

SCHOOL DISTRICT
OF
OXFORD TOWNSHIP

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

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2018

Comprehensive Annual

Financial Report

of the

Oxford Township School District

Board of Education

Oxford, New Jersey

For the Fiscal Year Ending June 30, 2018

Prepared by

Oxford Township School District

Board of Education

Finance Department

OUTLINE OF CAFR

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Introductory Section

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

Robert J. Magnuson
Chief School Administrator

Nancy A. DeRiso, SFO, CPA
Business Administrator/Board Secretary

January 16, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Oxford School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Oxford Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Oxford Township School District. All disclosures necessary to enable the reader to gain an understanding of the district's activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Action of 1996 and the U.S. Office of Management and Budget Uniform Guidance, "Audits of State and Local Governments", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for students with special needs. Students in grades 9-12 are enrolled at Warren Hills Regional High School or the Warren County Technical School on a tuition basis. The district *completed* the 2017-2018 school year with the following enrollment:

Placement	Enrollment
Oxford Central School	277
Warren Hills Regional High School	101
Warren County Technical School	18
Out of District	4
Ridge & Valley Charter School	4
Other School Choice District	1
Non-Public Schools	4
At Home Instruction	1
Total District	410

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

Fiscal Year	Student Enrollment	% Change Inc/(Dec)
2006 – 2007	307.3	(4.00%)
2007 – 2008	299.0	(2.70%)
2008 - 2009	287.5	(4.00%)
2009 – 2010	288.0	0.99%
2010 – 2011	275.0	(5.0%)
2011 – 2012	286.0	4.00%
2012 – 2013	305.4	6.78%
2013 - 2014	313.0	2.49%
2014 - 2015	308.1	(1.56%)
2015 - 2016	309.9	0.58%
2016 - 2017	292.2	(5.71%)
20170 - 2018	276.4	(5.41%)

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

time there remains an approval, but no proposal for the redevelopment for additional townhomes in the Cambridge East/West development that may result in an increase to the school population.

III. MAJOR INITIATIVES: The Oxford Township School District is a small, rural district whose educational goals are to offer each child the opportunity to achieve his/her greatest potential. The district communicates high expectations, reviews and incorporates appropriate school reform strategies (i.e. cooperative education, use of standards developed for each academic discipline and thematic instruction). Technology plays an ever-increasing role in student instruction as well. It is the intent of the district to offer all students an appropriate educational experience within the regular school program. Students enter high school with the necessary skills to be successful and to plan for post high school opportunities in our global society. The Oxford Township School District completed a major school renovation and construction project in 2003 which has enabled it to provide expanded educational opportunities for its students. The District completed a major roof replacement and interior renovation project that received voter approval in December 2008. The District is planning a referendum for 2019 to complete major security and repair projects.

IV. INTERNAL ACCOUNTING CONTROLS: Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognized that:

1. the cost of a control should not exceed the benefits likely to be derived; and
2. the valuation of costs and benefits requires estimates and judgment by management.

As a recipient of federal and state financial assistance, the district is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by district management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

VI. ACCOUNTING SYSTEM AND REPORTS: The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

VII. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund for the fiscal year ended June 30, 2018, and the amount and percentage of increases or decreases in relation to prior year revenues.

Revenue Source	Amount	% of Total	Inc/(Dec)	% of Inc/(Dec)
Local	\$4,174,771	58.68%	\$ (29,685)	-0.71%
State of N.J.	2,784,855	39.15%	51,072	1.87%
Federal	154,320	2.17%	13,820	9.84%
TOTAL	\$7,113,945	100.00%	\$35,207	0.50%

Local and State Sources remained relatively flat, with a slight increase in state debt service aid.

The **increase** in Federal Sources is due to an increase in grant funding for ESSA Title I and Title II.

The following schedule presents a summary of general fund special revenue fund expenditures for the fiscal year ended June 30, 2018 and the increase/decrease in relation to prior year amounts.

Expenditures	Amount	% of Total	Incr/(Decr)	% of Inc/(Decr)
<i>Current:</i>				
Instruction	\$2,298,004	32.09%	\$(6,454)	-0.28%
Undistributed	4,192,106	58.54%	(26,803)	-0.64%
Subtotal Current	6,490,110	90.63%	(33,257)	-0.51%
<i>Charter School</i>	55,155	0.77%	(126)	-
<i>Capital Outlay</i>	58,207	0.81%	-	-
<i>Capital Projects</i>	-	-	-	-
<i>Special Revenue</i>	142,181	1.99%	9,009	6.77%
<i>Debt Service</i>	415,263	5.80%	(35,121)	-7.80%
Grand Total	\$7,160,916	100.00%	\$(59,494)	-0.82%

The **increase** in special revenue expenses is related to the increased funding in ESSA Title I and II mentioned above in the revenue section.

VIII. DEBT ADMINISTRATION: The district's primary long-term debt was refunded in December 2006, saving the district over \$200,000 in interest over the life of the loan. This debt was refinanced again in November 2016 with the issuance of \$3,655,000 of debt at a lower interest rate to save approximately \$535,000 over the life of the loan. This debt service is detailed in "Notes to the Financial Statements", Note 7. Additionally the 2008 referendum project was bonded June 1, 2011 in the amount of \$895,000, with a current balance of \$170,000.

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

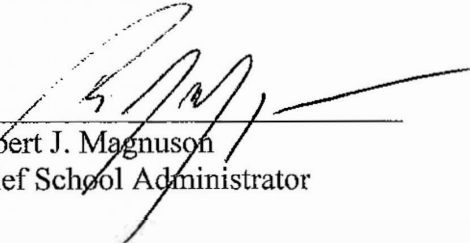
X. RISK MANAGEMENT: The Oxford Township Board of Education carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

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

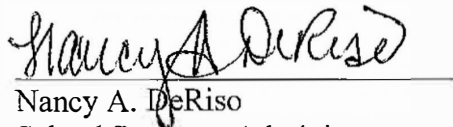
related OMB Uniform Guidance and State treasury Circular Letter OMB 15-08 and 15-08. The auditor's report relating specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



Robert J. Magnuson
Chief School Administrator



Nancy A. DeRiso
School Business Administrator

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

BOARD OF EDUCATION

CHIEF SCHOOL ADMINISTRATOR

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

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

**FACULTY, STAFF
AND
CONSULTANTS**

STUDENTS

OXFORD TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Gerald Norton, <i>President</i>	2019
Suzanne Taranto, <i>Vice-President</i>	2020
Catherine Hoffmann	2020
Linda Koufodontes	2018
Anthony Lewis-Lahey	2020
Georgette Miller	2019
Carriann Arnold	2019

Other Officials

Robert Magnuson, *Chief School Administrator*

Milissa Dachisen, *Director of Special Services*

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

Michael Selvaggi, Esquire, *Solicitor*

OXFORD TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

BOND COUNSEL

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

OFFICIAL DEPOSITORIES

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

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

Financial Section

Independent Auditor's Report



ARDITO & Co., LLP

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

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oxford Township School District Board of Education, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, business-type activities, each major fund, and the aggregate remaining fund information of the Oxford Township School District Board of Education, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

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

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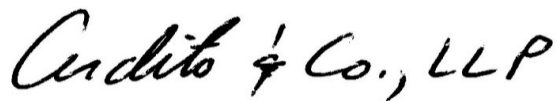
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are the responsibility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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 16, 2019, on our consideration of the Oxford Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP

January 16, 2019



Licensed Public School Accountant No. 2369

Required Supplementary Information - Part I

Management's Discussion and Analysis

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The discussion and analysis of Oxford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- ◆ In total, Net Position increased \$165,894 which represents a 6.3% increase from 2017.
- ◆ General revenues accounted for \$4,083,462 in revenue or 44.1% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,174,163 or 55.9% of total revenues of \$9,257,625.
- ◆ Total assets of governmental activities decreased by \$260,146, as cash and cash equivalents decreased by \$60,698, receivables increased by \$25,154, and capital assets decreased by \$225,304.
- ◆ The School District had \$9,091,731 in expenses; only \$5,174,163 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,083,462 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,322,313 in revenues and \$7,214,226 in expenditures. The General Fund's surplus balance increased \$108,087 over 2017, which compares favorably to the budgeted decrease of \$250,351.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s Net Position for 2018 compared to 2017.

**Table 1
Net Position**

	<u>2018</u>	<u>2017</u>
Assets		
Current and Other Assets	\$ 1,059,018	\$ 1,093,860
Capital Assets	<u>7,114,722</u>	<u>7,340,026</u>
Total Assets	<u>8,173,740</u>	<u>8,433,886</u>
 Deferred Outflows of Resources	 <u>564,459</u>	 <u>822,965</u>
 Liabilities		
Long-Term Liabilities	5,357,142	6,250,795
Other Liabilities	<u>57,896</u>	<u>199,862</u>
Total Liabilities	<u>5,415,038</u>	<u>6,450,657</u>
 Deferred Inflows of Resources	 <u>522,578</u>	 <u>171,505</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,464,722	3,385,026
Restricted	877,890	895,071
Unrestricted	<u>(1,542,029)</u>	<u>(1,645,408)</u>
Total Net Position	<u>\$ 2,800,583</u>	<u>\$ 2,634,689</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Total assets of governmental activities decreased by \$260,146, as cash and cash equivalents decreased by \$60,698, receivables increased by \$25,154, and capital assets decreased by \$225,304.

The cash decrease was mainly due to liquidation of prior year's payables, the increase in receivables was due to the federal grants not yet drawn down, and the decrease in capital assets was due to depreciation expense for the year.

Table 2 shows the changes in Net Position from fiscal year 2017.

Table 2
Changes in Net Position

	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 188,813	\$ 153,807
Operating Grants and Contributions	4,985,350	4,434,178
General Revenues:		
Property Taxes	4,070,455	4,061,880
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	2,813	2,124
Other	10,194	43,139
Total Revenues	<u>9,257,625</u>	<u>8,695,128</u>
Program Expenses		
Instruction	4,971,193	4,713,155
Support Services:		
Tuition	1,699,963	1,663,660
Pupils and Instructional Staff	860,037	828,595
General Administration, School Administration, Business	540,577	646,688
Operations and Maintenance of Facilities	510,480	483,723
Pupil Transportation	253,497	274,564
Business-Type Activities	89,930	91,698
Interest and Fiscal Charges	166,054	130,519
Total Expenses	<u>9,091,731</u>	<u>8,832,602</u>
Increase in Net Position	<u>\$ 165,894</u>	<u>\$ (137,474)</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 44.0% percent of revenues for governmental activities for the Oxford Township School District for the fiscal year 2018.

Instruction comprises 54.7% of district expenses. Support services expenses make up 42.5% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 4,971,193	\$ 2,050,149	\$4,713,155	\$2,205,186
Support Services:				
Tuition	1,699,963	787,422	1,663,660	852,565
Pupils and Instructional Staff	860,037	372,041	828,595	405,142
General Admin., School Admin., Business	540,577	250,395	646,688	331,396
Operation and Maintenance of Facilities	510,480	236,454	483,723	247,884
Pupil Transportation	253,497	117,420	274,564	140,704
Business-Type Activities	89,930	3,474	91,698	(1,065)
Interest and Fiscal Charges	<u>166,054</u>	<u>100,213</u>	<u>130,519</u>	<u>62,805</u>
Total Expenses	<u>\$ 9,091,731</u>	<u>\$ 3,917,568</u>	<u>\$ 8,832,602</u>	<u>\$ 4,244,617</u>

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

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

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 41.2% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 45.6%. The community, as a whole, is the primary support for the Oxford Township School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$7,879,800 and expenditures of \$7,771,670. The General Fund's surplus balance increased \$108,087 over 2017, which compares favorably to the budgeted decrease of \$250,351.

General Fund Budgeting Highlights

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

During the course of the fiscal 2018 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,602,299, \$119,645 over original budgeted estimates of \$6,482,654. This difference was due primarily to extraordinary aid and tuition revenues.

General fund revenues exceeded expenditures by \$106,086. Again this surplus compares to a budgeted deficit of \$250,351, which was due to the budgeted use of surplus, maintenance and emergency reserves and tuition reserve needed to balance the 2018 budget.

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

Overall general fund balance (budget basis) was \$1,282,369, and amounts ear-marked and reserved for future purposes were \$985,089, creating a surplus in unreserved fund balance of \$297,280. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Capital Assets

At the end of the fiscal year 2018, the School District had \$7,114,722 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2018 balances compared to 2017.

