

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, 2019

Comprehensive Annual

Financial Report

of the

Oxford Township School District

Board of Education

Oxford, New Jersey

For the Fiscal Year Ending June 30, 2019

Prepared by

Oxford Township School District

Board of Education

Finance Department

OUTLINE OF CAFR

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	8-10
Required Supplementary Information – Part I Management's Discussion and Analysis	13-20
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	27
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Proprietary Funds:	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33
Notes to the Financial Statements	35-68
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	71-78
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	79
Notes to Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	880

OUTLINE OF CAFR

Required Supplementary Information – Part III		<u>Page</u>
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-3	Schedule of the District's Proportionate Share of the Net Pension Liability	81
L-2	Schedule of District Contributions	82
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1	Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	83
Notes to Required Supplementary Information - Part III		84
Other Supplementary Information		
D.	School Level Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	87
E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	89
F-2	Summary Schedule of Revenues and Expenditures	90
F-2a	Summary Schedule of Revenues and Expenditures-Central School	91
G.	Proprietary Funds	
Enterprise Fund:		
G-1	Combining Statement of Net Position	See B-4
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3	Combining Statement of Cash Flows	See B-6
Internal Service Fund:		
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A

OUTLINE OF CAFR

Other Supplementary Information-(Continued)

	<u>Page</u>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	94
H-2 Combining Statement of Changes in Fiduciary Net Position	95
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	96
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	97
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	99
I-2 Schedule of Obligations Under Capital Leases	100
I-3 Budgetary Comparison Schedule Debt Service Fund	101

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section	102
Financial Trends	
J-1 Net Position by Component	103
J-2 Changes in Net Position	104-105
J-3 Fund Balances - Governmental Funds	106
J-4 Changes in Fund Balances - Governmental Funds	107
J-5 General Fund Other Local Revenue by Source	108
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	109
J-7 Direct and Overlapping Property Tax Rates	110
J-8 Principal Property Taxpayers	111
J-9 Property Tax Levies and Collections	112
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	113
J-11 Ratios of General Bonded Debt Outstanding	114
J-12 Direct and Overlapping Governmental Activities Debt	115
J-13 Legal Debt Margin Information	116
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	117
J-15 Principal Employers	118
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	119
J-17 Operating Statistics	120
J-18 School Building Information	121
J-19 Schedule of Required Maintenance Expenditures by School Facility	122
J-20 Insurance Schedule	123

OUTLINE OF CAFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	125-126
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's Circular 15-08	127-128
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	129
K-5	Notes to the Schedules of Awards and Financial Assistance	130-131
K-6	Summary of Auditor's Results	132-133
K-7	Schedule of Findings and Questioned Costs	134
K-8	Summary Schedule of Prior Audit Findings	135

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

November 8, 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, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Oxford Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Oxford Township School District. All disclosures necessary to enable the reader to gain an understanding of the district's activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Action of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The district provides a full range of educational 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 2018-2019 school year with the following enrollment:

Placement	Enrollment
Oxford Central School	271
Warren Hills Regional High School	101
Warren County Technical School	24
Out of District	2
Ridge & Valley Charter School	2
Other School Choice District	1
Non-Public Schools	7
At Home Instruction	2
Total District	410

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

Fiscal Year	Student Enrollment	% Change Inc/(Dec)
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%)
2017 - 2018	276.4	(5.41%)
2018 - 2019	273.3	(1.45%)

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, 2019.

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, 2019, 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	\$4,685,637	60.63%	\$ 510,867	12.24%
State of N.J.	2,891,560	37.42%	106,705	3.83%
Federal	150,793	1.95%	(3,526)	(2.29%)
TOTAL	\$7,727,990	100.00%	\$ 614,045	8.63%

Local Sources increased primarily due to a 2% increase in the tax levy, debt service payments increasing, and increased use of reserves when compared to the prior year. State aid increased slightly over the prior year partially offset by a small decrease in grant funding from the Federal government.

The following schedule presents a summary of general fund special revenue fund expenditures for the fiscal year ended June 30, 2019 and the increase/decrease in relation to prior year amounts.

Expenditures	Amount	% of Total	Incr/(Decr)	% of Inc/(Decr)
<i>Current:</i>				
Instruction	\$2,289,728	30.99%	\$ (8,276)	(0.36%)
Undistributed	\$4,383,917	59.33%	191,811	4.58%
Subtotal Current	\$6,673,645	90.32%	183,535	2.83%
<i>Charter School</i>	\$37,083	0.50%	(18,072)	(32.07%)
<i>Capital Outlay</i>	\$58,207	0.79%	-	-
<i>Capital Projects</i>	\$28,675	0.39%	28,675	100.00%
<i>Special Revenue</i>	\$139,418	1.89%	(2,763)	(1.94%)
<i>Debt Service</i>	\$452,213	6.12%	36,950	8.90%
Grand Total	\$7,389,240	100.00%	\$228,324	3.19%

The **decrease** in Charter School expenses is due to two fewer students attending. Debt Service payments increased in line with the repayment schedule.

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, and was paid off this year.

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

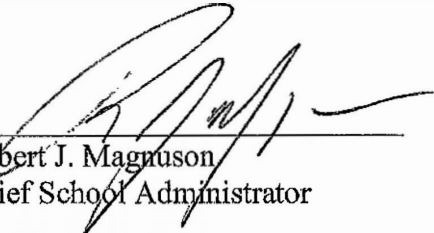
X. RISK MANAGEMENT: The Oxford Township Board of Education carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

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


related OMB circular A-133 and State treasury Circular Letter OMB 04-04 and 15-08. The auditor's report relating specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



Robert J. Magnuson
Chief School Administrator



Nancy A. DeRiso
School Business Administrator

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

BOARD OF EDUCATION

CHIEF SCHOOL ADMINISTRATOR

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

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

**FACULTY, STAFF
AND
CONSULTANTS**

STUDENTS

OXFORD TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Suzanne Taranto, <i>President</i>	2019
Catherine Hoffmann, <i>Vice-President</i>	2020
Michael Zulla	2021
Linda Koufodontes	2020
Anthony Lewis-Lahey	2019
Jacob Burlas	2021
John Brus	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, 2019, 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, 2019, 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.

-Continued-

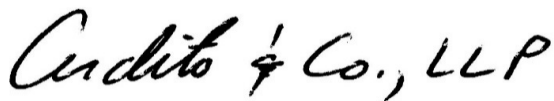
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circulars 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are the responsibility 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 November 8, 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
November 8, 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, 2019
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, 2019. 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 2019 are as follows:

- ◆ In total, Net Position increased \$185,113 which represents a 6.6% increase from 2018.
- ◆ General revenues accounted for \$4,181,231 in revenue or 46.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,868,682 or 53.8% of total revenues of \$9,049,913.
- ◆ Total assets of governmental activities decreased by \$176,910, as cash and cash equivalents decreased by \$22,821, receivables increased by \$62,136, and capital assets decreased by \$216,105.
- ◆ The School District had \$8,864,800 in expenses; only \$4,868,682 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,181,231 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,642,096 in revenues and \$7,614,549 in expenditures. The General Fund's surplus balance increased \$27,547 over 2018, which compares favorably to the budgeted decrease of \$375,482.

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, 2019
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 2019?" 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, 2019
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 2019 compared to 2018.

**Table 1
Net Position**

	<u>2019</u>	<u>2018</u>
Assets		
Current and Other Assets	\$ 1,098,213	\$ 1,059,018
Capital Assets	<u>6,898,617</u>	<u>7,114,722</u>
Total Assets	<u>7,996,830</u>	<u>8,173,740</u>
 Deferred Outflows of Resources	 <u>500,842</u>	 <u>564,459</u>
 Liabilities		
Long-Term Liabilities	4,842,897	5,357,142
Other Liabilities	<u>64,027</u>	<u>57,896</u>
Total Liabilities	<u>4,906,924</u>	<u>5,415,038</u>
 Deferred Inflows of Resources	 <u>605,052</u>	 <u>522,578</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,464,722	3,464,722
Restricted	995,601	877,890
Unrestricted	<u>(1,474,627)</u>	<u>(1,542,029)</u>
Total Net Position	<u>\$ 2,985,696</u>	<u>\$ 2,800,583</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

Total assets of governmental activities decreased by \$176,910, as cash and cash equivalents decreased by \$22,821, receivables increased by \$62,136, and capital assets decreased by \$216,105.

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 2018.

Table 2
Changes in Net Position

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 261,665	\$ 188,813
Operating Grants and Contributions	4,607,017	4,985,350
General Revenues:		
Property Taxes	4,163,145	4,070,455
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	8,790	2,813
Other	9,296	10,194
Total Revenues	<u>9,049,913</u>	<u>9,257,625</u>
Program Expenses		
Instruction	4,681,522	4,971,193
Support Services:		
Tuition	1,911,850	1,699,963
Pupils and Instructional Staff	911,491	860,037
General Administration, School Administration, Business	481,355	540,577
Operations and Maintenance of Facilities	430,123	510,480
Pupil Transportation	204,812	253,497
Business-Type Activities	85,940	89,930
Interest and Fiscal Charges	157,707	166,054
Total Expenses	<u>8,864,800</u>	<u>9,091,731</u>
Increase in Net Position	<u>\$ 185,113</u>	<u>\$ 165,894</u>

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
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 46.0% percent of revenues for governmental activities for the Oxford Township School District for the fiscal year 2019.

