

**TEWKSBURY TOWNSHIP**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**TEWKSBURY TOWNSHIP BOARD OF EDUCATION  
TEWKSBURY TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

**TEWKSBURY TOWNSHIP BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	7-8
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	10
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	13
A-2 Statement of Activities	14
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18-19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
B-4 Statement of Fund Net Assets	21
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	22
B-6 Statement of Cash Flows	23
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	24
B-8 Statement of Changes in Fiduciary Net Assets	25
<b>Notes to the Financial Statements</b>	27-48
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	51-56
C-1A Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual	57
C-1B Education Jobs Fund Program-Budget and Actual	57
C-2 Budgetary Comparison Schedule-Special Revenue Fund	58
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	60

**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
(Continued)**

<b>FINANCIAL SECTION (Continued)</b>	<u><b>PAGE</b></u>
 <b>Other Supplemental Information</b>	
D. School Level Schedule	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund-Budgetary Basis	64
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	66
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis	67
F-2A Schedule of Project Revenues, Expenditures, Project Balance, to and Project Status-Budgetary Basis	
F-2E	68-72
G. Proprietary Funds	
Enterprise Fund:	
G-1 Statement of Fund Net Assets	74
G-2 Statement of Revenues, Expenses and Changes in Fund Net Assets	75
G-3 Statement of Cash Flows	76
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Fund Net Assets	78
H-2 Statement of Changes in Fiduciary Net Assets	79
H-3 Student Activity Agency Fund Statement of Changes in Assets and Liabilities	80
H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities	81
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds and Loans	83
I-2 Debt Service Fund Budgetary Comparison Schedule	84
 <b>STATISTICAL SECTION (Unaudited)</b>	
Table of Contents	86
J-1 Net Assets by Component	87
J-2 Changes in Net Assets	88-90
J-3 Fund Balances, Governmental Funds	91
J-4 Changes in Fund Balances, Governmental Funds	92
J-5 General Fund-Other Local Revenues by Source	93
J-6 Assessed Value and Actual Value of Taxable Property	94

**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS  
(Continued)**

	<u>PAGE</u>
<b>STATISTICAL SECTION (Unaudited)</b>	
(Continued)	
Table of Contents (Cont'd)	
J-7 Direct and Overlapping Property Tax Rates	95
J-8 Principal Property Taxpayers	96
J-9 Property Tax Levies and Collections	97
J-10 Ratios of Outstanding Debt by Type	98
J-11 Ratios of General Bonded Debt Outstanding	99
J-12 Direct and Overlapping Governmental Activities Debt	100
J-13 Legal Debt Margin Information	101
J-14 Demographic and Economic Statistics	102
J-15 Principal Employers	103
J-16 Full Time Equivalent District Employees by Function/Program	104
J-17 Operating Statistics	105
J-18 School Building Information	106
J-19 Required Maintenance	107
J-20 Insurance Schedule	108
<b>SINGLE AUDIT SECTION</b>	
K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	110-111
K-2 Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-33 and New Jersey OMB Circular 04-04	112-113
K-3 Schedule of Expenditures of Federal Awards, Schedule A	114
K-4 Schedule of Expenditures State Financial Assistance, Schedule B	115
K-5 Notes to the Schedules of Awards and Financial Assistance	116-117
K-6 Schedule of Findings and Questioned Costs	118-120
K-7 Summary Schedule of Prior Audit Findings	120

**INTRODUCTORY SECTION**

**TEWKSBURY TOWNSHIP****BOARD OF EDUCATION**

ADMINISTRATIVE OFFICES – 173 Old Turnpike Road, Califon, New Jersey 07830

Dr. James Gamble  
 Interim Superintendent of Schools  
 908-439-2010 ext. 4224  
 FAX: 908-439-2655

November 22, 2011

President Santoro and  
 Members of the Board of Education  
 Tewksbury Township School District  
 Hunterdon County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Tewksbury School district for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (amended 1996) and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", 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.

**1) REPORTING ENTITY AND ITS SERVICES:** Tewksbury Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the district are included in this report. The Tewksbury Board of Education and all its schools 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 handicapped youngsters. The district completed the 2010-2011 fiscal year with an enrollment of 751 students, which is a decrease of 31 students from the previous year's enrollment. The following details the changes in the student enrollment of the district over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2006-2007	776	2.5%
2007-2008	784	1.0%
2008-2009	781	-0.3%
2009-2010	782	0.1%
2010-2011	751	-4.0%

**2) ECONOMIC CONDITION AND OUTLOOK:** Tewksbury is predominately a residential community. There are minimal businesses that operate in the township. Only one corporation, AM Best & Company, is located within the District and there appears to be no plans for other companies to establish a base in Tewksbury. The tax base continues to be shouldered by the homeowner with no relief in sight.

**3) MAJOR INITIATIVES:** The Tewksbury School District educates students in grades Pre-K through 8. There are two school buildings in the district. The Tewksbury Elementary School opened in September 2005. Students in K-4 are heterogeneously grouped and taught in a self-contained classroom environment. In September 2009 the district started a Primary Autistic program which is housed at the Tewksbury Elementary School. The Old Turnpike School houses a Pre-K autistic class as well as grades 5-8. The Pre-K disabled class includes a program for three and four year old disabled students along with an inclusionary program. Grades 5-8 are considered the middle school and remain in a departmentalized structure. All grades, 5-6-7-8, are configured into teams of 4 or 5 teachers with block scheduling. Special education students predominately receive in-class support.

Test scores have continued at high levels.

<u>NJ ASK</u>	<u>Language Arts</u>	<u>Mathematics</u>	<u>Science</u>
3 <sup>rd</sup>	74.7	89.6	
4 <sup>th</sup>	85.8	90.9	99.0
5 <sup>th</sup>	83.4	96.6	
6 <sup>th</sup>	90.2	92.4	
7 <sup>th</sup>	90.8	93.4	
8 <sup>th</sup>	93.8	88.6	95.8

The district continues to have a high student attendance rate of 96% for the 2010-2011 school year.

The district continues to advance technology opportunities for both students and staff. Internet, e-mail, and video streaming, Smart Board utilization, and the synergistic lab are among those available to all students and staff.

The district maintains Spanish as its World Language in all grades, K-8.

**4) 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 are 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 recognizes 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 judgments 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 the 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

**6) 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".

**7) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1 & 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

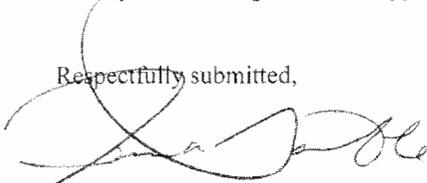
**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9) OTHER INFORMATION:**

**Independent Audit** - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., was selected by the Board in April 2011. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 (amended 1996) and the related OMB circular A-133 and state Treasury Circular 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10) ACKNOWLEDGMENTS:** I would like to express my appreciation to the members of the Tewksbury 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.

Respectfully submitted,

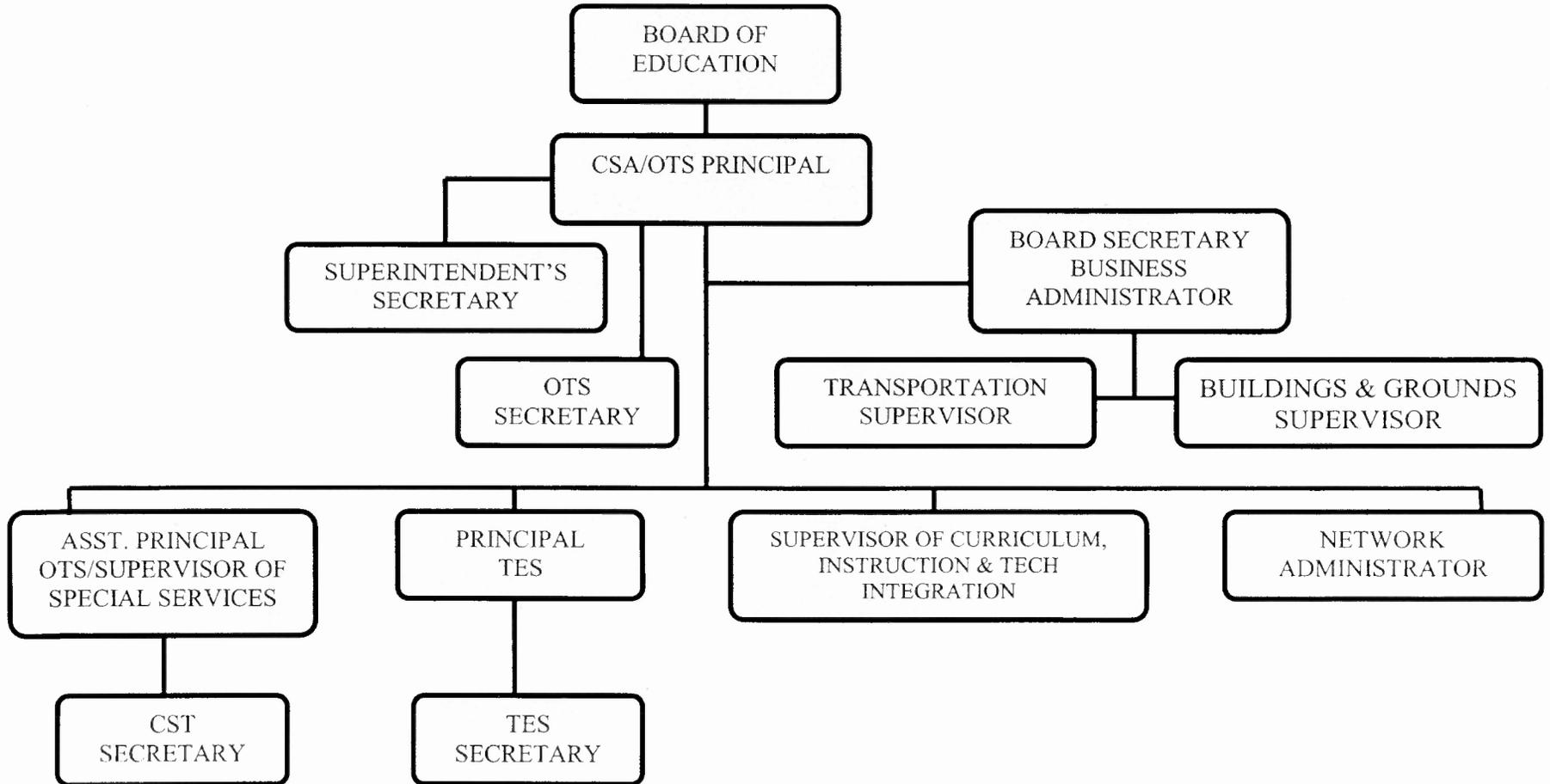


Dr. James Gamble  
Interim Superintendent

TEWKSBURY TOWNSHIP SCHOOLS

BOARD OF EDUCATION &  
ADMINISTRATIVE LINE OF AUTHORITY

UNIT CONTROL



TEWKSBURY BOARD OF EDUCATION  
CALIFON, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2011

<u>Members of the Board of Education:</u>		<u>Term Expires</u>
President:	Mr. John Santoro	2013
Vice President:	Mr. Robert Delia	2013
	Mrs. Kelly Brakewood	2012
	Mrs. Lori Larsen	2014
	Mrs. Lisa Marelli	2014
	Mr. Matthew Presutti	2014
	Mr. Brian Regan	2013
	Mrs. Debbie Sernas	2012
	Mrs. Sonia Thorp	2012

Other Officials:

William Petrick, CSA/Principal Old Turnpike School/ Superintendent  
Karin Laraway, Business Administrator/Board Secretary  
Beverly Kszak, Treasurer of School Monies  
Marc Zitomer, Esq., Board Attorney

**TEWKSBURY BOARD OF EDUCATION****Consultants and Advisors****ARCHITECT**

EI Associates  
8 Ridgedale Avenue  
Cedar Knolls, NJ 07927

**AUDIT FIRM**

William M. Colantano, Jr.  
100 Route 31 North  
Washington, NJ 07882-1530

**ATTORNEY**

Marc Zitomer, Esq.  
44 Whippany Road  
Morristown, NJ 07962

**OFFICIAL DEPOSITORY**

TD Bank  
350 State Highway 22 West  
Whitehouse Station, New Jersey 08889

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

November 22, 2011

Honorable President and  
Members of the Board of Education  
Tewksbury Township School District  
County of Hunterdon, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Tewksbury Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tewksbury Township Board of Education management. Our responsibility is to express an opinion 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 Division of 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Tewksbury Township Board of Education in the County of Hunterdon, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 22, 2011 on our consideration of the Tewksbury Township 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 and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Tewksbury Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

**REQUIRED SUPPLEMENTARY INFORMATION-PART I**

**TEWKSBURY TOWNSHIP PUBLIC SCHOOL DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The management's discussion and analysis of Tewksbury Township Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets increased \$557,276 which represents a 4.30 percent increase from fiscal year 2010. The increase was a result of capital project funding received which will be expended in subsequent fiscal years.
- General revenues accounted for \$12,980,370 in revenue or 93.76 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$864,548 or 6.24 percent to total revenues of \$13,844,918.
- Total assets of governmental activities increased by \$1,606,157 as cash and cash equivalents increased by \$1,236,146, receivables and other assets increased by \$87,260 and capital assets increased by \$282,751.
- The School District had \$13,207,958 in expenses; only \$864,548 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,980,370 were adequate to provide for these programs.
- Among major funds, the General Fund had \$12,182,088 in revenues and \$11,820,843 in expenditures. After factoring in other financing uses of \$283,036, the General Fund's balance increased \$78,209 from fiscal year 2010.

