,696
Educational Media Services/School Library:					
Salaries	746,984	(231,090)	515,894	380,742	135,152
Purchased Professional and Technical Services	16,270	6,200	22,470	22,462	8
Other Purchased Services (400-500 series)	333,783	(322,715)	11,068	10,167	901
Supplies and Materials	860,871	(756,555)	104,316	53,707	50,609
Total Educational Media Services/School Library	1,957,908	(1,304,160)	653,748	467,078	186,670
Instructional Staff Training Services:					
Salaries of Other Professional Staff	459,995	(66,625)	393,370	387,801	5,569
Salaries of Secretarial and Clerical Assistants	27,885	(1,254)	26,631	20,183	6,448
Other Salaries	23,000	(471)	22,529	21,934	595
Purchased Professional - Educational Services	24,000		24,000	15,672	8,328
Other Purchased Services	63,540	971	64,511	54,243	10,268
Other Objects		717	717	125	592
Total Instructional Staff Training Services	598,420	(66,662)	531,758	499,958	31,800

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
General Administration:					
Salaries	\$ 273,882	\$ 165,837	\$ 439,719	\$ 438,685	\$ 1,034
Legal Services	78,992	50,093	129,085	129,085	
Audit Fees	57,500		57,500	55,185	2,315
Architectural/Engineering Services		48,489	48,489	35,340	13,149
Other Purchased Professional Services	128,000	(9,353)	118,647	103,323	15,324
Communications/Telephone	101,615	1,863	103,478	80,433	23,045
BOE Other Purchased Services	4,800	(359)	4,441	4,200	241
Other Purchased Services (400-500)	29,000	(7,115)	21,885	13,165	8,720
General Supplies	9,100	(2,996)	6,104	5,811	293
Judgments Against the School District	25,000	12,500	37,500	37,500	
Miscellaneous Expenditures	20,250	1,617	21,867	20,715	1,152
BOE Membership Dues and Fees	30,000		30,000	27,437	2,563
Total General Administration	758,139	260,576	1,018,715	950,879	67,836
School Administration:					
Salaries of Principals/Assistant Principals	1,525,000	68,871	1,593,871	1,570,147	23,724
Salaries of Other Professional Staff	141,118	253,404	394,522	394,522	
Salaries of Secretarial and Clerical Assistants	384,980	317,946	702,926	676,146	26,780
Purchased Professional and Technical Services	16,050	4,580	20,630	15,005	5,625
Other Purchased Services (400-500)	5,100		5,100	3,266	1,834
Supplies and Materials	40,615	(3,807)	36,808	30,330	6,478
Other Objects	37,300	2,873	40,173	40,173	
Total School Administration	2,150,163	643,867	2,794,030	2,729,589	64,441
Central Services:					
Salaries	867,513	(105,864)	761,649	713,948	47,701
Purchased Professional Services	3,000	12,695	15,695	7,745	7,950
Purchased Technical Services	88,404	(23,683)	64,721	53,449	11,272
Miscellaneous Purchased Services	48,000	(38,117)	9,883	8,485	1,398

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Central Services (Cont'd):					
Supplies and Materials	\$ 22,500	\$ 259	\$ 22,759	\$ 16,373	\$ 6,386
Miscellaneous Expenditures	29,000	5,588	34,588	34,544	44
Total Central Services	1,058,417	(149,122)	909,295	834,544	74,751
Administrative Information Technology:					
Salaries	72,825	349,900	422,725	414,748	7,977
Other Purchased Services (400-500)		334,309	334,309	331,166	3,143
Supplies and Materials		724,279	724,279	705,128	19,151
Other Objects	2,125		2,125	2,125	
Total Administrative Information Technology	74,950	1,408,488	1,483,438	1,453,167	30,271
Required Maintenance for School Facilities:					
Salaries	526,391	(3,584)	522,807	493,134	29,673
Cleaning, Repair and Maintenance Services	718,312	396,128	1,114,440	1,078,096	36,344
General Supplies	339,726	302,982	642,708	303,383	339,325
Other Objects	100	625	725	725	
Total Required Maintenance for School Facilities	1,584,529	696,151	2,280,680	1,875,338	405,342
Custodial Services:					
Salaries	666,971	(204,529)	462,442	435,722	26,720
Salaries of Non-Instructional Aides	210,104	(209,193)	911	911	
Purchased Professional and Technical Services	57,878	57,878	57,878	57,878	
Cleaning, Repair and Maintenance Services	2,230,000	(110,601)	2,119,399	2,116,684	2,715
Rental of Land & Bldg. Other Than Lease Pur Agrmt	30,000	(10,000)	20,000	12,009	7,991
Other Purchased Property Services	176,832	18,089	194,921	139,793	55,128
Insurance	325,000	56,601	381,601	381,601	
Miscellaneous Purchased Services	7,000	7,000	7,000	1,583	5,417
General Supplies	217,472	(20,299)	197,173	170,141	27,032
Energy (Natural Gas)	800,000	(539,116)	260,884	258,052	2,832
Energy (Electricity)	844,663	(67,253)	777,410	702,410	75,000

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services (Cont'd):					
Interest - Energy Savings Improvement Program Bonds		\$ 270,312	\$ 270,312	\$ 265,812	\$ 4,500
Principal - Energy Savings Impr Prog Bonds		245,000	245,000	245,000	
Other Objects	\$ 9,500	2,028	11,528	8,610	2,918
Total Custodial Services	<u>5,575,420</u>	<u>(568,961)</u>	<u>5,006,459</u>	<u>4,795,295</u>	<u>211,164</u>
Care & Upkeep of Grounds:					
Salaries	76,875	254,753	331,628	245,514	86,114
Total Care & Upkeep of Grounds	<u>76,875</u>	<u>254,753</u>	<u>331,628</u>	<u>245,514</u>	<u>86,114</u>
Security:					
Salaries		147,958	147,958	127,973	19,985
Total Security		<u>147,958</u>	<u>147,958</u>	<u>127,973</u>	<u>19,985</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	2,298,122	(153,060)	2,145,062	2,107,388	37,674
Between Home and School - Special Education	44,749	(5,906)	38,843	522	38,321
Other than Between Home and School	127,250	(31,850)	95,400	49,532	45,868
Between Home and School - Non Public Schools	72,500	96,796	169,296	114,658	54,638
Other Purchased Professional and Technical Services	15,000	25,000	40,000	20,213	19,787
Cleaning, Repair and Maintenance Services	184,745		184,745	117,529	67,216
Lease Payments - Buses	270,000	(130,819)	139,181	139,181	
Aid in Lieu of Payments for Nonpublic School Students	137,020		137,020	79,702	57,318
Contracted Services:					
Other than Between Home and School - Vendors	15,000		15,000	1,868	13,132
Other than Between Home and School - Joint Agreements	60,000	(23,000)	37,000	27,530	9,470
Special Education Students - Vendors		7,620	7,620	7,071	549
Special Education Students - Joint Agreements	1,300,000	(137,000)	1,163,000	1,134,473	28,527
Regular Education Students - ESCs & CTSA's	50,000	50,000	100,000	90,397	9,603
Miscellaneous Purchased Services - Transportation	13,000	3,539	16,539	12,549	3,990