Instruction comprises 52.8% of district expenses. Support services expenses make up 44.4% 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 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 4,681,522	\$ 2,008,480	\$4,971,193	\$2,050,149
Support Services:				
Tuition	1,911,850	946,725	1,699,963	787,422
Pupils and Instructional Staff	911,491	417,394	860,037	372,041
General Admin., School Admin., Business	481,355	238,361	540,577	250,395
Operation and Maintenance of Facilities	430,123	212,991	510,480	236,454
Pupil Transportation	204,812	101,420	253,497	117,420
Business-Type Activities	85,940	(4,065)	89,930	3,474
Interest and Fiscal Charges	<u>157,707</u>	<u>74,812</u>	<u>166,054</u>	<u>100,213</u>
Total Expenses	<u>\$ 8,864,800</u>	<u>\$ 3,996,118</u>	<u>\$ 9,091,731</u>	<u>\$ 3,917,568</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, 2019
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 42.9% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 48.7%. 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 \$8,232,466 and expenditures of \$8,206,180. The General Fund's surplus balance increased \$27,547 over 2018, which compares favorably to the budgeted decrease of \$375,482.

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 2019 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 \$6,838,242, \$213,964 over original budgeted estimates of \$6,624,278. This difference was due primarily to extraordinary aid and tuition revenues.

General fund revenues exceeded expenditures by \$40,697. Again this surplus compares to a budgeted deficit of \$375,482, which was due to the budgeted use of surplus, maintenance, capital and emergency reserves and tuition reserve needed to balance the 2019 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 \$1,323,066, and amounts ear-marked and reserved for future purposes were \$1,123,065, creating a surplus in unreserved fund balance of \$200,001. 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, 2019
UNAUDITED

Capital Assets

At the end of the fiscal year 2019, the School District had \$6,898,617 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2019 balances compared to 2018.

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

	<u>2019</u>	<u>2018</u>
Land	\$ 550	\$ 550
Land Improvements	-	5,315
Buildings and Improvements	6,853,424	7,060,565
Machinery and Equipment	<u>44,643</u>	<u>48,292</u>
 Totals	 <u>\$ 6,898,617</u>	 <u>\$ 7,114,722</u>

Overall capital assets decreased \$216,105 from fiscal year 2018 to fiscal year 2019. The decrease in capital assets was due to depreciation expense for the year, net of additions.

Capital improvements of \$13,177 were purchased during fiscal year 2019.

Debt Administration

At June 30, 2019, the School District had \$3,503,695 as outstanding long term debt. Of this amount, \$191,765 is for compensated absences and \$3,300,000 is for bonds payable outstanding.

At June 30, 2019, the School District's overall legal debt margin was \$1,909,687 and the unvoted debt margin was the same.

OXFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
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, 2019

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 841,135	\$ 3,628	\$ 844,763
Receivables from Other Governments	96,846	1,619	98,465
Accounts Receivable, Net	45,300		45,300
Interfund Receivables	92,093	14,598	106,691
Inventory		2,994	2,994
Capital Assets, Net (Note 6):	6,898,617		6,898,617
Total Assets	<u>7,973,991</u>	<u>22,839</u>	<u>7,996,830</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>500,842</u>		<u>500,842</u>
LIABILITIES			
Accounts Payable		3,948	3,948
Interfund Payable	14,598		14,598
Unearned Revenue	25	992	1,017
Accrued Interest	44,464		44,464
Net Pension Liability (Note 8)	1,339,202		1,339,202
Noncurrent Liabilities (Note 7):			
Due Within One Year	185,254		185,254
Due Beyond One Year	3,318,441		3,318,441
Total Liabilities	<u>4,901,984</u>	<u>4,940</u>	<u>4,906,924</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>605,052</u>		<u>605,052</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	3,464,722		3,464,722
Restricted for:			
Other Purposes	995,601		995,601
Unrestricted	(1,492,526)	17,899	(1,474,627)
Total Net Position	<u>\$ 2,967,797</u>	<u>\$ 17,899</u>	<u>\$ 2,985,696</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, 2019

	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	\$ 3,853,945	\$ 204,300	\$ 2,050,971		\$ (1,598,674)		\$ (1,598,674)
Special Education	757,014		382,150		(374,864)		(374,864)
Other Special Instruction	70,563		35,621		(34,942)		(34,942)
Support Services:							
Tuition	1,911,850		965,125		(946,725)		(946,725)
Student & Instruction Related Services	911,491		494,097		(417,394)		(417,394)
School Administrative Services	1,127		569		(558)		(558)
General and Business Admin. Services	480,228		242,425		(237,803)		(237,803)
Plant Operations and Maintenance	430,123		217,132		(212,991)		(212,991)
Pupil Transportation	204,812		103,392		(101,420)		(101,420)
Interest and Other Charges	157,707		82,895		(74,812)		(74,812)
Total Governmental Activities	8,778,860	204,300	4,574,377		(4,000,183)		(4,000,183)
Business-Type Activities:							
Food Service	85,940	\$ 57,365	32,640			\$ 4,065	4,065
Total Business-Type Activities	85,940	57,365	32,640			4,065	4,065
Total Primary Government	\$ 8,864,800	\$ 261,665	\$ 4,607,017		\$ (4,000,183)	\$ 4,065	\$ (3,996,118)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 3,795,166			\$ 3,795,166
Taxes Levied for Debt Service				367,979			367,979
Investment Earnings				8,790			8,790
Miscellaneous Income				9,296		-	9,296
Total General Revenues, Special Items, Extraordinary Items and Transfers				4,181,231			4,181,231
Change in Net Position				181,048		4,065	185,113
Net Position—Beginning				2,786,749		13,834	2,800,583
Net Position—Ending				\$ 2,967,797		\$ 17,899	\$ 2,985,696

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, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 837,211		\$ 3,924	\$ 841,135
Interfund Receivables	92,991			92,991
Accounts Receivable, Net	45,293	\$ 7		45,300
Receivables from Other Governments	95,930	916		96,846
TOTAL ASSETS	\$ 1,071,425	\$ 923	\$ 3,924	\$ 1,076,272
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payables	\$ 14,598	\$ 898		\$ 15,496
Deferred Revenue		25		25
Total Liabilities	14,598	923	-	15,521
Fund Balances:				
<u>Restricted for:</u>				
Capital Reserve	518,369			518,369
Emergency Reserve	44			44
Maintenance Reserve	64,188			64,188
Tuition Reserve	333,000			333,000
<u>Assigned to:</u>				
Year-End Encumbrances	127,464			127,464
General Fund-Designated for Subsequent Year's Expend.	80,000			80,000
Capital Projects Fund			\$ 3,924	3,924
<u>Unassigned:</u>				
General Fund	(66,238)			(66,238)
Total Fund Balances	1,056,827	-	3,924	1,060,751
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,071,425	\$ 923	\$ 3,924	\$ 1,076,272

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 \$10,757,428 and the accumulated depreciation is \$3,858,811. \$6,898,617

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) 500,842

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) (605,052)

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) (1,339,202)

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) (44,464)

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) (3,503,695)

Net Position of governmental activities \$ 2,967,797

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, 2019**

	<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	\$ 3,795,166			\$ 367,979	\$ 4,163,145
Tuition	204,300				204,300
Miscellaneous	18,008		\$ 78		18,086
Total - Local Sources	4,017,474	-	78	367,979	4,385,531
State Sources	3,613,247			82,895	3,696,142
Federal Sources	11,375	\$ 139,418			150,793
Total Revenues	7,642,096	139,418	78	450,874	8,232,466
EXPENDITURES					
Current:					
Regular Instruction	2,587,558	105,453			2,693,011
Special Education Instruction	572,045				572,045
Other Special Instruction	53,322				53,322
Support services and undistributed costs:					
Tuition	1,911,850				1,911,850
Student and Instruction Related Services	654,812	33,965			688,777
School Administrative Services	852				852
Other Administrative Services	362,889				362,889
Plant Operations and Maintenance	325,027				325,027
Pupil Transportation	204,812				204,812
Unallocated Benefits	817,417				817,417
Charter School	37,083				37,083
Debt Service:					
Principal				350,000	350,000
Interest and Other Charges				102,213	102,213
Capital Outlay	86,882		-		86,882
Total Expenditures	7,614,549	139,418	-	452,213	8,206,180
Excess (Deficiency) of Revenues Over Expenditures	27,547	-	78	(1,339)	26,286
Net Change in Fund Balances	27,547	-	78	(1,339)	26,286
Fund Balance—July 1	1,029,280		3,846	1,339	1,034,465
Fund Balance—June 30	\$ 1,056,827	-	\$ 3,924	-	\$ 1,060,751

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 26,286

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	\$ (229,282)	
	Net Book Value of Disposals	-	
	Capital Outlays, Net of Capital Lease Capital Cost	<u>13,177</u>	(216,105)

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. (7,365)

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. 350,000

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. 16,502

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. 9,017

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. 2,713

Change in Net Position of Governmental Activities \$ 181,048

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, 2019

		Business-Type Activities- Enterprise Funds	
		Food Service	Totals
ASSETS			
Current assets:			
Cash and Cash Equivalents		\$ 3,628	\$ 3,628
Federal and State Accounts Receivable		1,619	1,619
Interfund Receivable		14,598	14,598
Inventories		2,994	2,994
Total Current Assets		<u>22,839</u>	<u>22,839</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>22,839</u>	<u>22,839</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		3,948	3,948
Deferred Revenue		992	992
Total Current Liabilities		<u>4,940</u>	<u>4,940</u>
Total Liabilities		<u>4,940</u>	<u>4,940</u>
Net Position			
Invested in Capital Assets Net of Related Debt		-	-
Unrestricted		17,899	17,899
Total Net Position		<u>\$ 17,899</u>	<u>\$ 17,899</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, 2019