**Using this Generally Accepted Accounting Principles 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 Tewksbury Township Public 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 Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of

Tewksbury Township Public School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Assets and the Statement of Activities**

While this document contains all of the funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2011?” The Statement of Net Assets 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. These bases 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 District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial positions of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the 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 Assets and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the District’s major funds begins on page 16. Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s most significant funds. The District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The 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 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 Assets 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 Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net assets at June 30, 2011 with comparisons to June 30, 2010.

	6/30/2011	6/30/2010	Variance	
			Dollars	%
Current and Other Assets	4,465,601	3,152,733	1,312,868	41.64
Capital Assets	18,515,390	18,236,466	278,924	1.53
Total Assets	<u>22,980,991</u>	<u>21,389,199</u>	<u>1,591,792</u>	7.44
Long-Term Liabilities	9,169,201	8,045,321	1,123,880	13.97
Other Liabilities	282,073	371,437	(89,364)	(24.06)
Total Liabilities	<u>9,451,274</u>	<u>8,416,758</u>	<u>1,034,516</u>	12.29
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,429,633	10,475,142	(45,509)	(0.43)
Restricted	2,451,742	1,785,745	665,997	37.30
Unrestricted	648,342	711,554	(63,212)	(8.88)
Total Net Assets	<u>13,529,717</u>	<u>12,972,441</u>	<u>557,276</u>	4.30

Total assets increased \$1,591,792. Cash and cash equivalents increased by \$1,222,043, receivables and other assets increased by \$90,825 and capital assets increased by \$278,924. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the District decreased by \$63,212 due to effective cost cutting measures implemented by the District offset by net transfers to restricted net assets of \$154,233.

Table 2 provides a summary of the district's changes in net assets in fiscal year ending June 30, 2011 with comparisons to June 30, 2010.

**Table 2**  
**Changes in Net Assets**

	6/30/2011	6/30/2010	Variance	
			Dollars	%
Revenues				
Program Revenues:				
Charges for Services	280,871	266,013	14,858	5.59
Operating Grants	205,472	320,562	(115,090)	(35.90)
Capital Grants	378,205	29,953	348,252	1,162.66
General Revenues:				
Property Taxes	11,799,998	11,807,121	(7,123)	(0.06)
Unrestricted Grants	1,108,992	1,435,223	(326,231)	(22.73)
Other	71,380	81,070	(9,690)	(11.95)
Total Revenues	13,844,918	13,939,942	(95,024)	(0.68)
Program Expenses				
Instruction:				
Regular	5,506,545	5,764,872	(258,327)	(4.48)
Special	1,557,375	1,384,533	172,842	12.48
Other	571,448	503,105	68,343	13.58
Support Services:				
Tuition	96,729	387,052	(290,323)	(75.01)
Student & Instructional Staff	1,674,415	1,628,255	46,160	2.83
General & Business Administration	859,670	1,009,789	(150,119)	(14.87)
School Administration	491,464	482,134	9,330	1.94
Maintenance	1,060,405	1,134,811	(74,406)	(6.56)
Transportation	775,321	866,871	(91,550)	(10.56)
Charter School	-	10,361	(10,361)	(100.00)
Food Services	237,717	244,532	(6,815)	(2.79)
Interest on Long Term Debt	376,869	326,821	50,048	15.31
Total Expenses	13,207,958	13,743,136	(535,178)	(3.89)
Increases (Decreases) Before Special Items	636,960	196,806	440,154	223.65
Special Items:				
Gain (Loss) on Disposals of Assets	-	3,100	(3,100)	(100.00)
Refund of Prior Year Revenue	-	(462)	462	100.00
Transfers	(79,684)	(12,069)	(67,615)	(560.24)
Total Special Items	(79,684)	(9,431)	(70,253)	(744.92)
Increase(Decrease) in Net Assets	557,276	187,375	369,901	197.41

\* = Undefined

## Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the District operations. Property taxes made up 86.75 percent of revenues for governmental activities for the Tewksbury Township Public School District for fiscal year 2011.

Instruction comprises 58.87 percent of district expenses. Support services expenses make up 38.23 percent of the expenses, while interest expense made up 2.91 percent 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 provides a summary of the District's cost of governmental services in fiscal year ending June 30, 2011 with comparisons to June 30, 2010.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Instruction	7,635,368	7,652,510	7,158,869	7,542,624
Support Services:				
Tuition	96,729	387,052	96,729	206,891
Student & Instructional Staff	1,674,415	1,628,255	1,589,259	1,579,360
General & Business Administration	859,670	1,009,789	823,547	1,004,731
School Administration	491,464	482,134	474,220	480,817
Plant Operations & Maintenance	1,060,405	1,134,811	1,054,852	1,131,956
Pupil Transportation	775,321	866,871	774,051	835,733
Charter School		10,361		10,361
Interest on Long Term Debt	376,869	326,821	376,869	326,821
Total Expenses	<u>12,970,241</u>	<u>13,498,604</u>	<u>12,348,396</u>	<u>13,119,294</u>

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

Student 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 services 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.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school events, public

events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 85.23 percent. The community, as a whole, is the primary support for the Tewksbury Township Public School District.

### **The School District's Funds**

Information about the District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$13,575,366; expenditures of \$13,791,254; and other financing sources of \$1,578,231. The net positive change in fund balance for the year was most significant in the Capital Project Fund, an increase of \$1,284,133.

### **General Fund Budgeting Highlights**

The 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 2011 year, the District amended its General Fund budget as needed. The 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 was \$11,321,754, \$135,922 over original budgeted estimates of \$11,185,832. This variance was due primarily to unbudgeted revenues realized for tuition from other districts and extraordinary aide.

The General Fund revenues and other financing uses of the District exceeded expenditures by \$12,480 in fiscal year 2011. The increase was due primarily to effective cost cutting measures implemented by the District.

### **Capital Assets**

At the end of the fiscal year 2011, the District had \$18,515,390 invested in land, construction in progress, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the District's capital assets net of depreciation at June 30, 2011 with comparisons to June 30, 2010.

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

	6/30/2011	6/30/2010	Variance	
			Dollars	%
Land	1,211,800	1,211,800	-	0.00
Construction Improvements	921,043	14,006	907,037	6,476.06
Land Improvements	95,500	101,100	(5,600)	(5.54)
Buildings and Improvements	15,570,162	16,026,520	(456,358)	(2.85)
Furniture and Equipment	342,554	413,586	(71,032)	(17.17)
Vehicles	374,331	469,454	(95,123)	(20.26)
Totals	<u>18,515,390</u>	<u>18,236,466</u>	<u>278,924</u>	1.53

\*=Undefined

Overall capital assets increased \$278,924 from fiscal year 2010 to fiscal year 2011. Construction in progress costs of \$907,037 was incurred towards projects to renovate the Old Turnpike School. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year.

#### **Debt Administration**

At June 30, 2011, the District had \$9,169,201 as outstanding long-term liabilities. The district issued new bonds of \$1,633,000 to finance two construction projects at the Old Turnpike School. This amount is summarized in Table 5 below.

At June 30, 2011, the District's overall legal debt limit was \$55,183,816 and the legal debt margin was \$46,089,958.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2011 with comparisons to June 30, 2010.

**Table 5**  
**Outstanding Long-Term Liabilities at Year-end**

	6/30/2011	6/30/2010	Variance	
			Dollars	%
NJEDA Loans	181,695	239,388	(57,693)	(24.10)
2010 General Obligation Bonds	1,633,000	-	1,633,000	*
2006 Refunding Bonds	7,050,000	7,525,000	(475,000)	(6.31)
Unamortized Bond Premium	76,556	56,677	19,879	35.07
Compensated Absences	227,950	224,256	3,694	1.65
	9,169,201	8,045,321	1,123,880	13.97

\*=Undefined

### **For the Future**

The Tewksbury Township Public School District is in very good financial condition presently. Always a concern is enrollment growth and facilities needs of the district with the increased reliance on local property taxes. Tewksbury Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden. However, future finances are not without challenges as new state regulations impact future budgets.

In conclusion, the Tewksbury Township Public School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The 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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information contact, Karin Laraway, School Business Administrator/ Board Secretary at Tewksbury Township Board of Education, 173 Old Turnpike, Califon, New Jersey 07830 or email at [klaraway@tewksburyschools.org](mailto:klaraway@tewksburyschools.org).

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net assets 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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 549,855	\$ 50,468	\$ 600,323
Internal Balances	(4,850)	4,850	
Due from Other Funds	19,750		19,750
Receivables, Net	897,768	6,029	903,797
Inventory		2,811	2,811
Bond Issuance Costs, Net	104,410		104,410
Restricted Assets:			
Cash	2,834,510		2,834,510
Capital Assets (Note 4):			
Land and Construction in Progress	2,132,843		2,132,843
Other Capital Assets, Net of Depreciation	16,371,943	10,604	16,382,547
Total Assets	<u>22,906,229</u>	<u>74,762</u>	<u>22,980,991</u>
<b>LIABILITIES</b>			
Accounts Payable	43,625		43,625
Payable to Governments	1,827		1,827
Accrued Interest	141,625		141,625
Deferred Revenue	90,480	4,516	94,996
Long-Term Liabilities (Note 5):			
Due Within One Year	415,932		415,932
Due Beyond One Year	8,753,269		8,753,269
Total Liabilities	<u>9,446,758</u>	<u>4,516</u>	<u>9,451,274</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	10,419,029	10,604	10,429,633
Restricted For:			
Capital Projects	1,304,538		1,304,538
Debt Service	1		1
Legal Reserves	1,147,203		1,147,203
Unrestricted	<u>588,700</u>	<u>59,642</u>	<u>648,342</u>
TOTAL NET ASSETS	<u>\$ 13,459,471</u>	<u>\$ 70,246</u>	<u>\$ 13,529,717</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expenses) Revenues & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 3,727,976	\$ 1,778,569	\$ 15,535	\$ 5,289	\$ 189,679	\$ (5,296,042)		\$ (5,296,042)
Special Education	1,072,221	485,154	34,139	141,068	55,155	(1,327,013)		(1,327,013)
Other Special Instruction	283,093	122,174	16,507		14,562	(374,198)		(374,198)
Other Instruction	105,258	60,923			4,565	(161,616)		(161,616)
Support Services:								
Tuition	96,729					(96,729)		(96,729)
Students & Instruction Related Services	1,216,269	458,146	1,647	21,083	62,426	(1,589,259)		(1,589,259)
General & Business Administration Services	618,286	241,384	1,549		34,574	(823,547)		(823,547)
School Administration Services	335,761	155,703			17,244	(474,220)		(474,220)
Plant Operations & Maintenance	914,633	145,772	5,553			(1,054,852)		(1,054,852)
Pupil Transportation	639,910	135,411	1,270			(774,051)		(774,051)
Interest on Long-Term Debt	376,869					(376,869)		(376,869)
<b>Total Governmental Activities</b>	<b>9,387,005</b>	<b>3,583,236</b>	<b>76,200</b>	<b>167,440</b>	<b>378,205</b>	<b>(12,348,396)</b>	<b>\$ -</b>	<b>(12,348,396)</b>
<b>Business-Type Activities:</b>								
Food Service	237,717		204,671	38,032			4,986	4,986
<b>Total Business-Type Activities</b>	<b>237,717</b>	<b>-</b>	<b>204,671</b>	<b>38,032</b>	<b>-</b>	<b>-</b>	<b>4,986</b>	<b>4,986</b>
<b>Total Primary Government</b>	<b>\$ 9,624,722</b>	<b>\$ 3,583,236</b>	<b>\$ 280,871</b>	<b>\$ 205,472</b>	<b>\$ 378,205</b>	<b>(12,348,396)</b>	<b>4,986</b>	<b>(12,343,410)</b>
			<b>General Revenues, Transfers and Special Items</b>					
						10,954,973		10,954,973
						845,025		845,025
						1,108,992		1,108,992
						11,404	100	11,504
						59,876		59,876
						(79,684)		(79,684)
						<b>12,900,586</b>	<b>100</b>	<b>12,900,686</b>
						552,190	5,086	557,276
						12,907,281	65,160	12,972,441
						<b>\$ 13,459,471</b>	<b>\$ 70,246</b>	<b>\$ 13,529,717</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 549,855				\$ 549,855
Due from Other Funds	325,052				325,052
Receivables from Other Governments:					
State	111,368		\$ 587,216		698,584
Federal		\$ 180,969			180,969
Local	17,666				17,666
Receivables-Other	549				549
Restricted Cash & Cash Equivalents	1,147,203		1,687,306	\$ 1	2,834,510
<b>TOTAL ASSETS</b>	<b>\$ 2,151,693</b>	<b>\$ 180,969</b>	<b>\$ 2,274,522</b>	<b>\$ 1</b>	<b>\$ 4,607,185</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Due to Other Funds	\$ 30,444	\$ 88,662	\$ 191,046		\$ 310,152
Accounts Payable	43,625				43,625
Due to Other Governments:					
Federal		1,827			1,827
Deferred Revenue		90,480			90,480
<b>Total Liabilities</b>	<b>74,069</b>	<b>180,969</b>	<b>191,046</b>	<b>\$ -</b>	<b>446,084</b>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve Account	634,671				634,671
Maintenance Reserve	262,532				262,532
Emergency Reserve	250,000				250,000
Excess Surplus	136,829				136,829
Excess Surplus-Designated for Subsequent Year's Expenditures	16,871				16,871

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances (continued):					
Committed Fund Balance:					
Year-End Encumbrances	\$ 274,657		\$ 2,529,126		\$ 2,803,783
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	173,405		(445,650)		(272,245)
Unassigned Fund Balance	328,659			\$ 1	328,660
Total Fund Balances	<u>2,077,624</u>	<u>\$ -</u>	<u>2,083,476</u>	<u>\$ 1</u>	<u>4,161,101</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,151,693</u>	<u>\$ 180,969</u>	<u>\$ 2,274,522</u>	<u>\$ 1</u>	

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

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 25,027,761  
6,522,975

18,504,786

Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds.