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Student Transportation Services (Cont'd):					
General Supplies	\$ 649,935	\$ (173,539)	\$ 476,396	\$ 369,777	\$ 106,619
Other Objects	6,250		6,250	3,925	2,325
Total Student Transportation Services	5,243,571	(472,219)	4,771,352	4,276,315	495,037
Allocated Benefits - Regular Program Instruction:					
Tuition Reimbursement		1,305	1,305		1,305
Total Allocated Benefits - Regular Program Instruction		1,305	1,305		1,305
Total Allocated Benefits		1,305	1,305		1,305
Unallocated Benefits:					
Social Security Contributions	1,200,750	(368,407)	832,343	832,343	
Other Retirement Contributions - PERS	850,000	(128,171)	721,829	717,605	4,224
Other Retirement Contributions - Regular	4,000	49,835	53,835	53,192	643
Unemployment Compensation	106,000	21,000	127,000	125,596	1,404
Workmen's Compensation	250,000	29,000	279,000	278,091	909
Health Benefits	10,012,552	(968,748)	9,043,804	8,689,509	354,295
Tuition Reimbursement	103,305	42,149	145,454	137,113	8,341
Other Employee Benefits	311,000	165,789	476,789	449,350	27,439
Total Unallocated Benefits	12,837,607	(1,157,553)	11,680,054	11,282,799	397,255
On-Behalf Contributions (Non-budgeted):					
TPAF Post Retirement Contributions (Non-Budgeted)				2,633,854	(2,633,854)
TPAF Pension Contributions (Non-Budgeted)				3,050,500	(3,050,500)
TPAF Non-Contributory Insurance (Non-Budgeted)				110,527	(110,527)
TPAF Long-Term Disability Insurance (Non-Budgeted)				7,207	(7,207)
Reimbursed TPAF Social Security Contributions				2,260,914	(2,260,914)
Total On-Behalf Contributions (Non-Budgeted)				8,063,002	(8,063,002)
Total Employee Benefits	12,837,607	(1,157,553)	11,680,054	19,345,801	(7,665,747)

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Total Undistributed Expenditures	\$ 41,617,213	\$ 200,969	\$ 41,818,182	\$ 46,388,083	\$ (4,569,901)
TOTAL GENERAL CURRENT EXPENSE	71,427,701	(958,814)	70,468,887	74,887,529	(4,418,642)
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	115,000	(115,000)			
Grades 6-8	76,000	(22,510)	53,490	21,985	31,505
Grades 9-12	61,000	6,749	67,749	47,297	20,452
School-Sponsored/Athletics		18,100	18,100	11,830	6,270
Undistributed - Support Services:					
Students - Regular		16,000	16,000	6,338	9,662
Child Study Team		6,000	6,000	5,170	830
Instructional Staff		90,400	90,400	90,400	
Central Services		95,280	95,280	34,296	60,984
Administrative Information Technology	65,000	15,000	15,000		15,000
Custodial Services		109,432	174,432	52,693	121,739
School Buses - Regular	188,765		188,765	188,765	
School Buses - Special		116,464	116,464		116,464
Total Equipment	505,765	335,915	841,680	458,774	382,906
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	56,664		56,664	56,664	
Total Facilities Acquisition and Construction Services	56,664		56,664	56,664	
Assets Acquired Under Capital Leases (Non-Budgeted):					
Transportation - School Buses				676,571	(676,571)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				676,571	(676,571)
TOTAL CAPITAL OUTLAY	562,429	335,915	898,344	1,192,009	(293,665)

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Special Schools:					
Other Special Schools - Instruction:					
Salaries of Teachers	\$ 131,748	\$ 119,688	\$ 251,436	\$ 249,963	\$ 1,473
Other Salaries for Instruction	70,676	47,181	117,857	101,149	16,708
Purchased Professional and Technical Services		23,715	23,715	23,546	169
Other Purchased Services	23,640	15,561	15,561	15,071	490
General Supplies	226,064	(2,228)	21,412	20,998	414
Total Other Special Schools - Instruction		203,917	429,981	410,727	19,254
Other Special Schools - Support Services:					
Salaries	99,111	(18,548)	80,563	80,563	
Total Other Special Schools - Support Services	99,111	(18,548)	80,563	80,563	
Total Other Special Schools	325,175	185,369	510,544	491,290	19,254
Total Special Schools	325,175	185,369	510,544	491,290	19,254
Transfer of Funds to Charter Schools	51,478	147,530	199,008	195,324	3,684
TOTAL EXPENDITURES	72,366,783	(290,000)	72,076,783	76,766,152	(4,689,369)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,094,234)	290,000	(804,234)	3,765,715	4,569,949
Other Financing Sources/(Uses):					
Transfer to Food Service Fund		(290,000)	(290,000)	(290,000)	(1,080)
Transfer from Flexible Spending Trust Fund				1,080	
Capital Outlay - Transfer to Capital Projects Fund	(138,434)		(138,434)	(138,434)	
Capital Reserve - Transfer to Capital Projects Fund		(2,124,640)	(2,124,640)	(2,124,640)	
Emergency Reserve - Transfer to Capital Projects Fund		(580,000)	(580,000)	(580,000)	
Capital Leases (Non-budgeted)				676,571	(676,571)
Total Other Financing Sources/(Uses)	(138,434)	(2,994,640)	(3,133,074)	(2,455,423)	(677,651)

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources	\$ (1,232,668)	\$ (2,704,640)	\$ (3,937,308)	\$ 1,310,292	\$ 5,247,600
Over/(Under) Expenditures and Other Financing Uses	9,583,362		9,583,362	9,583,362	
Fund Balance, July 1	\$ 8,350,694	\$ (2,704,640)	\$ 5,646,054	\$ 10,893,654	\$ 5,247,600
Fund Balance, June 30					
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 4,121,009	
Maintenance Reserve				2,316,328	
Emergency Reserve				55,000	
Excess Surplus - Restricted For 2018-2019				700,000	
Excess Surplus - Restricted For 2017-2018				1,540,967	
Assigned Fund Balance:					
Year End Encumbrances				643,917	
Unassigned Fund Balance				1,516,433	
				10,893,654	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(1,375,304)	
Fund Balance per Governmental Funds (GAAP)				\$ 9,518,350	

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 46,795	\$ 46,795	\$ 5,714	\$ (41,081)
State Sources	\$ 204,000	130,119	334,119	302,959	(31,160)
Federal Sources	1,146,911	130,142	1,277,053	1,113,775	(163,278)
Total Revenues	1,350,911	307,056	1,657,967	1,422,448	(235,519)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		167,336	167,336	161,918	5,418
Purchased Professional and Technical Services		12,000	12,000	8,445	3,555
Purchased Professional and Educational Services	135,091	108,231	243,322	217,573	25,749
Tuition	1,013,183	(185,439)	827,744	774,959	52,785
General Supplies		111,955	111,955	69,542	42,413
Textbooks	67,546	(44,538)	23,008	21,994	1,014
Other Objects		8,050	8,050		8,050
Total Instruction	1,215,820	177,595	1,393,415	1,254,431	138,984
Support Services:					
Salaries of Other Professional Staff		4,350	4,350	194	4,156
Personal Services - Employee Benefits		12,982	12,982		12,982
Purchased Professional and Technical Services		6,815	6,815		6,815
Purchased Professional and Educational Services	135,091	(706)	134,385	89,930	44,455
Other Purchased Services		86,620	86,620	62,894	23,726
Total Support Services	135,091	110,061	245,152	153,018	92,134
Facilities Acquisition and Construction Services:					
Instructional Equipment		19,400	19,400	14,999	4,401
Total Facilities Acquisition and Construction Services		19,400	19,400	14,999	4,401
Total Expenditures	\$ 1,350,911	\$ 307,056	\$ 1,657,967	\$ 1,422,448	\$ 235,519

ROXBURY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 80,531,867	\$ 1,422,448
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		(25,002)
Cancellation of Prior Year Encumbrances		(7,225)
Prior Year Encumbrances		20,114
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,364,677	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,375,304)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 80,521,240	\$ 1,410,335
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 76,766,152	\$ 1,422,448
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		(25,002)
Cancellation of Prior Year Encumbrances		(7,225)
Prior Year Encumbrances		20,114
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 76,766,152	\$ 1,410,335

ROXBURY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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, 2017 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, 2017

	Local Donations	Compensatory Education	Transportation	Home Instruction
REVENUES:				
Local Sources	\$ 5,714			
State Sources		\$ 63,602	\$ 22,708	\$ 17,751
Federal Sources				
Total Revenues	5,714	63,602	22,708	17,751
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Purchased Professional and Educational Services		63,602	22,708	17,751
Tuition				
General Supplies	5,714			
Textbooks				
Total Instruction	5,714	63,602	22,708	17,751
Support Services:				
Salaries of Other Professional Staff				
Purchased Professional and Educational Services				
Other Purchased Services				
Total Support Services				
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 5,714	\$ 63,602	\$ 22,708	\$ 17,751