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 45,524	\$ 45,524
Daily Sales - Non-Reimb.Programs	11,841	11,841
Miscellaneous		
Total Operating Revenues	<u>57,365</u>	<u>57,365</u>
 Operating Expenses:		
Cost of Sales - Reimbursable Programs	33,242	33,242
Cost of Sales - Non-reimbursable Programs	6,670	6,670
Salaries	24,628	24,628
Employee Benefits	6,457	6,457
Supplies	4,206	4,206
Miscellaneous	3,076	3,076
Other Purchased Professional Services	7,661	7,661
Depreciation	-	-
Total Operating Expenses	<u>85,940</u>	<u>85,940</u>
 Operating Income (Loss)	<u>(28,575)</u>	<u>(28,575)</u>
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,184	1,184
Federal Sources:		
National School Lunch Program	26,133	26,133
Food Distribution Program	5,323	5,323
Total Nonoperating Revenues (Expenses)	<u>32,640</u>	<u>32,640</u>
 Income (Loss) Before Contributions and Transfers	4,065	4,065
Transfers In (Out)		
Change in Net Position	<u>4,065</u>	<u>4,065</u>
 Total Net Position—Beginning	13,834	13,834
Total Net Position—Ending	<u>\$ 17,899</u>	<u>\$ 17,899</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, 2019

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 57,365	\$ 57,365
Payments to Employees and Benefits	(31,085)	(31,085)
Payments to Suppliers	(59,547)	(59,547)
Net Cash Provided by (used for) Operating Activities	(33,267)	(33,267)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,189	1,189
Federal Sources	26,391	26,391
Operating Subsidy Transfers from Other Funds	-	-
Net Cash Provided by (used for) Non-Capital Financing Activities	27,580	27,580
Net Increase (Decrease) in Cash and Cash Equivalents	(5,687)	(5,687)
Balances—Beginning of Year	9,315	9,315
Balances—End of Year	\$ 3,628	\$ 3,628
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (28,575)	\$ (28,575)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities	5,323	5,323
(Increase) Decrease in Receivables	(10,908)	(10,908)
(Increase) Decrease in Inventories	121	121
Increase (Decrease) in Accounts Payable	772	772
Total Adjustments	(4,692)	(4,692)
Net Cash Provided by (used for) Operating Activities	\$ (33,267)	\$ (33,267)

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, 2019

	Unemployment Compensation Trust	Fiduciary Trust	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 50,305	\$ 8,752	\$ 148,423
Total Assets	\$ 50,305	\$ 8,752	\$ 148,423
LIABILITIES			
Payroll Deductions and Withholdings			\$ 1,908
Interfund Payable			92,093
Accounts Payable			27,315
Payable to Student Groups	-	-	27,107
Total Liabilities	-	-	\$ 148,423
Net Position			
Held in Trust for Unemployment Claims & Other Purposes	\$ 50,305	\$ 8,752	

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, 2019

	Unemployment Compensation <u>Trust</u>	Fiduciary <u>Trust</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 6,118	-
Other	<u>-</u>	<u>\$ 1,840</u>
Total Contributions	<u>6,118</u>	<u>1,840</u>
Total Additions	<u>6,118</u>	<u>1,840</u>
DEDUCTIONS		
Other		3,421
Unemployment Claims	<u>239</u>	<u>-</u>
Total Deductions	<u>239</u>	<u>3,421</u>
Change in Net Position	5,879	(1,581)
Net Position—Beginning of the Year	<u>44,426</u>	<u>10,333</u>
Net Position—End of the Year	<u>\$ 50,305</u>	<u>\$ 8,752</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, 2019

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, 2018.

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, 2019, of 274 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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, but which were levied to finance fiscal year 2020 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, 2019

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, 2019

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, 2019

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, 2019, 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, 2019, 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	\$445,143	\$207,480	\$652,623
	\$445,143	\$207,480	\$652,623
	\$445,143	\$207,480	\$652,623

The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$652,623 and the bank balance was \$1,161,225. 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 \$911,225 was covered by collateral pool.

OXFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, the district's balance was \$399,620

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, 2019

NOTE 3: RECEIVABLES

Receivables at June 30, 2019, 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	\$95,930	\$96,006
Federal Aid	916	2,459
Gross Receivable-Governm.	96,846	98,465
Other Receivables	45,300	45,300
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$142,146	\$143,765

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2019, consisted of the following:

Food	\$ 2,517
Supplies	477
Total	\$ 2,994

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, 2019

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, 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	198,637	\$ 13,177	\$ (1,994)	209,820
Total at Historical Cost	10,745,695	13,177	(1,994)	10,756,878
Less Accumulated Depreciation for:				
Land Improvements	(151,485)	(5,315)		(156,800)
Building and Improvements	(3,329,693)	(207,141)		(3,536,834)
Equipment	(150,345)	(16,826)	1,994	(165,177)
Total Accumulated Depreciation	(3,631,523)	(229,282)	1,994	(3,858,811)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	7,114,172	(216,105)	-	6,898,067
Government Activity Capital Assets, Net	\$ 7,114,722	(\$216,105)	\$0	\$ 6,898,617

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>\$ 229,282</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, 2019

NOTE 7: LONG-TERM OBLIGATIONS - (Continued)

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2019, are as follows:

	Balance <u>7/1/18</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/19</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$3,650,000		(\$350,000)	\$3,300,000	\$180,000
Other Liabilities:					
Capital Lease Obligations	28,432		(16,502)	11,930	15,262
Compensated Absences Payable	200,782		(9,017)	191,765	
Total	\$3,879,214		(\$375,519)	\$3,503,695	\$195,262

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, 2019, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			Balance
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>June 30, 2019</u>
General School Renovations				
Bonds Payable-Series 2016	11/3/16	2.0%-3.25%	7/15/2032	\$ 3,300,000
Total Bonds				\$ 3,300,000

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024	210,000	73,712	283,712
Thereafter	<u>2,315,000</u>	<u>346,958</u>	<u>2,661,958</u>
	<u>\$ 3,300,000</u>	<u>\$ 764,519</u>	<u>\$ 4,064,519</u>

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, 2019.

OXFORD TOWNSHIP SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

D. Capital Lease Obligations:

The district entered into a leases for security and technolgy equipment on July 7, 2017 and on June 29, 2017 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, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,254	\$ 755	\$ 6,009
2021	5,684	325	6,009
2022	<u>992</u>	<u>10</u>	<u>1,002</u>
	<u>\$ 11,930</u>	<u>\$ 1,090</u>	<u>\$ 13,020</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/annrprts.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, 2019

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 \$14,399,212 as measured on June 30, 2018 and \$14,821,302 measured on June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$839,424 and revenue of \$839,424 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, 2019 is based upon changes in the collective net pension liability with a measurement period of June 30, 2017 through June 30, 2018. 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, 2017 and June 30, 2018.

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>6/30/2017</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$14,251,854,934	\$12,599,296,329
Collective deferred inflows of resources	\$11,807,233,433	\$16,171,861,734
Collective net pension liability (Nonemployer-State of New Jersey)	\$67,423,605,859	\$63,617,852,031
State's portion of the net pension liability that was associated with the district	\$14,821,302	\$14,399,212
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.021982%	0.022634%

Actuarial assumptions - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.25%
Salary Increases:	
Through 2021	1.55-4.55%
Therafter	2.00-5.45%
Investment Rate of Return:	7.00%

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yeild	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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8: PENSION PLANS (Continued)

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 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, 2018, 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>(3.86%)</u>	<u>(4.86%)</u>	<u>(5.86%)</u>
State's Collective Net Pension Liability	\$ 75,417,894,537	\$ 63,806,350,446	\$ 54,180,663,328

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>. The plan fiduciary net position as of June 30, 2018 was \$22,991,116,840.

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>
2019	\$401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	<u>(3,210,092,402)</u>
Total	<u>(\$3,706,774,773)</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, 2018 are as follows:

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8: PENSION PLANS (Continued)

Service cost	\$2,229,422,113
Interest on total ension liability	3,858,188,355
Member contributions	(810,899,751)
Administrative expens	13,222,178
Expected investment return net of investment expenses	(1,536,165,072)
Pension expense related to specific liabilities of individual employers	(345,897)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	197,584,362
Recognition of assumption changes or inputs	(98,468,671)
Recognition of investment gains/losses	<u>(132,850,523)</u>
Total pension expense	<u>\$3,719,687,094</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, 2019, the District reported a liability of \$1,339,202 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability for the June 30, 2017 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, 2018 and 2017. At June 30, 2018, the District's proportion was 0.00680% which was an increase of 0.00045% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$82,883. At June 30, 2019, 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, 2019

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	\$ 25,539	-
Changes of assumptions	220,678	\$ 296,660
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between District contributions and proportionate share of contributions	186,425	225,918
District contributions subsequent to the measurement date	68,200	
Total	\$ 500,842	\$ 522,578

\$68,200 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability measured as of June 30, 2019. 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>
2019	\$4,149
2020	(5,745)
2021	(41,196)
2022	(35,710)
2023	<u>(11,435)</u>
Total	<u>(\$89,936)</u>

	<u>6/30/2017</u>	<u>6/30/2018</u>
Collective deferred outflows of resources	\$6,424,455,842	\$4,684,852,302
Collective deferred inflows of resources	5,700,625,981	7,646,736,226
Collective net pension liability (Non State - Local Group)	\$23,278,401,588	\$19,689,501,539
District's portion of net pension liability	\$1,477,928	\$1,339,202
District's proportion %	0.00634892%	0.00680160%

Actuarial assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2019

NOTE 8: PENSION PLANS (Continued)

The actuarial assumptions used in the July 1, 2017 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, 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, 2019

NOTE 8: PENSION PLANS (Continued)

		<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>	
	<u>(4.66%)</u>	<u>(5.66%)</u>	<u>(6.66%)</u>	
District's proportionate share of the net pension liability	\$ 1,683,892	\$1,339,202	\$ 1,050,029	

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, 2018 are as follows:

Service cost	\$70,574
Interest on total pension liability	169,662
Member contributions	(40,526)
Administrative expenses	1,123
Expected investment return net of investment expenses	(106,520)
Pension expense related to specific liabilities of individual employers	(624)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	11,445
Recognition of assumption changes or inputs	(13,176)
Recognition of investment gains/losses	<u>(9,073)</u>
Total pension expense	<u>\$82,883</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-rpts-home.shtml>.