(9,169,201)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(141,625)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is and the accumulated amortization is

122,316  
17,906

104,410

Total Net Assets of Governmental Activities

\$ 13,459,471

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 10,954,973			\$ 845,025	\$ 11,799,998
Tuition from Individuals	15,050				15,050
Tuition from Other LEAs within the State	34,139				34,139
Transportation Fees-Other LEAs Within the State	1,270				1,270
Interest Earned on Legal Reserve Funds	3,497				3,497
Interest on Investments	5,299		\$ 2,608		7,907
Miscellaneous	58,868				58,868
Total	11,073,096	\$ -	2,608	845,025	11,920,729
State Sources	1,108,992		378,205		1,487,197
Federal Sources		167,440			167,440
Total Revenues	12,182,088	167,440	380,813	845,025	13,575,366
EXPENDITURES					
Current :					
Instructional:					
Regular Instruction	3,682,104	5,289			3,687,393
Special Education Instruction	935,109	137,112			1,072,221
Other Special Instruction	283,093				283,093
Other Instruction	88,751				88,751
Support Service & Undistributed Costs:					
Tuition	96,729				96,729
Student & Instruction Related Services	1,193,289	20,274			1,213,563
General & Business Administrative Services	621,205		50,910		672,115
School Administrative Services	335,232				335,232
Plant Operations & Maintenance	905,007				905,007

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Current (Cont'd):					
Pupil Transportation	\$ 544,787				\$ 544,787
Unallocated Benefits	3,094,381	\$ 4,765			3,099,146
Capital Outlay			\$ 907,037		907,037
Debt Service:					
Principal				\$ 532,693	532,693
Interest & Other Charges	41,156			312,331	353,487
Total Expenditures	<u>11,820,843</u>	<u>167,440</u>	<u>957,947</u>	<u>845,024</u>	<u>13,791,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>361,245</u>	<u>-</u>	<u>(577,134)</u>	<u>1</u>	<u>(215,888)</u>
Other Financing Sources (Uses):					
Transfers In	2,608		205,960		208,568
Transfers Out	(285,644)		(2,608)		(288,252)
Proceeds from Bond Issue			1,633,000		1,633,000
Proceeds from Bond Issue Premium			24,915		24,915
Total Other Financing Sources (Uses)	<u>(283,036)</u>	<u>-</u>	<u>1,861,267</u>	<u>-</u>	<u>1,578,231</u>
Net Change in Fund Balance	78,209	-	1,284,133	1	1,362,343
Fund Balances, July 1	<u>1,999,415</u>	<u>-</u>	<u>799,343</u>	<u>-</u>	<u>2,798,758</u>
Fund Balances, June 30	<u>\$ 2,077,624</u>	<u>\$ -</u>	<u>\$ 2,083,476</u>	<u>\$ 1</u>	<u>\$ 4,161,101</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ 1,362,343
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>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:</p>		
Capital Outlays	\$ 907,037	
Depreciation Expense	<u>(624,286)</u>	282,751
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities. The issuance of debt increase long-term liabilities in the statement of net assets:</p>		
Net Proceeds of Bond Issue		(1,633,000)
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments		532,693
<p>Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred &amp; amortized in the statement of activities:</p>		
Bond Premium Received	(24,915)	
Bond Issuance Costs	60,960	
Amortization of Bond Issuance Costs	(6,602)	
Amortization of Bond Premiums	<u>5,036</u>	34,479
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		(23,382)
<p>In the statement of activities, compensated absences &amp; early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>(3,694)</u>
Change in Net Assets of Governmental Activities		<u>\$ 552,190</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 50,468
Due from Other Funds	4,850
Receivables from Other Governments:	
State	373
Federal	1,759
Accounts Receivable-Other	3,897
Inventory	2,811
Total Current Assets	64,158
Noncurrent Assets:	
Capital Assets	60,088
Less: Accumulated Depreciation	49,484
Total Noncurrent Assets	10,604
Total Assets	74,762
LIABILITIES	
Current Liabilities:	
Deferred Revenues	4,516
Total Liabilities	4,516
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	10,604
Unrestricted	59,642
TOTAL NET ASSETS	\$ 70,246

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 124,389
Daily Sales-Nonreimbursable Programs	72,034
Daily Sales-Other Off-Premise Locations	8,248
Total Operating Revenues	<u>204,671</u>
Other Expenses:	
Salaries	74,797
Employee Benefits	15,071
Purchased Property Services	5,068
Insurance	1,849
Management Fee	6,795
Other Purchased Services	1,772
Supplies and Materials	12,392
Miscellaneous	110
Depreciation	3,827
Cost of Sales	116,036
Total Operating Expenses	<u>237,717</u>
Operating Income (Loss)	<u>(33,046)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,491
Federal Sources:	
National School Lunch Program	18,964
Food Donation Program	16,577
Interest Income	100
Total Nonoperating Revenues (Expenses)	<u>38,132</u>
Change in Net Assets	5,086
Net Assets, Beginning	<u>65,160</u>
Net Assets, Ending	<u>\$ 70,246</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 205,431
Payments to Food Service Management Company	(226,918)
Payments to Vendors (Net)	(9,167)
Net Cash Provided by (Used For) Operating Activities	<u>(30,654)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,356
Federal Sources	18,945
General Fund Interfund Activity	(4,850)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>16,451</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	100
Net Cash Provided by (Used For) Investing Activities	<u>100</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,103)
Cash and Cash Equivalents, July 1	<u>64,571</u>
Cash and Cash Equivalents, June 30	<u>\$ 50,468</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (33,046)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	3,827
Federal Food Donation Program	16,577
(Increase) Decrease in Accounts Receivable-Other	(912)
(Increase) Decrease in Inventory	2,351
Increase (Decrease) in Accounts Payable	(18,243)
Increase (Decrease) in Deferred Revenue	(1,208)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (30,654)</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 12,549	\$ 84,719	\$ 70,557
Due from Other Funds	<u>25,629</u>		
TOTAL ASSETS	<u>38,178</u>	<u>\$ 84,719</u>	<u>\$ 70,557</u>
LIABILITIES			
Due to Other Funds			\$ 45,379
Accounts Payable	25,594		
Due to Student Groups		\$ 84,719	
Payroll Deductions & Withholdings			<u>25,178</u>
TOTAL LIABILITIES	<u>25,594</u>	<u>\$ 84,719</u>	<u>\$ 70,557</u>
NET ASSETS			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 12,584</u>		

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 12,235
Investment Earnings-Interest	5
Total Additions	12,240
DEDUCTIONS	
Unemployment Claims	79,684
Total Deductions	79,684
Other Financing Sources (Uses):	
Transfers In from General Fund	79,684
Change in Net Assets	12,240
Net Assets, Beginning of the Year	344
Net Assets, End of the Year	\$ 12,584

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Tewksbury Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2011 of 751 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:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (ie, the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity as been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all 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 sub fund.

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 District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (ie expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office 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. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as 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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements & Portable Classroom	25-45
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Vehicles	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

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

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the following:

Capital Projects Fund	\$ 1,304,538
Debt Service Fund	1
Legal Reserves:	
Capital Reserve	634,671
Maintenance Reserve	262,532
Emergency Reserve	<u>250,000</u>
Total Restricted Net Assets	<u>\$ 2,451,742</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash		<u>\$ 3,602,658</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 3,384,365
Enterprise Fund, Statement of Net Assets	B-4	50,468
Fiduciary Funds, Statement of Net Assets	B-7	<u>167,825</u>
Total Cash		<u>\$ 3,602,658</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$3,602,658 and the bank balance is \$3,824,923. Of the bank balance, \$514,314 is covered by federal depository insurance and \$3,310,609 is insured by GUDPA.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

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

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district has no investments.

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 1,211,800			\$ 1,211,800
Construction in Progress	14,006	\$ 907,037		921,043
Total	<u>1,225,806</u>	<u>907,037</u>	<u>\$ -0-</u>	<u>2,132,843</u>
Capital Assets, Being				
Depreciated:				
Land Improvements	244,800			244,800
Building & Improvements	19,993,790			19,993,790
Furniture & Equipment	1,623,631			1,623,631
Vehicles	1,032,697			1,032,697
Total	<u>22,894,918</u>	<u>-0-</u>	<u>-0-</u>	<u>22,894,918</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 4. CAPITAL ASSETS (Cont'd)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Accumulated Depreciation:				
Land Improvements	\$ 143,700	\$ 5,600		\$ 149,300
Building & Improvements	3,967,270	456,358		4,423,628
Furniture & Equipment	1,224,476	67,205		1,291,681
Student Transpt Vehicles	563,243	95,123	-0-	658,366
Total	<u>5,898,689</u>	<u>624,286</u>	<u>\$ -0-</u>	<u>6,522,975</u>
Total Capital Assets, Being Depreciated, Net	<u>16,996,229</u>	<u>(624,286)</u>	<u>-0-</u>	<u>16,371,943</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,222,035</u>	<u>\$ 282,751</u>	<u>\$ -0-</u>	<u>\$ 18,504,786</u>
Business-Type Activities:				
Furniture & Equipment	\$ 60,088			\$ 60,088
Less: Accum Depreciation	<u>45,657</u>	<u>\$ 3,827</u>		<u>49,484</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,431</u>	<u>\$ (3,827)</u>	<u>\$ -0-</u>	<u>\$ 10,604</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 281,507
Special Education	70,058
Other Special Instruction	18,497
Other Instruction	5,799
Support Services:	
Student & Instruction	80,352
General & Business Admin	44,444
School Administration	22,433
Plant & Maintenance	6,073
Pupil Transportation	<u>95,123</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 624,286</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-Term Liability Activity for the Year Ended June 30, 2011 is as Follows:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds & NJ EDA					
Loans Payable	\$ 7,764,388	\$ 1,633,000	\$ 532,693	\$ 8,864,695	\$ 389,064
Unamortized Bond Premium	56,677	24,915	5,036	76,556	5,338
Compensated Absences Payable	<u>224,256</u>	<u>12,277</u>	<u>8,583</u>	<u>227,950</u>	<u>21,530</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 8,045,321</u>	<u>\$ 1,670,192</u>	<u>\$ 546,312</u>	<u>\$ 9,169,201</u>	<u>\$ 415,932</u>

Payments on the general obligation bonds and NJ EDA Loans are made in the debt service fund from property taxes and state aid. Bond premiums are amortized over the term of the bonds, while the other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds and loans outstanding as of June 30, 2011 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 389,064	\$ 343,937	\$ 733,001
2013	510,541	312,779	823,320
2014	532,090	292,889	824,979
2015	490,000	273,211	763,211
2016	505,000	255,710	760,710
2017-2021	2,865,000	998,383	3,863,383
2022-2026	<u>3,573,000</u>	<u>411,843</u>	<u>3,984,843</u>
Totals	<u>\$ 8,864,695</u>	<u>\$ 2,888,752</u>	<u>\$ 11,753,447</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds and Loans – General obligation school building bonds and loans at June 30, 2011, with their outstanding balances are comprised of the following individual issues:

\$1,633,000-2010 general obligation bonds, due in annual installments of \$105,000 to \$153,000 beginning July 15, 2012 to July 15, 2025, interest at 2.00% to 3.10%	\$ 1,633,000
\$8,500,000 -2006 refunding general obligation school building bonds, due in annual installments of \$160,000 to \$630,000 beginning Feb 15, 2007, through Feb 15, 2026, interest at 3.75% to 4.50%	7,050,000
\$490,000 - 1993 NJ Economic Development Authority small project loan, due in annual installments of \$37,261 to \$44,319 beginning July 15, 1994 to July 15, 2013, interest at 5.29%	104,327
\$490,000 - 1993 NJ Economic Development Authority low interest loan, due in annual installments of \$10,964 to \$32,946, interest at 1.50%	77,368
	<u>\$ 8,864,695</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2011 is \$55,133,816. General obligation debt at June 30, 2011 is \$9,043,858, resulting in a legal debt margin of \$46,089,958.

**NOTE 6. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcprp](http://www.prudential.com/njdcprp).

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2003, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Post</u> <u>Retirement</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/11	\$ 393,834	100%
06/30/10	333,565	100%
06/30/09	333,794	100%

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/11	\$ 131,088	100%
06/30/10	117,685	100%
06/30/09	97,361	100%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

During the year ended June 30, 2011, the State of New Jersey contributed \$376,126 to the TPAF for post-retirement medical benefits and \$17,708 for the non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$393,138 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid \$126.3 million toward Ch 126 benefits for 14,050 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

**Funding Policy-**Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

**NOTE 8. DEFERRED COMPENSATION**

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

AXA Equitable  
 Vanguard Group  
 Lincoln Financial  
 Fidelity Investments  
 Metropolitan Life Ins Co  
 Variable Annuity Life Ins Co

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The composition of Interfund balances as of June 30, 2011 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 325,052	\$ 30,444
Special Revenue Fund		88,662
Capital Projects Fund		191,046
Food Service Fund	4,850	
Unemployment Compensation Fund	25,629	
Payroll Agency Fund		45,379
	<u>\$ 355,531</u>	<u>\$ 355,531</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES (Cont'd)**

The balance due from the General Fund to the Food Service Fund of \$4,850 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. . The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$88,662 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the General Fund to the Unemployment Compensation Fund of \$25,594 represents a board contribution not yet disbursed as of June 30, 2011. The balance due from the Capital Projects Fund to the General Fund represents a loan from the General Fund of \$191,046 due to cash flow issues related to the delayed receipt of NJ SDA aid. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$35 represents employee withholdings for unemployment not yet transferred at year end. The balance due from the Payroll Agency Fund to the General Fund of \$45,344 represents prior year balances, Federal Cobra subsidy reimbursements and June interest earnings not yet remitted.