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

	<u>2018</u>	<u>2017</u>
Land	\$ 550	\$ 550
Land Improvements	5,315	13,155
Buildings and Improvements	7,060,565	7,267,706
Machinery and Equipment	<u>48,292</u>	<u>58,615</u>
 Totals	 <u>\$ 7,114,722</u>	 <u>\$ 7,340,026</u>

Overall capital assets decreased \$225,304 from fiscal year 2017 to fiscal year 2018. The decrease in capital assets was due to depreciation expense for the year, net of additions.

Capital improvements of \$9,582 were purchased during fiscal year 2018.

Debt Administration

At June 30, 2018, the School District had \$3,879,214 as outstanding long term debt. Of this amount, \$200,782 is for compensated absences and \$3,650,000 is for bonds payable outstanding.

At June 30, 2018, the School District's overall legal debt margin was \$1,531,872 and the unvoted debt margin was the same.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

For the Future

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

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

Contacting the School District's Financial Management

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

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 858,269	\$ 9,315	\$ 867,584
Receivables from Other Governments	140,908	1,882	142,790
Accounts Receivable, Net	41,840		41,840
Interfund Receivables		3,690	3,690
Inventory		3,114	3,114
Capital Assets, Net (Note 6):	7,114,722		7,114,722
Total Assets	<u>8,155,739</u>	<u>18,001</u>	<u>8,173,740</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>564,459</u>		<u>564,459</u>
LIABILITIES			
Accounts Payable	2,837	2,981	5,818
Interfund Payable	3,690		3,690
Unearned Revenue	25	1,186	1,211
Accrued Interest	47,177		47,177
Net Pension Liability (Note 8)	1,477,928		1,477,928
Noncurrent Liabilities (Note 7):			
Due Within One Year	366,502		366,502
Due Beyond One Year	3,512,712		3,512,712
Total Liabilities	<u>5,410,871</u>	<u>4,167</u>	<u>5,415,038</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>522,578</u>		<u>522,578</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	3,464,722		3,464,722
Restricted for:			
Other Purposes	877,890		877,890
Unrestricted	(1,555,863)	13,834	(1,542,029)
Total Net Position	<u>\$ 2,786,749</u>	<u>\$ 13,834</u>	<u>\$ 2,800,583</u>

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	\$ 4,101,980	\$ 136,652	\$ 2,317,798		\$ (1,647,530)		\$ (1,647,530)
Special Education	794,038		426,240		(367,798)		(367,798)
Other Special Instruction	75,175		40,354		(34,821)		(34,821)
Support Services:							
Tuition	1,699,963		912,541		(787,422)		(787,422)
Student & Instruction Related Services	860,037		487,996		(372,041)		(372,041)
School Administrative Services	988		531		(457)		(457)
General and Business Admin. Services	539,589		289,651		(249,938)		(249,938)
Plant Operations and Maintenance	510,480		274,026		(236,454)		(236,454)
Pupil Transportation	253,497		136,077		(117,420)		(117,420)
Interest and Other Charges	166,054		65,841		(100,213)		(100,213)
Total Governmental Activities	9,001,801	136,652	4,951,055		(3,914,094)		(3,914,094)
Business-Type Activities:							
Food Service	89,930	\$ 52,161	34,295			\$ (3,474)	(3,474)
Total Business-Type Activities	89,930	52,161	34,295			(3,474)	(3,474)
Total Primary Government	\$ 9,091,731	\$ 188,813	\$ 4,985,350		\$ (3,914,094)	\$ (3,474)	\$ (3,917,568)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 3,721,033			\$ 3,721,033
Taxes Levied for Debt Service				349,422			349,422
Investment Earnings				2,813			2,813
Miscellaneous Income				10,142		52	10,194
Total General Revenues, Special Items, Extraordinary Items and Transfers				4,083,410		52	4,083,462
Change in Net Position				169,316		(3,422)	165,894
Net Position—Beginning				2,617,433		17,256	2,634,689
Net Position—Ending				\$ 2,786,749		\$ 13,834	\$ 2,800,583

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

FUND FINANCIAL STATEMENTS

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 853,084		\$ 3,846	\$ 1,339	\$ 858,269
Interfund Receivables	51,255				51,255
Accounts Receivable, Net	41,833	\$ 7			41,840
Receivables from Other Governments	89,613	51,295			140,908
TOTAL ASSETS	\$ 1,035,785	\$ 51,302	\$ 3,846	\$ 1,339	\$ 1,092,272
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,815	\$ 22			\$ 2,837
Interfund Payables	3,690	51,255			54,945
Deferred Revenue	-	25			25
Total Liabilities	6,505	51,302	-	-	57,807
Fund Balances:					
<u>Restricted for:</u>					
Capital Reserve	380,604				380,604
Emergency Reserve	8,125				8,125
Maintenance Reserve	105,711				105,711
Tuition Reserve	306,450				306,450
<u>Assigned to:</u>					
Year-End Encumbrances	107,199				107,199
General Fund-Designated for Subsequent Year's Expend.	77,000				77,000
Capital Projects Fund			\$ 3,846		3,846
Debt Service Fund				\$ 1,339	1,339
<u>Unassigned:</u>					
General Fund	44,191				44,191
Total Fund Balances	1,029,280	-	3,846	1,339	1,034,465
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,035,785	\$ 51,302	\$ 3,846	\$ 1,339	\$ 1,092,272

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,746,245 and the accumulated depreciation is \$3,631,523.	\$7,114,722
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	564,459
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(522,578)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(1,477,928)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(47,177)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(3,879,214)
Net Position of governmental activities	\$ 2,786,749

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 3,721,033			\$ 349,422	\$ 4,070,455
Tuition	136,652				136,652
Miscellaneous	12,912		\$ 43		12,955
Total - Local Sources	<u>3,870,597</u>	-	43	349,422	<u>4,220,062</u>
State Sources	3,439,603			65,841	3,505,444
Federal Sources	12,113	\$ 142,181			154,294
Total Revenues	<u>7,322,313</u>	<u>142,181</u>	43	<u>415,263</u>	<u>7,879,800</u>
EXPENDITURES					
Current:					
Regular Instruction	2,525,281	115,856			2,641,137
Special Education Instruction	551,156				551,156
Other Special Instruction	52,180				52,180
Support services and undistributed costs:					
Tuition	1,699,963				1,699,963
Student and Instruction Related Services	570,642	26,325			596,967
School Administrative Services	686				686
Other Administrative Services	374,538				374,538
Plant Operations and Maintenance	354,333				354,333
Pupil Transportation	253,497				253,497
Unallocated Benefits	718,588				718,588
Charter School	55,155				55,155
Debt Service:					
Principal				305,000	305,000
Interest and Other Charges				110,263	110,263
Capital Outlay	58,207		-		58,207
Total Expenditures	<u>7,214,226</u>	<u>142,181</u>	-	<u>415,263</u>	<u>7,771,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>108,087</u>	-	43	-	<u>108,130</u>
Net Change in Fund Balances	108,087	-	43	-	108,130
Fund Balance—July 1	921,193		3,803	1,339	926,335
Fund Balance—June 30	<u>\$ 1,029,280</u>	-	\$ 3,846	<u>1,339</u>	<u>\$ 1,034,465</u>

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 108,130

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

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

	Depreciation Expense	\$ (234,886)	
	Net Book Value of Disposals	-	
	Capital Outlays, Net of Capital Lease Capital Cost	<u>9,582</u>	(225,304)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (40,111)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 305,000

Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 15,262

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. 3,923

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount. 2,416

Change in Net Position of Governmental Activities \$ 169,316

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2018

		<u>Business-Type Activities-</u> <u>Enterprise Funds</u>	
		<u>Food</u>	
		<u>Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents		\$ 9,315	\$ 9,315
Federal and State Accounts Receivable		1,882	1,882
Interfund Receivable		3,690	3,690
Inventories		3,114	3,114
Total Current Assets		<u>18,001</u>	<u>18,001</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		23,340	23,340
Less Accumulated Depreciation		(23,340)	(23,340)
Total Noncurrent Assets		<u> </u>	<u> </u>
Total Assets		<u>18,001</u>	<u>18,001</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		2,981	2,981
Deferred Revenue		1,186	1,186
Total Current Liabilities		<u>4,167</u>	<u>4,167</u>
Total Liabilities		<u>4,167</u>	<u>4,167</u>
Net Position			
Invested in Capital Assets Net of Related Debt		-	-
Unrestricted		13,834	13,834
Total Net Position		<u>\$ 13,834</u>	<u>\$ 13,834</u>

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 42,707	\$ 42,707
Daily Sales - Non-Reimb.Programs	9,454	9,454
Miscellaneous	52	52
Total Operating Revenues	<u>52,213</u>	<u>52,213</u>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	40,091	40,091
Cost of Sales - Non-reimbursable Programs	4,286	4,286
Salaries	26,470	26,470
Employee Benefits	6,431	6,431
Supplies	1,407	1,407
Miscellaneous	3,584	3,584
Other Purchased Professional Services	7,661	7,661
Depreciation	-	-
Total Operating Expenses	<u>89,930</u>	<u>89,930</u>
Operating Income (Loss)	<u>(37,717)</u>	<u>(37,717)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,205	1,205
Federal Sources:		
National School Lunch Program	27,269	27,269
School Breakfast Program	387	387
Food Distribution Program	5,434	5,434
Total Nonoperating Revenues (Expenses)	<u>34,295</u>	<u>34,295</u>
Income (Loss) Before Contributions and Transfers	(3,422)	(3,422)
Transfers In (Out)		
Change in Net Position	<u>(3,422)</u>	<u>(3,422)</u>
Total Net Position—Beginning	17,256	17,256
Total Net Position—Ending	<u>\$ 13,834</u>	<u>\$ 13,834</u>

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 52,213	\$ 52,213
Payments to Employees and Benefits	(32,902)	(32,902)
Payments to Suppliers	(51,752)	(51,752)
Net Cash Provided by (used for) Operating Activities	(32,441)	(32,441)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,187	1,187
Federal Sources	27,439	27,439
Operating Subsidy Transfers from Other Funds	8,729	8,729
Net Cash Provided by (used for) Non-Capital Financing Activities	37,355	37,355
Net Increase (Decrease) in Cash and Cash Equivalents	4,914	4,914
Balances—Beginning of Year	4,401	4,401
Balances—End of Year	\$ 9,315	\$ 9,315
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (37,717)	\$ (37,717)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities	5,434	5,434
(Increase) Decrease in Receivables	1,562	1,562
(Increase) Decrease in Inventories	(702)	(702)
Increase (Decrease) in Accounts Payable	(1,018)	(1,018)
Total Adjustments	5,276	5,276
Net Cash Provided by (used for) Operating Activities	\$ (32,441)	\$ (32,441)

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

**STATEMENT OF FIDUCIARY Net Position
FIDUCIARY FUNDS**

June 30, 2018

	Unemployment Compensation Trust	Fiduciary Trust	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 44,426	\$ 10,333	\$ 51,231
Total Assets	<u>\$ 44,426</u>	<u>\$ 10,333</u>	<u>\$ 51,231</u>
LIABILITIES			
Accounts Payable			27,315
Payable to Student Groups	-	-	<u>23,916</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 51,231</u>
Net Position			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 44,426</u>	<u>\$ 10,333</u>	<u> </u>

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

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

For the Year Ended June 30, 2018

	Unemployment Compensation <u>Trust</u>	Fiduciary <u>Trust</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 5,806	-
Other	<u>-</u>	<u>\$ 1,854</u>
Total Contributions	<u>5,806</u>	<u>1,854</u>
Total Additions	<u>5,806</u>	<u>1,854</u>
DEDUCTIONS		
Other		1,788
Unemployment Claims	<u>4,343</u>	<u>-</u>
Total Deductions	<u>4,343</u>	<u>1,788</u>
Change in Net Position	1,463	66
Net Position—Beginning of the Year	<u>42,963</u>	<u>10,267</u>
Net Position—End of the Year	<u>\$ 44,426</u>	<u>\$ 10,333</u>

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

Notes to Financial Statements

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27 and GASB No. 75, Accounting for OPEB. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2017.

A. Reporting Entity:

The Oxford Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Oxford Township School District had an approximate enrollment at June 30, 2018, of 283 students.