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

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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

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 <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2019	\$68,200	100 %	-0-
6/30/2018	\$60,335	100	-0-
6/30/2017	\$62,153	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
Year <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2019	\$447,891	100 %	-0-
6/30/2018	\$341,982	100	-0-
6/30/2017	\$247,968	100	-0-

During the fiscal year ended June 30, 2019, the State of New Jersey did contribute \$650,866 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$166,551 during the year ended June 30, 2019, 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 provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

The State of New Jersey (a nonemployer contributing entity) is the only entity that has a legal obligation to make benefit payments as other postemployment benefits (OPEB) comes due for benefits provided to employees of a local school district, charter school, and renaissance school project through an OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75. The department has obtained an opinion from GASB that, for purposes of meeting the required note disclosures and required supplementary information (RSI) of this statement, New Jersey schools are to treat OPEB as “a defined benefit single employer OPEB Plan That is Not Administered through a Trust That Meets the Criteria in Paragraph 4 of GASBS. No. 75.”

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, 2019

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Actuarial assumptions and other imputes The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017. 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 2.15-4.15% PERS Based on age
Salary Increases Thereafter:	2.00-5.45% TPAF 3.15-5.15% PERS Based on age
Discount rate (2018)	3.87%
Discount rate (2017)	3.58%
Healthcare cost trend rates (PPO Plans)	5.8% decreasing to 5.0% after eight years
Healthcare cost trend rates (Self-insured post 65 PPO Plans)	4.50%
Healthcare cost trend rates (HMO Plans)	5.8% decreasing to 5.0% after eight years
Healthcare cost trend rates (Prescription Drug Benefits)	8.0% decreasing to 5.0% after seven 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, 2018 and 2017 was 3.87% and 3.58%, 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-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF , PFRS and PERS , respectively .

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 6/30/2017	\$53,639,841,858
<u>Changes for the year:</u>	
Service Cost	1,984,642,729
Interest	1,970,236,232
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	42,614,005
Net changes	<u>(7,529,008,876)</u>
The State's Total OPEB Liability Balance at 6/30/2018	<u>\$46,110,832,982</u>
 The State's total OPEB liability attributable to the District:	 \$9,807,448

There were no changes of benefit terms.

Changes of assumptions and other inputs reflects a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018 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, 2018		
	At 1% Decrease <u>2.87%</u>	At Discount Rate <u>3.87%</u>	At 1% Increase <u>4.87%</u>
Total OPEB Liability (School Retirees)	\$54,512,391,175	\$46,110,832,982	\$39,432,461,816
	June 30, 2017		
	<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

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, 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, 2019

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>
2018-2019	-	\$6,118	\$239	\$50,305
2017-2018	-	\$5,806	\$4,343	\$44,426
2016-2017	-	\$5,576	\$8,244	\$42,963

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 \$1,056,827 General Fund fund balance at June 30, 2019, \$127,464 is reserved for encumbrances; \$44 is reserved as emergency reserve in accordance with P.L. 2007 c.62; \$64,188 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$333,000 is reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$518,369 is reserved for Capital Reserve; \$80,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and (\$66,238) is unreserved and undesignated.

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 is \$-0-.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	
General Fund	\$ 92,991	\$ 14,598	
Food Service Fund	14,598	-	
Special Revenue Fund	-	898	
Payroll Agency Fund		92,093	
	<u>\$ 107,589</u>	<u>\$ 107,589</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 as well as health insurance deductions owed to the general 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 380,604
Interest earnings	1,107
Budgeted Withdrawal	(102,000)
Deposits (PL 2007 c.62 (A1)): Board Resolution June 27, 2019	238,658
Ending Balance, June 30, 2019	<u>\$ 518,369</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance July 1, 2018	\$ 8,125
Budgeted Withdrawal	<u>(8,081)</u>
Ending balance June 30, 2019	<u>\$ 44</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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance July 1, 2018	\$ 105,711
Budgeted Withdrawal	(42,000)
Interest earnings	<u>477</u>
Ending balance June 30, 2019	<u>\$ 64,188</u>

NOTE 20: TUITION RESERVE ACCOUNT

A tuition reserve account was established by the School District Board of Education in fiscal year 2018 and 2019, for the accumulation of funds for use in fiscal year 2020 and 2020, 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 2017-2018 tuition adjustment due in fiscal year 2019-2020, and \$160,000 has been reserved for the 2018-2019 tuition adjustment due in fiscal year 2020-2020. The tuition reserve for fiscal year 2017-2018 in the amount of \$146,450 has been anticipated as budgeted revenue for the year ending June 30, 2020.

The activity of the tuition reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance July 1, 2018	\$ 306,450
Deposits: Board Resolution June 27, 2019	173,000
Budgeted Withdrawal	<u>(146,450)</u>
Ending balance June 30, 2019	<u>\$ 333,000</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 2016-2017 and certified by the state department. The resulting 2016-2017 tuition adjustment of \$178,157 in accordance with N.J.A.C 6a:23-3.1(f)3, is due in fiscal year 2018-2019. The amount owed to the regional school district of \$178,1573 for the 2016-2017 tuition adjustment was paid to the regional school on June 21, 2019.

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, 2019

	<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	\$ 3,795,166		\$ 3,795,166	\$ 3,795,166	
Tuition	78,000	\$ 49,560	127,560	204,300	\$ 76,740
Miscellaneous	4,294	4,801	9,095	18,008	8,913
Total - Local Sources	3,877,460	54,361	3,931,821	4,017,474	85,653
State Sources:					
Equalization Aid	2,098,956		2,098,956	2,098,956	-
School Choice Aid	157,755		157,755	157,755	-
Transportation Aid	157,585		157,585	157,585	-
Special Education Aid	271,037		271,037	271,037	-
Security Aid	35,263		35,263	35,263	-
Non-public Transportation Aid			-	1,160	1,160
Extraordinary Aid	20,000		20,000	87,224	67,224
TPAF Pension (On-Behalf - Non-Budgeted)				447,478	447,478
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				202,975	202,975
TPAF LTD Insurance (On-Behalf - Non-Budgeted)				413	413
TPAF Social Security (Reimbursed - Non-Budgeted)				166,551	166,551
Total State Sources	2,740,596		2,740,596	3,626,397	885,801
Federal Sources:					
Medical Assistance Program	6,222		6,222	11,375	5,153
Total - Federal Sources	6,222		6,222	11,375	5,153
TOTAL REVENUES	6,624,278	54,361	6,678,639	7,655,246	976,607

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2019

	<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	27,008		27,008	26,228	780
Kindergarten - Salaries of Teachers	107,539	(41,088)	66,451	66,392	59
Grades 1-5 - Salaries of Teachers	723,040	81,744	804,784	771,366	33,418
Grades 6-8 - Salaries of Teachers	579,997	12,727	592,724	584,210	8,514
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	560	5,560	5,551	9
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	50,733	87,535	138,268	138,266	2
Purchased Technical Services	64,481	4,802	69,283	63,406	5,877
Other Purchased Services (400-500 series)	25,980	5,398	31,378	28,743	2,635
General Supplies	17,290	(4,700)	12,590	10,931	1,659
Other Objects	18,905	3,700	22,605	22,592	13
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,619,973	150,678	1,770,651	1,717,685	52,966
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	53,980	(1,100)	52,880	52,828	52
Other Salaries for Instruction	18,041	(18,041)			
Total Learning and/or Language Disabilities	72,021	(19,141)	52,880	52,828	52
Resource Room/Resource Center:					
Salaries of Teachers	304,897	14,282	319,179	288,030	31,149
Other Salaries for Instruction	3,754	(560)	3,194	883	2,311
General Supplies	600	(219)	381	281	100
Total Resource Room/Resource Center	309,251	13,503	322,754	289,194	33,560
Autism:					
Salaries of Teachers	57,682	265	57,947	57,943	4
Other Salaries for Instruction	70,530	30,960	101,490	100,967	523
General Supplies	4,500	715	5,215	5,215	
Total Autism	132,712	31,940	164,652	164,125	527

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2019

	<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	30,108	1,664	31,772	31,511	261
Other Salaries for Instruction	35,194		35,194	34,387	807
Total Preschool Disabilities - Part Time	65,302	1,664	66,966	65,898	1,068
TOTAL SPECIAL EDUCATION - INSTRUCTION	579,286	27,966	607,252	572,045	35,207
Basic Skills/Remedial - Instruction:					
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	14,670	2,090	16,760	16,760	
Total School Sponsored Co/Extra Curricular Activities-Instruc.	14,670	2,090	16,760	16,760	
School Sponsored Athletics-Instruction:					
Salaries	3,600		3,600	2,250	1,350
Total School Sponsored Athletics-Instruction	3,600		3,600	2,250	1,350
Before/After School Programs:					
Salaries of Teachers	22,158	570	22,728	22,726	2
Other Salaries for Instruction	11,011		11,011	10,499	512
Supplies and Materials	1,200		1,200	1,087	113
Total Before/After School Programs	34,369	570	34,939	34,312	627
TOTAL INSTRUCTION	2,251,898	181,304	2,433,202	2,343,052	90,150
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	1,675,532		1,675,532	1,675,532	
Tuition to Other LEAs Within the State-Special	145,131	14,300	159,431	158,712	719
Tuition to County Voc. School Dist.-Regular	8,605		8,605	8,505	100
Tuition to County Voc. School Dist.-Special	24,000		24,000	24,000	
Tuition to CSSD & Regional Day Schools	44,900		44,900	44,340	560
Tuition to Priv. Sch. For Disabled within State	40,000	(35,300)	4,700	761	3,939
Total Instruction	1,938,168	(21,000)	1,917,168	1,911,850	5,318