All of the interfund balances are to be liquidated within one year except the loan to the Capital Projects Fund which will be liquidated when state aid funds are received.

During the year ended June 30, 2011, the district transferred \$2,608 from the Capital Projects Fund to the General Fund representing interest earnings. In addition, the district transferred \$79,684 from the General Fund to the Unemployment Compensation Fund necessitated by the cost of unemployment claims which exceeded the amount of employee withholdings for the fiscal year. The District also transferred \$205,960 from the General Fund to the Capital Projects Fund representing capital reserve funding for a project approved in the District's Long Range Facility Plan.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2011 consisted of the following:

Food	\$	2,400
Supplies		<u>411</u>
		<u>\$ 2,811</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) 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 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 12. RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's unemployment trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Board Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 79,684	\$ 5	\$ 12,235	\$ 79,684	\$ 12,584
2009-2010	12,069	102	12,800	89,394	344
2008-2009	-0-	521	12,013	26,165	64,767

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts and \$95,000 to their Maintenance Reserve account. Pursuant to this state statute, the District deposited \$350,000 to their Capital Reserve account by board resolution in June 2011 as summarized in the following schedule.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)**

The following schedule is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	\$ 487,134	\$ 350,000	\$ 3,497	\$ 205,960	\$ 634,671
Maintenance	252,332	95,000		84,800	262,532
Emergency	250,000				250,000
Totals	<u>\$ 989,466</u>	<u>\$ 445,000</u>	<u>\$ 3,497</u>	<u>\$ 290,760</u>	<u>\$ 1,147,203</u>

The June 30, 2011 LRF balance of local support funding of uncompleted capital projects at June 30, 2011 exceeded the balance in the capital reserve account. The withdrawals from the maintenance reserve were for required maintenance activities, consistent with the district's Long Range Facilities Plan.

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2011 and 2010 is as follows:

	2011	2010
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 634,671	\$ 487,134
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	262,532	252,332
Emergency Reserve Account-Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education	250,000	250,000
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	136,829	16,871
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	16,871	341,530
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	274,657	79,855
Assigned:		
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	173,405	226,428
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>341,070</u>	<u>423,405</u>
Total Fund Balance	<u>\$ 2,090,035</u>	<u>\$ 2,077,555</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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, 2011 is \$136,829.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 10,954,973		\$ 10,954,973	\$ 10,954,973	
Tuition from Individuals	15,388		15,388	15,050	\$ (338)
Tuition from Other LEAs within the State				34,139	34,139
Transportation Fees-Other LEAs Within the State				1,270	1,270
Interest Earned on Capital Reserve				3,497	3,497
Interest Earned on Maintenance Reserve	250		250		(250)
Interest on Investments				5,299	5,299
Building Use Rent				2,000	2,000
Unrestricted Miscellaneous Revenues	50,000		50,000	49,235	(765)
<b>Total</b>	<b>11,020,611</b>	<b>\$ -</b>	<b>11,020,611</b>	<b>11,065,463</b>	<b>44,852</b>
State Sources:					
Categorical Special Education Aid	165,221		165,221	165,221	
Extraordinary Special Education Costs Aid				64,766	64,766
Nonpublic Transportation Aid				26,304	26,304
On-Behalf TPAF Pension Contribution				393,834	393,834
Reimbursed TPAF Social Security Contribution				393,138	393,138
<b>Total</b>	<b>165,221</b>	<b>-</b>	<b>165,221</b>	<b>1,043,263</b>	<b>878,042</b>
<b>TOTAL REVENUES</b>	<b>\$ 11,185,832</b>	<b>\$ -</b>	<b>\$ 11,185,832</b>	<b>\$ 12,108,726</b>	<b>\$ 922,894</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 215,795	\$ (44,719)	\$ 171,076	\$ 161,036	\$ 10,040
Grades 1-5	1,908,234	(91,292)	1,816,942	1,775,285	41,657
Grades 6-8	1,577,816	(87,790)	1,490,026	1,455,312	34,714
Home Instruction:					
Salaries of Teachers	1,000		1,000	564	436
Undistributed Instruction:					
Other Salaries for Instruction	102,507	1,690	104,197	102,110	2,087
Other Purchased Services	43,670	(1,690)	41,980	36,617	5,363
General Supplies	153,317	27,664	180,981	144,546	36,435
Textbooks	36,000	2,645	38,645	6,328	32,317
Other Objects	2,110		2,110	306	1,804
<b>Total</b>	<b>4,040,449</b>	<b>(193,492)</b>	<b>3,846,957</b>	<b>3,682,104</b>	<b>164,853</b>
Special Education:					
Resource Room/Center:					
Salaries of Teachers	595,255	65,998	661,253	647,647	13,606
Other Salaries for Instruction	99,542	31,274	130,816	125,441	5,375
General Supplies	2,975	(75)	2,900	2,186	714
Textbooks	750	275	1,025	1,025	
<b>Total</b>	<b>698,522</b>	<b>97,472</b>	<b>795,994</b>	<b>776,299</b>	<b>19,695</b>
Autism:					
Salaries of Teachers	950	265	1,215		1,215
Other Salaries for Instruction		3,035	3,035	2,805	230
General Supplies	5,000	(5,000)			
<b>Total</b>	<b>5,950</b>	<b>(1,700)</b>	<b>4,250</b>	<b>2,805</b>	<b>1,445</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (Cont'd)</b>					
Current: (cont'd)					
Preschool Disabilities-Part Time:					
Salaries of Teachers	\$ 40,083	\$ 4,504	\$ 44,587	\$ 43,774	\$ 813
Other Salaries for Instruction	13,321	(2,344)	10,977	9,417	1,560
General Supplies	675	(132)	543	342	201
Total	<u>54,079</u>	<u>2,028</u>	<u>56,107</u>	<u>53,533</u>	<u>2,574</u>
Preschool Disabilities-Full Time:					
Salaries of Teachers	61,235	950	62,185	49,600	12,585
Other Salaries for Instruction	56,806	(950)	55,856	52,187	3,669
General Supplies	4,800	(3,000)	1,800	685	1,115
Total	<u>122,841</u>	<u>(3,000)</u>	<u>119,841</u>	<u>102,472</u>	<u>17,369</u>
Home Instruction:					
Salaries of Teachers	3,000	-	3,000	-	3,000
Total Special Education	<u>884,392</u>	<u>94,800</u>	<u>979,192</u>	<u>935,109</u>	<u>44,083</u>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	209,157	32,790	241,947	236,493	5,454
General Supplies	1,089	163	1,252	700	552
Textbooks	750		750	172	578
Total	<u>210,996</u>	<u>32,953</u>	<u>243,949</u>	<u>237,365</u>	<u>6,584</u>
School Sponsored Co/Extra Curricular Activities:					
Salaries	41,590	4,695	46,285	43,598	2,687
Purchased Services	1,200	282	1,482	1,482	
Supplies & Materials	1,500	(1,287)	213	178	35
Other Objects	3,100	(2,630)	470	470	
Total	<u>47,390</u>	<u>1,060</u>	<u>48,450</u>	<u>45,728</u>	<u>2,722</u>
School Sponsored Athletics:					
Salaries	68,205	11,292	79,497	78,049	1,448
Purchased Services	7,500		7,500	6,214	1,286
Supplies & Materials	5,200	(564)	4,636	4,488	148
Other Objects	200		200		200
Total	<u>81,105</u>	<u>10,728</u>	<u>91,833</u>	<u>88,751</u>	<u>3,082</u>
Total Instructional	<u>\$ 5,264,332</u>	<u>\$ (53,951)</u>	<u>\$ 5,210,381</u>	<u>\$ 4,989,057</u>	<u>\$ 221,324</u>
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Special	\$ 92,709		\$ 92,709	\$ 92,479	\$ 230
Private Schools for Disabled Within the State	4,264		4,264	4,250	14
Total	<u>96,973</u>	<u>\$ -</u>	<u>96,973</u>	<u>96,729</u>	<u>244</u>
Health Services:					
Salaries	165,847	2,734	168,581	159,309	9,272
Purchased Professional & Technical Services	6,750	(1,313)	5,437	4,300	1,137
Other Purchased Services	2,525	(1,373)	1,152	1,152	
Supplies & Materials	6,245	(139)	6,106	5,536	570
Other Objects	200	91	291	291	
Total	<u>181,567</u>	<u>-</u>	<u>181,567</u>	<u>170,588</u>	<u>10,979</u>
Speech, OT, PT & Related Services:					
Salaries	175,610	(60,790)	114,820	112,639	2,181
Purchased Professional Educational Services	83,458	94,518	177,976	176,743	1,233
Supplies & Materials	1,500	(320)	1,180	1,180	
Other Objects	3,600	(3,573)	27	27	
Total	<u>264,168</u>	<u>29,835</u>	<u>294,003</u>	<u>290,589</u>	<u>3,414</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 90,256		\$ 90,256	\$ 87,946	\$ 2,310
Other Purchased Professional & Technical Services	4,000	\$ 3,602	7,602	3,515	4,087
Supplies & Materials	3,400	(225)	3,175	1,676	1,499
Total	97,656	3,377	101,033	93,137	7,896
Child Study Teams:					
Salaries of Other Professional Staff	161,140	9,144	170,284	165,558	4,726
Salaries of Secretarial & Clerical Assistants	35,875	(1,808)	34,067	34,067	
Purchased Professional Educational Services		331	331	331	
Miscellaneous Purchased Services	4,350	(1,872)	2,478	2,478	
Supplies & Materials	9,000	(4,943)	4,057	3,694	363
Other Objects	515	(319)	196	190	6
Total	210,880	533	211,413	206,318	5,095
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	79,125		79,125	73,792	5,333
Salaries of Other Professional Staff	26,091		26,091	20,741	5,350
Purchased Professional Educational Services	6,000		6,000		6,000
Other Purchased Services	1,600		1,600	72	1,528
Supplies & Materials	2,000		2,000	702	1,298
Other Objects	1,000		1,000	800	200
Total	115,816	-	115,816	96,107	19,709
Educational Media Services/School Library:					
Salaries	164,916	64,475	229,391	206,491	22,900
Salaries of Technology Coordinators	114,390	(114,390)			
Purchased Professional & Technical Services	20,000	30,000	50,000	50,000	
Other Purchased Services	69,300		69,300	57,519	11,781
Other Objects	24,655		24,655	19,278	5,377
Total	393,261	(19,915)	373,346	333,288	40,058
Instructional Staff Training Services:					
Other Purchased Services	10,000		10,000	3,262	6,738
Supplies & Materials	2,000		2,000		2,000
Other Objects	2,400		2,400		2,400
Total	14,400	-	14,400	3,262	11,138
Support Services General Administration:					
Salaries	250,311		250,311	237,180	13,131
Legal Services	25,000	24,375	49,375	49,375	
Audit Fees	18,600	1,500	20,100	20,100	
Architectural/Engineering Services	9,000	(7,900)	1,100	690	410
Other Purchased Professional Services	7,000	12,642	19,642	11,742	7,900
Communications & Telephone	44,160	(9,807)	34,353	31,530	2,823
Board of Education Other Purchased Services	3,000	(3,000)			
Miscellaneous Purchased Services	45,000	(5,436)	39,564	39,348	216
General Supplies	13,000	(5,540)	7,460	4,031	3,429
Miscellaneous Expenditures	10,198	(6,503)	3,695	3,534	161
Board of Education Membership Dues and Fees		6,503	6,503	6,503	
Total	425,269	6,834	432,103	404,033	28,070
Support Services School Administration:					
Salaries of Principals & Assistant Principals	214,472	(1,479)	212,993	171,470	41,523
Salaries of Secretarial & Clerical Assistants	140,272	2,886	143,158	142,214	944
Other Purchased Services	5,000		5,000	4,439	561
Supplies & Materials	17,213	(226)	16,987	15,149	1,838
Other Objects	3,200	(39)	3,161	1,960	1,201
Total	380,157	1,142	381,299	335,232	46,067