ROXBURY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Nonpublic			
	Textbooks	Nursing	Technology Initiative	Security Aid
REVENUES:				
Local Sources				
State Sources	\$ 21,994	\$ 32,886	\$ 10,207	\$ 20,299
Federal Sources				
Total Revenues	<u>21,994</u>	<u>32,886</u>	<u>10,207</u>	<u>20,299</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Purchased Professional and Educational Services				
Tuition				
General Supplies			10,207	20,299
Textbooks	21,994			
Total Instruction	<u>21,994</u>		<u>10,207</u>	<u>20,299</u>
Support Services:				
Salaries of Other Professional Staff				
Purchased Professional and Educational Services		32,886		
Other Purchased Services				
Total Support Services		<u>32,886</u>		
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	<u>\$ 21,994</u>	<u>\$ 32,886</u>	<u>\$ 10,207</u>	<u>\$ 20,299</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Nonpublic Handicapped Services</u>				<u>I.D.E.A.</u>	
	<u>Examination and Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>	<u>Basic</u>	<u>Preschool</u>	
REVENUES:						
Local Sources						
State Sources	\$ 43,955	\$ 28,025	\$ 41,532	\$ 793,116		\$ 38,632
Federal Sources						
Total Revenues	<u>43,955</u>	<u>28,025</u>	<u>41,532</u>	<u>793,116</u>		<u>38,632</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services						
Purchased Professional and Educational Services	43,955	28,025	41,532	736,327		38,632
Tuition						
General Supplies						
Textbooks						
Total Instruction	<u>43,955</u>	<u>28,025</u>	<u>41,532</u>	<u>736,327</u>		<u>38,632</u>
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional and Educational Services				56,789		
Other Purchased Services						
Total Support Services				<u>56,789</u>		
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	<u>\$ 43,955</u>	<u>\$ 28,025</u>	<u>\$ 41,532</u>	<u>\$ 793,116</u>		<u>\$ 38,632</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	No Child Left Behind				Totals
	Title I	Title IIA	Title III	Title III Immigrant	2017
REVENUES:					
Local Sources					\$ 5,714
State Sources	202,954	\$ 62,504	\$ 14,151	\$ 2,418	302,959
Federal Sources					1,113,775
Total Revenues	<u>202,954</u>	<u>62,504</u>	<u>14,151</u>	<u>2,418</u>	<u>1,422,448</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	161,918				161,918
Purchased Professional and Technical Services	8,445				8,445
Purchased Professional and Educational Services					217,573
Tuition	17,008		13,896	2,418	774,959
General Supplies					69,542
Textbooks					21,994
Total Instruction	<u>187,371</u>		<u>13,896</u>	<u>2,418</u>	<u>1,254,431</u>
Support Services:					
Salaries of Other Professional Staff	194				194
Purchased Professional and Educational Services			255		89,930
Other Purchased Services	390	62,504			62,894
Total Support Services	<u>584</u>	<u>62,504</u>	<u>255</u>		<u>153,018</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	14,999				14,999
Total Facilities Acquisition and Construction Services	<u>14,999</u>				<u>14,999</u>
Total Expenditures	<u>\$ 202,954</u>	<u>\$ 62,504</u>	<u>\$ 14,151</u>	<u>\$ 2,418</u>	<u>\$ 1,422,448</u>

CAPITAL PROJECTS FUND

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, 2017

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 845,857
Transfer from Capital Reserve	2,124,640
Transfer from Emergency Reserve	580,000
Transfer from Capital Outlay	138,434
	<hr/>
Total Revenue and Other Financing Sources	3,688,931
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	238,759
Construction Services	2,205,064
	<hr/>
Total Expenditures	2,443,823
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures	1,245,108
	<hr/>
Fund Balance - Beginning of Year	2,176,842
	<hr/>
Fund Balance - End of Year	\$ 3,421,950
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 27,179
Committed Fund Balance	705,700
Committed - Year End Encumbrances	2,689,071
	<hr/>
Total Fund Balance - Budgetary Basis	\$ 3,421,950
	<hr/> <hr/>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	(2,891,657)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 530,293
	<hr/> <hr/>

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, 2017

	<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	560,817		560,817	1,440,000
Construction Services	7,036,251	\$ 110,945	7,147,196	6,000,000
Total Expenditures	7,601,876	110,945	7,712,821	7,740,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 138,124	\$ (110,945)	\$ 27,179	\$ -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	99.6%
Original Target Completion Date	09/14
Revised Target Completion Date	12/17

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, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Project</u> <u>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	<u>1,408,000</u>		<u>1,408,000</u>	<u>1,408,000</u>
Expenditures:				
Legal Services	160		160	2,500
Purchased Professional and Technical Services	95,956		95,956	100,495
Construction Services	1,300,139		1,300,139	1,305,005
Total Expenditures	<u>1,396,255</u>		<u>1,396,255</u>	<u>1,408,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 11,745</u>	<u>\$ -0-</u>	<u>\$ 11,745</u>	<u>\$ -0-</u>

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

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, 2017

	<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	560,700		560,700	560,700
Total Revenue and Other Financing Sources	934,500		934,500	934,500
Expenditures:				
Legal Services				2,500
Purchased Professional and Technical Services	59,217		59,217	69,845
Construction Services	716,565		716,565	862,155
Total Expenditures	775,782		775,782	934,500
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 158,718	\$ -0-	\$ 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

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, 2017

	<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	27,324		27,324	84,300
Construction Services	867,444		867,444	810,700
Total Expenditures	<u>894,768</u>		<u>894,768</u>	<u>900,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 5,232</u>	<u>\$ -0-</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

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 776,000		\$ 776,000	\$ 776,000
Transfer from Capital Reserve	1,164,000		1,164,000	1,164,000
Total Revenue and Other Financing Sources	1,940,000		1,940,000	1,940,000
Expenditures:				
Legal Services				2,500
Purchased Professional and Technical Services	76,977	\$ 48,509	125,486	144,100
Construction Services		1,606,485	1,606,485	1,793,400
Total Expenditures	76,977	1,654,994	1,731,971	1,940,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,863,023	\$ (1,654,994)	\$ 208,029	\$ -0-

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
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	89%
Original Target Completion Date	12/16
Revised Target Completion Date	N/A

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 II
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 678,198	\$ 678,198	\$ 678,198
Transfer from Capital Reserve		1,017,296	1,017,296	1,017,296
Total Revenue and Other Financing Sources		1,695,494	1,695,494	1,695,494
Expenditures:				
Purchased Professional and Technical Services		87,668	87,668	114,614
Construction Services				1,580,880
Total Expenditures		87,668	87,668	1,695,494
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,607,826	\$ 1,607,826	\$ -0-

Additional Project Information:

Project Numbers	4560-050-13-5001	
Grant Date	7/28/16	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Bonds Issued	N/A	
Original Authorized Cost	\$ 1,695,494	
Additional Authorized Cost	-0-	
Revised Authorized Cost	1,695,494	
Percentage Increase over Original Authorized Cost		0%
Percentage Completion		5%
Original Target Completion Date		12/17
Revised Target Completion Date		N/A

ROXBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
FRANKLIN ELEMENTARY SCHOOL WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 167,659	\$ 167,659	\$ 167,659
Transfer from Capital Reserve		251,489	251,489	251,489
Total Revenue and Other Financing Sources		419,148	419,148	419,148
Expenditures:				
Purchased Professional and Technical Services		22,878	22,878	30,148
Construction Services				389,000
Total Expenditures		22,878	22,878	419,148
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 396,270	\$ 396,270	\$ -0-

Additional Project Information:

Project Numbers	4560-060-13-2006
Grant Date	7/28/16
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 419,148
Additional Authorized Cost	-0-
Revised Authorized Cost	419,148
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	5%
Original Target Completion Date	10/18
Revised Target Completion Date	N/A

ROXBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
KENNEDY ELEMENTARY SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 855,855	\$ 855,855	\$ 855,855
Total Revenue and Other Financing Sources		855,855	855,855	855,855
Expenditures:				
Purchased Professional and Technical Services		46,139	46,139	57,855
Construction Services		487,634	487,634	798,000
Total Expenditures		533,773	533,773	855,855
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 322,082	\$ 322,082	\$ -0-

Additional Project Information:

Project Numbers	4560-067-17-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 855,855
Additional Authorized Cost	-0-
Revised Authorized Cost	855,855
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	62%
Original Target Completion Date	12/17
Revised Target Completion Date	N/A

ROXBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
BUILDING SECURITY UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Emergency Reserve		\$ 580,000	\$ 580,000	\$ 580,000
Total Revenue and Other Financing Sources		580,000	580,000	580,000
Expenditures:				
Purchased Professional and Technical Services		33,565	33,565	35,000
Construction Services				545,000
Total Expenditures		33,565	33,565	580,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 546,435	\$ 546,435	\$ -0-

Additional Project Information:

Project Numbers	4560-050-17-1000; 4560-055-17-1000; 4560-080-17-3000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 580,000
Additional Authorized Cost	-0-
Revised Authorized Cost	580,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	6%
Original Target Completion Date	12/17
Revised Target Completion Date	N/A

ROXBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
LINCOLN ROOSEVELT ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 138,434	\$ 138,434	\$ 138,434
Total Revenue and Other Financing Sources		138,434	138,434	138,434
Expenditures:				
Construction Services				138,434
Total Expenditures				138,434
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 138,434	\$ 138,434	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 138,434
Additional Authorized Cost	-0-
Revised Authorized Cost	138,434
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	
Original Target Completion Date	6/18
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

ROXBURY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 360,836
Intergovernmental Accounts Receivable:	
State	1,270
Federal	35,714
Other Accounts Receivable	70,421
Inventories	11,557
	<hr/>
Total Current Assets	479,798
	<hr/>
Non-Current Assets:	
Capital Assets	1,045,999
Less: Accumulated Depreciation	(530,805)
	<hr/>
Total Non-Current Assets	515,194
	<hr/>
Total Assets	994,992
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable	113,708
Unearned Revenue	14,792
Non-Current Liabilities:	
Capital Leases Payable:	
Due within one year	93,880
Due beyond one year	219,335
	<hr/>
Total Liabilities	441,715
	<hr/>

NET POSITION:

Net Investment in Capital Assets	201,979
Unrestricted	351,298
	<hr/>
Total Net Position	\$ 553,277
	<hr/> <hr/>

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, 2017

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 293,358
Non-Reimbursable Programs	559,482
Special Events	55,887
Miscellaneous Revenue	13,017
Total Operating Revenue	<u>921,744</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	149,672
Non-Reimbursable Programs	179,767
Salaries	414,790
Benefits & Payroll Taxes	95,463
Other Purchased Services	122,532
Supplies and Materials	38,529
Miscellaneous Expenses	59,634
Depreciation Expense	66,835
Total Operating Expenses	<u>1,127,222</u>
Operating Loss	(205,478)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	5,965
Federal Sources:	
National School Lunch Program	160,932
School Breakfast Program	4,361
Food Distribution Program	36,310
Total Non-Operating Income	<u>207,568</u>
Change in Net Position Before Other Item	<u>2,090</u>
Other Item:	
Transfer - General Fund	290,000
Total Other Item	<u>290,000</u>
Change in Net Position	292,090
Net Position - Beginning of Year	<u>261,187</u>
Net Position - End of Year	<u>\$ 553,277</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 922,927
Payments to Food Service Contractors	(879,229)
Payments to Suppliers	(28,254)
Net Cash Provided by Operating Activities	<u>15,444</u>
Cash Flows from Capital and Related Financing Activities:	
Lease Purchase Principal Payment	(93,899)
Net Cash Used for Capital and Related Financing Activities	<u>(93,899)</u>
Cash Flows from Noncapital & Financing Activities:	
State Sources	5,806
Federal Sources	158,322
Interfund Returned - General Fund	(14,837)
Transfer from General Fund	290,000
Net Cash Provided by Noncapital & Financing Activities	<u>439,291</u>
Net Increase in Cash and Cash Equivalents	360,836
Cash and Cash Equivalents, July 1	<u>-0-</u>
Cash and Cash Equivalents, June 30	<u>\$ 360,836</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (205,478)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	66,835
Food Distribution Program	36,310
Changes in Assets and Liabilities:	
Decrease in Other Accounts Receivable	97,671
Decrease in Inventory	4,018
Increase in Accounts Payable	16,639
(Decrease) in Unearned Revenue	(551)
Net Cash Provided by Operating Activities	<u>\$ 15,444</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$34,576 and utilized U.S.D.A. Commodities valued at \$36,310.

The Food Service Enterprise Fund paid down \$93,899 of capital lease payable.

FIDUCIARY FUNDS

ROXBURY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

		<u>Agency</u>		<u>Totals</u>		
	<u>Student Activity</u>	<u>Payroll</u>			<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>						
Cash and Cash Equivalents	\$ 283,193	\$ 261,717	\$	544,910	\$ 203,486	\$ 14,596
Total Assets	283,193	261,717		544,910	203,486	14,596
<u>LIABILITIES:</u>						
Interfund Payable:						
General Fund						3,620
Payroll Deductions and Withholdings Due to Student Groups	283,193	261,717		261,717		
				283,193		
Total Liabilities	283,193	261,717		544,910		3,620
<u>NET POSITION:</u>						
Held in Trust for:						
Unemployment Benefit Claims					203,486	
Flexible Spending Claims						10,976
Total Net Position	\$ -0-	\$ -0-	\$	-0-	\$ 203,486	\$ 10,976

ROXBURY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 127,606	\$ 36,825
Board Contribution	125,596	
Total Additions	<u>253,202</u>	<u>36,825</u>
DEDUCTIONS:		
Unemployment Benefit Claims	114,628	
Flexible Spending Claims		30,420
Total Deductions	<u>114,628</u>	<u>30,420</u>
Change in Net Position Before Other Financing Uses	138,574	6,405
Other Financing Uses:		
Transfer to General Fund		(1,080)
Change in Net Position	138,574	5,325
Net Position - Beginning of the Year	<u>64,912</u>	<u>5,651</u>
Net Position - End of the Year	<u>\$ 203,486</u>	<u>\$ 10,976</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 148,536	\$ 46,637,534	\$ 46,524,353	\$ 261,717
Total Assets	\$ 148,536	\$ 46,637,534	\$ 46,524,353	\$ 261,717
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 83,982	\$ 46,637,534	\$ 46,459,799	\$ 261,717
Interfund Payable: Unemployment Compensation Trust	64,554		64,554	
Total Liabilities	\$ 148,536	\$ 46,637,534	\$ 46,524,353	\$ 261,717

ROXBURY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 259,614	\$ 536,790	\$ 513,211	\$ 283,193
Total Assets	<u>\$ 259,614</u>	<u>\$ 536,790</u>	<u>\$ 513,211</u>	<u>\$ 283,193</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 259,614	\$ 536,790	\$ 513,211	\$ 283,193
Total Liabilities	<u>\$ 259,614</u>	<u>\$ 536,790</u>	<u>\$ 513,211</u>	<u>\$ 283,193</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
High School	\$ 195,503	\$ 326,605	\$ 311,592	\$ 210,516
Eisenhower Middle School	17,658	81,457	73,936	25,179
Elementary Schools:				
Franklin	8,163	10,959	5,328	13,794
Jefferson	4,269	1,015	1,780	3,504
Kennedy	3,398	7,029	4,739	5,688
Lincoln/Roosevelt	16,925	37,808	35,953	18,780
Nixon	3,935	10,375	9,779	4,531
Athletic Account	9,763	61,542	70,104	1,201
Total Assets	<u>\$ 259,614</u>	<u>\$ 536,790</u>	<u>\$ 513,211</u>	<u>\$ 283,193</u>

LONG-TERM DEBT

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

Maturities of Bonds
Outstanding

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Matured	Balance June 30, 2017
			Date	Amount			
School Refunding Bonds	08/19/10	\$ 13,305,000	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%	\$ 1,335,000	\$ 8,155,000
Energy Savings Improvement Program	04/24/14	7,740,000	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%			
						7,515,000	7,270,000
						\$ 17,005,000	\$ 15,425,000