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Health Services:					
Salaries	60,314	11,199	71,513	62,016	9,497
Purchased Professional and Technical Services	500		500	200	300
Supplies and Materials	2,175	53	2,228	1,243	985
Other Objects	100		100		100
Total Health Services	63,089	11,252	74,341	63,459	10,882
Other Supp. Services Students-Related Services:					
Salaries	56,816		56,816	44,973	11,843
Purchased Professional-Educational Services	120,097	27,400	147,497	146,034	1,463
Supplies and Materials	650	3,424	4,074	2,814	1,260
Total Other Supp. Services Students-Related Services	177,563	30,824	208,387	193,821	14,566
Other Supp. Services Students-Extra. Services:					
Salaries	37,912		37,912	34,403	3,509
Purchased Professional-Educational Services		132	132		132
Total Other Supp. Services Students-Extra. Services	37,912	132	38,044	34,403	3,641
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	281,846	21,291	303,137	264,757	38,380
Salaries of Secretarial and Clerical Assistants	47,897		47,897	47,897	
Other Purchased Prof. and Tech. Services	9,000		9,000	3,658	5,342
Supplies and Materials	1,800	(550)	1,250	684	566
Total Other Supp. Services Students-Special	340,543	20,741	361,284	316,996	44,288
Educational Media Services/School Library:					
Salaries of Technology Coordinators	30,930		30,930	26,512	4,418
Purchased Prof. and Tech. Services	12,472	335	12,807	12,720	87
Supplies and Materials	9,000		9,000	6,629	2,371
Other Objects	2,830	(2,630)	200	200	
Total Educational Media Services/School Library	55,232	(2,295)	52,937	46,061	6,876
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, 2019

	<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	206,301	850	207,151	203,906	3,245
Legal Services	3,000	775	3,775	2,625	1,150
Audit Fees	15,500	(400)	15,100	15,100	
Architectural Services	5,000	(700)	4,300	2,750	1,550
Other Purchased Professional Services	700		700	476	224
Communications/Telephone	4,580	700	5,280	4,926	354
BOE Purchased Services	1,350		1,350	867	483
Other Purchased Services (400-500 series)	3,350		3,350	2,053	1,297
General Supplies	300		300	271	29
Miscellaneous Expenditures	2,235		2,235	2,235	
BOE Membership Dues & Fees	3,950		3,950	3,859	91
Total Supp. Services - General Administration	246,266	1,225	247,491	239,068	8,423
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	4,500	(1,200)	3,300		3,300
Other Purchased Services (400-500 series)	950		950	270	680
Other Objects	1,165		1,165	582	583
Total Support Services - School Administration	6,615	(1,200)	5,415	852	4,563
Central Services:					
Salaries	121,154	1,305	122,459	121,231	1,228
Purchased Professional Services	675		675	578	97
Purchased Technical Services	200		200		200
Misc. Purchased Services (400-500 series)	750		750	178	572
Supplies and Materials	250		250	249	1
Miscellaneous Expenditures	1,940		1,940	1,585	355
Total Central Services	124,969	1,305	126,274	123,821	2,453
Required Maintenance for School Facilities:					
Salaries	42,623	1,132	43,755	43,754	1
Cleaning, Repair and Maintenance Services	80,625	(24,784)	55,841	55,804	37
General Supplies	12,250		12,250	11,520	730
Other Objects	7,185	(3,910)	3,275	3,151	124
Total Required Maintenance for School Facilities	142,683	(27,562)	115,121	114,229	892

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Operations and Maintenance of Plant:					
Salaries	76,504		76,504	74,822	1,682
Other Purchased Property Services	4,500		4,500	4,183	317
Insurance	37,000	1,598	38,598	37,068	1,530
General Supplies	12,000	(1,598)	10,402	10,268	134
Energy (Natural Gas)	19,000	380	19,380	18,300	1,080
Energy (Electricity)	65,000	1,220	66,220	66,157	63
Other Objects	500		500		500
Total Other Operations and Maintenance of Plant	214,504	1,600	216,104	210,798	5,306
Student Transportation Services					
Salaries of Non-Instructional Aides	6,000	2,851	8,851	8,850	1
Sal. for Pupil Trans (Bet Home & Sch) -Reg.	12,950	308	13,258	13,256	2
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	4,420		4,420	4,000	420
Contracted Services - Aid in Lieu of Payments-Charter School	3,536	(1,536)	2,000	2,000	
Contracted Services (Between Home and School)-Vendors	57,106	8,560	65,666	65,445	221
Contracted Services (Between Home and School)-Joint Agrmts.	2,000	(1,273)	727	637	90
Contracted Services (Special Education Students)-Vendors	32,991	10,177	43,168	42,735	433
Contracted Services (Special Education Students)-Joint Agrmts.	68,651	(762)	67,889	67,889	
Total Student Transportation Services	187,654	18,325	205,979	204,812	1,167
ALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	68,000		68,000	66,100	1,900
Other Retirement Contributions - PERS	70,000	(1,800)	68,200	68,200	
Other Retirement Contributions - Regular	5,000	1,992	6,992	6,144	848
Workman's Compensation	54,000	(2,351)	51,649	51,649	
Health Benefits	721,000	(33,103)	687,897	598,335	89,562
Tuition Reimbursement	5,000		5,000	5,000	
Other Employee Benefits	70,200	4,245	74,445	74,445	
Total Regular Programs-Instruction	993,200	(31,017)	962,183	869,873	92,310
TOTAL ALLOCATED BENEFITS	993,200	(31,017)	962,183	869,873	92,310

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2019

	<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)				447,478	(447,478)
On-behalf TPAF PRM Contrib. (non-budgeted)				202,975	(202,975)
On-behalf TPAF LTD Ins. (non-budgeted)				413	(413)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				166,551	(166,551)
TOTAL ON-BEHALF CONTRIBUTIONS				817,417	(817,417)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	993,200	(31,017)	962,183	1,687,290	(725,107)
TOTAL UNDISTRIBUTED EXPENDITURES	4,528,498	2,330	4,530,828	5,147,532	(616,704)
TOTAL GENERAL CURRENT EXPENSE	6,780,396	183,634	6,964,030	7,490,584	(526,554)
CAPITAL OUTLAY					
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Architectural/Engineering Services	12,000	(12,000)			
Construction Services	90,000	12,000	102,000	28,675	73,325
Assessment for Debt Service on SDA Funding	58,207		58,207	58,207	
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	160,207		160,207	86,882	73,325
TOTAL CAPITAL OUTLAY	160,207		160,207	86,882	73,325
Transfer of Funds to Charter Schools	59,157	(22,074)	37,083	37,083	
TOTAL EXPENDITURES	6,999,760	161,560	7,161,320	7,614,549	(453,229)
Excess (Deficiency of Revenues Over(Under) Expenditures	(375,482)	(107,199)	(482,681)	40,697	523,378
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(375,482)	(107,199)	(482,681)	40,697	523,378
Fund Balance, July 1	1,282,369		1,282,369	1,282,369	
Fund Balance, June 30	\$ 906,887	(107,199)	\$ 799,688	\$ 1,323,066	\$ 523,378

OXFORD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2019

	<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 - FY17-18 Due FY 19-20				\$ 160,000	
Tuition Reserve - FY18-19 Due FY 20-21				173,000	
Capital Reserve				518,369	
Maintenance Reserve				64,188	
Emergency Reserve				44	
Assigned to:					
Reserve for Encumbrances				127,464	
Designated for Subsequent Year's Expenditures				80,000	
Unassigned:					
Unrestricted Fund Balance				<u>200,001</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				1,323,066	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(266,239)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 1,056,827</u>	

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources	\$ 140,644	\$ (1,226)	\$ 139,418	\$ 139,418	-
Total Revenues	140,644	(1,226)	139,418	139,418	
EXPENDITURES:					
Instruction					
Other Salaries for Instruction	27,096	(2,600)	24,496	24,496	
Tuition	52,647	-	52,647	52,647	
General Supplies	30,000	(1,690)	28,310	28,310	
Total Instruction	109,743	(4,290)	105,453	105,453	
Support Services					
Employee Benefits	2,904		2,904	2,904	
Purchased Profess.-Tech. Serv.	17,997	3,064	21,061	21,061	
Other Purchased Services	10,000		10,000	10,000	
Total Support Services	30,901	3,064	33,965	33,965	
Total Expenditures	140,644	(1,226)	139,418	139,418	
Total Outflows	\$ 140,644	\$ (1,226)	\$ 139,418	\$ 139,418	-
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, 2019

**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)	\$ 7,655,246	\$ 139,418
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	253,089	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(266,239)</u>	<u> -</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,642,096</u>	<u>\$ 139,418</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 7,614,549	\$ 139,418
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>\$ 7,614,549</u>	<u>\$ 139,418</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>2019</u>	<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>
District's proportion of the net pension liability (asset) **	N/A	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	N/A				
State's proportionate share of the net pension liability (asset) associated with the District	\$ 14,399,212	\$ 14,821,302	\$ 15,494,931	\$ 11,925,111	\$ 10,068,211	\$ 10,806,791				
Total	\$ 14,399,212	\$ 14,821,302	\$ 15,494,931	\$ 11,925,111	\$ 10,068,211	\$ 10,806,791				
District's covered employee payroll	\$ 2,350,049	\$ 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	N/A				
Plan fiduciary net position as a percentage of the total pension liability	26.49%	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>2019</u>	<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>
District's proportion of the net pension liability (asset)	0.006801606%	0.006348924%	0.006912876%	0.006480391%	0.007850331%	0.006380266%				
District's proportionate share of the net pension liability (asset)	\$ 1,339,202	\$ 1,477,928	\$ 2,047,396	\$ 1,454,718	\$ 1,469,797	\$ 1,219,396				
District's covered employee payroll	\$ 473,177	\$ 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	283.02%	319.85%	475.22%	234.35%	215.67%	185.76%				
Plan fiduciary net position as a percentage of the total pension liability (Local)	53.60%	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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution **	N/A	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	N/A				
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A				
District's covered employee payroll	\$ 2,350,049	\$ 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	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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$68,200	\$60,335	\$62,153	\$55,714	\$ 50,523	\$ 45,992				
Contributions in relation to the contractually required contribution	(68,200)	(60,335)	(62,153)	(55,714)	(50,523)	(45,992)				
Contribution deficiency (excess)	-	-	-	-	-	-				
District's covered employee payroll	\$ 473,177	\$ 462,063	\$ 430,833	\$ 620,747	\$ 681,512	\$ 656,442				
Contributions as a percentage of covered-employee payroll	14.41%	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 *