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services Central Services:					
Salaries	\$ 199,709		\$ 199,709	\$ 190,540	\$ 9,169
Purchased Professional Services	11,000	\$ (6,058)	4,942	4,000	942
Purchased Technical Services		8,645	8,645	8,645	
Miscellaneous Purchased Services	5,000	452	5,452	5,452	
Supplies & Materials	2,500	1,227	3,727	3,465	262
Miscellaneous Expenditures	1,200		1,200	990	210
Total	<u>219,409</u>	<u>4,266</u>	<u>223,675</u>	<u>213,092</u>	<u>10,583</u>
Administrative Information Technology:					
Salaries	4,080		4,080	4,080	
Required Maintenance for School Facilities:					
Cleaning, Repair, & Maintenance Services	75,000	(1,389)	73,611	56,454	17,157
General Supplies	20,000		20,000	8,165	11,835
Total	<u>95,000</u>	<u>(1,389)</u>	<u>93,611</u>	<u>64,619</u>	<u>28,992</u>
Custodial Services: □					
Salaries	422,503	(36,811)	385,692	321,691	64,001
Purchased Professional & Technical Services	40,350	(4,829)	35,521	32,376	3,145
Cleaning, Repair, & Maintenance Services	10,000	58,366	68,366	63,787	4,579
Insurance	60,604	4,573	65,177	65,177	
Miscellaneous Purchased Services	3,500		3,500	3,331	169
General Supplies	75,000	3,883	78,883	65,602	13,281
Energy (Electricity)	215,000		215,000	203,782	11,218
Energy (Natural Gas)	110,000		110,000	75,225	34,775
Other Objects	3,000		3,000	1,784	1,216
Total	<u>939,957</u>	<u>25,182</u>	<u>965,139</u>	<u>832,755</u>	<u>132,384</u>
Student Transportation Services:					
Salaries-Pupil Transportation (Between Home & School)-Regular	346,278	(700)	345,578	286,880	58,698
Salaries-Pupil Transportation (Between Home & School)-Special Education	6,000		6,000	3,249	2,751
Salaries-Pupil Transportation (Other Than Between Home & School)	8,000	699	8,699	8,699	
Management Fee-ESC Transportation Program	1,350		1,350	986	364
Other Purchased Professional/Technical Services	1,200		1,200	1,103	97
Cleaning, Repair, & Maintenance Services	68,000	3,557	71,557	65,414	6,143
Rental Payments School Buses	4,000		4,000		4,000
Contracted Services (Other Than Between Home & School)-Vendors	5,000		5,000		5,000
Contracted Services (Regular Students)-ESCs & CTSAs		5,644	5,644	5,644	
Contracted Services (Special Education Students)-ESCs & CTSAs	27,000	(5,644)	21,356	12,244	9,112
Contracted Services-Aid In Lieu of Payments-Nonpublic Schools	112,268		112,268	92,015	20,253
Miscellaneous Purchased Services	2,750		2,750	916	1,834
General Supplies	800		800	123	677
Transportation Supplies	84,200		84,200	66,689	17,511
Other Objects	900		900	825	75
Total	<u>667,746</u>	<u>3,556</u>	<u>671,302</u>	<u>544,787</u>	<u>126,515</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Group Insurance	\$ 4,800		\$ 4,800	\$ 1,184	\$ 3,616
Social Security Contributions	128,441	\$ 20,000	148,441	145,224	3,217
Other Retirement Contributions-PERS	126,998	4,090	131,088	131,088	
Workmen's Compensation	78,000		78,000	76,152	1,848
Health Benefits	1,810,656	75,000	1,885,656	1,866,795	18,861
Tuition Reimbursement	10,000	13,534	23,534	23,534	
Other Employee Benefits	170,349	(33,534)	136,815	63,432	73,383
Total	<u>2,329,244</u>	<u>79,090</u>	<u>2,408,334</u>	<u>2,307,409</u>	<u>100,925</u>
On-Behalf TPAF Pensions Contributions				393,834	(393,834)
Reimbursed TPAF Social Security Contributions				393,138	(393,138)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,972</u>	<u>(786,972)</u>
Total Undistributed Expenditures	<u>\$ 6,435,583</u>	<u>\$ 132,511</u>	<u>\$ 6,568,094</u>	<u>\$ 6,782,997</u>	<u>\$ (214,903)</u>
TOTAL CURRENT	<u>\$ 11,699,915</u>	<u>\$ 78,560</u>	<u>\$ 11,778,475</u>	<u>\$ 11,772,054</u>	<u>\$ 6,421</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Noninstructional Services	\$ 24,669	\$ 1,295	\$ 25,964		\$ 25,964
Total	<u>24,669</u>	<u>1,295</u>	<u>25,964</u>	<u>\$ -</u>	<u>25,964</u>
Facilities Acquisition & Construction Services:					
Other Objects (NJ SDA Debt Service Assessment)	41,156		41,156	41,156	
Total	<u>41,156</u>	<u>-</u>	<u>41,156</u>	<u>41,156</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>\$ 65,825</u>	<u>\$ 1,295</u>	<u>\$ 67,120</u>	<u>\$ 41,156</u>	<u>\$ 25,964</u>
TOTAL EXPENDITURES	<u>\$ 11,765,740</u>	<u>\$ 79,855</u>	<u>\$ 11,845,595</u>	<u>\$ 11,813,210</u>	<u>\$ 32,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (579,908)</u>	<u>\$ (79,855)</u>	<u>\$ (659,763)</u>	<u>\$ 295,516</u>	<u>\$ 955,279</u>
Other Financing Sources (Uses):					
Transfers In-Capital Projects Fund				2,608	2,608
Transfers Out-Capital Reserve to Capital Projects		(205,960)	(205,960)	(205,960)	
Transfers Out-Unemployment Compensation Fund	(82,800)		(82,800)	(79,684)	3,116
Total Other Financing Sources (Uses):	<u>(82,800)</u>	<u>(205,960)</u>	<u>(288,760)</u>	<u>(283,036)</u>	<u>5,724</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(662,708)</u>	<u>(285,815)</u>	<u>(948,523)</u>	<u>12,480</u>	<u>961,003</u>
Fund Balances, July 1	<u>2,077,555</u>	<u>-</u>	<u>2,077,555</u>	<u>2,077,555</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,414,847</u>	<u>\$ (285,815)</u>	<u>\$ 1,129,032</u>	<u>\$ 2,090,035</u>	<u>\$ 961,003</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (79,855)	\$ (79,855)	\$ (79,855)	
Increase in Capital Reserve		353,497	353,497	353,497	
Withdrawal from Capital Reserve		(205,960)	(205,960)	(205,960)	
Increase in Maintenance Reserve	\$ 250	94,750	95,000	95,000	
Withdrawal from Maintenance Reserve	(95,000)	10,200	(84,800)	(84,800)	
Budgeted Fund Balance	<u>(567,958)</u>	<u>(458,447)</u>	<u>(1,026,405)</u>	<u>(65,402)</u>	<u>\$ 961,003</u>
TOTAL	<u>\$ (662,708)</u>	<u>\$ (285,815)</u>	<u>\$ (948,523)</u>	<u>\$ 12,480</u>	<u>\$ 961,003</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$	634,671
Maintenance Reserve		262,532
Emergency Reserve		250,000
Excess Surplus:		
Prior Year-Designated for 2011-2012 Budget		16,871
Current Year-Designated for 2012-2013 Budget		<u>136,829</u>
	\$	1,300,903
Committed Fund Balance:		
Year-end Encumbrances		274,657
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures		173,405
Unassigned Fund Balance		<u>341,070</u>
Fund Balance Per Budgetary Basis		2,090,035
Reconciliation to Governmental Statements (GAAP):		
Last State Aid Payment not Recognized on GAAP Basis		<u>(12,411)</u>
Fund Balance Per Governmental Funds (GAAP)	\$	<u><u>2,077,624</u></u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS AUDIT)

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS AUDIT)

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 257,809		\$ 257,809	\$ 169,676	\$ (88,133)
TOTAL REVENUES	<u>\$ 257,809</u>	<u>\$ -</u>	<u>\$ 257,809</u>	<u>\$ 169,676</u>	<u>\$ (88,133)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 125,129	\$ (157)	\$ 124,972	\$ 124,972	
Purchased Professional & Technical Services		156	156		\$ 156
Other Purchased Services	10,889	(5,600)	5,289	5,289	
General Supplies	27,717		27,717	14,486	13,231
Totals	<u>163,735</u>	<u>(5,601)</u>	<u>158,134</u>	<u>144,747</u>	<u>13,387</u>
Support Services:					
Salaries	8,700	5,203	13,903	10,578	3,325
Personal Services Employee Benefits	19,273	398	19,671	4,765	14,906
Purchased Professional & Technical Services	36,469		36,469	7,059	29,410
Other Purchased Services	7,300		7,300	195	7,105
General Supplies	2,332		2,332	2,332	
Total	<u>74,074</u>	<u>5,601</u>	<u>79,675</u>	<u>24,929</u>	<u>54,746</u>
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	20,000	-	20,000	-	20,000
TOTAL EXPENDITURES	<u>\$ 257,809</u>	<u>\$ -</u>	<u>\$ 257,809</u>	<u>\$ 169,676</u>	<u>\$ 88,133</u>

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows  
and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
	<u>                    </u>	<u>                    </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 12,108,726	\$ 169,676
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Current Year Outstanding Encumbrances		(2,346)
Prior Year Outstanding Encumbrances		160
Prior Year Encumbrances Adjustment		(50)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	78,140	
State Aid Receivable-Current Year	(12,411)	
Donations of supplies are not recognized as revenue for budgetary purposes but are recognized for GAAP purposes	<u>7,633</u>	
Total Revenues (GAAP Basis)	<u>\$ 12,182,088</u>	<u>\$ 167,440</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 11,813,210	\$ 169,676
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current Year Outstanding Encumbrances		(2,346)
Prior Year Outstanding Encumbrances		160
Prior Year Encumbrances Adjustment		(50)
Donations of supplies are not recognized as expenditures for budgetary purposes but are recognized for GAAP purposes	<u>7,633</u>	
Total Expenditures (GAAP Basis)	<u>\$ 11,820,843</u>	<u>\$ 167,440</u>

**OTHER SUPPLEMENTAL INFORMATION**

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NCLB Title IIA	IDEA Basic	IDEA Preschool	ARRA IDEA Basic	ARRA IDEA Preschool	Total
REVENUES						
Federal Sources	\$ 18,273	\$ 123,183	\$ 8,164	\$ 18,986	\$ 1,070	\$ 169,676
TOTAL REVENUES	<u>\$ 18,273</u>	<u>\$ 123,183</u>	<u>\$ 8,164</u>	<u>\$ 18,986</u>	<u>\$ 1,070</u>	<u>\$ 169,676</u>
EXPENDITURES						
Instruction:						
Salaries		\$ 118,146	\$ 6,826			\$ 124,972
Other Purchased Services	\$ 5,289					5,289
General Supplies				\$ 14,346	\$ 140	14,486
Totals	<u>5,289</u>	<u>118,146</u>	<u>6,826</u>	<u>14,346</u>	<u>140</u>	<u>144,747</u>
Support Services:						
Salaries	10,578					10,578
Personal Services Employee Benefits	809	3,434	522			4,765
Purchased Professional & Technical Services		1,603	816	4,640		7,059
Other Purchased Services	195					195
General Supplies	1,402				930	2,332
Total	<u>12,984</u>	<u>5,037</u>	<u>1,338</u>	<u>4,640</u>	<u>930</u>	<u>24,929</u>
TOTAL EXPENDITURES	<u>\$ 18,273</u>	<u>\$ 123,183</u>	<u>\$ 8,164</u>	<u>\$ 18,986</u>	<u>\$ 1,070</u>	<u>\$ 169,676</u>

## **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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/11
			Prior Years	Current Year	
Construction of a New Elementary School	07/19/00	\$ 14,519,390	\$ 14,515,055		\$ 4,335
Acquisition of a Generator	06/30/09	83,286	74,882		8,404
Roof and Boiler Replacements and Various Improvements to Old Turnpike School	06/30/10	2,986,203	14,006	\$ 840,782	2,131,415
Air Conditioner Upgrades at Old Turnpike School	06/30/10	1,069,988		92,250	977,738
Window Replacement in the 1968 and 1974 wings at Old Turnpike School	05/18/11	343,267			343,267
		<u>\$ 19,002,134</u>	<u>\$ 14,603,943</u>	<u>\$ 933,032</u>	<u>\$ 3,465,159</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources:	
Local Sources:	
Interest Earnings	\$ 2,608
Bond Proceeds	1,633,000
Premium on Bond Proceeds	24,915
Transfers In from Capital Reserve Fund	205,960
State Sources:	
NJ SDA Aid	1,759,173
Total Revenues and Other Financing Sources	<u>3,625,656</u>
Expenditures and Other Financing Uses:	
Transfer out to General Fund 10	2,608
Bond Issue Costs Expensed	50,910
Other Purchased Professional & Technical Services	221,733
Construction Services	685,304
Total Expenditures and Other Financing Uses	<u>960,555</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	2,665,101
Fund Balance-Beginning	<u>799,343</u>
Fund Balance-Ending	<u>\$ 3,464,444</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 3,464,444
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	587,216
Budgetary Basis (Schedule K-4)	<u>(1,968,184)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 2,083,476</u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ 1,759,173
Adjustment to GAAP Basis	<u>(1,380,968)</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 378,205</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds	\$ 8,996,000		\$ 8,996,000	\$ 8,996,000
Other Financing	1,550,000		1,550,000	1,550,000
State Sources:				
NJ SDA Aid	3,974,000	\$ (610)	3,973,390	3,973,390
Total Revenues	<u>14,520,000</u>	<u>(610)</u>	<u>14,519,390</u>	<u>14,519,390</u>
Expenditures and Other Financing Uses:				
Architect	720,875		720,875	720,875
Legal Fees	356,362		356,362	356,362
Financing Fees	70,798		70,798	70,798
Other Professional Services	13,992		13,992	13,992
Construction Manager	458,963		458,963	458,963
Fees & Permits	28,482		28,482	28,482
Miscellaneous	9,525		9,525	9,525
Materials Testing	27,754		27,754	27,754
Access Road	17,513		17,513	17,513
Construction:				
General	8,997,521		8,997,521	9,001,856
Electrical	959,309		959,309	959,309
HVAC	1,466,129		1,466,129	1,466,129
Plumbing, Heating & Air Conditioning	600,766		600,766	600,766
Structural Steel	784,590		784,590	784,590
Asbestos Abatement	2,476		2,476	2,476
Total Expenditures	<u>14,515,055</u>	<u>-</u>	<u>14,515,055</u>	<u>14,519,390</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 4,945</u>	<u>\$ (610)</u>	<u>\$ 4,335</u>	<u>\$ -</u>