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

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

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

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

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the district would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2018, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking	\$476,756	\$105,990	\$582,746
	\$476,756	\$105,990	\$582,746

The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$582,746 and the bank balance was \$900,111. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$650,111 was covered by collateral pool.

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

Investments:

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

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

At June 30, 2018, the district's balance was \$390,828

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3: RECEIVABLES

Receivables at June 30, 2018, consisted of intergovernmental receivables for grants and lunch reimbursements. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$89,613	\$89,694
Federal Aid	51,295	53,096
Gross Receivable-Governm.	140,908	142,790
Other Receivables	41,840	41,840
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$182,748	\$184,630

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2018, consisted of the following:

Food	\$ 2,469
Supplies	645
Total	\$ 3,114

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

NOTE 5: DEFERRED BOND ISSUANCE COSTS

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 550			\$ 550
Construction in Progress				
Total Capital Assets Not Being Depreciated	550			550
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	156,800			156,800
Buildings and Building Improvements	10,390,258			10,390,258
Machinery and Equipment	197,664	\$ 9,582	\$ (8,609)	198,637
Total at Historical Cost	10,744,722	9,582	(8,609)	10,745,695
Less Accumulated Depreciation for:				
Land Improvements	(143,645)	(7,840)		(151,485)
Building and Improvements	(3,122,552)	(207,141)		(3,329,693)
Equipment	(139,049)	(19,905)	8,609	(150,345)
Total Accumulated Depreciation	(3,405,246)	(234,886)	8,609	(3,631,523)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	7,339,476	(225,304)	-	7,114,172
Government Activity Capital Assets, Net	\$ 7,340,026	(\$225,304)	\$0	\$ 7,114,722

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ <u>234,886</u>
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NOTE 7: LONG-TERM OBLIGATIONS

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7: LONG-TERM OBLIGATIONS - (Continued)

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2018, are as follows:

	<u>Balance</u> <u>7/1/17</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/18</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,955,000		(\$305,000)	\$3,650,000	\$305,000
Other Liabilities:					
Capital Lease Obligations	43,694		(15,262)	28,432	15,262
Compensated Absences Payable	204,705		(3,923)	200,782	
Total	\$4,203,399		(\$324,185)	\$3,879,214	\$320,262

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

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

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

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

For the year ended June 30, 2018, it is not necessary for the Board to establish a liability for arbitrage rebate.

	<u>Government Activities</u>			<u>Balance</u>
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>June 30, 2018</u>
General School Renovations				
Bonds Payable-Series 2011	6/1/11	3.0%	10/15/2018	\$ 170,000
Bonds Payable-Series 2016	11/3/16	2.0%-3.25%	7/15/2032	<u>3,480,000</u>
Total Bonds				\$ 3,650,000

OXFORD TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2018, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 350,000	\$ 101,362	\$ 451,362
2020	180,000	94,312	274,312
2021	190,000	88,763	278,763
2022	200,000	82,912	282,912
2023	205,000	77,862	282,862
Thereafter	<u>2,525,000</u>	<u>420,670</u>	<u>2,945,670</u>
	<u>\$ 3,650,000</u>	<u>\$ 865,881</u>	<u>\$ 4,515,881</u>

B. Debt Service Requirements-Temporary and Permanent Financing:

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

On June 1, 2011, the District issued \$895,000 in Bonds Payable through a private sale to Bank of New York - Mellon at an interest rate of 3%, with annual payments maturing 10/15/2019. The bond proceeds and the unspent capital project surplus were utilized to fully liquidate the \$1,309,200 in bond anticipation notes on August 2, 2011.

C. Advance Refunding:

The 2016 School Bonds were issued on November 3, 2016 in the amount of \$3,655,000 to advance refund a portion of the 2006 Refunding School Bonds. The advance refunding proceeds along with an original issue premium of \$168,570, and a contribution from the budgeted debt service fund of \$60,000 was deposited to an escrow account, which was utilized on December 15, 2016 to refund the 2006 bonds, provide for accrued interest, and costs of issuance. The balance outstanding on the refunded 2006 School Bonds was -0- at June 30, 2018.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

D. Capital Lease Obligations:

The district entered into a leases for security and technolgy equipment on July 7, 2016 and on June 29, 2016 for a period of 60 months and 40 months respectively. Interest on the security lease is at 7.9% per annum and interest on the technolgy lease is at 8.1% per annum.

Debt service requirements on capital lease obligations at June 30, 2018, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 16,502	\$ 2,095	\$ 18,597
2020	5,254	755	6,009
2021	5,684	325	6,009
2022	<u>992</u>	<u>10</u>	<u>1,002</u>
	<u>\$ 28,432</u>	<u>\$ 3,185</u>	<u>\$ 31,617</u>

NOTE 8: PENSION PLANS

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$14,821,302 as measured on June 30, 2017 and \$15,494,931 measured on June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$1,026,745 and revenue of \$1,026,745 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2018 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2017. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2016 and June 30, 2017.

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

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$17,440,003,201	\$14,251,854,934
Collective deferred inflows of resources	\$195,027,919	\$11,807,233,433
Collective net pension liability (Nonemployer-State of New Jersey)	\$78,666,367,052	\$67,423,605,859
State's portion of the net pension liability that was associated with the district	\$15,494,931	\$14,821,302
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.019697%	0.021982%

Actuarial assumptions - The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.25%	
Salary Increases:		
Through 2021		Varies based on experience
Thereafter		Varies based on experience
Investment Rate of Return:	7.00%	

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

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-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 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 plan investments (7.0% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk mitig.	5.00%	5.51%
Cash equivalents	5.00%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
US Equity	30.00%	8.19%
Non-US developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the 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 2036.

OXFORD TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

Therefore, the long-term expected rate of return on 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.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2017, calculated using the discount rate shown 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(3.25%)</u>	<u>(4.25%)</u>	<u>(5.25%)</u>
State's Collective Net Pension Liability	\$ 80,394,331,171	\$ 67,670,209,171	\$ 57,188,022,171

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2017 was \$23,056,161,829.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2018	\$740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
Total	<u>\$2,360,639,596</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2017 are as follows:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

Service cost	\$3,028,689,581
Interest on total ension liability	3,304,988,177
Member contributions	(790,788,033)
Administrative expens	11,923,787
Expected investment return net of investment expenses	(1,606,947,478)
Pension expense related to specific liabilities of individual employers	(357,659)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	53,331,240
Recognition of assumption changes or inputs	723,829,969
Recognition of investment gains/losses	<u>(36,820,154)</u>
Total pension expense	<u>\$4,687,849,430</u>

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

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

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

At June 30, 2018, the District reported a liability of \$1,477,928 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 valuation was determined by an experience study for the period July 1, 2011 to June 30, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the District's proportion was 0.00635% which was a decrease of 0.00056% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$97,109. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 34,800	-
Changes of assumptions	297,752	\$ 296,660
Net difference between projected and actual earnings on pension plan investments	10,064	
Changes in proportion and differences between District contributions and proportionate share of contributions	161,508	225,918
District contributions subsequent to the measurement date	60,335	
Total	<u>\$ 564,459</u>	<u>\$ 522,578</u>

\$60,335 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability measured as of June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2018	(\$13,971)
2019	(21,083)
2020	(12,775)
2021	16,991
2022	<u>12,384</u>
Total	<u>(\$18,454)</u>

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$8,685,338,380	\$6,424,455,842
Collective deferred inflows of resources	870,133,595	5,700,625,981
Collective net pension liability (Non State - Local Group)	\$29,617,131,759	\$23,278,401,588
District's portion of net pension liability	\$2,047,396	\$1,477,928
District's proportion %	0.00691288%	0.00634892%

Actuarial assumptions. The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation:	2.25%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.00%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk mitig.	5.00%	5.51%
Cash equivalents	5.00%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
US Equity	30.00%	8.19%
Non-US developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 5.0% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.0%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on contribution rate in the most recent fiscal year.

The State contributed 40% of the 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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 net pension liability measured as of June 30, 2017, calculated using the discount rate as disclosed above, 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:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.00%)</u>	<u>(5.00%)</u>	<u>(6.00%)</u>
District's proportionate share of the net pension liability	\$ 1,833,470	\$1,477,928	\$ 1,181,717

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2017 are as follows:

Service cost	\$62,797
Interest on total pension liability	113,953
Member contributions	(29,871)
Administrative expenses	782
Expected investment return net of investment expenses	(81,362)
Pension expense related to specific liabilities of individual employers	(883)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	9,985
Recognition of assumption changes or inputs	23,268
Recognition of investment gains/losses	<u>(1,559)</u>
Total pension expense	<u>\$97,109</u>

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

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

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

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

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8: PENSION PLANS (Continued)

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

<u>Three-Year Trend Information for PERS</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2018	\$60,335	100 %	-0-
6/30/2017	\$62,153	100	-0-
6/30/2016	\$55,714	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2018	\$341,982	100 %	-0-
6/30/2017	\$247,968	100	-0-
6/30/2016	\$157,702	100	-0-

During the fiscal year ended June 30, 2018, the State of New Jersey did contribute \$562,490 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$156,098 during the year ended June 30, 2018, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service (GASB Cod. Sec. 2300.106(g)).

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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf

PERS participant retirees

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Actuarial assumptions and other imputes The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions , applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.55% TPAF 2.15-4.18% PERS Based on years of service
Salary Increases Thereafter:	2.00-5.45% TPAF 3.15-5.15% PERS Based on years of service
Discount rate (2017)	3.58%
Discount rate (2016)	2.85%
Healthcare cost trend rates (PPO Plans)	5.9% decreasing to 5.0% after nine years
Healthcare cost trend rates (Self-insured post 65 PPO Plans)	4.50%
Healthcare cost trend rates (HMO Plans)	5.9% decreasing to 5.0% after nine years
Healthcare cost trend rates (Prescription Drug Benefits)	10.5% decreasing to 5.0% after eight years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	4.50%
Retirees' share of benefit related Costs	Projected health insurance premiums for retirees based on the retiree's annual retirement benefit and level of coverage

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 -June 30, 2013, and July 1, 2011 -June 30, 2014 for TPAF , PFRS and PERS , respectively .

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2016	\$57,831,784,184
<u>Changes for the year:</u>	
Service Cost	2,391,878,884
Interest	1,699,441,736
Benefit Payments	(1,242,412,566)
Contributions from Members	45,748,749
Changes in assumptions or other inputs	(\$7,086,599,129)
Net changes	<u>(\$4,191,942,326)</u>
The State's Total OPEB Liability Balance at 6/30/2017	<u>\$53,639,841,858</u>
 The State's total OPEB liability attributable to the District:	 \$162,854,047

There were no changes of benefit terms.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2017		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>2.58%</u>	<u>3.58%</u>	<u>4.58%</u>
Total OPEB Liability (School Retirees)	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953
	June 30, 2016		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.85%</u>	<u>2.85%</u>	<u>3.85%</u>
Total OPEB Liability (School Retirees)	\$69,283,705,084	\$57,831,784,184	\$48,817,654,566

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		June 30, 2017	
		Health Care Cost	
		<u>At 1% Decrease</u>	<u>Trend Rate</u>
		<u>At 1% Increase</u>	
Total OPEB Liability (School Retirees)	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457

		June 30, 2016	
		Health Care Cost	
		<u>At 1% Decrease</u>	<u>Trend Rate</u>
		<u>At 1% Increase</u>	
Total OPEB Liability (School Retirees)	\$47,452,589,164	\$57,831,784,184	\$71,707,778,970

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2017, the board of education recognized OPEB expense of \$9,942,516 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in proportion	\$99,843,255	(\$99,843,255)
Changes of assumptions or other inputs		(\$6,343,769,032)
Total	<u>\$99,843,255</u>	<u>(\$6,443,612,287)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2018	(\$742,830,097)
2019	(\$742,830,097)
2020	(\$742,830,097)
2021	(\$742,830,097)
2022	(\$742,830,097)
Thereafter	<u>(\$2,629,618,547)</u>
	<u>(\$6,343,769,032)</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10: DEFERRED COMPENSATION

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

Life USA
Templeton

NOTE 11: COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the proprietary fund types.