ROXBURY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

Purpose	Original Issue	Interest Rate	Balance July 1, 2016	Issued	Matured	Balance June 30, 2017
Rooftop HVAC Units	\$ 1,760,000	1.2758%	\$ 717,518		\$ 717,518	
District-Wide Network Upgrades	437,906	0.0000%	112,636		112,636	
Jefferson Windows Project	540,000	1.6400%	349,563		114,038	\$ 235,525
Cafeteria and Kitchen Upgrades	443,847	0.0000%	407,114		93,899	313,215
Seven 54-Passenger School Buses	676,571	1.5490%		\$ 676,571	133,882	542,689
			<u>\$ 1,586,831</u>	<u>\$ 676,571</u>	<u>\$ 1,171,973</u>	<u>\$ 1,091,429</u>
Governmental Activities			\$ 1,179,717	\$ 676,571	\$ 1,078,074	\$ 778,214
Business-Type Activities			407,114		93,899	313,215
			<u>\$ 1,586,831</u>	<u>\$ 676,571</u>	<u>\$ 1,171,973</u>	<u>\$ 1,091,429</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,475,791		\$ 2,475,791	\$ 2,475,791	
Total Revenue	2,475,791		2,475,791	2,475,791	
EXPENDITURES:					
Regular Debt Service:					
Interest	625,791		625,791	359,947	\$ 265,844
Redemption of Principal	1,850,000		1,850,000	1,605,000	245,000
Total Regular Debt Service	2,475,791		2,475,791	1,964,947	510,844
Total Expenditures	2,475,791		2,475,791	1,964,947	510,844
Excess of Revenue Over Expenditures	-0-		-0-	510,844	510,844
Fund Balance, July 1	48,539		48,539	48,539	
Fund Balance, June 30	\$ 48,539	\$ -0-	\$ 48,539	\$ 559,383	\$ 510,844
Recapitulation:					
Restricted - For Subsequent Year's Expenditures				\$ 48,539	
Restricted				510,844	
				\$ 559,383	

ROXBURY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF EARLY RETIREMENT INCENTIVE LOAN REVENUE BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Purpose	Date of Issue	Original Issue	Balance June 30, 2016	Matured
Early Retirement Incentive Program				
Refunding Bonds of 2011	12/20/11	\$ 1,955,000	<u>\$ 270,000</u>	<u>\$ 270,000</u>
			<u>\$ 270,000</u>	<u>\$ 270,000</u>

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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	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
(ACCURAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 34,828,813
Restricted	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	9,319,866
Unrestricted/(Deficit)	(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)	(20,309,198)
Total Governmental Activities Net Position	\$ 12,624,932	\$ 12,098,820	\$ 14,235,520	\$ 15,505,171	\$ 22,529,977	\$ 25,974,799	\$ 9,571,256	\$ 13,306,289	\$ 18,308,881	\$ 23,839,481
Business-Type Activities:										
Net Investment in Capital Assets	\$ 91,767	\$ 80,453	\$ 73,246	\$ 67,612	\$ 155,055	\$ 147,116	\$ 199,654	\$ 171,468	\$ 174,915	\$ 201,979
Unrestricted	39,907	101,277	97,591	23,701	1,864			95,282	86,272	351,298
Total Business-Type Activities Net Position	\$ 131,674	\$ 181,730	\$ 170,837	\$ 91,313	\$ 156,919	\$ 147,116	\$ 199,654	\$ 266,750	\$ 261,187	\$ 553,277
District-Wide:										
Net Investment in Capital Assets	\$ 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	\$ 35,030,792
Restricted	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	9,319,866
Unrestricted/(Deficit)	(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)	(19,957,900)
Total District Net Position	\$ 12,756,606	\$ 12,280,550	\$ 14,406,357	\$ 15,596,484	\$ 22,686,896	\$ 26,121,915	\$ 9,770,910	\$ 13,573,039	\$ 18,570,068	\$ 24,392,758

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 39,505,711
Special Education	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	11,713,365
Other Special Education	983,687	1,008,684	990,201	726,082	805,326	676,111	784,274	1,334,298	988,051	1,089,796
Other Instruction	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	1,793,872
Support Services:										
Tuition	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	3,090,198
Student and Instruction Related Services	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	11,967,604
General Administrative Services	1,209,572	1,064,351	3,004,653	896,453	761,463	899,917	885,954	1,066,758	1,053,382	1,497,676
School Administrative Services	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	4,783,205
Central Services	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	1,289,114
Administrative Information Technology				10,313	83,650	100,284	100,284	105,992	134,442	1,738,285
Plant Operations and Maintenance	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	6,894,118
Pupil Transportation	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	5,645,318
Capital Outlay										
Special Schools	635,810	600,533	622,669	660,413	719,627	635,563	672,758	841,394	533,488	859,803
Charter Schools	23,458	32,950	21,642			52,082	19,374	58,082	42,044	195,324
Interest on Long-Term Debt	1,004,478	953,789	899,581	749,140	804,515	550,537	543,737	427,217	374,601	313,097
Unallocated Depreciation	307,853	284,146	935,029	828,363	727,330	758,700	760,780			
Total Governmental Activities Expenses	71,304,233	70,377,741	70,679,339	70,044,675	69,688,686	71,927,775	71,853,776	81,330,692	84,420,738	92,376,486
Business-Type Activities:										
Food Service	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	1,127,222
Total Business-Type Activities Expense	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	1,127,222
Total District Expenses	\$ 73,085,633	\$ 72,151,029	\$ 72,375,146	\$ 71,756,014	\$ 71,263,552	\$ 73,345,433	\$ 72,954,912	\$ 82,432,249	\$ 85,532,846	\$ 93,503,708
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	\$ 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	\$ 4,035,671
Pupil Transportation				21,418	21,418	62,319	139,384	57,575	56,163	48,200
Operating Grants and Contributions	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	26,841,000
Capital Grants and Contributions	195,303	95,786								
Total Governmental Activities Program Revenues	14,033,406	11,490,468	11,893,571	11,340,066	11,273,975	13,272,656	12,591,150	20,734,104	24,168,205	30,924,871

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

UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues:										
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 1,494,711	\$ 1,529,078	\$ 1,410,092	\$ 1,382,792	\$ 1,286,052	\$ 1,081,466	\$ 856,283	\$ 887,758	\$ 904,584	\$ 921,744
Operating grants and contributions	219,199	244,266	274,822	249,023	261,804	225,138	235,186	280,895	207,061	207,568
Total Business-Type Activities Program Revenues	1,713,910	1,773,344	1,684,914	1,631,815	1,547,856	1,306,604	1,091,469	1,168,653	1,111,645	1,129,312
Total District Program Revenues	\$ 15,747,316	\$ 13,263,812	\$ 13,578,485	\$ 12,971,881	\$ 12,821,831	\$ 14,579,260	\$ 13,682,619	\$ 21,902,757	\$ 25,279,850	\$ 32,054,183
Net (Expense)/Revenue:										
Governmental Activities	\$(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)	\$(61,451,615)
Business-Type Activities	(67,490)	56	(10,893)	(79,524)	(27,010)	(111,054)	(9,667)	67,096	(463)	2,090
Total District-Wide Net Expense	\$(57,338,317)	\$(58,887,217)	\$(58,796,661)	\$(58,784,133)	\$(58,441,721)	\$(58,766,173)	\$(59,272,293)	\$(60,529,492)	\$(60,252,996)	\$(61,449,525)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 53,234,534
Taxes Levied for Debt Service	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	2,475,791
Federal and State Aid not Restricted	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	10,931,095
Investment Earnings	287,489	67,977	19,139	15,283	7,241	3,187	5,337	7,828	9,870	15,946
Miscellaneous Income	652,072	758,740	1,131,850	984,040	711,152	486,099	903,264	565,788	397,898	613,769
Transfers	(65,000)	(50,000)			(91,135)	(91,135)	(11,182)	1,878	4,008	(288,920)
Total Governmental Activities	57,230,732	58,361,161	60,922,468	59,974,260	62,225,986	62,046,237	63,688,959	64,331,621	65,255,125	66,982,215
Business-Type Activities:										
Transfers	65,000	50,000				91,135	62,205		(5,100)	290,000
Disposals of Capital Assets, Net									(5,100)	
Total Business-Type Activities	65,000	50,000				91,135	62,205		(5,100)	290,000
Total District-Wide	\$ 57,295,732	\$ 58,411,161	\$ 60,922,468	\$ 59,974,260	\$ 62,225,986	\$ 62,137,372	\$ 63,751,164	\$ 64,331,621	\$ 65,250,025	\$ 67,272,215
Change in Net Position:										
Governmental Activities	\$ (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	\$ 5,530,600
Business-Type Activities	(2,490)	50,056	(10,893)	(79,524)	(27,010)	(19,919)	52,538	67,096	(5,563)	292,090
Total District	\$ (42,585)	\$ (476,056)	\$ 2,125,807	\$ 1,190,127	\$ 3,784,265	\$ 3,371,199	\$ 4,478,871	\$ 3,802,129	\$ 4,997,029	\$ 5,822,690