Additional Project Information

Project Number	SP#201134
Bond Authorized Date	07/19/00
Bonds Authorized	\$ 12,970,000
Bonds Issued	\$ 8,996,000
Original Authorized Cost	\$ 12,970,000
Additional Authorized Cost	\$ 1,549,390
Revised Authorized Cost	\$ 14,519,390
Percentage Complete	99.97%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
ACQUISITION OF A GENERATOR  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Outlay	\$ 53,333		\$ 53,333	\$ 53,333
State Sources:				
NJ SDA Aid	29,953		29,953	29,953
Total Revenues	<u>83,286</u>	<u>\$ -</u>	<u>83,286</u>	<u>83,286</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	4,336		4,336	12,740
Construction Services	70,546		70,546	70,546
Total Expenditures	<u>74,882</u>	<u>-</u>	<u>74,882</u>	<u>83,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 8,404</u>	<u>\$ -</u>	<u>\$ 8,404</u>	<u>\$ -</u>

Additional Project Information

Project Number	#5180-055-09-1002
Grant Date	6/30/2009
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 188,152
Reduced Authorized Cost	\$ (104,866)
Revised Authorized Cost	\$ 83,286
Percentage Complete	89.91%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
ROOF & BOILER REPLACEMENT AND OTHER IMPROVEMENTS TO THE OLD TURNPIKE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds		\$ 991,007	\$ 991,007	\$ 991,722
Transfer In from Capital Reserve Fund	\$ 800,000		800,000	800,000
State Sources:				
NJ SDA Aid		1,194,481	1,194,481	1,194,481
Total Revenues	<u>\$ 800,000</u>	<u>2,185,488</u>	<u>2,985,488</u>	<u>2,986,203</u>
Expenditures and Other Financing Uses:				
Bond Attorney Issuance Costs		16,897	16,897	16,897
Other Purchased Professional and Technical Services	14,006	148,573	162,579	451,947
Construction Services		675,312	675,312	2,517,359
Total Expenditures	<u>14,006</u>	<u>840,782</u>	<u>854,788</u>	<u>2,986,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 785,994</u>	<u>\$ 1,344,706</u>	<u>\$ 2,130,700</u>	<u>\$ -</u>

Additional Project Information

Project Number	#5180-030-09-1003
Grant Date	07/09/10
Bond Authorized Date	07/09/10
Bonds Authorized	\$ 991,722
Bonds Issued	\$ 991,007
Original Authorized Cost	\$ 2,986,203
Reduced Authorized Cost	
Revised Authorized Cost	\$ 2,986,203
Percentage Complete	28.62%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
AIR CONDITIONING UPGRADES AND MAIN OFFICE RENOVATIONS AT THE OLD TURNPIKE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds		\$ 641,993	\$ 641,993	\$ 641,993
State Sources:				
NJ SDA Aid		427,995	427,995	427,995
Total Revenues	\$ -	1,069,988	\$ 1,069,988	1,069,988
Expenditures and Other Financing Uses:				
Bond Attorney Issuance Costs		9,098	9,098	9,098
Other Purchased Professional and Technical Services		73,160	73,160	159,040
Construction Services		9,992	9,992	901,850
Total Expenditures	-	92,250	92,250	1,069,988
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 977,738	\$ 977,738	\$ -

Additional Project Information

Project Number	#5180-030-09-1001
Grant Date	7/9/2010
Bond Authorized Date	7/9/2010
Bonds Authorized	\$ 641,993
Bonds Issued	\$ 641,993
Original Authorized Cost	\$ 1,069,988
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,069,988
Percentage Complete	8.62%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
WINDOW REPLACEMENT IN THE 1968 AND 1974 WINGS AT OLD TURNPIKE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve Fund		\$ 205,960	\$ 205,960	\$ 205,960
State Sources:				
NJ SDA Aid		137,307	137,307	137,307
Total Revenues	\$ -	343,267	343,267	343,267
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services				68,057
Construction Services				275,210
Total Expenditures	-	-	-	343,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 343,267	\$ 343,267	\$ -

Additional Project Information

Project Number	#5180-030-10-1001
Grant Date	5/18/2011
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 343,267
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 343,267
Percentage Complete	0.00%

## **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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET ASSETS  
FOOD SERVICE ENTERPRISE FUND  
JUNE 30, 2011

	Food Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 50,468
Due from Other Funds	4,850
Receivables from Other Governments:	
State	373
Federal	1,759
Accounts Receivable-Other	3,897
Inventory	2,811
Total Current Assets	64,158
Noncurrent Assets:	
Capital Assets	60,088
Less: Accumulated Depreciation	49,484
Total Noncurrent Assets	10,604
Total Assets	74,762
<b>LIABILITIES</b>	
Current Liabilities:	
Deferred Revenues	4,516
Total Liabilities	4,516
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	10,604
Unrestricted	59,642
TOTAL NET ASSETS	\$ 70,246

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 124,389
Daily Sales-Nonreimbursable Programs	72,034
Daily Sales-Other Off-Premise Locations	8,248
Total Operating Revenues	204,671
Other Expenses:	
Salaries	74,797
Employee Benefits	15,071
Purchased Property Services	5,068
Insurance	1,849
Management Fee	6,795
Other Purchased Services	1,772
Supplies and Materials	12,392
Miscellaneous	110
Depreciation	3,827
Cost of Sales	116,036
Total Operating Expenses	237,717
Operating Income (Loss)	(33,046)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,491
Federal Sources:	
National School Lunch Program	18,964
Food Donation Program	16,577
Interest Income	100
Total Nonoperating Revenues (Expenses)	38,132
Change in Net Assets	5,086
Net Assets, Beginning	65,160
Net Assets, Ending	\$ 70,246

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 205,431
Payments to Food Service Management Company	(226,918)
Payments to Vendors (Net)	(9,167)
Net Cash Provided by (Used For) Operating Activities	(30,654)
Cash Flows from Noncapital Financing Activities:	
State Sources	2,356
Federal Sources	18,945
General Fund Interfund Activity	(4,850)
Net Cash Provided by (Used For) Noncapital Financing Activities	16,451
Cash Flows from Investing Activities:	
Interest Earned on Investments	100
Net Cash Provided by (Used For) Investing Activities	100
Net Increase (Decrease) in Cash and Cash Equivalents	(14,103)
Cash and Cash Equivalents, July 1	64,571
Cash and Cash Equivalents, June 30	\$ 50,468
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (33,046)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	3,827
Federal Food Donation Program	16,577
(Increase) Decrease in Accounts Receivable-Other	(912)
(Increase) Decrease in Inventory	2,351
Increase (Decrease) in Accounts Payable	(18,243)
Increase (Decrease) in Deferred Revenue	(1,208)
Net Cash Provided by (Used For) Operating Activities	\$ (30,654)

## **FIDUCIARY FUND**

### **DETAIL STATEMENTS**

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 12,549	\$ 84,719	\$ 70,557	\$ 167,825
Due from Other Funds	25,629			25,629
Total Assets	<u>38,178</u>	<u>84,719</u>	<u>70,557</u>	<u>193,454</u>
<b>LIABILITIES</b>				
Due to Other Funds			45,379	45,379
Accounts Payable	25,594			25,594
Due to Student Groups		84,719		84,719
Payroll Deductions & Withholdings			25,178	25,178
Total Liabilities	<u>25,594</u>	<u>84,719</u>	<u>70,557</u>	<u>180,870</u>
<b>NET ASSETS</b>				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 12,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,584</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 12,235
Investment Earnings-Interest	5
Total Additions	12,240
DEDUCTIONS	
Unemployment Claims	79,684
Total Deductions	79,684
Other Financing Sources (Uses):	
Transfers In from General Fund	79,684
Change in Net Assets	12,240
Net Assets, Beginning of the Year	344
Net Assets, End of the Year	\$ 12,584

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 54,613	\$ 223,695	\$ 193,589	\$ 84,719
<b>TOTAL ASSETS</b>	<u>\$ 54,613</u>	<u>\$ 223,695</u>	<u>\$ 193,589</u>	<u>\$ 84,719</u>
<b>LIABILITIES</b>				
Old Turnpike School	\$ 22,390	\$ 202,681	\$ 172,021	\$ 53,050
Tewksbury Elementary School	402	5,184	4,277	1,309
Mini Grant Account	25,230	6,544	4,036	27,738
Library Account	6,567	9,286	13,255	2,598
Night Out for the Arts	24			24
<b>TOTAL LIABILITIES</b>	<u>\$ 54,613</u>	<u>\$ 223,695</u>	<u>\$ 193,589</u>	<u>\$ 84,719</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 59,185	\$ 7,962,221	\$ 7,950,849	\$ 70,557
<b>TOTAL ASSETS</b>	<u>\$ 59,185</u>	<u>\$ 7,962,221</u>	<u>\$ 7,950,849</u>	<u>\$ 70,557</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 36,339	\$ 21,487	\$ 12,447	\$ 45,379
Payroll Deductions & Withholdings	21,303	3,099,001	3,097,142	23,162
Net Payroll	1,543	4,841,733	4,841,260	2,016
<b>TOTAL LIABILITIES</b>	<u>\$ 59,185</u>	<u>\$ 7,962,221</u>	<u>\$ 7,950,849</u>	<u>\$ 70,557</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS AND LOANS  
JUNE 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/10	Issued	Retired	Balance 06/30/11
			Date	Amount					
NJ EDA- Low Interest Loan	08/18/93	\$ 490,000	07/15/11	\$ 25,789	1.50%	\$ 103,158		\$ 25,790	\$ 77,368
			07/15/12	25,790					
			07/15/13	25,789					
NJ EDA- Small Projects Loan	08/18/93	490,000	07/15/11	33,275	5.29%	136,230		31,903	104,327
			07/15/12	34,751					
			07/15/13	36,301					
2006 Refunding Issue	12/21/06	8,500,000	02/15/12	330,000	4.50%	7,525,000			
			02/15/13	345,000					
			02/15/14	365,000					
			02/15/15	385,000	4.00%				
			02/15/16	400,000	3.75%				
			02/15/17	420,000	3.80%				
			02/15/18	445,000	3.85%				
			02/15/19	460,000	3.90%				
			02/15/20	485,000					
			02/15/21	505,000					
			02/15/22	535,000	4.00%				
			02/15/23	555,000					
			02/15/24	580,000					
			02/15/26	630,000					
School Bonds of 2010	09/23/10	1,633,000	07/15/12-	105,000	2.00%				
			07/15/17		2.25%				
			07/15/18	110,000					
			07/15/19-	115,000	3.00%				
			07/15/20						
			07/15/21	120,000					
			07/15/22-	125,000					
			07/15/23						
07/15/24	140,000								
07/15/25	153,000	3.10%							
						\$ 7,764,388	\$ 1,633,000	\$ 532,693	\$ 8,864,695

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 845,025		\$ 845,025	\$ 845,025	
Total Revenues	845,025	\$ -	845,025	845,025	\$ -
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	312,332		312,332	312,331	1
Redemption of Principal	532,693		532,693	532,693	
Total Expenditures	845,025	-	845,025	845,024	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 1	\$ 1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 1	\$ 1