NOTE 12: RISK MANAGEMENT

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12: RISK MANAGEMENT-(Continued)

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	-	\$5,806	\$4,343	\$44,426
2016-2017	-	\$5,576	\$8,244	\$42,963
2015-2016	-	\$5,591	\$633	\$45,631

NOTE 13: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

NOTE 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)- Of the \$1,029,280 General Fund fund balance at June 30, 2018, \$107,199 is reserved for encumbrances; \$8,125 is reserved as emergency reserve in accordance with P.L. 2007 c.62; \$105,711 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$306,450 is reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$380,604 is reserved for Capital Reserve; \$77,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2019; and \$44,191 is unreserved and undesignated.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$-0-.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
General Fund	\$ 51,255	\$ 3,690	
Food Service Fund	3,690	-	
Special Revenue Fund	-	51,255	
	<u>\$ 54,945</u>	<u>\$ 54,945</u>	

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

NOTE 17: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 289,603
Interest earnings	1,396
Budgeted Withdrawal	(37,000)
Deposits (PL 2007 c.62 (A1)): Board Resolution June 28, 2018	126,605
Ending Balance, June 30, 2018	<u>\$ 380,604</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 18: EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance July 1, 2017	\$ 18,080
Budgeted Withdrawal	(10,000)
Interest earnings	<u>45</u>
Ending balance June 30, 2018	<u><u>\$ 8,125</u></u>

NOTE 19: MAINTENANCE RESERVE ACCOUNT

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

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance July 1, 2017	\$ 191,563
Budgeted Withdrawal	(86,442)
Interest earnings	<u>590</u>
Ending balance June 30, 2018	<u><u>\$ 105,711</u></u>

NOTE 20: TUITION RESERVE ACCOUNT

A tuition reserve account was established by the School District Board of Education in fiscal year 2017 and 2018, for the accumulation of funds for use in fiscal year 2019 and 2019, respectively, in accordance with NJAC 6A:23A17.1(f). The tuition reserve account is maintained in the general fund and enables the district to reserve fund balance for an anticipated large tuition adjustment for the current contract year. A maximum reserve for the current year is restricted to ten percent of the formal sending/receiving contract amount. Upon certification of rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief.

The district has established a tuition reserve for future tuition adjustments, pursuant to N.J.A.C. 6A:23-3.1(f), in an amount of 10% of the formal receiving/sending contract. \$146,450 has been reserved for the 2016-2017 tuition adjustment due in fiscal year 2018-2019, and \$160,000 has been reserved for the 2017-2018 tuition adjustment due in fiscal year 2019-2020. The tuition reserve for fiscal year 2016-2017 in the amount of \$146,450 has been anticipated as budgeted revenue for the year ending June 30, 2019.

The activity of the tuition reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance July 1, 2017	\$ 295,825
Deposits: Board Resolution June 28, 2018	160,000
Budgeted Withdrawal	<u>(149,375)</u>
Ending balance June 30, 2018	<u><u>\$ 306,450</u></u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 21: TUITION ADJUSTMENTS

A comparison of tentative tuition charges and actual certified tuition charges was made by the receiving district (Warren Hills Regional School District) for fiscal year 2015-2016 and certified by the state department. The resulting 2015-2016 tuition adjustment of \$83,003 in accordance with N.J.A.C 6a:23-3.1(f)3, is due in fiscal year 2017-2018. Through an agreement with the Regional High School, the amount owed to Oxford Township School District of \$83,003 for the 2015-2016 tuition adjustment was credited to the 2017-2018 tuition contract.

NOTE 22: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,721,033		\$ 3,721,033	\$ 3,721,033	
Tuition	110,290	\$ 1,300	111,590	136,652	\$ 25,062
Miscellaneous	2,430		2,430	12,912	10,482
Total - Local Sources	3,833,753	1,300	3,835,053	3,870,597	35,544
State Sources:					
Equalization Aid	2,070,999	\$ 21,436	2,092,435	2,098,956	6,521
School Choice Aid	136,401		136,401	136,401	-
Transportation Aid	130,857		130,857	130,857	-
Special Education Aid	221,657		221,657	221,657	-
Security Aid	29,944		29,944	29,944	-
Additional Adjustment Aid	7,179		7,179	7,179	-
PARCC Readiness Aid	3,950		3,950	3,950	-
Per Pupil Growth Aid	3,950		3,950	3,950	-
Prof Learning Comm Aid	3,840		3,840	3,840	-
Non-public Transportation Aid			-	1,160	1,160
Extraordinary Aid	35,000		35,000	81,120	46,120
TPAF Pension (On-Behalf - Non-Budgeted)				341,407	341,407
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				220,508	220,508
TPAF LTD Insurance (On-Behalf - Non-Budgeted)				575	575
TPAF Social Security (Reimbursed - Non-Budgeted)				156,098	156,098
Total State Sources	2,643,777	21,436	2,665,213	3,437,602	772,389
Federal Sources:					
Medical Assistance Program	5,124		5,124	12,113	6,989
Total - Federal Sources	5,124		5,124	12,113	6,989
TOTAL REVENUES	6,482,654	22,736	6,505,390	7,320,312	814,922

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Pre-Kindergarten - Salaries of Teachers	26,478		26,478	26,478	
Kindergarten - Salaries of Teachers	110,365		110,365	96,132	14,233
Grades 1-5 - Salaries of Teachers	759,413	(17,628)	741,785	716,891	24,894
Grades 6-8 - Salaries of Teachers	570,208	(18,999)	551,209	533,551	17,658
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000	(2,901)	3,099	1,790	1,309
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	113,932	6,000	119,932	119,924	8
Purchased Technical Services	66,084	(8,300)	57,784	55,762	2,022
Other Purchased Services (400-500 series)	38,700	290	38,990	38,065	925
General Supplies	19,290	(125)	19,165	19,113	52
General Supplies	1,000	6,050	7,050	5,829	1,221
Other Objects	12,800		12,800	12,588	212
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,724,270	(35,613)	1,688,657	1,626,123	62,534
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	52,980	1,410	54,390	54,390	
Other Salaries for Instruction	17,745	(117)	17,628	16,555	1,073
Total Learning and/or Language Disabilities	70,725	1,293	72,018	70,945	1,073
Resource Room/Resource Center:					
Salaries of Teachers	299,040	7,245	306,285	286,203	20,082
Total Resource Room/Resource Center	299,040	7,245	306,285	286,203	20,082
Autism:					
Salaries of Teachers	56,610	18,620	75,230	75,226	4
Other Salaries for Instruction	81,350	(11,430)	69,920	69,919	1
General Supplies	1,000	117	1,117	1,117	
Total Autism	138,960	7,307	146,267	146,262	5

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Part Time:					
Salaries of Teachers	29,578		29,578	26,477	3,101
Other Salaries for Instruction	24,695		24,695	21,269	3,426
Total Preschool Disabilities - Part Time	54,273		54,273	47,746	6,527
TOTAL SPECIAL EDUCATION - INSTRUCTION	562,998	15,845	578,843	551,156	27,687
Basic Skills/Remedial - Instruction:					
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	14,670	4,320	18,990	18,990	
Total School Sponsored Co/Extra Curricular Activities-Instruc.	14,670	4,320	18,990	18,990	
School Sponsored Athletics-Instruction:					
Salaries	3,600		3,600	2,200	1,400
Total School Sponsored Athletics-Instruction	3,600		3,600	2,200	1,400
Before/After School Programs:					
Salaries of Teachers	17,075		17,075	17,004	71
Other Salaries for Instruction	11,557	1,450	13,007	12,856	151
Supplies and Materials	1,200	200	1,400	1,130	270
Total Before/After School Programs	29,832	1,650	31,482	30,990	492
TOTAL INSTRUCTION	2,335,370	(13,798)	2,321,572	2,229,459	92,113
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	1,290,901	78,008	1,368,909	1,285,906	83,003
Tuition to Other LEAs Within the State-Special	127,153	(5,408)	121,745	121,745	
Tuition to County Voc. School Dist.-Regular	108,400	(590)	107,810	104,600	3,210
Tuition to County Voc. School Dist.-Special	66,000	(43,572)	22,428	22,000	428
Tuition to CSSD & Regional Day Schools	8,144	39,430	47,574	47,574	
Tuition to Priv. Sch. For Disabled within State	169,423	(51,285)	118,138	118,138	
Total Instruction	1,770,021	16,583	1,786,604	1,699,963	86,641

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Health Services:					
Salaries	58,710	1,529	60,239	51,041	9,198
Purchased Professional and Technical Services	500		500	300	200
Supplies and Materials	2,175	52	2,227	1,477	750
Other Objects	100		100		100
Total Health Services	61,485	1,581	63,066	52,818	10,248
Other Supp. Services Students-Related Services:					
Salaries	55,745	(2,550)	53,195	52,101	1,094
Purchased Professional-Educational Services	112,890	35,265	148,155	147,994	161
Supplies and Materials	650		650	100	550
Total Other Supp. Services Students-Related Services	169,285	32,715	202,000	200,195	1,805
Other Supp. Services Students-Extra. Services:					
Salaries	18,618	1,200	19,818	18,603	1,215
Purchased Professional-Educational Services	32,300	250	32,550	32,417	133
Total Other Supp. Services Students-Extra. Services	50,918	1,450	52,368	51,020	1,348
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	202,790	(8,508)	194,282	172,991	21,291
Salaries of Secretarial and Clerical Assistants	48,458		48,458	46,958	1,500
Other Purchased Prof. and Tech. Services	8,000		8,000	7,583	417
Supplies and Materials	1,500		1,500	1,491	9
Other Objects		1,300	1,300	1,300	
Total Other Supp. Services Students-Special	260,748	(7,208)	253,540	230,323	23,217
Educational Media Services/School Library:					
Salaries of Technology Coordinators	21,660		21,660	17,320	4,340
Purchased Prof. and Tech. Services	12,944		12,944	11,851	1,093
Supplies and Materials	9,000		9,000	5,143	3,857
Other Objects	3,400		3,400	1,900	1,500
Total Educational Media Services/School Library	47,004		47,004	36,214	10,790
Instructional Staff Training Services:					
Other Objects	100		100	72	28
Total Instructional Staff Training Services	100		100	72	28

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	155,250	338	155,588	153,290	2,298
General Admin. Salaries-Governance Staff (BOE Direct Reports)	50,736		50,736	50,736	
Legal Services	5,000	(1,000)	4,000	1,225	2,775
Audit Fees	16,000	(900)	15,100	15,100	
Architectual Services		7,253	7,253	7,253	
Other Purchased Professional Services	1,000	1,050	2,050	2,050	
Communications/Telephone	4,526		4,526	4,517	9
BOE Purchased Services	3,350	(2,193)	1,157	1,061	96
Other Purchased Services (400-500 series)	1,500	1,122	2,622	2,599	23
General Supplies	300		300	298	2
Miscellaneous Expenditures	1,950		1,950	1,950	
BOE Membership Dues & Fees	3,950		3,950	3,950	
Total Supp. Services - General Administration	243,562	5,670	249,232	244,029	5,203
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	4,500		4,500		4,500
Other Purchased Services (400-500 series)	950	(270)	680	536	144
Other Objects	1,165		1,165	150	1,015
Total Support Services - School Administration	6,615	(270)	6,345	686	5,659
Central Services:					
Salaries	132,480		132,480	126,914	5,566
Purchased Professional Services	700		700	578	122
Purchased Technical Services	400		400	16	384
Misc. Purchased Services (400-500 series)	650	400	1,050	1,017	33
Supplies and Materials	500		500	439	61
Miscellaneous Expenditures	1,610		1,610	1,545	65
Total Central Services	136,340	400	136,740	130,509	6,231
Required Maintenance for School Facilities:					
Salaries	41,088	52	41,140	41,139	1
Cleaning, Repair and Maintenance Services	85,625	5,219	90,844	85,475	5,369
General Supplies	12,250	(4,895)	7,355	6,666	689
Other Objects	7,185		7,185	6,260	925
Total Required Maintenance for School Facilities	146,148	376	146,524	139,540	6,984