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Restricted/Reserved	\$ 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	\$ 8,733,304
Unreserved	1,066,151	814,354	752,331							
Assigned				887,238	1,157,339	1,292,321	2,384,338	1,261,143	557,378	643,917
Unassigned				166,832	135,080	149,269	382,771	312,422	35,069	141,129
Total General Fund	\$ 3,475,881	\$ 1,928,300	\$ 3,117,967	\$ 3,224,850	\$ 5,233,573	\$ 6,739,793	\$ 8,223,790	\$ 6,883,536	\$ 8,218,685	\$ 9,518,350
All Other Governmental Funds:										
Restricted/Reserved for:										
Capital Projects Fund	\$ 539,218			\$ 58,801	\$ 60,029	\$ 2,258	\$ 6,530,366	\$ 1,094,014	\$ 138,124	\$ 27,179
Debt Service Fund							1,030	1,030	48,539	559,383
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	17,219									
Debt Service Fund	125,096	\$ 119,995	\$ 85,619							
Committed					283,651	140,891				503,114
Unassigned/(Deficit)								(637,072)	(7,082)	
Total All Other Governmental Funds	\$ 681,533	\$ 119,995	\$ 85,619	\$ 58,801	\$ 343,680	\$ 143,149	\$ 6,531,396	\$ 457,972	\$ 179,581	\$ 1,089,676
Total All Governmental Funds	\$ 4,157,414	\$ 2,048,295	\$ 3,203,586	\$ 3,283,651	\$ 5,577,253	\$ 6,882,942	\$ 14,755,186	\$ 7,341,508	\$ 8,398,266	\$ 10,608,026

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Tax Levy	\$ 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	\$ 55,710,325
Tuition Charges	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	4,035,671
Transportation Fees from Individuals						62,319	139,384	57,575	56,163	48,200
Interest Earnings - Capital Reserve Fund	3,501	895	230	182	76	215	215			
Miscellaneous	951,445	843,339	1,162,699	1,015,453	763,806	501,344	918,687	578,167	410,620	635,429
State Sources	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	22,790,804
Federal Sources	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	1,186,937
Total Revenue	71,329,138	69,901,629	72,816,039	71,314,326	73,499,961	75,410,028	76,291,291	78,479,385	80,745,165	84,407,366
Expenditures:										
Instruction:										
Regular Instruction	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	21,017,913
Special Education Instruction	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	6,829,552
Other Special Instruction	684,554	737,080	736,853	495,129	582,753	472,833	565,861	812,073	624,708	554,372
Other Instruction	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	1,334,306
Support Services:										
Tuition	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	3,090,198
Student and Instruction Related Services	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	6,822,109
General Administrative Services	992,306	940,543	634,630	778,361	664,346	690,381	698,758	739,405	765,784	950,879
School Administrative Services	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	2,729,589
Central Services	703,264	830,421	886,590	853,353	815,883	861,520	968,943	918,042	898,193	834,544
Administration Information Technology	43,554	51,462	54,356	49,456	52,178	59,947	72,413	79,826	75,933	1,453,167
Plant Operations and Maintenance	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	7,044,120
Pupil Transportation	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	4,276,315
Allocated Benefits									6,233,986	
Unallocated Benefits	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	19,345,801
Special Schools	500,955	472,161	469,952	465,975	544,916	429,065	507,558	578,149	376,649	491,290
Charter Schools	23,458	32,950	21,642	21,642	52,082	52,082	19,374	58,082	42,044	195,324
Capital Outlay	488,089	1,270,812	381,979	388,186	1,202,308	1,713,142	6,061,270	11,075,561	3,341,685	3,650,831
Debt Service:										
Principal										
Interest and Other Charges	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	1,605,000
Total Expenditures	1,021,766	972,376	919,506	803,635	660,519	574,101	509,105	465,484	417,945	359,947
Excess (Deficiency) of revenues over (under) expenditures	72,398,666	72,391,258	71,941,792	71,234,261	71,512,829	74,013,204	78,623,875	87,524,847	79,692,415	82,585,257
	(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	1,822,109

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing sources (uses)										
Bond Proceeds							\$ 7,740,000			
Bond Premium							278,010			
Capital Lease Proceeds					\$ 306,470	\$ (91,135)	2,200,000	1,089,906	4,008	\$ 676,571
Capital Leases							(11,182)	1,878	\$ 4,008	(288,920)
Transfers	\$ (65,000)	\$ 430,510	\$ 281,044							
Total other financing sources (uses)	\$ (65,000)	\$ 380,510	\$ 281,044		\$ 306,470	\$ (91,135)	10,206,828	1,631,784	4,008	387,651
Net Change in Fund Balances	\$ (1,134,528)	\$ (2,109,119)	\$ 1,155,291	\$ 80,065	\$ 2,293,602	\$ 1,305,689	\$ 7,872,244	\$ (7,413,678)	\$ 1,056,758	\$ 2,209,760
Debt Service as a Percentage of Noncapital Expenditures	3.13 %	3.18 %	3.17 %	3.13 %	3.17 %	3.08 %	3.07 %	2.92 %	2.94 %	2.49 %

Source: School District Financial Reports

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		Community Adult School	School Enrichment	Gate Receipts	Athletic/ Activity Fees	Other	Total
						Payable	Canceled						
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	3,795,729	
2012	7,241	21,418	2,602,361	38,417			438,918	43,127		24,313	3,175	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	
2017	15,946	48,200	4,035,671	33,480			380,239			25,199	174,851	4,713,586	

* 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 ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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
2016	26,282,700	1,633,500,700	4,172,700	227,600	302,200,500	67,309,400	9,584,500	2,043,278,100	-0-	2,043,278,100	99,030,900	2.66	3,289,984,499

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

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 ^a	General Obligation Debt Service ^b	Total Direct	Roxbury Township	Morris County	
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
2016	2.546	0.118	2.664	1.127	0.411	4.202

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

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

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.

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

Taxpayer	2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Roxville Associates	\$ 55,970,200	1	2.74 %
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	0.71 %
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>7.36%</u>

Taxpayer	2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Roxville Associates	\$ 67,828,000	1	3.32 %
Acadia Realty Trust	21,300,000	2	1.04 %
Hercules, Inc.	14,995,600	3	0.73 %
Roxbury 2002, LLC	14,440,000	4	0.71 %
Natick Fourth Realty Corp.	8,000,000	5	0.39 %
Merry Heart Nursing Home	7,724,900	6	0.38 %
Roxury Enterprises LLC	7,605,000	7	0.37 %
Verizon	5,874,230	8	0.29 %
Individual Taxpayer #1	5,000,000	9	0.24 %
LedgeWood Circle/ Riback	4,597,000	10	0.22 %
Total	<u>\$ 157,364,730</u>		<u>7.69%</u>

Note - Individual taxpayers may be different in 2016 and 2007.