**STATISTICAL SECTION**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
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.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENT ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ (688,154)	\$ 9,289,292	\$ 10,198,630	\$ 10,230,258	\$ 10,265,095	\$ 10,394,460	\$ 10,460,711	\$ 10,419,029
Restricted	4,615,852	24,003	171,120	139,034	873,959	1,276,063	1,785,745	2,201,742
Unrestricted	572,043	684,048	1,023,808	1,410,144	1,439,108	1,041,785	660,825	838,700
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS</b>	<b>\$ 4,499,741</b>	<b>\$ 9,997,343</b>	<b>\$ 11,393,558</b>	<b>\$ 11,779,436</b>	<b>\$ 12,578,162</b>	<b>\$ 12,712,308</b>	<b>\$ 12,907,281</b>	<b>\$ 13,459,471</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 28,140	\$ 25,000	\$ 29,735	\$ 25,910	\$ 22,084	\$ 18,258	\$ 14,431	\$ 10,604
Unrestricted	12,341	13,279	11,162	24,095	56,345	54,500	50,729	59,642
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 40,481</b>	<b>\$ 38,279</b>	<b>\$ 40,897</b>	<b>\$ 50,005</b>	<b>\$ 78,429</b>	<b>\$ 72,758</b>	<b>\$ 65,160</b>	<b>\$ 70,246</b>
<b>DISTRICT-WIDE</b>								
Invested in Capital Assets, Net of Related Debt	\$ (660,014)	\$ 9,314,292	\$ 10,228,365	\$ 10,256,168	\$ 10,287,179	\$ 10,412,718	\$ 10,475,142	\$ 10,429,633
Restricted	4,615,852	24,003	171,120	139,034	873,959	1,276,063	1,785,745	2,201,742
Unrestricted	584,384	697,327	1,034,970	1,434,239	1,495,453	1,096,285	711,554	898,342
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 4,540,222</b>	<b>\$ 10,035,622</b>	<b>\$ 11,434,455</b>	<b>\$ 11,829,441</b>	<b>\$ 12,656,591</b>	<b>\$ 12,785,066</b>	<b>\$ 12,972,441</b>	<b>\$ 13,529,717</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>EXPENSES</b>								
Governmental Activities:								
Instruction:								
Regular	\$ 4,648,178	\$ 4,431,115	\$ 5,073,668	\$ 5,754,173	\$ 5,835,731	\$ 5,686,581	\$ 5,764,872	\$ 5,506,545
Special Education	922,795	989,987	1,128,032	1,024,047	1,071,046	1,160,591	1,384,533	1,557,375
Other Instruction	150,215	166,056	131,326	153,626	266,722	533,263	503,105	571,448
Support Services:								
Tuition	140,368	185,619	210,397	259,949	285,418	583,128	387,052	96,729
Student & Instruction Related Services	1,000,989	1,151,328	1,284,852	1,505,765	1,693,470	1,616,456	1,628,255	1,674,415
General & Business Administrative Services	581,896	574,643	693,989	778,436	873,683	740,036	1,009,789	859,670
School Administration	491,374	488,172	469,160	604,329	551,931	677,240	482,134	491,464
Plant Operations & Maintenance	786,550	823,654	1,145,008	1,065,853	1,270,045	1,291,012	1,134,811	1,060,405
Pupil Transportation	616,406	749,380	721,511	759,800	808,045	939,372	866,871	775,321
Transfer of Funds to Charter Schools							10,361	
Interest on Long-Term Debt	483,186	482,701	449,684	301,164	337,210	346,239	326,821	376,869
Total Governmental Activities Expenses	<u>9,821,957</u>	<u>10,042,655</u>	<u>11,307,627</u>	<u>12,207,142</u>	<u>12,993,301</u>	<u>13,573,918</u>	<u>13,498,604</u>	<u>12,970,241</u>
Business-Type Activities:								
Food Services	136,285	141,570	150,195	167,509	190,116	220,422	244,532	237,717
Total Business-Type Activities	<u>136,285</u>	<u>141,570</u>	<u>150,195</u>	<u>167,509</u>	<u>190,116</u>	<u>220,422</u>	<u>244,532</u>	<u>237,717</u>
<b>TOTAL DISTRICT EXPENSES</b>	<u>\$ 9,958,242</u>	<u>\$ 10,184,225</u>	<u>\$ 11,457,822</u>	<u>\$ 12,374,651</u>	<u>\$ 13,183,417</u>	<u>\$ 13,794,340</u>	<u>\$ 13,743,136</u>	<u>\$ 13,207,958</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>PROGRAM REVENUES</b>								
Governmental Activities:								
Charges for Services	\$ 4,180	\$ 18,475	\$ 15,383	\$ 17,688	\$ 44,642	\$ 52,391	\$ 66,500	\$ 76,200
Operating Grants & Contributions	194,684	139,727	142,828	73,167	175,407	178,395	282,857	167,440
Capital Grants & Contributions	6,082	2,782,080	908,716		31,162		29,953	378,205
<b>Total Governmental Activities Program Revenues</b>	<b>204,946</b>	<b>2,940,282</b>	<b>1,066,927</b>	<b>90,855</b>	<b>251,211</b>	<b>230,786</b>	<b>379,310</b>	<b>621,845</b>
Business-Type Activities:								
Charges for Services:								
Food Service	114,381	119,372	124,687	151,773	185,659	180,433	199,513	204,671
Operating Grants & Contributions	21,549	19,996	19,907	24,064	31,086	33,892	37,705	38,032
<b>Total Business-Type Activities Program Revenues</b>	<b>135,930</b>	<b>139,368</b>	<b>144,594</b>	<b>175,837</b>	<b>216,745</b>	<b>214,325</b>	<b>237,218</b>	<b>242,703</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<b>\$ 340,876</b>	<b>\$ 3,079,650</b>	<b>\$ 1,211,521</b>	<b>\$ 266,692</b>	<b>\$ 467,956</b>	<b>\$ 445,111</b>	<b>\$ 616,528</b>	<b>\$ 864,548</b>
<b>NET (EXPENSE) REVENUES</b>								
Governmental Activities	\$ (9,617,011)	\$ (7,102,373)	\$ (10,240,700)	\$ (12,116,287)	\$ (12,742,090)	\$ (13,343,132)	\$ (13,119,294)	\$ (12,348,396)
Business-Type Activities	(355)	(2,202)	(5,601)	8,328	26,629	(6,097)	(7,314)	4,986
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<b>\$ (9,617,366)</b>	<b>\$ (7,104,575)</b>	<b>\$ (10,246,301)</b>	<b>\$ (12,107,959)</b>	<b>\$ (12,715,461)</b>	<b>\$ (13,349,229)</b>	<b>\$ (13,126,608)</b>	<b>\$ (12,343,410)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET ASSETS</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 8,171,557	\$ 8,809,855	\$ 9,285,237	\$ 10,176,892	\$ 10,887,889	\$ 10,926,012	\$ 10,954,973	\$ 10,954,973
Property Taxes Levied for Debt Service	835,561	871,839	842,012	863,116	668,626	725,983	852,148	845,025
Unrestricted Grants & Contributions	1,255,086	1,289,745	1,364,372	1,685,341	1,774,628	1,691,508	1,435,223	1,108,992
Investment Earnings	59,654	45,702	65,619	139,244	104,510	30,383	26,769	11,404
Local Contributions	40,000	40,000	40,000		92,000	62,500		
Miscellaneous Income	7,174	22,452	47,894	15,692	17,473	32,692	54,123	59,876
Transfers In/(Out)			(8,219)				(12,069)	(79,684)
Special Item-Gain/(Loss) on Sale/Disposal of Capital Assets		980,734			(4,310)	8,200	3,100	
Special Item-Payments to Refunding Bond Agent				(378,120)				
Special Item-NJ Refinancing Adjustment		11,248						
<b>Total Governmental Activities</b>	<b>10,369,032</b>	<b>12,071,575</b>	<b>11,636,915</b>	<b>12,502,165</b>	<b>13,540,816</b>	<b>13,477,278</b>	<b>13,314,267</b>	<b>12,900,586</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)								
Business-Type Activities:								
Investment Earnings				\$ 780	\$ 944	\$ 426	\$ 163	\$ 100
Miscellaneous					851		15	
Transfers In/(Out)			\$ 8,219					
Special Item-Refund of Prior Year Revenue							(462)	
Total Business-Type Activities	\$ -	\$ -	-	780	1,795	426	(284)	100
TOTAL DISTRICT-WIDE	\$ 10,369,032	\$ 12,071,575	\$ 11,636,915	\$ 12,502,945	\$ 13,542,611	\$ 13,477,704	\$ 13,313,983	\$ 12,900,686
CHANGE IN NET ASSETS								
Governmental Activities	\$ 752,021	\$ 4,969,202	\$ 1,396,215	\$ 385,878	\$ 798,726	\$ 134,146	\$ 194,973	\$ 552,190
Business-Type Activities	(355)	(2,202)	(5,601)	9,108	28,424	(5,671)	(7,598)	5,086
TOTAL DISTRICT	\$ 751,666	\$ 4,967,000	\$ 1,390,614	\$ 394,986	\$ 827,150	\$ 128,475	\$ 187,375	\$ 557,276

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST EIGHT FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:								
Reserved	\$ 242,353	\$ 746,959	\$ 767,516	\$ 750,821	\$ 2,316,634	\$ 2,089,597	\$ 1,427,722	\$ 1,575,560
Unreserved	322,239	517,347	615,402	1,068,017	295,555	573,369	571,693	502,064
Total General Fund	<u>\$ 564,592</u>	<u>\$ 1,264,306</u>	<u>\$ 1,382,918</u>	<u>\$ 1,818,838</u>	<u>\$ 2,612,189</u>	<u>\$ 2,662,966</u>	<u>\$ 1,999,415</u>	<u>\$ 2,077,624</u>
All Other Governmental Funds:								
Reserved, Reported In:								
Capital Projects Fund	\$ 9,047,925	\$ 449,092	\$ 21,794	\$ 4,760		\$ 88,888	\$ 775,359	\$ 2,529,126
Unreserved, Reported In:								
Capital Projects Fund	(4,033,624)	(674,237)	149,323	126,021	\$ 105,661	(30,610)	23,984	(445,650)
Debt Service Fund	1	24,002	2	8,252	6,964			1
Total All Other Governmental Funds	<u>\$ 5,014,302</u>	<u>\$ (201,143)</u>	<u>\$ 171,119</u>	<u>\$ 139,033</u>	<u>\$ 112,625</u>	<u>\$ 58,278</u>	<u>\$ 799,343</u>	<u>\$ 2,083,477</u>

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Tax Levy	\$ 7,482,510	\$ 8,201,950	\$ 9,007,118	\$ 9,681,694	\$ 10,127,249	\$ 11,040,008	\$ 11,556,515	\$ 11,651,995	\$ 11,807,121	\$ 11,799,998
Tuition Charges	29,129	750	750	15,619	10,334	14,863	22,381		29,387	49,189
Transportation Fees								28,960	31,138	1,270
Interest Earnings	242,185	141,859	59,654	45,702	65,619	139,244	104,510	30,383	26,769	11,404
Miscellaneous	40,235	11,489	50,604	51,928	92,943	24,137	112,670	97,401	54,559	58,868
State Sources	951,509	1,135,263	1,261,472	1,293,293	1,365,853	1,689,036	1,774,628	1,691,508	1,435,223	1,108,992
State Sources-Capital Projects		417,312	674	2,782,080	908,716		31,162		29,953	378,205
Federal Sources	88,770	303,778	188,298	136,179	141,347	63,852	175,407	178,395	282,857	167,440
<b>Total Revenues</b>	<b>8,834,338</b>	<b>10,212,401</b>	<b>10,568,570</b>	<b>14,006,495</b>	<b>12,712,061</b>	<b>12,971,140</b>	<b>13,777,273</b>	<b>13,678,642</b>	<b>13,697,007</b>	<b>13,575,366</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,848,522	3,051,969	3,373,586	3,278,840	3,541,273	3,821,818	3,982,137	3,981,814	4,049,080	3,682,104
Special Education Instruction	465,646	477,929	523,485	575,959	627,410	614,019	674,050	798,511	932,603	935,109
Other Special Instruction	25,728	81,289	100,014	79,535	55,014	58,507	57,822	220,846	208,426	283,093
Other Instruction	119,732	108,979	121,303	127,832	122,559	142,395	128,071	147,221	146,455	88,751
<b>Support Services:</b>										
Tuition	187,174	106,316	90,368	126,286	138,740	234,493	247,880	431,419	206,891	96,729
Student & Instruction Related Services	670,220	630,135	746,707	857,322	915,666	1,102,562	1,220,235	1,195,561	1,174,200	1,193,289
General Administration	279,335	322,575	343,770	337,452	380,752	422,779	424,354	335,527	530,185	404,033
School Administration Services	410,523	362,603	361,140	398,094	350,735	406,744	403,736	476,643	338,311	335,232
Central Services / Business	112,727	107,563	121,879	138,788	147,716	180,467	193,787	213,881	227,149	213,092
Administrative Information Technology				7,116	4,374	4,559	4,100	4,373	4,080	
Plant Operations & Maintenance	584,204	635,856	681,400	723,222	1,039,050	932,326	1,124,196	1,076,730	965,667	905,007
Pupil Transportation	557,018	453,717	572,752	586,685	682,457	670,213	633,904	735,972	637,215	544,787
Employee Benefits	1,069,510	1,187,637	1,416,933	1,540,525	1,739,465	1,788,825	1,834,894	1,982,537	2,114,499	2,307,409
On-Behalf TPAF Pension/Social Security Contributions	286,588	457,017	526,482	551,179	617,720	939,767	984,890	757,582	755,680	786,972
Capital Outlay	118,611	320,838	545,151	187,500	488,815	269,891	235,085	320,010	85,536	
Transfer of Funds to Charter School									10,361	
Special Revenue Funds	124,329	346,813	193,074	139,727	142,828	73,167	175,407	178,395	282,857	167,440
Capital Projects	163,508	519,370	3,632,023	9,139,278	465,444	43,130	15,409	100,716	88,888	957,947
<b>Debt Service:</b>										
Principal	348,087	363,911	374,838	379,542	406,776	567,859	303,985	380,178	516,389	532,693
Interest & Other Charges	493,335	511,429	494,645	468,296	459,236	293,970	365,929	352,769	335,759	353,487
<b>Total Expenditures</b>	<b>8,864,797</b>	<b>10,045,946</b>	<b>14,219,550</b>	<b>19,636,062</b>	<b>12,328,772</b>	<b>12,567,306</b>	<b>13,010,330</b>	<b>13,690,412</b>	<b>13,610,524</b>	<b>13,791,254</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(30,459)	166,455	(3,650,980)	(5,629,567)	383,289	403,834	766,943	(11,770)	86,483	(215,888)
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-Budgeted)	57,974	110,408	217,447	113,836	115,804					
Proceeds from Bond Issue										1,633,000
Proceeds from Refunding Bond Issue						8,500,000				
Payments to Refunding Bond Escrow Agent						(8,569,476)				
Proceeds from Bond Issue Premium						69,476				24,915
Proceeds from Sale/Disposition of Capital Assets				1,000,000				8,200	3,100	
Transfers In/(Out)					(8,219)				(12,069)	(79,684)
<b>Total Other Financing Sources (Uses)</b>	<b>57,974</b>	<b>110,408</b>	<b>217,447</b>	<b>1,113,836</b>	<b>107,585</b>	<b>-</b>	<b>-</b>	<b>8,200</b>	<b>(8,969)</b>	<b>1,578,231</b>
<b>Net Change in Fund Balances</b>	<b>\$ 27,515</b>	<b>\$ 276,863</b>	<b>\$ (3,433,533)</b>	<b>\$ (4,515,731)</b>	<b>\$ 490,874</b>	<b>\$ 403,834</b>	<b>\$ 766,943</b>	<b>\$ (3,570)</b>	<b>\$ 77,514</b>	<b>\$ 1,362,343</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>10.87%</b>	<b>10.51%</b>	<b>9.48%</b>	<b>8.96%</b>	<b>8.24%</b>	<b>7.56%</b>	<b>5.54%</b>	<b>5.85%</b>	<b>6.77%</b>	<b>7.42%</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Interest Income	\$ 24,139	\$ 17,712	\$ 9,065	\$ 20,422	\$ 58,701	\$ 136,450	\$ 103,245	\$ 30,289	\$ 26,754	\$ 8,796
Tuition Charges	29,129	750	750	15,619	10,334	14,863	22,381		29,387	49,189
Transportation Fees	30,811	538	510	1,856	1,859			28,960	31,138	1,270
Old Outstanding Checks Canceled	428				400		1,265		20,619	
Miscellaneous	118	291	702	108	122	397	808	290	79	121
Prior Year Refunds	3,276	2,139	4,561	3,650		1,476	217	1,415	3,957	744
Miscellaneous Refunds			600	565		60	323	135	47	151
Miscellaneous Account Balances Canceled				3,051			846			
Payroll Agency & Net Payroll Excess Balances										
Building Use Rental Fees	2,000	1,000	337	1,000	3,190	2,825	6,097	3,330	2,000	2,000
Prior Year Accounts Payable Canceled	42	350				460	1,079		7,382	21,541
Book Fines	909	600	104	1,698	89		185	251	516	479
Sale of Surplus Materials/Textbooks			2,479		230			2,280		
Lawsuit Settlement Proceeds							4,199			
Yearbook Photography Commission/Rebates		748	811		3,626	6,215	3,651	5,510	3,622	5,127
Insurance Dividends/Rebates								20,999	6,287	7,326
Insurance Claim Recovery		5,723								
Local Contributions/Donations		100	40,500	40,000	40,182	121	92,000	62,500	500	7,865
Vendor Rebates								691		
Author Fees					1,500					
Testing Fees					1,000					
Prior Year Contractor Settlement									7,500	
Bid Spec Fees									2,050	1,500
Clean Energy Audit Program										12,014
Annual Totals	<u>\$ 90,852</u>	<u>\$ 29,951</u>	<u>\$ 60,419</u>	<u>\$ 87,969</u>	<u>\$ 121,233</u>	<u>\$ 162,867</u>	<u>\$ 236,296</u>	<u>\$ 156,650</u>	<u>\$ 141,838</u>	<u>\$ 118,123</u>