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Operations and Maintenance of Plant:					
Salaries	74,863		74,863	74,133	730
Other Purchased Property Services	4,500		4,500	3,954	546
Insurance	37,000	(1,063)	35,937	35,937	
General Supplies	12,000	2,239	14,239	13,097	1,142
Energy (Natural Gas)	18,000	1,063	19,063	18,700	363
Energy (Electricity)	69,000		69,000	68,672	328
Other Objects	500		500	300	200
Total Other Operations and Maintenance of Plant	215,863	2,239	218,102	214,793	3,309
Student Transportation Services					
Salaries of Non-Instructional Aides	3,600	3,440	7,040	7,038	2
Sal. for Pupil Trans (Bet Home & Sch) -Reg.	12,696	5,054	17,750	17,320	430
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	2,652	1,348	4,000	4,000	
Contracted Services - Aid in Lieu of Payments-Charter School	3,536	464	4,000	4,000	
Contracted Services (Between Home and School)-Vendors	60,250	(4,652)	55,598	54,989	609
Contracted Services (Between Home and School)-Joint Agrmts.	1,000	(1,000)			
Contracted Services (Special Education Students)-Vendors	32,500		32,500	32,053	447
Contracted Services (Special Education Students)-Joint Agrmts.	181,450	(44,630)	136,820	134,097	2,723
Total Student Transportation Services	297,684	(39,976)	257,708	253,497	4,211
ALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	60,000	15,500	75,500	70,538	4,962
Other Retirement Contributions - PERS	70,000	(9,665)	60,335	60,335	
Other Retirement Contributions - Regular	3,600	400	4,000	3,869	131
Workman's Compensation	51,000	(533)	50,467	50,467	
Health Benefits	620,700	20,054	640,754	634,577	6,177
Tuition Reimbursement	8,000	(5,807)	2,193	2,193	
Other Employee Benefits	65,200	11,980	77,180	77,179	1
Total Regular Programs-Instruction	878,500	31,929	910,429	899,158	11,271
TOTAL ALLOCATED BENEFITS	878,500	31,929	910,429	899,158	11,271

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
On-behalf TPAF pension Contrib. (non-budgeted)				341,407	(341,407)
On-behalf TPAF PRM Contrib. (non-budgeted)				220,508	(220,508)
On-behalf TPAF LTD Ins. (non-budgeted)				575	(575)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				156,098	(156,098)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>718,588</u>	<u>(718,588)</u>
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	<u>878,500</u>	<u>31,929</u>	<u>910,429</u>	<u>1,617,746</u>	<u>(707,317)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>4,284,273</u>	<u>45,489</u>	<u>4,329,762</u>	<u>4,871,405</u>	<u>(541,643)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>6,619,643</u>	<u>31,691</u>	<u>6,651,334</u>	<u>7,100,864</u>	<u>(449,530)</u>
CAPITAL OUTLAY					
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Assessment for Debt Service on SDA Funding	58,207		58,207	58,207	
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	<u>58,207</u>		<u>58,207</u>	<u>58,207</u>	
TOTAL CAPITAL OUTLAY	<u>58,207</u>		<u>58,207</u>	<u>58,207</u>	
Transfer of Funds to Charter Schools	55,155		55,155	55,155	
TOTAL EXPENDITURES	<u>6,733,005</u>	<u>31,691</u>	<u>6,764,696</u>	<u>7,214,226</u>	<u>(449,530)</u>
Excess (Deficiency of Revenues Over(Under) Expenditures	<u>(250,351)</u>	<u>(8,955)</u>	<u>(259,306)</u>	<u>106,086</u>	<u>365,392</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(250,351)</u>	<u>(8,955)</u>	<u>(259,306)</u>	<u>106,086</u>	<u>365,392</u>
Fund Balance, July 1	<u>1,176,283</u>		<u>1,176,283</u>	<u>1,176,283</u>	
Fund Balance, June 30	<u>\$ 925,932</u>	<u>(8,955)</u>	<u>\$ 916,977</u>	<u>\$ 1,282,369</u>	<u>\$ 365,392</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Tuition Reserve - FY16-17 Due FY 18-19				\$ 146,450	
Tuition Reserve - FY17-18 Due FY 19-20				160,000	
Capital Reserve				380,604	
Maintenance Reserve				105,711	
Emergency Reserve				8,125	
Assigned to:					
Reserve for Encumbrances				107,199	
Designated for Subsequent Year's Expenditures				77,000	
Unassigned:					
Unrestricted Fund Balance				<u>297,280</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>1,282,369</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(253,089)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 1,029,280</u>	

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources	\$ 109,920	\$ 32,286	\$ 142,206	\$ 142,181	\$ (25)
Total Revenues	109,920	32,286	142,206	142,181	(25)
EXPENDITURES:					
Instruction					
Other Salaries for Instruction	15,000	-	15,000	14,975	25
Other Professional Services	2,534	2,266	4,800	4,800	
Tuition	45,880	9,651	55,531	55,531	
General Supplies	34,432	6,118	40,550	40,550	
Total Instruction	97,846	18,035	115,881	115,856	25
Support Services					
Employee Benefits		1,148	1,148	1,148	
Purchased Profess.-Tech. Serv.	12,074	13,103	25,177	25,177	
Total Support Services	12,074	14,251	26,325	26,325	
Total Expenditures	109,920	32,286	142,206	142,181	25
Total Outflows	\$ 109,920	\$ 32,286	\$ 142,206	\$ 142,181	25
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)					None
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis					<u>None</u>
Fund Balance per Governmental Funds(GAAP Basis)					None

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

For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 7,320,312	\$ 142,181
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	255,090	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(253,089)</u>	<u> -</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,322,313</u>	<u>\$ 142,181</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 7,214,226	\$ 142,181
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 7,214,226</u>	<u>\$ 142,181</u>

Oxford Township School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A					
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A					
State's proportionate share of the net pension liability (asset) associated with the District	\$ 14,821,302	\$ 15,494,931	\$ 11,925,111	\$ 10,068,211	\$ 10,806,791					
Total	\$ 14,821,302	\$ 15,494,931	\$ 11,925,111	\$ 10,068,211	\$ 10,806,791					
District's covered employee payroll	\$ 2,199,970	\$ 2,387,841	\$ 2,460,217	\$ 2,209,139	\$ 1,981,622					
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A					
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%					

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

Public Employees' Retirement System (PERS)

Exhibit L-1

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.006348924%	0.006912876%	0.006480391%	0.007850331%	0.006380266%					
District's proportionate share of the net pension liability (asset)	\$ 1,477,928	\$ 2,047,396	\$ 1,454,718	\$ 1,469,797	\$ 1,219,396					
District's covered employee payroll	\$ 462,063	\$ 430,833	\$ 620,747	\$ 681,512	\$ 656,442					
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	319.85%	475.22%	234.35%	215.67%	185.76%					
Plan fiduciary net position as a percentage of the total pension liability (Local)	58.18%	40.14%	47.92%	52.08%	48.72%					

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

Oxford Township School District
 Required Supplementary Information - Part III
 Schedule of District Contributions
 Last Ten Fiscal Years *

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A					
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A					
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A					
District's covered employee payroll	\$ 2,199,970	\$ 2,387,841	\$ 2,460,217	\$ 2,209,139	\$ 1,981,622					
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A					

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

Public Employees' Retirement System (PERS)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$60,335	\$62,153	\$55,714	\$ 50,523	\$ 45,992					
Contributions in relation to the contractually required contribution	(60,335)	(62,153)	(55,714)	(50,523)	(45,992)					
Contribution deficiency (excess)	-	-	-	-	-					
District's covered employee payroll	\$ 462,063	\$ 430,833	\$ 620,747	\$ 681,512	\$ 656,442					
Contributions as a percentage of covered-employee payroll	13.06%	14.43%	8.98%	7.41%	7.01%					

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

Oxford Township School District
 Required Supplementary Information - Part III
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years *

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Service Cost	\$ 2,391,878,884	\$ 1,723,999,319								
Interest	1,699,441,736	1,823,643,792								
Benefit Payments	(1,242,412,566)	(1,223,298,019)								
Contributions from Members	45,748,749	46,273,747								
Changes of Assumptions or other inputs	<u>\$ (7,086,599,129)</u>	<u>8,611,513,521</u>								
Net change in total OPEB liability	(4,191,942,326)	10,982,132,360								
Total OPEB Liability - Beginning	<u>\$ 57,831,784,184</u>	<u>\$46,849,651,824</u>								
Total OPEB Liability - Ending	<u>\$ 53,639,841,858</u>	<u>\$57,831,784,184</u>								
The State of New Jersey's total OPEB liability **	\$ 53,639,841,858	\$57,831,784,184								
The State of New Jersey's OPEB liability attributable to the District **	\$ 11,471,712	\$ 12,378,498								
The District's proportionate share of the total OPEB liability	Zero	Zero								
District's covered employee payroll	\$ 2,662,033	\$ 2,818,674								
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%								
District's contribution	None	None								
State's covered employee payroll ***	\$ 13,493,400,208	\$13,493,400,208								
Total State's OPEB liability as a percentage of its covered-employee payroll	397.53%	428.59%								

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Based on payroll on the June 30, 2016 census data

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

OXFORD SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules**

For the Fiscal Year Ended June 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. There were no changes of benefit terms.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2018

	Title I Part A	Title I I Part A	Title IV	IDEA Basic	IDEA Pre-Sch.	REAP	Totals
REVENUES							
Federal Sources	\$ 32,642	\$ 5,989	\$ 10,000	\$ 61,443	\$ 2,639	\$ 29,468	\$ 142,181
TOTAL REVENUES	32,642	5,989	10,000	61,443	2,639	29,468	142,181
EXPENDITURES:							
Instruction:							
Other Salaries for Instruction	14,975						14,975
Other Purchased Professional Services	4,800						4,800
Tuition				55,531			55,531
General Supplies	7,000			1,443	2,639	29,468	40,550
Total Instruction	26,775			56,974	2,639	29,468	115,856
Support Services:							
Other Support Salaries							
Employee Benefits	1,148						1,148
Purchased Profess.-Tech. Serv.	4,719	5,989	10,000	4,469			25,177
Supplies and Materials							
Total Support Services	5,867	5,989	10,000	4,469			26,325
TOTAL EXPENDITURES	32,642	5,989	10,000	61,443	2,639	29,468	142,181
Total Outflows	32,642	5,989	10,000	61,443	2,639	29,468	142,181
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

OXFORD TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

Exhibit F-1

For the Fiscal Year Ended June 30, 2018

	<u>Approval</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2018</u>
					<u>Prior Years</u>	<u>Current Year</u>	
Alterations & Renovations of Central School	Voters	12/09/2008	\$ 1,309,200	\$ 895,000	\$ 891,222	-	\$ 3,778
			<u>\$ 1,309,200</u>	<u>\$ 895,000</u>	<u>\$ 891,222</u>	<u>-</u>	<u>\$ 3,778</u>
						Interest Earnings	<u>68</u>
						Fund Balances, June 30, 2018	<u>\$ 3,846</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

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

For the Fiscal Year Ended June 30, 2018

Revenues and Other Financing

Sources

Interest Earnings	\$ <u>43</u>
Total Revenues	<u>43</u>
Excess(deficiency) of revenues over(under) expenditures	43
Fund Balance - Beginning	\$ <u>3,803</u>
Fund Balance - Ending	<u><u>\$ 3,846</u></u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

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

From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 895,000		\$ 895,000	\$ 895,000
Temporary Notes	-	-	-	-
Total Revenues	<u>895,000</u>	<u>-</u>	<u>895,000</u>	<u>895,000</u>
Expenditures and Other Financing Sources				
Professional Fees	\$ 7,702		\$ 7,702	7,702
Construction Services	883,520		883,520	887,298
Total Expenditures	<u>891,222</u>	<u>-</u>	<u>891,222</u>	<u>895,000</u>
Excess(deficiency) of revenues over(under) expenditures			<u>\$ 3,778</u>	
			Project Fund Balance, 6/30/18	<u>\$ 3,778</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/9/2008
Bonds Authorized	\$1,309,200
Bonds Issued	\$1,309,200
Original Authorized Cost	\$1,309,200
Additional Authorized Cost	-\$414,200
Revised Authorized Cost	\$895,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

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

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

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

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2018

	UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u>	FIDUCIARY <u>TRUSTS</u>	<u>AGENCY FUNDS</u> STUDENT PAYROLL <u>ACTIVITY</u> <u>AGENCY</u>		<u>TOTALS</u>
ASSETS:					
Cash and Cash Equivalents	\$44,426	\$10,333	\$23,916	\$27,315	\$105,990
TOTAL ASSETS	\$44,426	\$10,333	\$23,916	\$27,315	\$105,990
LIABILITIES:					
Liabilities:					
Payroll Deductions and Withholdings					
Accounts Payable				\$ 27,315	\$ 27,315
Payable to Student Groups			\$23,916		23,916
Total Liabilities			23,916	27,315	51,231
Net Position					
Held in Trust for Unemployment					
Claims and Other Purposes	\$44,426	\$10,333			54,759
TOTAL LIABILITIES AND NET POSITION	\$44,426	\$10,333	\$23,916	\$27,315	\$105,990