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	<u>2019</u>	<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>
Service Cost	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319							
Interest	1,970,236,232	1,699,441,736	1,823,643,792							
Change in Benefit Terms										
Differences Between Expected and Actual Experience	(5,002,065,740)									
Benefit Payments	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)							
Contributions from Members	42,614,005	45,748,749	46,273,747							
Changes of Assumptions or other inputs	<u>\$ (5,291,448,855)</u>	<u>\$ (7,086,599,129)</u>	<u>8,611,513,521</u>							
Net change in total OPEB liability	<u>(7,529,008,876)</u>	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>							
Total OPEB Liability - Beginning	<u>\$ 53,639,841,858</u>	<u>\$57,831,784,184</u>	<u>\$46,849,651,824</u>							
Total OPEB Liability - Ending	<u>\$ 46,110,832,982</u>	<u>\$53,639,841,858</u>	<u>\$57,831,784,184</u>							
The State of New Jersey's total OPEB liability **	\$ 46,110,832,982	\$53,639,841,858	\$57,831,784,184							
The State of New Jersey's OPEB liability attributable to the District **	\$ 9,807,448	\$ 11,471,712	\$ 12,378,498							
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero							
District's covered employee payroll	\$ 2,823,226	\$ 2,662,033	\$ 2,818,674							
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%							
District's contribution	None	None	None							
State's covered employee payroll ***	\$ 13,640,275,833	\$13,493,400,208	\$13,493,400,208							
Total State's OPEB liability as a percentage of its covered-employee payroll	338.05%	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 and June 30, 2017 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, 2019

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 3.58 percent in 2017 to 3.87 percent in 2018.

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 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2019

	Title I Part A	Title I I Part A	Title IV	IDEA Basic	IDEA Pre-Sch.	REAP	Totals
REVENUES							
Federal Sources	\$ 32,904	\$ 6,187	\$ 10,000	\$ 59,883	\$ 2,670	\$ 27,774	\$ 139,418
TOTAL REVENUES	32,904	6,187	10,000	59,883	2,670	27,774	139,418
EXPENDITURES:							
Instruction:							
Other Salaries for Instruction	24,496						24,496
Tuition				52,647			52,647
General Supplies					536	27,774	28,310
Total Instruction	24,496			52,647	536	27,774	105,453
Support Services:							
Employee Benefits	2,904						2,904
Purchased Profess.-Tech. Serv.	5,504	6,187		7,236	2,134		21,061
Other Purchased Services			10,000				10,000
Total Support Services	8,408	6,187	10,000	7,236	2,134		33,965
TOTAL EXPENDITURES	32,904	6,187	10,000	59,883	2,670	27,774	139,418
Total Outflows	32,904	6,187	10,000	59,883	2,670	27,774	139,418
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, 2019

	<u>Approval</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
					<u>Prior Years</u>	<u>Current Year</u>	<u>June 30, 2019</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>146</u>
						Fund Balances, June 30, 2019	<u>\$ 3,924</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, 2019

Revenues and Other Financing

Sources

Interest Earnings	\$ <u>78</u>
Total Revenues	<u>78</u>
Excess(deficiency) of revenues over(under) expenditures	78
Fund Balance - Beginning	\$ <u>3,846</u>
Fund Balance - Ending	<u><u>\$ 3,924</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, 2019

	<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>	
			<u>Project Fund Balance, 6/30/19</u>	<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, 2019

	UNEMPLOYMENT COMPENSATION		AGENCY FUNDS		<u>TOTALS</u>
	INSURANCE	FIDUCIARY	STUDENT	PAYROLL	
	<u>TRUST</u>	<u>TRUSTS</u>	<u>ACTIVITY</u>	<u>AGENCY</u>	
ASSETS:					
Cash and Cash Equivalents	\$50,305	\$8,752	\$27,107	\$121,316	\$207,480
TOTAL ASSETS	<u>\$50,305</u>	<u>\$8,752</u>	<u>\$27,107</u>	<u>\$121,316</u>	<u>\$207,480</u>
LIABILITIES:					
Liabilities:					
Payroll Deductions and Withholdings				\$1,908	\$1,908
Interfund Payable				92,093	92,093
Accounts Payable				27,315	27,315
Payable to Student Groups			\$27,107		27,107
Total Liabilities			<u>27,107</u>	<u>121,316</u>	<u>148,423</u>
Net Position					
Held in Trust for Unemployment					
Claims and Other Purposes	\$50,305	\$8,752			59,057
TOTAL LIABILITIES AND NET POSITION	<u>\$50,305</u>	<u>\$8,752</u>	<u>\$27,107</u>	<u>\$121,316</u>	<u>\$207,480</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2019

	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	\$ 6,118				\$ 6,118
Other	-	\$ 13	\$ 1,827	-	1,840
Total Contributions	<u>6,118</u>	<u>13</u>	<u>1,827</u>	<u>-</u>	<u>7,958</u>
Total Additions	<u>6,118</u>	<u>13</u>	<u>1,827</u>	<u>-</u>	<u>7,958</u>
DEDUCTIONS					
Unemployment Claims	239				239
Other	-	250	1,900	\$ 1,271	3,421
Total Deductions	<u>239</u>	<u>250</u>	<u>1,900</u>	<u>1,271</u>	<u>3,660</u>
Change in Net Position	5,879	(237)	(73)	(1,271)	4,298
Net Position—Beginning of the Year	<u>44,426</u>	<u>8,337</u>	<u>725</u>	<u>\$ 1,271</u>	<u>54,759</u>
Net Position—End of the Year	<u>\$ 50,305</u>	<u>\$ 8,100</u>	<u>\$ 652</u>	<u>-</u>	<u>\$ 59,057</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2018</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2019</u>
Blue Jeans	\$ 2,708		\$ 3,055	\$ 706	\$ 5,057
Autisum 5K	209		-	-	209
7th-8th Grade Fundraiser	456		609	666	399
Above the Influence	365		-	252	113
Archery	1,401		15,274	16,068	607
American Bin	1,271		2,700	1,804	2,167
Year Book	3,366		3,499	3,577	3,288
Student Council	1,169		9,132	9,305	996
KO Club	201		-	-	201
K-Kids	647		719	928	438
OCS Play	2,855		3,746	4,879	1,722
Music	1,304		-	134	1,170
Gym Uniforms	547		105	500	152
Basketball Repairs	152		-	-	152
Board Game and Chess Club	-		870	720	150
STEM and Solar Car Club	-		1,550	1,391	159
Living Responsibly	1,866		-	-	1,866
Rebel	1,693		490	250	1,933
Garden Grant - 4th Grade	181		200	200	181
General	1,164		590	440	1,314
Transportation	-		450	-	450
Trips-Kindergarten	-		685	679	6
Trips-Grade 1	188		450	427	211
Trips-Grade 2	28		775	797	6
Trips-Grade 3	41		624	635	30
Trips-Grade 4	173		1,104	763	514
Trips-Grade 5	233		1,329	1,352	210
Trips-Grade 6	189		1,686	1,615	260
Trips-Grade 7	1,287		4,444	3,374	2,357
Trips-Grade 8	222	-	17,028	16,461	789
Totals	\$ 23,916	-	\$ 71,114	\$ 67,923	\$ 27,107

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 27,315	\$ 3,658,489	\$ 3,564,488	\$ 121,316
Total Assets	<u>\$ 27,315</u>	<u>\$ 3,658,489</u>	<u>\$ 3,564,488</u>	<u>\$ 121,316</u>
 LIABILITIES:				
Payroll Deductions and Withholdings		\$ 1,533,230	\$ 1,531,322	\$ 1,908
Interfund Payable		92,093		92,093
Accrued Salaries and Wages		2,005,851	2,005,851	
Accounts Payable	<u>\$ 27,315</u>	<u>27,315</u>	<u>27,315</u>	<u>27,315</u>
Total Liabilities	<u>\$ 27,315</u>	<u>\$ 3,658,489</u>	<u>\$ 3,564,488</u>	<u>\$ 121,316</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, 2019**

<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, 2018</u>	<u>PAID</u>	<u>BALANCE JUNE 30, 2019</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds - 2017 (To Advance Refund \$3,725,000 2006 Series Refunding Bonds)	11/03/16	\$ 3,655,000	7/15/19	\$ 180,000	2.000% to 3.25%	\$ 3,480,000	\$ (180,000)	\$ 3,300,000
			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%	170,000	(170,000)	-
Total						\$ 3,650,000	\$ (350,000)	\$ 3,300,000

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>ISSUE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OF ISSUE</u>	<u>BALANCE July 1, 2018</u>	<u>RETIRED</u>	<u>BALANCE June 30, 2019</u>
Security Lease	7.90%	\$ 24,754	\$ 16,786	\$ 4,856	\$ 11,930
Technology Lease	8.10%	33,866	11,646	11,646	-
Total			28,432	\$ 16,502	\$ 11,930