Source: Municipal Tax Assessor

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^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
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-
2017	55,710,325	55,710,325	100.00 %	-0-

^a 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)

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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases			
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	1.04 %	896.85
2016	17,275,000	1,179,717	407,114	18,454,717	0.91 %	789.54
2017	15,425,000	778,214	313,215	16,203,214	0.80 %	693.22

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

^b Includes Early Retirement Incentive 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

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 ^b	Per Capita ^c
	General Obligation Bonds ^a	Deductions	Net General Bonded Debt Outstanding		
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 %	739
2017	15,425,000	-0-	15,425,000	0.75 %	660

^a Includes Early Retirement Incentive Loan Revenue Bonds

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

^c 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

ROXBURY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Roxbury Township	\$ 7,323,714	100.00 %	\$ 7,323,714
Morris County General Obligation Debt	221,180,985	3.59 %	<u>7,931,860</u>
Subtotal, Overlapping Debt			15,255,574
Roxbury Township School District Direct Debt			<u>15,670,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 30,925,574</u></u>

^a 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 2017

	Equalized Valuation Basis
	2016 \$ 3,238,671,897
	2015 3,288,002,084
	2014 3,129,871,322
	\$ 9,656,545,303
Average Equalized Valuation of Taxable Property	\$ 3,218,848,434
Debt Limit (4% of Average Equalization Value)	\$ 128,753,937 ^a
Net Bonded School Debt	15,425,000
Legal Debt Margin	\$ 113,328,937

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 138,440,814	\$ 131,512,141	\$ 126,771,789	\$ 126,862,266	\$ 128,753,937
Total Net Debt Applicable to Limit	15,080,000	21,100,000	19,330,000	17,275,000	15,425,000
Legal Debt Margin	\$ 123,360,814	\$ 110,412,141	\$ 107,441,789	\$ 109,587,266	\$ 113,328,937
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.89 %	16.04 %	15.25 %	13.62 %	11.98 %

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 150,408,892	\$ 155,528,648	\$ 155,035,176	\$ 146,195,473	\$ 144,448,148
Total Net Debt Applicable to Limit	22,146,000	20,856,000	19,515,000	18,100,000	16,730,000
Legal Debt Margin	\$ 128,262,892	\$ 134,672,648	\$ 135,520,176	\$ 132,052,892	\$ 127,718,148
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.72 %	13.41 %	12.59 %	12.38 %	11.58 %

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

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

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

Year	Population ^a	Morris County Per Capita Personal Income ^b	Township of Roxbury Personal Income ^c	Unemployment Rate ^d
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	86,582	2,035,629,402	4.6 %
2016	23,374	86,582 *	2,023,767,668	4.3 %
2017	23,374 **	86,582 *	2,023,767,668 ***	N/A

* - Latest Morris County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

*** - Latest available population data (2016) and latest available Morris County per capita personal income (2015) was used for calculation purposes.

N/A - Information unavailable.

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development
^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
^c Personal income has been estimated based upon the municipal population and per capita personal income presented
^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2016		
	Employees	Rank (Optional)	Percentage of Total Employment
Picatinny Arsenal	6,000	1	2.38%
Atlantic Health Systems	5,455	2	2.16%
Novartis Corporation	4,220	3	1.67%
Bayer Healthcare, LLC	2,800	4	1.11%
ADP	2,266	5	0.90%
Honeywell	1,838	6	0.73%
County of Morris	1,817	7	0.72%
Wyndham Worldwide	1,708	8	0.68%
St. Clare's Health System	1,688	9	0.67%
Accenture	1,631	10	0.65%
	29,423		11.67%
Total Employment	250,348		
Employer	2007		
	Employees	Rank (Optional)	Percentage of Total Employment
Novartis Corporation	5,000	1	1.89%
Atlantic Health Systems	4,045	2	1.53%
U.S. Army Armament Research and Development	3,412	3	1.29%
County of Morris	2,170	4	0.82%
Lucent Technologies	1,983	5	0.75%
United Parcel Service	1,941	6	0.73%
Wyndham Worldwide	1,371	7	0.52%
Greystone Psychiatric Center	1,296	8	0.49%
Tiffany & Company	1,200	9	0.45%
Accenture	1,200	10	0.45%
	23,618		8.94%
Total Employment	264,282		

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>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>	<u>2017</u>
Instruction										
Regular	287	288	291	253	261	259	254	254	299	299
Special education	66	68	66	84	97	121	126	126	97	113
Support Services:										
Student & instruction related services	84	84	83	88	88	74	71	71	88	88
School administrative services	33	34	34	28	40	30	30	30	26	26
General and business administrative services	20	20	20	20	23	35	35	35	23	23
Plant operations and maintenance	69	69	69	64	65	35	33	33	46	46
Pupil transportation	73	73	73	62	63	60	62	62	58	58
Total	632	636	636	599	637	614	611	611	637	653

ROXBURY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Teacher/Pupil Ratio			High School	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School					
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 %	
2017	3,573	76,969,479	21,542	6.46 %	537	1:12.1	1:10.1	1:10.6	3,577	3,443	-1.62 %	96.25 %	

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b 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.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	634	634	634	634	634	540	539	551	496	495
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	350	350	350	350	350	280	277	284	289	269
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	318	318	318	318	318	229	229	220	219	225
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	480	480	480	480	480	387	388	335	334	345
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	362	362	362	362	362	350	349	332	330	304
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	674	674	674	674	674	645	642	568	582	588
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	578	578	578	578	578	1,457	1,441	1,419	1,412	1,347
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, 2017
 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										Total
	Intermediate School	Nixon Elementary School	Kennedy Elementary School	Jefferson Elementary School	Franklin Elementary School	Eisenhower Middle School	Roxbury High School				
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
2017	187,472	74,139	97,467	194,716	72,157	143,910	1,105,477				1,875,338

* 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, 2017
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	5,000
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, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
ACE American Insurance Company: Premises Pollution	\$ 1,000,000	\$ 10,000
Gerber Life Insurance Company: Travel Accident Policy	100,000	
National Union Fire Insurance Company: Cyber Liability	1,000,000	15,000
Bob McCloskey Insurance: Student Accident	5,000,000	

Source: Roxbury Township School District records.

SINGLE AUDIT SECTION



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Report on Internal Control over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

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, 2017, 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 5, 2017.

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.

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 5, 2017
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, 2017. 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 federal and state statutes, regulations and the terms and conditions of its federal and state awards 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.

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

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, 2017.

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 5, 2017
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, 2017

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2016			Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances/ Accts Payable	Balance at June 30, 2017	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Due to Grantor
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/16-6/30/17	\$ 34,576			\$ 34,576	\$ (34,576)						
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	41,408				(1,734)						
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	160,932			126,492	(160,932)					\$ (34,440)	
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	155,379			27,674							
School Breakfast Program	10.553	N/A	7/1/16-6/30/17	4,361			3,087	(4,361)					(1,274)	
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	5,900			1,069							
Total Child Nutrition Cluster							192,898	(201,603)					(35,714)	
Total U.S. Department of Agriculture							192,898	(201,603)					(35,714)	
U.S. Department of Education:														
Special Revenue Fund:														
Passed-through State Department of Education:														
No Child Left Behind:														
Title I														
Title I	84.010	NCLB055517	7/1/16-6/30/17	253,611			183,225	(202,954)				\$ 4,760	(19,729)	\$ 4,760
Title I	84.010	NCLB055516	7/1/15-6/30/16	112,439			66,705	(202,954)				4,760	(19,729)	4,760
Title II A	84.367	NCLB055517	7/1/16-6/30/17	79,620			39,979	(62,504)					(22,525)	7,225
Title II A	84.367	NCLB055516	7/1/15-6/30/16	95,710			29,070					7,225	(22,525)	7,225
Total Title II							69,049	(62,504)				7,225	(22,525)	7,225
Title III	84.365	NCLB055517	7/1/16-6/30/17	17,438			13,292	(14,151)					(859)	
Title III	84.365	NCLB055516	7/1/15-6/30/16	15,133			11,958		\$ 394				(931)	
Title III - Immigrant	84.365	NCLB055517	7/1/16-6/30/17	5,633			1,487	(2,418)						
Title III - Immigrant	84.365	NCLB055516	7/1/15-6/30/16	4,226			634							
Total Title III							27,371	(16,569)	394				(1,790)	
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027	IDEA055517	7/1/16-6/30/17	881,440			758,621	(793,116)					(34,495)	
I.D.E.A. Part B, Basic	84.027	IDEA055516	7/1/15-6/30/16	915,086			118,312				316			316
I.D.E.A. Part B, Basic	84.027	IDEA055515	7/1/14-6/30/15	957,634						\$ (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	IDEA055517	7/1/16-6/30/17	39,705			38,632	(38,632)						
I.D.E.A. Preschool	84.173	IDEA055516	7/1/15-6/30/16	41,721			41,721							
I.D.E.A. Preschool	84.173	IDEA055515	7/1/14-6/30/15	38,397						(23,653)				
I.D.E.A. Preschool	84.173	IDEA055514	7/1/13-6/30/14	38,464						(23,653)				
Total Special Education Cluster							957,286	(831,748)		(149,556)		316	(34,495)	316
Subtotal - Special Revenue Fund							1,303,636	(1,113,775)	394	(149,556)	12,301		(78,539)	12,301
Total U.S. Department of Education							1,303,636	(1,113,775)	394	(149,556)	12,301		(78,539)	12,301