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2018

	UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u>	SCHOLARSHIP <u>TRUST</u>	SUNSHINE <u>TRUST</u>	SUMMER RECREATION <u>TRUST</u>	<u>TOTALS</u>
ADDITIONS					
Contributions:					
Plan Member	\$ 5,806				\$ 5,806
Other	-	\$ 13	\$ 1,841	-	1,854
Total Contributions	<u>5,806</u>	<u>13</u>	<u>1,841</u>	<u>-</u>	<u>7,660</u>
Total Additions	<u>5,806</u>	<u>13</u>	<u>1,841</u>	<u>-</u>	<u>7,660</u>
DEDUCTIONS					
Unemployment Claims	4,343				4,343
Other	-	250	1,538	-	1,788
Total Deductions	<u>4,343</u>	<u>250</u>	<u>1,538</u>	<u>-</u>	<u>6,131</u>
Change in Net Position	1,463	(237)	303	-	1,529
Net Position—Beginning of the Year	<u>42,963</u>	<u>8,574</u>	<u>422</u>	\$ <u>1,271</u>	<u>53,230</u>
Net Position—End of the Year	\$ <u>44,426</u>	\$ <u>8,337</u>	\$ <u>725</u>	\$ <u>1,271</u>	\$ <u>54,759</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2017</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2018</u>
Blue Jeans	\$ 2,485		\$ 1,003	\$ 780	\$ 2,708
Autisum 5K	209			-	209
7th-8th Grade Fundraiser	-		943	487	456
Above the Influence	365			-	365
Archery	-		18,538	17,137	1,401
American Bin	596		2,700	2,025	1,271
Year Book	3,983		3,365	3,982	3,366
Student Council	1,850		4,035	4,716	1,169
KO Club	201			-	201
K-Kids	1,034		934	1,321	647
OCS Play	4,256		4,380	5,781	2,855
Music	1,527		327	550	1,304
Gym Uniforms	198		349	-	547
Basketball Repairs	-		199	47	152
Board Game and Chess Club	-		720	720	-
STEM and Solar Car Club	-		2,281	2,281	-
Living Responsibly	1,866		-	-	1,866
Rebel	1,693		2,700	2,700	1,693
Garden Grant - 4th Grade	181		-	-	181
General	1,156		1,849	1,841	1,164
Transportation	24		733	757	-
Trips-Kindergarten	53		912	965	-
Trips-Grade 1	224		450	486	188
Trips-Grade 2	30		682	684	28
Trips-Grade 3	45		516	520	41
Trips-Grade 4	125		820	772	173
Trips-Grade 5	113		1,504	1,384	233
Trips-Grade 6	274		1,231	1,316	189
Trips-Grade 7	1,441		11,167	11,321	1,287
Trips-Grade 8	514	-	14,103	14,395	222
Totals	\$ 24,443	-	\$ 76,441	\$ 76,968	\$ 23,916

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>BALANCE JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 25,791	\$ 3,428,326	\$ 3,426,802	\$ 27,315
Total Assets	<u>\$ 25,791</u>	<u>\$ 3,428,326</u>	<u>\$ 3,426,802</u>	<u>\$ 27,315</u>
 LIABILITIES:				
Payroll Deductions and Withholdings		\$ 1,475,374	\$ 1,475,374	
Accrued Salaries and Wages		1,925,637	1,925,637	
Accounts Payable	\$ 25,791	27,315	25,791	\$ 27,315
Total Liabilities	<u>\$ 25,791</u>	<u>\$ 3,428,326</u>	<u>\$ 3,426,802</u>	<u>\$ 27,315</u>

LONG-TERM DEBT SCHEDULES

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

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2018**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2017</u>	<u>REFUNDED</u>	<u>PAID</u>	<u>BALANCE JUNE 30, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Refunding Bonds - 2016 (To Advance Refund \$3,725,000 2006 Series Refunding Bonds)	11/03/16	\$ 3,655,000	7/15/18	\$ 180,000	2.000% to 3.25%	\$ 3,655,000		\$ (175,000)	\$ 3,480,000
			7/15/19	180,000					
			7/15/20	190,000					
			7/15/21	200,000					
			7/15/22	205,000					
			7/15/23	210,000					
			7/15/24	220,000					
			7/15/25	225,000					
			7/15/26	240,000					
			7/15/27	245,000					
			7/15/28	255,000					
			7/15/29	265,000					
			7/15/30	275,000					
			7/15/31	290,000					
7/15/32	300,000								
General Obligation Bonds	6/1/11	895,000	10/15/18	170,000	3.00%	300,000		(130,000)	170,000
Total						\$ 3,955,000		\$ (305,000)	\$ 3,650,000

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>ISSUE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OF ISSUE</u>	<u>BALANCE July 1, 2017</u>	<u>RETIRED</u>	<u>BALANCE June 30, 2018</u>
Security Lease	7.90%	\$ 24,754	\$ 21,274	\$ 4,488	\$ 16,786
Technology Lease	8.10%	33,866	22,420	10,774	11,646
Total			43,694	\$ 15,262	\$ 28,432

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 349,422		\$ 349,422	\$ 349,422	-
State Sources:					
Debt Service Aid Type II	65,841		65,841	65,841	
TOTAL REVENUES	415,263	-	415,263	415,263	-
EXPENDITURES:					
Regular Debt Service:					
Interest	110,263		110,263	110,263	-
Redemption of Principal	305,000		305,000	305,000	
Total Regular Debt Service	415,263		415,263	415,263	-
TOTAL EXPENDITURES	415,263		415,263	415,263	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	-
Fund Balance, July 1	-		-	-	-
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

Oxford Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	103-108
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	109-112
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	113-116
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	117-118
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	119-123

Sources:

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

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

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,457,742	\$ 4,027,648	\$ 3,192,098	\$ 3,016,962	\$ 2,966,826	\$ 2,966,826	\$ 2,966,826	\$ 3,208,909	\$ 3,385,026	\$ 3,464,722
Restricted	417,050	647,150	436,150	525,636	672,155	821,913	873,760	1,041,561	895,071	877,890
Unrestricted	(175,650)	(905,056)	(194,582)	(322,921)	(276,206)	(267,855)	(1,227,625)	(1,494,498)	(1,662,664)	(1,555,863)
Total governmental activities Net Position	\$ 3,699,142	\$ 3,769,742	\$ 3,433,666	\$ 3,219,677	\$ 3,362,775	\$ 3,520,884	\$ 2,612,961	\$ 2,755,972	\$ 2,617,433	\$ 2,786,749
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,389	\$ 2,215	\$ 2,040	\$ 1,360	\$ 680	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,395	12,976	13,700	1,490	9,661	14,265	12,556	16,191	17,256	13,834
Total business-type activities Net Position	\$ 12,784	\$ 15,191	\$ 15,740	\$ 2,850	\$ 10,341	\$ 14,265	\$ 12,556	\$ 16,191	\$ 17,256	\$ 13,834
District-wide										
Invested in capital assets, net of related debt	\$ 3,460,131	\$ 4,029,863	\$ 3,194,138	\$ 3,018,322	\$ 2,967,506	\$ 2,966,826	\$ 2,966,826	\$ 3,208,909	\$ 3,385,026	\$ 3,464,722
Restricted	417,050	647,150	436,150	525,636	672,155	821,913	873,760	1,041,561	895,071	877,890
Unrestricted	(165,255)	(892,080)	(180,882)	(321,431)	(266,545)	(253,590)	(1,215,069)	(1,478,307)	(1,645,408)	(1,542,029)
Total district Net Position	\$ 3,711,926	\$ 3,784,933	\$ 3,449,406	\$ 3,222,527	\$ 3,373,116	\$ 3,535,149	\$ 2,625,517	\$ 2,772,163	\$ 2,634,689	\$ 2,800,583

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,015,238	\$ 2,226,967	\$ 2,314,475	\$ 2,215,978	\$ 2,657,738	\$ 2,895,617	\$ 3,130,979	\$ 3,380,694	\$ 3,935,652	\$ 4,101,980
Special education	689,731	630,268	643,332	618,358	514,370	514,631	527,952	687,052	716,847	794,038
Other special instruction	10,510	10,246	18,440	21,994	42,224	36,658	44,170	43,709	60,656	75,175
Support Services:										
Tuition	1,744,491	1,649,352	1,977,062	1,875,062	1,571,200	1,474,776	1,776,420	1,579,064	1,663,660	1,699,963
Student & instruction related services	633,530	606,341	619,335	684,450	634,512	644,866	781,910	687,805	828,595	860,037
School administrative service	122,961	125,902	128,930	130,959	131,451	130,782	148,349	154,385	170,499	988
General and business admin. services	440,603	463,959	424,035	432,059	375,919	356,938	409,769	428,055	476,189	539,589
Plant operations and maintenance	388,375	425,629	368,947	396,999	361,349	354,903	386,997	393,108	483,723	510,480
Pupil transportation	180,802	131,361	145,604	169,878	186,588	211,848	213,251	242,200	274,564	253,497
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	197,414	192,813	217,997	232,984	264,835	253,782	244,973	236,040	130,519	166,054
Total governmental activities expenses	6,423,655	6,462,838	6,858,157	6,778,721	6,740,186	6,874,801	7,664,770	7,832,112	8,740,904	9,001,801
Business-type activities:										
Food service	80,295	79,153	79,184	77,713	88,606	91,134	99,552	101,551	91,698	89,930
Total business-type activities expense	80,295	79,153	79,184	77,713	88,606	91,134	99,552	101,551	91,698	89,930
Total district expenses	\$ 6,503,950	\$ 6,541,991	\$ 6,937,341	\$ 6,856,434	\$ 6,828,792	\$ 6,965,935	\$ 7,764,322	\$ 7,933,663	\$ 8,832,602	\$ 9,091,731
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services					64,000	102,446	81,676	82,082	96,697	\$ 136,652
Operating grants and contributions	\$ 2,891,789	\$ 2,948,566	\$ 2,872,328	\$ 2,998,720	\$ 3,148,052	\$ 3,216,059	\$ 3,703,912	\$ 3,916,599	\$ 4,398,525	4,951,055
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,891,789	2,948,566	2,872,328	2,998,720	3,212,052	3,318,505	3,785,588	3,998,681	4,495,222	5,087,707
Business-type activities:										
Charges for services										
Business and other support services	62,813	57,013	52,365	53,026	54,164	59,046	55,950	55,797	57,110	52,161
Operating grants and contributions	21,229	23,949	26,508	23,954	29,067	35,606	40,229	47,662	35,653	34,295
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	84,042	80,962	78,873	76,980	83,231	94,652	96,179	103,459	92,763	86,456
Total district program revenues	\$ 2,975,831	\$ 3,029,528	\$ 2,951,201	\$ 3,075,700	\$ 3,295,283	\$ 3,413,157	\$ 3,881,767	\$ 4,102,140	\$ 4,587,985	\$ 5,174,163
Net (Expense)/Revenue										
Governmental activities	\$ (3,531,866)	\$ (3,514,272)	\$ (3,985,829)	\$ (3,780,001)	\$ (3,528,134)	\$ (3,556,296)	\$ (3,879,182)	\$ (3,833,431)	\$ (4,245,682)	\$ (3,914,094)
Business-type activities	3,747	1,809	(311)	(733)	(5,375)	3,518	(3,373)	1,908	1,065	(3,474)
Total district-wide net expense	\$ (3,528,119)	\$ (3,512,463)	\$ (3,986,140)	\$ (3,780,734)	\$ (3,533,509)	\$ (3,552,778)	\$ (3,882,555)	\$ (3,831,523)	\$ (4,244,617)	\$ (3,917,568)