OXFORD TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive/ (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 367,979		\$ 367,979	\$ 367,979	-
State Sources:					
Debt Service Aid Type II	82,895		82,895	82,895	
TOTAL REVENUES	450,874	-	450,874	450,874	-
EXPENDITURES:					
Regular Debt Service:					
Interest	102,213		102,213	102,213	-
Redemption of Principal	350,000		350,000	350,000	
Total Regular Debt Service	452,213		452,213	452,213	-
TOTAL EXPENDITURES	452,213		452,213	452,213	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,339)		(1,339)	(1,339)	-
Fund Balance, July 1	1,339		1,339	1,339	-
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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 3,464,722
Restricted	647,150	436,150	525,636	672,155	821,913	873,760	1,041,561	895,071	877,890	995,601
Unrestricted	(905,056)	(194,582)	(322,921)	(276,206)	(267,855)	(1,227,625)	(1,494,498)	(1,662,664)	(1,555,863)	(1,492,526)
Total governmental activities Net Position	<u>\$ 3,769,742</u>	<u>\$ 3,433,666</u>	<u>\$ 3,219,677</u>	<u>\$ 3,362,775</u>	<u>\$ 3,520,884</u>	<u>\$ 2,612,961</u>	<u>\$ 2,755,972</u>	<u>\$ 2,617,433</u>	<u>\$ 2,786,749</u>	<u>\$ 2,967,797</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,215	\$ 2,040	\$ 1,360	\$ 680	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,976	13,700	1,490	9,661	14,265	12,556	16,191	17,256	13,834	17,899
Total business-type activities Net Position	<u>\$ 15,191</u>	<u>\$ 15,740</u>	<u>\$ 2,850</u>	<u>\$ 10,341</u>	<u>\$ 14,265</u>	<u>\$ 12,556</u>	<u>\$ 16,191</u>	<u>\$ 17,256</u>	<u>\$ 13,834</u>	<u>\$ 17,899</u>
District-wide										
Invested in capital assets, net of related debt	\$ 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	\$ 3,464,722
Restricted	647,150	436,150	525,636	672,155	821,913	873,760	1,041,561	895,071	877,890	995,601
Unrestricted	(892,080)	(180,882)	(321,431)	(266,545)	(253,590)	(1,215,069)	(1,478,307)	(1,645,408)	(1,542,029)	(1,474,627)
Total district Net Position	<u>\$ 3,784,933</u>	<u>\$ 3,449,406</u>	<u>\$ 3,222,527</u>	<u>\$ 3,373,116</u>	<u>\$ 3,535,149</u>	<u>\$ 2,625,517</u>	<u>\$ 2,772,163</u>	<u>\$ 2,634,689</u>	<u>\$ 2,800,583</u>	<u>\$ 2,985,696</u>

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 3,853,945
Special education	630,268	643,332	618,358	514,370	514,631	527,952	687,052	716,847	794,038	757,014
Other special instruction	10,246	18,440	21,994	42,224	36,658	44,170	43,709	60,656	75,175	70,563
Support Services:										
Tuition	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	1,911,850
Student & instruction related services	606,341	619,335	684,450	634,512	644,866	781,910	687,805	828,595	860,037	911,491
School administrative service	125,902	128,930	130,959	131,451	130,782	148,349	154,385	170,499	988	1,127
General and business admin.services	463,959	424,035	432,059	375,919	356,938	409,769	428,055	476,189	539,589	480,228
Plant operations and maintenance	425,629	368,947	396,999	361,349	354,903	386,997	393,108	483,723	510,480	430,123
Pupil transportation	131,361	145,604	169,878	186,588	211,848	213,251	242,200	274,564	253,497	204,812
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	192,813	217,997	232,984	264,835	253,782	244,973	236,040	130,519	166,054	157,707
Total governmental activities expenses	<u>6,462,838</u>	<u>6,858,157</u>	<u>6,778,721</u>	<u>6,740,186</u>	<u>6,874,801</u>	<u>7,664,770</u>	<u>7,832,112</u>	<u>8,740,904</u>	<u>9,001,801</u>	<u>8,778,860</u>
Business-type activities:										
Food service	79,153	79,184	77,713	88,606	91,134	99,552	101,551	91,698	89,930	85,940
Total business-type activities expense	<u>79,153</u>	<u>79,184</u>	<u>77,713</u>	<u>88,606</u>	<u>91,134</u>	<u>99,552</u>	<u>101,551</u>	<u>91,698</u>	<u>89,930</u>	<u>85,940</u>
Total district expenses	<u>\$ 6,541,991</u>	<u>\$ 6,937,341</u>	<u>\$ 6,856,434</u>	<u>\$ 6,828,792</u>	<u>\$ 6,965,935</u>	<u>\$ 7,764,322</u>	<u>\$ 7,933,663</u>	<u>\$ 8,832,602</u>	<u>\$ 9,091,731</u>	<u>\$ 8,864,800</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services				64,000	102,446	81,676	82,082	96,697	136,652	\$ 204,300
Operating grants and contributions	\$ 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	4,574,377
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>2,948,566</u>	<u>2,872,328</u>	<u>2,998,720</u>	<u>3,212,052</u>	<u>3,318,505</u>	<u>3,785,588</u>	<u>3,998,681</u>	<u>4,495,222</u>	<u>5,087,707</u>	<u>4,778,677</u>
Business-type activities:										
Charges for services										
Business and other support services	57,013	52,365	53,026	54,164	59,046	55,950	55,797	57,110	52,161	57,365
Operating grants and contributions	23,949	26,508	23,954	29,067	35,606	40,229	47,662	35,653	34,295	32,640
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>80,962</u>	<u>78,873</u>	<u>76,980</u>	<u>83,231</u>	<u>94,652</u>	<u>96,179</u>	<u>103,459</u>	<u>92,763</u>	<u>86,456</u>	<u>90,005</u>
Total district program revenues	<u>\$ 3,029,528</u>	<u>\$ 2,951,201</u>	<u>\$ 3,075,700</u>	<u>\$ 3,295,283</u>	<u>\$ 3,413,157</u>	<u>\$ 3,881,767</u>	<u>\$ 4,102,140</u>	<u>\$ 4,587,985</u>	<u>\$ 5,174,163</u>	<u>\$ 4,868,682</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (4,000,183)
Business-type activities	1,809	(311)	(733)	(5,375)	3,518	(3,373)	1,908	1,065	(3,474)	4,065
Total district-wide net expense	<u>\$ (3,512,463)</u>	<u>\$ (3,986,140)</u>	<u>\$ (3,780,734)</u>	<u>\$ (3,533,509)</u>	<u>\$ (3,552,778)</u>	<u>\$ (3,882,555)</u>	<u>\$ (3,831,523)</u>	<u>\$ (4,244,617)</u>	<u>\$ (3,917,568)</u>	<u>\$ (3,996,118)</u>

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 3,795,166
Taxes levied for debt service	289,927	305,751	299,034	375,216	382,783	385,775	386,384	384,008	349,422	367,979
Investment earnings	5,153	3,768	1,227	320	163	277	932	2,124	2,813	8,790
Miscellaneous income	55,220	53,396	34,913	3,356	17,462	31,376	2,963	43,139	10,142	9,296
Federal and State Aid for Capital Assets Projects	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>3,584,872</u>	<u>3,649,753</u>	<u>3,566,012</u>	<u>3,671,232</u>	<u>3,714,405</u>	<u>3,939,088</u>	<u>3,976,442</u>	<u>4,107,143</u>	<u>4,083,410</u>	<u>4,181,231</u>
Business-type activities:										
Investment earnings	598	860	543	166	406	1,664	1,727	-	52	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>598</u>	<u>860</u>	<u>543</u>	<u>166</u>	<u>406</u>	<u>1,664</u>	<u>1,727</u>	<u>-</u>	<u>52</u>	<u>-</u>
Total district-wide	<u>\$ 3,585,470</u>	<u>\$ 3,650,613</u>	<u>\$ 3,566,555</u>	<u>\$ 3,671,398</u>	<u>\$ 3,714,811</u>	<u>\$ 3,940,752</u>	<u>\$ 3,978,169</u>	<u>\$ 4,107,143</u>	<u>\$ 4,083,462</u>	<u>\$ 4,181,231</u>
Change in Net Position										
Governmental activities	\$ 70,600	\$ (336,076)	\$ (213,989)	\$ 143,098	\$ 158,109	\$ 59,906	\$ 143,011	\$ (138,539)	\$ 169,316	\$ 181,048
Business-type activities	2,407	549	(190)	(5,209)	3,924	(1,709)	3,635	1,065	(3,422)	4,065
Total district	<u>\$ 73,007</u>	<u>\$ (335,527)</u>	<u>\$ (214,179)</u>	<u>\$ 137,889</u>	<u>\$ 162,033</u>	<u>\$ 58,197</u>	<u>\$ 146,646</u>	<u>\$ (137,474)</u>	<u>\$ 165,894</u>	<u>\$ 185,113</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 580,263	\$ 452,575	\$ 468,641	\$ 617,155	\$ 758,615	\$ 840,292	\$ 956,561	\$ 804,026	\$ 908,089	\$ 1,043,065
Unreserved	88,194	(25,330)	(48,604)	13,927	113,984	81,621	107,857	117,167	121,191	13,762
Total general fund	<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>	<u>\$ 1,056,827</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	\$ 3,924
Debt service fund	-	-	-	-	-	-	-	1,339	1,339	-
Total all other governmental funds	<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>	<u>\$ 3,924</u>