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances/ Accts Payable	Balance at June 30, 2017		
					Budgetary Accounts Receivable	Due to Grantor						Budgetary Accounts Receivable	Due to Grantor	
U.S. Department of Health and Human Services:														
Medicaid Cluster:														
Medicaid Assistance Program	93.778	N/A	7/1/16-6/30/17	\$ 58,120			\$ 57,526	\$ (58,120)				\$	(594)	
Medicaid Assistance Program	93.778	N/A	7/1/15-6/30/16	50,014			4,011	(4,011)						
Medicaid Assistance Program	93.778	N/A	7/1/13-6/30/14	12,892			12,892							
ARRA - Medicaid Assistance Program	93.778	N/A	4/1/09-12/31/09	1,414			1,414	(1,414)						
Total U.S. Department of Health and Human Services/Medicaid Cluster					(12,892)		75,843	(63,545)				(594)		
Total Federal Awards					\$ (310,429)	\$ 1,734	\$ 149,556	\$ 1,572,377	\$ (1,378,923)	\$ 394	\$ (149,556)	\$ 12,301	\$ (114,847)	\$ 12,301
													\$ -0-	

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2017			MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor	GAAP Accounts Receivable				GAAP Deferred Revenue	Due to Grantor	Budgetary Receivable	
State Department of Education:													
General Fund State Aid:													
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 10,300,890				\$ 9,278,128	\$ (10,300,890)				\$ (1,022,762)	\$ 10,300,890
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	233,042				209,904	(233,042)				(23,138)	233,042
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,433,575				2,191,948	(2,433,575)				(241,627)	2,433,575
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	61,433				55,333	(61,433)				(6,100)	61,433
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	470,428				423,720	(470,428)				(46,708)	470,428
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	249,172				224,432	(249,172)				(24,740)	249,172
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	34,275				30,872	(34,275)				(3,403)	34,275
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	34,275				30,872	(34,275)				(3,403)	34,275
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	34,470				31,047	(34,470)				(3,423)	34,470
Extraordinary Special Education Costs Aid	17-495-034-5120-044	7/1/16-6/30/17	584,222				584,222	(584,222)			\$ (584,222)	(584,222)	584,222
Excess Nonpublic Transportation Costs	17-495-034-5120-014	7/1/16-6/30/17	21,418					(21,418)				(21,418)	21,418
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	2,260,914				2,158,630	(2,260,914)				(102,284)	2,260,914
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	2,633,854				2,633,854	(2,633,854)				(102,284)	2,633,854
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	3,050,500				3,050,500	(3,050,500)					3,050,500
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	110,527				110,527	(110,527)					110,527
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	7,207				7,207	(7,207)					7,207
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	10,300,890				1,021,578						10,300,890
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	233,042				23,112						233,042
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	2,433,575				241,347						2,433,575
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	61,433				6,093						61,433
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	470,428				46,654						470,428
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	192,542				19,095						192,542
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	34,275				3,399						34,275
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	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
Excess Nonpublic Transportation Costs	16-495-034-5120-014	7/1/15-6/30/16	25,752				25,752						25,752
Subtotal - General Fund				(1,876,054)			22,313,028	(22,520,202)			(707,924)	(2,083,228)	36,792,039
Special Revenue Fund Aid:													
Nonpublic Auxiliary Services:													
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	63,602				63,602	(63,602)					63,602
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	57,783										54,905
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	914				914					\$ 914	22,708
Transportation	17-100-034-5120-067	7/1/16-6/30/17	22,708				22,708	(22,708)					21,025
Transportation	14-100-034-5120-067	7/1/13-6/30/14	23,361										17,751
Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	17,751					(17,751)				(17,751)	17,751
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	2,159										41,532
Nonpublic Handicapped Services:													
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	47,867				47,867	(41,532)					36,011
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	36,980				969	(969)					28,025
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	33,397				33,397	(28,025)					28,025
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	34,279				6,775	(6,775)					27,504

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Special Revenue Fund Aid (Cont'd):												
Nonpublic Handicapped Services:												
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	\$ 57,083	\$	\$ 4,594	\$ 57,083	\$ (43,955)	\$ (4,594)	\$ 13,128	\$	\$	\$ 43,955
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	53,336		17,667		(21,994)	(17,667)				48,742
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	40,130			23,402			1,408			17,524
N.J. Nonpublic Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	23,402		5,614		(32,886)	(5,614)				21,994
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	23,810			36,540	(10,207)		3,654			18,196
N.J. Nonpublic Nursing Aid	17-100-034-5120-066	7/1/16-6/30/17	36,540			10,556	(20,299)	(98)				32,886
N.J. Nonpublic Technology Initiative	17-100-034-5120-373	7/1/16-6/30/17	10,556		98							10,207
N.J. Nonpublic Technology Initiative	16-100-034-5120-373	7/1/15-6/30/16	10,842			20,300		(8,852)				10,744
N.J. Nonpublic Security Aid	17-100-034-5120-509	7/1/16-6/30/17	20,300		8,852		(302,959)	(51,942)	21,730			20,299
N.J. Nonpublic Security Aid	16-100-034-5120-509	7/1/15-6/30/16	10,425			316,369			31,161			1,573
Subtotal - Special Revenue Fund					51,942			(51,942)	21,730			539,183
Food Service Fund:												
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	5,965			4,695	(5,965)					5,965
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	6,108		(1,111)	1,111						6,108
Subtotal - Food Service Fund					(1,111)							
Total State Department of Education					(1,877,165)			(51,942)	(726,945)			12,073
Total State Awards Subject to Single Audit Determination					\$ (1,877,165)		\$ (22,829,126)	\$ (51,942)	\$ 21,730			\$ 37,343,295
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	(2,633,854)			(2,633,854)	2,633,854					
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	(3,050,500)			(3,050,500)	3,050,500					
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	(110,527)			(110,527)	110,527					
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	(7,207)			(7,207)	7,207					
Subtotal - On-Behalf TPAF Pension System Contributions						(5,802,088)	5,802,088					
Total State Awards Subject to Single Audit Major Program Determination						\$ 16,833,115	\$ (17,027,038)					

N/A - Not Applicable/Available

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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 (\$10,627) for the general fund and (\$12,113) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. 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	\$ 63,545	\$ 22,509,575	\$ 22,573,120
Special Revenue Fund	1,123,392	281,229	1,404,621
Food Service Fund	201,603	5,965	207,568
Total Awards	<u>\$ 1,388,540</u>	<u>\$ 22,796,769</u>	<u>\$ 24,185,309</u>

ROXBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4. INDIRECT COST RATE

The District has elected not 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, 2017.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded six grants in the amount of \$2,891,657 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, 2017, four of the projects are near completion. As of June 30, 2017, \$-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, 2017

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	7/1/16-6/30/17	\$ 881,440	\$ 793,116
I.D.E.A. Preschool	84.173	7/1/16-6/30/17	39,705	38,632
<u>State:</u>				
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	10,300,890	10,300,890
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,433,575	2,433,575
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	61,433	61,433
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	470,428	470,428
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	249,172	249,172
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	34,275	34,275
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	34,275	34,275
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	34,470	34,470
Reimbursed TPAF Social Security Contributions	17-495-034-5095-003	7/1/16-6/30/17	2,260,914	2,260,914

- 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.

ROXBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Summary of Auditors' Results: (Cont'd)

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.

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, 2017

Status of Prior Year Findings:

The District had no prior year audit findings.