Continued

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,234,572	\$ 3,234,572	\$ 3,286,838	\$ 3,230,838	\$ 3,292,340	\$ 3,313,997	\$ 3,521,660	\$ 3,586,163	\$ 3,677,872	\$ 3,721,033
Taxes levied for debt service	289,414	289,927	305,751	299,034	375,216	382,783	385,775	386,384	384,008	349,422
Investment earnings	9,545	5,153	3,768	1,227	320	163	277	932	2,124	2,813
Miscellaneous income	24,408	55,220	53,396	34,913	3,356	17,462	31,376	2,963	43,139	10,142
Federal and State Aid for Capital Assets Projects	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	3,557,939	3,584,872	3,649,753	3,566,012	3,671,232	3,714,405	3,939,088	3,976,442	4,107,143	4,083,410
Business-type activities:										
Investment earnings	331	598	860	543	166	406	1,664	1,727	-	52
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	331	598	860	543	166	406	1,664	1,727	-	52
Total district-wide	\$ 3,558,270	\$ 3,585,470	\$ 3,650,613	\$ 3,566,555	\$ 3,671,398	\$ 3,714,811	\$ 3,940,752	\$ 3,978,169	\$ 4,107,143	\$ 4,083,462
Change in Net Position										
Governmental activities	\$ 26,073	\$ 70,600	\$ (336,076)	\$ (213,989)	\$ 143,098	\$ 158,109	\$ 59,906	\$ 143,011	\$ (138,539)	\$ 169,316
Business-type activities	4,078	2,407	549	(190)	(5,209)	3,924	(1,709)	3,635	1,065	(3,422)
Total district	\$ 30,151	\$ 73,007	\$ (335,527)	\$ (214,179)	\$ 137,889	\$ 162,033	\$ 58,197	\$ 146,646	\$ (137,474)	\$ 165,894

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 466,818	\$ 580,263	\$ 452,575	\$ 468,641	\$ 617,155	\$ 758,615	\$ 840,292	\$ 956,561	\$ 804,026	\$ 908,089
Unreserved	(25,149)	88,194	(25,330)	(48,604)	13,927	113,984	81,621	107,857	117,167	121,191
Total general fund	<u>\$ 441,669</u>	<u>\$ 668,457</u>	<u>\$ 427,245</u>	<u>\$ 420,037</u>	<u># \$ 631,082</u>	<u>\$ 872,599</u>	<u># \$ 921,913</u>	<u>\$ 1,064,418</u>	<u># \$ 921,193</u>	<u>\$ 1,029,280</u>
All Other Governmental Funds										
Reserved	-	-	\$ 20,350	\$ 20,350	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund		\$ 1	1	16	\$ 90	\$ 75				
Capital projects fund	-	(712,659)	3,778	3,778	3,778	3,778	\$ 3,783	\$ 3,789	\$ 3,803	\$ 3,846
Debt service fund	-	-	-	-	-	-	-	-	1,339	1,339
Total all other governmental funds	<u>-</u>	<u>\$ (712,658)</u>	<u>\$ 24,129</u>	<u>\$ 24,144</u>	<u># \$ 3,868</u>	<u>\$ 3,853</u>	<u>\$ 3,783</u>	<u>\$ 3,789</u>	<u>\$ 5,142</u>	<u>\$ 5,185</u>

Source: CAFR Schedule B-1

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

Exhibit J-4

	<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>	<u>2018</u>
Revenues										
Tax levy	\$ 3,523,986	\$ 3,524,499	\$ 3,592,589	\$ 3,529,872	\$ 3,667,556	\$ 3,696,780	\$ 3,907,435	\$ 3,972,547	\$ 4,061,880	\$ 4,070,455
Tuition	100	50	25	25	64,000	102,446	81,676	82,082	96,697	136,652
Miscellaneous	33,853	60,323	57,139	36,115	3,676	17,625	31,653	3,895	45,263	12,955
State sources	2,748,865	2,425,496	2,643,019	2,775,750	3,019,691	3,095,790	3,139,301	3,197,807	3,341,766	3,505,444
Federal sources	142,924	523,070	229,309	222,970	128,361	120,269	124,852	148,359	140,499	154,294
Total revenue	6,449,728	6,533,438	6,522,081	6,564,732	6,883,284	7,032,910	7,284,917	7,404,690	7,686,105	7,879,800
Expenditures										
Instruction										
Regular Instruction	1,589,246	1,791,089	1,869,774	1,709,886	2,087,738	2,340,766	2,385,261	2,487,292	2,681,578	2,641,137
Special education instruction	636,597	584,390	597,125	566,611	462,209	476,683	438,022	552,513	531,080	551,156
Other special instruction	9,700	9,500	17,116	20,193	37,942	33,955	36,646	35,150	44,937	52,180
Support Services:										
Tuition	1,744,491	1,649,352	1,977,062	1,875,062	1,571,200	1,474,776	1,776,420	1,579,064	1,663,660	1,699,963
Student & instruction related services	584,726	562,205	574,851	627,172	570,168	597,315	648,722	553,119	613,869	596,967
School administrative services	113,489	116,737	119,670	120,000	118,121	121,138	123,080	124,153	126,315	686
Other administrative services	406,661	430,187	393,579	395,902	337,798	330,618	339,970	344,233	352,787	374,538
Plant operations and maintenance	358,456	394,647	342,447	363,776	324,706	328,733	321,077	316,129	358,369	354,333
Pupil transportation	180,802	131,361	145,604	169,878	186,588	211,848	213,251	242,200	274,564	253,497
Unallocated employee benefits	301,126	296,338	293,697	342,686	434,786	363,853	430,716	514,147	616,947	718,588
Summer School	-	-	-	-	-	-	-	-	-	-
Charter School	29,968	30,445	30,773	33,961	43,609	-	-	-	55,281	55,155
Capital Outlay	84,304	733,131	239,586	39,616	78,099	58,207	67,635	58,207	58,207	58,207
Debt service:										
Principal	90,000	95,000	100,000	105,000	210,000	255,000	265,000	275,000	280,000	305,000
Interest and other charges	199,414	194,926	220,222	202,222	229,551	198,516	189,873	180,972	170,383	110,263
Total expenditures	6,328,980	7,019,308	6,921,506	6,571,965	6,692,515	6,791,408	7,235,673	7,262,179	7,827,977	7,771,670
Excess (Deficiency) of revenues over (under) expenditures	120,748	(485,870)	(399,425)	(7,233)	190,769	241,502	49,244	142,511	(141,872)	108,130
Other Financing Sources (uses)										
Bond Proceeds			895,000							
Transfers in			20,350							
Transfers out			(20,350)							
Total other financing sources (uses)	-	-	895,000	-	-	-	-	-	-	-
Net change in fund balances	\$ 120,748	\$ (485,870)	\$ 495,575	\$ (7,233)	\$ 190,769	\$ 241,502	\$ 49,244	\$ 142,511	\$ (141,872)	\$ 108,130
Debt service as a percentage of noncapital expenditures	4.6%	4.6%	4.8%	4.7%	6.6%	6.7%	6.3%	6.3%	5.8%	5.4%

Source: CAFR Schedule B-2

OXFORD TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 9,545	\$ 11,513		\$ 12,895	\$ 33,953
2010	5,153	33,986	\$ 19,050	2,184	60,373
2011	3,768	4,049	30,475	4,207	42,499
2012	1,227	233	31,686	2,994	36,140
2013	320	439	64,000	2,917	67,676
2014	163	15,998	102,446	1,464	120,071
2015	277	29,859	81,676	1,512	113,324
2016	932	231	82,082	2,726	85,971
2017	2,124	40,612	96,697	2,513	141,946
2018	2,813		136,652	10,099	149,564

SOURCE: District Records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less:			Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
									Tax- Exempt Property	Public Utilities a				
2009	\$5,571,800	\$214,059,400	\$6,377,900	\$239,860	\$9,614,200	\$5,849,500	-	\$291,295,676	\$48,531,793	\$1,051,223	\$242,763,883	\$1.451	\$239,375,946	
2010	6,186,200	213,956,900	6,302,700	225,085	9,095,200	4,609,600	-	289,699,118	48,448,593	874,840	241,250,525	1.460	241,566,457	
2011	5,308,300	184,576,000	4,865,400	228,300	7,700,600	3,772,900	-	252,243,392	44,853,500	938,392	207,389,892	1.732	236,082,321	
2012	5,231,300	184,134,000	4,865,400	229,000	7,784,800	3,772,900	-	251,448,296	44,553,700	877,196	206,894,596	1.706	220,606,963	
2013	5,057,400	183,999,900	4,766,000	229,200	7,872,400	3,772,900	-	250,900,957	44,323,100	880,057	206,577,857	1.775	215,391,965	
2014	4,973,800	182,973,100	4,746,000	229,200	7,946,700	3,422,900	\$1,000,000	248,384,500	43,092,800	-	205,291,700	1.801	199,551,637	
2015	7,790,100	181,066,400	4,798,100	238,200	7,719,200	3,125,900	1,000,000	249,059,900	43,322,000	-	205,737,900	1.848	187,942,229	
2016	6,666,400	178,106,980	4,766,200	238,200	7,826,800	3,125,900	1,000,000	245,625,980	43,895,500	-	201,730,480	2.021	175,258,623	
2017	4,259,200	140,571,600	3,825,400	256,900	6,729,000	2,182,500	971,200	200,577,635	41,781,835	-	158,795,800	2.558	176,503,508	
2018	3,988,600	141,410,500	3,798,300	256,800	6,563,700	2,182,500	971,200	200,402,535	41,230,935	-	159,171,600	2.557	168,293,070	

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Oxford Township Board of Education						Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Oxford Township	Library	Warren County	
2009	\$1.332	\$0.119	\$1.451	\$0.183	\$0.052	\$0.549	\$2.235
2010	\$1.340	\$0.120	\$1.460	\$0.214	\$0.052	\$0.551	\$2.277
2011	\$1.585	\$0.147	\$1.732	\$0.269	\$0.055	\$0.641	\$2.697
2012	\$1.561	\$0.145	\$1.706	\$0.309	\$0.052	\$0.626	\$2.693
2013	\$1.593	\$0.182	\$1.775	\$0.326	\$0.049	\$0.652	\$2.802
2014	\$1.615	\$0.186	\$1.801	\$0.345	\$0.049	\$0.643	\$2.838
2015	\$1.660	\$0.188	\$1.848	\$0.363	\$0.049	\$0.651	\$2.911
2016	\$1.829	\$0.192	\$2.021	\$0.414	\$0.000	\$0.669	\$3.104
2017	\$2.316	\$0.242	\$2.558	\$0.547	\$0.000	\$0.844	\$3.949
2018	\$2.337	\$0.220	\$2.557	\$0.564	\$0.000	\$0.805	\$3.926

Source: District Records and Municipal Tax Collector

Note:

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

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

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

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

Exhibit J-8

Taxpayer	2018			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Individual Taxpayer #1	\$ 2,207,200	1	1.39%	\$ 921,400	4	0.38%
Tilcon Materials, Inc.	2,113,700	2	1.33%			
Individual Taxpayer #2	1,656,400	3	1.04%			
Individual Taxpayer #3	1,163,200	4	0.73%	722,743	5	0.30%
Oxford Textile	1,446,100	5	0.91%	3,505,600	1	1.44%
Oxford Manor	1,000,000	6	0.63%			
Individual Taxpayer #4	750,100	7	0.47%	319,000	8	0.13%
Individual Taxpayer #5	732,700	8	0.46%	411,400	7	0.17%
HCBOREO 1, LLC	710,600	9	0.45%			
Individual Taxpayer #6	621,300	10	0.39%			
Oxford Quarry, Inc.				1,592,500	2	0.66%
Skyland Development L.P.				1,090,100	3	0.45%
Oxtech Industries, Inc.				641,000	6	0.26%
Total	<u>\$ 12,401,300</u>		<u>7.79%</u>	<u>\$ 9,203,743</u>		<u>3.79%</u>