Source: CAFR Schedule B-1

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

Exhibit J-4

	<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>2019</u>
Revenues										
Tax levy	\$ 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	\$ 4,163,145
Tuition	50	25	25	64,000	102,446	81,676	82,082	96,697	136,652	204,300
Miscellaneous	60,323	57,139	36,115	3,676	17,625	31,653	3,895	45,263	12,955	18,086
State sources	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	3,696,142
Federal sources	523,070	229,309	222,970	128,361	120,269	124,852	148,359	140,499	154,294	150,793
Total revenue	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	8,232,466
Expenditures										
Instruction										
Regular Instruction	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	2,693,011
Special education instruction	584,390	597,125	566,611	462,209	476,683	438,022	552,513	531,080	551,156	572,045
Other special instruction	9,500	17,116	20,193	37,942	33,955	36,646	35,150	44,937	52,180	53,322
Support Services:										
Tuition	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	1,911,850
Student & instruction related services	562,205	574,851	627,172	570,168	597,315	648,722	553,119	613,869	596,967	688,777
School administrative services	116,737	119,670	120,000	118,121	121,138	123,080	124,153	126,315	686	852
Other administrative services	430,187	393,579	395,902	337,798	330,618	339,970	344,233	352,787	374,538	362,889
Plant operations and maintenance	394,647	342,447	363,776	324,706	328,733	321,077	316,129	358,369	354,333	325,027
Pupil transportation	131,361	145,604	169,878	186,588	211,848	213,251	242,200	274,564	253,497	204,812
Unallocated employee benefits	296,338	293,697	342,686	434,786	363,853	430,716	514,147	616,947	718,588	817,417
Summer School	-	-	-	-	-	-	-	-	-	-
Charter School	30,445	30,773	33,961	43,609	-	-	-	55,281	55,155	37,083
Capital Outlay	733,131	239,586	39,616	78,099	58,207	67,635	58,207	58,207	58,207	86,882
Debt service:										
Principal	95,000	100,000	105,000	210,000	255,000	265,000	275,000	280,000	305,000	350,000
Interest and other charges	194,926	220,222	202,222	229,551	198,516	189,873	180,972	170,383	110,263	102,213
Total expenditures	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	8,206,180
Excess (Deficiency) of revenues over (under) expenditures	(485,870)	(399,425)	(7,233)	190,769	241,502	49,244	142,511	(141,872)	108,130	26,286
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	\$ (485,870)	\$ 495,575	\$ (7,233)	\$ 190,769	\$ 241,502	\$ 49,244	\$ 142,511	\$ (141,872)	\$ 108,130	\$ 26,286
Debt service as a percentage of noncapital expenditures	4.6%	4.8%	4.7%	6.6%	6.7%	6.3%	6.3%	5.8%	5.4%	5.6%

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>
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
2019	8,790		204,300	9,218	222,308

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:	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
									Tax- Exempt Property				
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	\$1.732	\$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	1.706	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	1.775	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	1.801	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	1.848	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	2.021	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	2.558	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	2.557	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	2.625	168,293,070
2019	3,726,400	140,974,800	3,936,200	259,500	6,563,700	2,182,500	971,200	200,226,135	41,611,835	-	158,614,300	2.625	158,614,300

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	
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
2019	\$2.393	\$0.232	\$2.625	\$0.579	\$0.000	\$0.812	\$4.016

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	2019			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	1.45%
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	0.27%
Total	<u>\$ 12,401,300</u>		<u>7.82%</u>	<u>\$ 9,203,743</u>		<u>3.82%</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	
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%	-
2019	\$4,163,145	\$4,163,145	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		
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	2.92%	\$1,500
2019	\$3,300,000	-0-	-0-	-0-	-0-	\$3,300,000	2.53%	\$1,356

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
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%	\$1,500
2019	\$3,300,000	-0-	\$3,300,000	2.08%	\$1,356

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, 2019**

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	\$ 1,086,874	100.000%	\$ 1,086,874
Other debt			
Warren County	2,630,000	1.862%	<u>48,964</u>
Subtotal, overlapping debt			1,135,838
Oxford Township School District Direct Debt			<u>3,300,000</u>
Total direct and overlapping debt			<u><u>\$ 4,435,838</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 2019

Equalized valuation basis

2016	166,872,425
2017	175,957,992
2018	178,138,252
[A]	<u>\$ 520,968,669</u>

Average equalized valuation of taxable property [A/3] \$ 173,656,223

Debt limit (3 % of average equalization value) [B] 5,209,687

Net school debt [C] 3,300,000

Legal debt margin [B-C] \$ 1,909,687

Fiscal Year

	<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>2019</u>
Debt limit	\$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	\$ 5,209,687
Total net debt applicable to limit	<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>	<u>3,300,000</u>
Legal debt margin	<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>	<u>\$1,909,687</u>
Total net debt applicable to the limit as a percentage of debt limit	83.38%	97.13%	79.82%	80.87%	80.98%	81.43%	79.84%	76.09%	70.44%	63.34%

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>
2010	2,571	\$ 113,183,133	\$44,251 R	16.1%
2011	2,513	\$ 114,599,070	\$45,676 R	15.0%
2012	2,499	\$ 116,744,697	\$47,024 R	14.6%
2013	2,480	\$ 116,883,872	\$47,488 R	8.3%
2014	2,465	\$ 119,308,090	\$49,052 R	6.7%
2015	2,470	\$ 123,975,336	\$50,848 R	6.1%
2016	2,462	\$ 126,525,386	\$51,446 R	5.0%
2017	2,446	\$ 126,371,024	\$53,531 R	4.6%
2018	2,438	\$ 126,268,116	\$53,531 *	4.4%
2019	2,433	\$ 130,240,923	\$53,531 *	*

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	2019			2010		
	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%
	<hr/>		<hr/>	<hr/>		<hr/>
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

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>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>2019</u>
Instruction										
Regular	20.0	20.5	20.5	22.0	23.0	24.0	24.0	24.0	22.0	22.0
Special education	8	8.0	8.0	8.0	7.5	7.0	7.0	7.0	9.5	9.5
Other special education	10	8.5	10.0	12.5	14.2	14.0	14.0	14.5	17.0	21.5
Support Services:										
Student & instruction related services	4	4.0	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	3.0	3.0
Business administrative services	3	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	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Food Service	-	-	-					0.3	0.3	0.3
Total	49	52	51	53	56.0	58.2	58.5	58.5	61.3	65.8

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					
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%
2019	411	7,753,967	18,866	-1.52%	32	1/12.8		273.3	259.9	-1.12%	95.1%

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>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>2019</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	288	288	278	305	313	308	310	292	283	274

Number of Schools at June 30, 2019

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, 2019

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>2019</u>	<u>Total</u>
Oxford Central School	N/A	<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>\$114,229</u>	<u>\$1,041,877</u>
Total School Facilities		92,280	72,475	86,256	87,737	86,429	99,483	111,778	151,670	139,540	114,229	1,041,877
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>\$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>\$114,229</u>	<u>\$1,041,877</u>

OXFORD TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2019

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, 2019, and the related notes to the financial statements, which collectively comprise the Oxford Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 8, 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

ARDITO & CO., LLP
November 8, 2019

Cynthia Cecile

Licensed Public School Accountant No.2369



ARDITO & Co., LLP

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

Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circulars 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, 2019. 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, 2019.

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
November 8, 2019

Anthony Ardito

Licensed Public School Accountant No.2369

OXFORD TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2019

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	CARRY-		BUDGET. EXPEND.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2019			MEMO	
				BALANCE 6/30/2018	OVER AMOUNT			CASH RECEIVED	(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE
State Department of Education												
General Fund:												
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 2,098,956			\$ 2,098,956	\$ (2,098,956)					* \$ 205,405 \$ 2,098,956
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	157,755			157,755	(157,755)					* 15,438 157,755
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	157,585			157,585	(157,585)					* 15,421 157,585
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	271,037			271,037	(271,037)					* 26,524 271,037
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	35,263			35,263	(35,263)					* 3,451 35,263
Non-Public Transportation Aid	18-100-034-5120-068	7/1/17-6/30/18	1,160	\$ (1,160)		1,160						* * * * *
Non-Public Transportation Aid	19-100-034-5120-068	7/1/18-6/30/19	1,160				(1,160)		\$ (1,160)			* 1,160
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	81,435	(81,120)		81,435	(315)					* 315
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	86,909				(86,909)		(86,909)			* 86,909
On Behalf TPAF Pension	19-495-034-5094-002	7/1/18-6/30/19	447,478			447,478	(447,478)					* 447,478
On Behalf TPAF Pension PMR	19-495-034-5094-001	7/1/18-6/30/19	202,975			202,975	(202,975)					* 202,975
On Behalf TPAF Pension LTD Ins	19-495-034-5094-004	7/1/18-6/30/19	413			413	(413)					* 413
Reimbursed TPAF Soc.Secur.Contrib.	19-495-034-5094-003	7/1/18-6/30/19	166,551	(7,333)		166,023	(166,551)		(7,861)			* 166,551
Total General Fund				(89,613)		3,620,080	(3,626,397)		(95,930)			* 266,239 3,626,397
Debt Service Fund:												
Debt Service Aid Type 2	19-100-034-5120-124	7/1/19-6/30/19	82,895			82,895	(82,895)					* 82,895
State Department of Agriculture:												
Enterprise Fund:												
Nat.School Lunch Prog.(State Share)	18-100-010-3350-023	7/1/17-6/30/18		(81)		81						* * * * *
Nat.School Lunch Prog.(State Share)	19-100-010-3350-023	7/1/19-6/30/19	1,184			1,108	(1,184)		(76)			* 1,184
Total Enterprise Fund				(81)		1,189	(1,184)		(76)			* 1,184
Total State Financial Assistance			\$ (89,694)	-	\$ 3,704,164	\$ (3,710,476)	-	-	\$ (96,006)	-	-	* \$ 266,239 \$ 3,710,476
							Less: On-behalf TPAF Pension Amounts	650,866				
							Total State Expenditures Subject to Major Program Determination	\$ (3,059,610)				

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, 2019

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 (\$13,150) 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, 2019

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 11,375	\$ 3,613,247	\$ 3,624,622
Special Revenue Fund	139,418	-	139,418
Debt Service Fund		82,895	82,895
Food Service Fund	<u>31,456</u>	<u>1,184</u>	<u>32,640</u>
Total Financial Assistance	<u>\$ 182,249</u>	<u>\$ 3,697,326</u>	<u>\$ 3,879,575</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, 2019. 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, 2019.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 No

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

Noncompliance material to financial statements noted? ___ Yes 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, 2019

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, 2019

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.