Source: District CAFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$3,523,986	\$3,523,986	100.00%	-
2010	\$3,524,499	\$3,524,499	100.00%	-
2011	\$3,592,589	\$3,592,589	100.00%	-
2012	\$3,529,872	\$3,529,872	100.00%	-
2013	\$3,667,556	\$3,667,556	100.00%	-
2014	\$3,696,780	\$3,696,780	100.00%	-
2015	\$3,907,435	\$3,907,435	100.00%	-
2016	\$3,972,547	\$3,972,547	100.00%	-
2017	\$4,061,880	\$4,061,880	100.00%	-
2018	\$4,070,455	\$4,070,455	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2009	\$4,715,000	-0-	-0-	-0-	-0-	\$4,715,000	4.17%	\$1,834
2010	\$4,620,000	-0-	-0-	-0-	-0-	\$4,620,000	4.03%	\$1,841
2011	\$5,415,000	-0-	-0-	\$ 1,309,200	-0-	\$6,724,200	5.76%	\$2,697
2012	\$5,310,000	-0-	-0-	-0-	-0-	\$5,310,000	4.54%	\$2,147
2013	\$5,100,000	-0-	-0-	-0-	-0-	\$5,100,000	4.27%	\$2,077
2014	\$4,845,000	-0-	-0-	-0-	-0-	\$4,845,000	3.91%	\$1,969
2015	\$4,580,000	-0-	-0-	-0-	-0-	\$4,580,000	3.62%	\$1,863
2016	\$4,305,000	-0-	-0-	-0-	-0-	\$4,305,000	3.41%	\$1,753
2017	\$3,955,000	-0-	-0-	-0-	-0-	\$3,955,000	3.13%	\$1,612
2018	\$3,650,000	-0-	-0-	-0-	-0-	\$3,650,000	2.89%	\$1,487

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

* Current data unavailable

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

Exhibit J-11

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2009	\$4,715,000	-0-	\$4,715,000	1.94%	\$1,834
2010	\$4,620,000	-0-	\$4,620,000	1.92%	\$1,841
2011	\$5,415,000	-0-	\$5,415,000	2.61%	\$2,697
2012	\$5,310,000	-0-	\$5,310,000	2.57%	\$2,147
2013	\$5,100,000	-0-	\$5,100,000	2.47%	\$2,077
2014	\$4,845,000	-0-	\$4,845,000	2.36%	\$1,969
2015	\$4,580,000	-0-	\$4,580,000	2.23%	\$1,863
2016	\$4,305,000	-0-	\$4,305,000	2.13%	\$1,753
2017	\$3,955,000	-0-	\$3,955,000	2.49%	\$1,612
2018	\$3,650,000	-0-	\$3,650,000	2.29%	\$1,487

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

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

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

**Oxford Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2018**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Oxford	\$ 1,196,237	100.000%	\$ 1,196,237
Other debt			
Warren County	3,040,000	1.611%	<u>48,964</u>
Subtotal, overlapping debt			1,245,201
Oxford Township School District Direct Debt			<u>3,650,000</u>
Total direct and overlapping debt			<u><u>\$ 4,895,201</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis

2015	175,356,815
2016	166,872,425
2017	175,957,992
[A]	<u>\$ 518,187,232</u>

Average equalized valuation of taxable property [A/3] \$ 172,729,077

Debt limit (3 % of average equalization value) [B] 5,181,872

Net school debt [C] 3,650,000

Legal debt margin [B-C] \$ 1,531,872

Fiscal Year

	<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>	<u>2018</u>
Debt limit	\$7,049,723	\$7,110,793	\$6,922,827	\$6,652,693	\$6,306,417	\$5,982,795	\$5,624,530	\$5,392,215	\$5,198,038	\$ 5,181,872
Total net debt applicable to limit	<u>4,715,000</u>	<u>5,929,200</u>	<u>6,724,200</u>	<u>5,310,000</u>	<u>5,100,000</u>	<u>4,845,000</u>	<u>4,580,000</u>	<u>4,305,000</u>	<u>3,955,000</u>	<u>3,650,000</u>
Legal debt margin	<u>\$2,334,723</u>	<u>\$1,181,593</u>	<u>\$198,627</u>	<u>\$1,342,693</u>	<u>\$1,206,417</u>	<u>\$1,137,795</u>	<u>\$1,044,530</u>	<u>\$1,087,215</u>	<u>\$1,243,038</u>	<u>\$1,531,872</u>
Total net debt applicable to the limit as a percentage of debt limit	66.88%	83.38%	97.13%	79.82%	80.87%	80.98%	81.43%	79.84%	76.09%	70.44%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2009	2,586	\$ 112,806,492	\$43,622 R	15.7%
2010	2,571	\$ 113,183,133	\$44,023 R	16.1%
2011	2,510	\$ 114,599,070	\$45,657 R	15.0%
2012	2,493	\$ 116,744,697	\$46,829 R	14.6%
2013	2,473	\$ 116,883,872	\$47,264 R	8.3%
2014	2,455	\$ 119,308,090	\$48,598 R	6.7%
2015	2,461	\$ 123,975,336	\$50,376 R	6.1%
2016	2,459	\$ 126,525,386	\$51,454 P	5.0%
2017	2,456	\$ 126,371,024	\$51,454 *	4.6%
2018	2,454	\$ 126,268,116	\$51,454 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

R =Revised

P =Projected

* Current data unavailable

Oxford Township School District
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15
N/A

Employer	2018			2009		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

Source:
No reliable information is available at the local or county level.

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

Exhibit J-16

<u>Function/Program</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>	<u>2018</u>
Instruction										
Regular	20.0	20.0	20.5	20.5	22.0	23.0	24.0	24.0	24.0	22.0
Special education	8	8.0	8.0	8.0	8.0	7.5	7.0	7.0	7.0	9.5
Other special education	7	10.0	8.5	10.0	12.5	14.2	14.0	14.0	14.5	17.0
Support Services:										
Student & instruction related services	5	4.3	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
School administrative services	4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Business administrative services	2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Plant operations and maintenance	3.5	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0
Food Service	-	-	-	-					0.3	0.3
Total	53	49	52	51	52.5	56.0	58.2	58.5	58.5	61.3

Source: District Personnel Records

Oxford Township School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2009	408	\$ 6,248,028	\$ 15,314	-26.72%	28	1/14.6		291.0	273.9	-2.68%	94.1%
2010	406	6,729,382	16,575	8.23%	28	1/14.5		287.0	274.2	-1.37%	95.5%
2011	428	6,601,284	15,424	-6.95%	28	1/14.0		281.2	270.0	-2.02%	96.0%
2012	417	6,264,703	15,023	-2.60%	29	1/14.4		278.0	266.0	-1.14%	95.7%
2013	437	6,252,964	14,309	-4.76%	30	1/14.6		305.0	293.0	9.71%	96.1%
2014	439	6,337,892	14,437	0.90%	31	1/14.2		313.0	303.0	2.62%	96.8%
2015	432	6,780,800	15,696	8.72%	31	1/13.9		308.1	296.9	-1.57%	96.4%
2016	422	6,806,207	16,128	2.75%	31	1/13.6		309.9	297.8	0.58%	96.1%
2017	422	7,377,594	17,482	8.40%	31	1/13.6		292.2	281.1	-5.71%	96.2%
2018	384	7,356,407	19,157	9.58%	32	1/12.2		276.4	265.1	-5.41%	95.9%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual October district count.

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

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

Exhibit J-18

	<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>	<u>2018</u>
<u>District Building</u>										
<u>Elementary</u>										
Oxford Central (1923)										
Square Feet	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554	125,554
Capacity (students)	378	378	378	378	378	378	378	378	378	378
Enrollment	291	288	288	278	305	313	308	310	292	283

Number of Schools at June 30, 2018

Source: District records, ASSA

Elementary = 1

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

OXFORD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2018

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>2018</u>	<u>Total</u>
Oxford Central School	N/A	<u>\$88,736</u>	<u>\$92,280</u>	<u>\$72,475</u>	<u>\$86,256</u>	<u>\$87,737</u>	<u>\$86,429</u>	<u>\$99,483</u>	<u>\$111,778</u>	<u>\$151,670</u>	<u>\$139,540</u>	<u>\$1,016,384</u>
Total School Facilities		88,736	92,280	72,475	86,256	87,737	86,429	99,483	111,778	151,670	139,540	1,016,384
Other Facilities		<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Grand Total		<u>\$88,736</u>	<u>\$92,280</u>	<u>\$72,475</u>	<u>\$86,256</u>	<u>\$87,737</u>	<u>\$86,429</u>	<u>\$99,483</u>	<u>\$111,778</u>	<u>\$151,670</u>	<u>\$139,540</u>	<u>\$1,016,384</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2018

UNAUDITED

Exhibit J-20

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

SOURCE: District Records

Single Audit Section



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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oxford Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Oxford Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 16, 2019.

Internal Control Over Financial Reporting

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

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

-Continued-

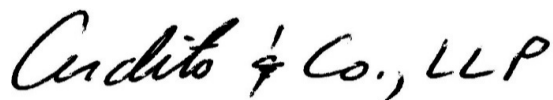
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

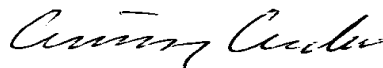
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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



ARDITO & CO., LLP
January 16, 2019



Licensed Public School Accountant No.2369



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 Douglas R. Williams, CPA, RMA, PSA

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Oxford Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circulars 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2018. The Oxford Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circulars 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

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

-Continued-

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

Opinion on Each Major State Program

In our opinion, the Oxford Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Oxford Township School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oxford Township School District Board of Education's internal control over compliance.

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

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

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

ARDITO & Co., LLP

ARDITO & CO., LLP
January 16, 2019

Anthony Ardito

Licensed Public School Accountant No.2369

OXFORD TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2018

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2017	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2018			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund:															
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 2,098,956			\$ 2,098,956	\$ (2,098,956)								
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	136,401			136,401	(136,401)								
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	130,857			130,857	(130,857)								
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	221,657			221,657	(221,657)								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	29,944			29,944	(29,944)								
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	7,179			7,179	(7,179)								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	3,950			3,950	(3,950)								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	3,950			3,950	(3,950)								
Prof Learning Comm Aid	18-495-034-5120-101	7/1/17-6/30/18	3,840			3,840	(3,840)								
Non-Public Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17		\$ (348)		348									
Non-Public Transportation Aid	18-100-034-5120-068	7/1/17-6/30/18	1,160				(1,160)			\$ (1,160)					1,160
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17		(56,944)		56,944									
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	81,120				(81,120)			(81,120)					81,120
On Behalf TPAF Pension	18-495-034-5094-002	7/1/17-6/30/18	341,407			341,407	(341,407)								341,407
On Behalf TPAF Pension PMR	18-495-034-5094-001	7/1/17-6/30/18	220,508			220,508	(220,508)								220,508
On Behalf TPAF Pension LTD Ins	18-495-034-5094-004	7/1/17-6/30/18	575			575	(575)								575
Reimbursed TPAF Soc.Secur.Contrib.	18-495-034-5094-003	7/1/17-6/30/18	156,098	(7,823)		156,588	(156,098)			(7,333)					156,098
Total General Fund				(65,115)		3,413,104	(3,437,602)			(89,613)				253,089	3,437,602
Debt Service Fund:															
Debt Service Aid Type 2	18-100-034-5120-124	7/1/17-6/30/18	65,841			65,841	(65,841)								65,841
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	17-100-010-3350-023	7/1/16-6/30/17		(124)		64		\$ 60							
Nat.School Lunch Prog.(State Share)	18-100-010-3350-023	7/1/17-6/30/18	1,204			1,123	(1,204)			(81)					1,204
Total Enterprise Fund				(124)		1,187	(1,204)	60		(81)					1,204
Total State Financial Assistance				\$ (65,239)	-	\$ 3,480,132	\$ (3,504,647)	\$ 60	-	\$ (89,694)	-	-	\$	253,089	\$ 3,504,647
							Less: On-behalf TPAF Pension Amounts	562,490							
							Total State Expenditures Subject to Major Program Determination	\$ (2,942,157)							

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,001 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 12,113	\$ 3,439,603	\$ 3,451,716
Special Revenue Fund	142,181	-	142,181
Debt Service Fund		65,841	65,841
Food Service Fund	<u>33,090</u>	<u>1,205</u>	<u>34,295</u>
Total Financial Assistance	<u>\$ 187,384</u>	<u>\$ 3,506,649</u>	<u>\$ 3,694,033</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes **x** No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes **x** None Reported

Noncompliance material to financial statements noted? ___ Yes **x** No

Federal Awards

N/A

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Internal Control over major programs:
1) Material weakness(es) identified? yes x no

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes x none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? yes x no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

18-495-034-5120-078

Equalization Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section II-Financial Statement Findings

N/A

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

Section III - State Financial Assistance Findings and Questioned Costs

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATUS OF PRIOR YEAR FINDINGS

N/A

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