Source: District Records

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacant Land	\$ 28,022,800	\$ 29,825,700	\$ 29,773,600	\$ 20,666,000	\$ 16,816,500	\$ 14,425,900	\$ 14,265,900	\$ 14,950,500	\$ 14,589,200	\$ 12,889,800
Residential	922,671,100	936,653,000	968,247,300	1,007,121,600	1,026,395,900	1,040,803,400	1,049,742,100	1,052,627,411	1,050,951,800	1,051,075,700
Farms-Regular	189,718,000	195,456,400	202,269,700	204,405,100	212,762,000	220,772,700	222,657,400	222,849,200	229,161,300	231,348,010
Farms-"Q"	4,272,300	4,113,910	3,720,510	3,582,700	3,611,800	3,638,400	3,611,000	3,621,236	3,590,586	3,532,300
Commercial	57,472,300	57,634,900	58,109,800	58,315,200	58,355,600	58,749,700	58,491,300	58,503,500	59,231,800	59,427,400
Industrial	2,842,600	2,862,100	2,862,100	2,862,100	2,862,100	2,733,000	5,304,000	5,304,000	5,304,000	5,304,000
<b>Total Assessed Value</b>	<b>1,204,999,100</b>	<b>1,226,546,010</b>	<b>1,264,983,010</b>	<b>1,296,952,700</b>	<b>1,320,803,900</b>	<b>1,341,123,100</b>	<b>1,354,071,700</b>	<b>1,357,855,847</b>	<b>1,362,828,686</b>	<b>1,363,577,210</b>
Public Utilities (a)	3,041,741	2,943,920	2,538,488	2,410,141	2,145,099	1,947,786	1,805,183	1,615,868	1,860,933	1,953,975
<b>Net Valuation Taxable</b>	<b>\$ 1,208,040,841</b>	<b>\$ 1,229,489,930</b>	<b>\$ 1,267,521,498</b>	<b>\$ 1,299,362,841</b>	<b>\$ 1,322,948,999</b>	<b>\$ 1,343,070,886</b>	<b>\$ 1,355,876,883</b>	<b>\$ 1,359,471,715</b>	<b>\$ 1,364,689,619</b>	<b>\$ 1,365,531,185</b>
Estimated Actual County Equalized Value	\$ 1,202,403,839	\$ 1,323,801,338	\$ 1,420,775,423	\$ 1,632,570,879	\$ 1,800,226,545	\$ 1,977,083,704	\$ 1,935,800,747	\$ 1,870,561,756	\$ 1,826,649,202	\$ 1,775,723,258
	*									
Percentage of Net Valuation to Est. Actual County Equal. Value	100.47%	92.88%	89.21%	79.59%	73.49%	67.93%	70.04%	72.68%	74.71%	76.90%
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 0.68</b>	<b>\$ 0.73</b>	<b>\$ 0.76</b>	<b>\$ 0.78</b>	<b>\$ 0.83</b>	<b>\$ 0.86</b>	<b>\$ 0.86</b>	<b>\$ 0.87</b>	<b>\$ 0.86</b>	<b>\$ 0.86</b>
	*									

Source: 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 the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

\* Revalued/Reassessed

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

Assessment Year	School District Direct Rate			Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Debt	Municipality	County	
2002	\$ 0.61	\$ 0.07	\$ 0.68	\$ 0.42	\$ 0.33	\$ 0.45	\$ 1.88
2003	0.66	0.07	0.73	0.43	0.33	0.47	1.96
2004	0.69	0.07	0.76	0.54	0.34	0.46	2.10
2005	0.72	0.06	0.78	0.58	0.36	0.48	2.20
2006	0.77	0.07	0.84	0.54	0.36	0.48	2.22
2007	0.80	0.06	0.86	0.52	0.37	0.49	2.24
2008	0.81	0.05	0.86	0.49	0.36	0.48	2.19
2009	0.81	0.06	0.87	0.52	0.36	0.47	2.22
2010	0.80	0.06	0.86	0.47	0.38	0.46	2.17
2011	0.81	0.05	0.86	0.51	0.38	0.45	2.20

Sources: 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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.

\* Revalued/Reassessed

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AM Best Co	\$ 37,058,000	1	2.71%	\$ 37,000,000	1	3.06%
Individual Property Owner	6,590,500	2	0.48%			
Stavola Quarries LLC	5,778,200	3	0.42%	2,842,600	4	0.24%
Individual Property Owner	4,008,200	4	0.29%			
Individual Property Owner	2,984,300	5	0.22%			
Individual Property Owner	2,302,410	6	0.17%			
Individual Property Owner	2,230,900	7	0.16%			
Individual Property Owner	2,201,600	8	0.16%			
United Telephone Co of NJ	2,167,975	9	0.16%	3,041,741	3	0.25%
Individual Property Owner	2,115,400	10	0.15%			
Toll Brothers II LP				7,314,500	2	0.61%
Individual Property Owner				2,483,500	5	0.21%
Individual Property Owner				2,138,300	6	0.18%
Individual Property Owner				1,899,100	7	0.16%
Individual Property Owner				1,814,700	8	0.15%
Individual Property Owner				1,790,500	9	0.15%
Individual Property Owner				1,635,500	10	0.14%
	<u>\$ 67,437,485</u>		<u>4.92%</u>	<u>\$ 61,960,441</u>		<u>5.15%</u>

Source: Municipal Tax Assessor

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Calendar Year of the Levy (a)	
		Amount	Percentage of Levy
2001	\$ 20,790,800	\$ 20,244,955	97.37%
2002	23,046,876	22,522,359	97.72%
2003	24,416,266	24,023,438	98.39%
2004	26,990,808	26,515,384	98.24%
2005	28,948,185	28,494,458	98.43%
2006	29,682,817	29,195,258	98.36%
2007	30,335,422	29,847,094	98.39%
2008	29,795,288	29,372,007	98.57%
2009	30,336,059	29,860,845	98.43%
2010	29,735,461	29,303,277	98.54%

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

(a)

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

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

Fiscal Year Ending June 30,	General Obligation Bonds	Governmental Activities		Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
		Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002	\$ 10,699,114		\$ 233,933			\$ 10,933,047	3.42%	\$ 1,898
2003	10,335,202		243,398			10,578,600	3.19%	1,821
2004	9,960,364		304,725			10,265,089	2.95%	1,733
2005	9,569,574		261,255			9,830,829	2.75%	1,646
2006	9,162,799		149,249			9,312,048	2.60%	1,547
2007	8,964,940		11,291			8,976,231	2.30%	1,480
2008	8,660,955					8,660,955	2.09%	1,427
2009	8,280,777					8,280,777	1.98%	1,363
2010	7,764,388					7,764,388	1.96%	1,278
2011	8,864,695					8,864,695	N/A	1,459

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

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

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002 *	\$ 10,699,114		\$ 10,699,114	0.89%	\$ 1,858
2003	10,335,202		10,335,202	0.84%	1,779
2004	9,960,364		9,960,364	0.79%	1,682
2005	9,569,574		9,569,574	0.74%	1,603
2006	9,162,799		9,162,799	0.69%	1,523
2007	8,964,940		8,964,940	0.67%	1,479
2008	8,660,955		8,660,955	0.64%	1,427
2009	8,280,777		8,280,777	0.61%	1,363
2010	7,764,388		7,764,388	0.57%	1,278
2011	8,864,695		8,864,695	0.65%	1,459

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

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.
- \* Revalued/Reassessed

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2010

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 23,041,640	100.00	\$ 23,041,640
Regional High School	4,615,000	19.86	916,744
County General Obligation Debt	100,047,622	7.71	<u>7,711,845</u>
Subtotal, Overlapping Debt			31,670,229
School District Direct Debt			<u>9,518,858</u>
Total Direct and Overlapping Debt			<u><u>\$ 41,189,087</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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 municipality. 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.

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

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2010	\$ 1,772,208,954
2009	1,817,502,138
2008	<u>1,923,670,550</u>
	<u>\$ 5,513,381,642</u>

Average Equalized Valuation of Taxable Property \$ 1,837,793,881

Debt Limit (3.0% of Average Equalization Value) \$ 55,133,816 (a)

Total Net Debt Applicable to Limit 9,043,858

Legal Debt Margin \$ 46,089,958

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 28,690,040	\$ 32,240,254	\$ 36,277,097	\$ 40,371,151	\$ 44,789,122	\$ 49,389,461	\$ 53,271,735	\$ 55,497,523	\$ 56,115,125	\$ 55,133,816
Total Net Debt Applicable	<u>14,673,114</u>	<u>13,891,890</u>	<u>14,717,052</u>	<u>10,544,182</u>	<u>9,341,247</u>	<u>9,143,388</u>	<u>8,839,403</u>	<u>8,459,225</u>	<u>7,942,836</u>	<u>9,043,858</u>
Legal Debt Margin	<u>\$ 14,016,926</u>	<u>\$ 18,348,364</u>	<u>\$ 21,560,045</u>	<u>\$ 29,826,969</u>	<u>\$ 35,447,875</u>	<u>\$ 40,246,073</u>	<u>\$ 44,432,332</u>	<u>\$ 47,038,298</u>	<u>\$ 48,172,289</u>	<u>\$ 46,089,958</u>
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	51.14%	43.09%	40.57%	26.12%	20.86%	18.51%	16.59%	15.24%	14.15%	16.40%

Source: Equalized Valuation Bases were obtained from the Annual Report of the State of New Jersey.  
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN YEARS

<u>Year</u>	<u>Population ( a )</u>	<u>Personal Income ( b )</u>	<u>Per Capita Personal Income ( c )</u>	<u>Unemployment Rate ( d )</u>
2002	5,759	\$ 321,339,395	\$ 57,110	3.7%
2003	5,808	331,261,296	58,666	4.0%
2004	5,923	347,196,932	59,917	3.3%
2005	5,971	364,133,781	59,592	2.1%
2006	6,018	387,113,868	64,326	2.4%
2007	6,063	413,217,702	68,154	2.1%
2008	6,071	417,387,321	68,751	2.7%
2009	6,076	397,030,144	65,344	5.0%
2010	6,076	N/A	N/A	5.1%
2011	6,076	N/A	N/A	N/A

Sources:

- ( a ) Population information provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented
- ( c ) Per capita personal income by county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.
- ( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular	49.9	53.5	53.6	55.2	56.0	56.2	56.2	61.2	61.9	57.2
Special Education	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.0	14.0
Other Special Education	2.6	2.6	3.8	3.6	3.6	5.3	7.4	8.0	10.8	10.2
Other Instruction	8.7	1.7	4.1	5.8	5.8	5.0	6.0	5.2	4.9	3.0
Support Services:										
Student & Other Related Services	4.2	5.8	4.8	6.5	6.4	10.0	8.0	8.4	8.4	12.8
General Administration	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.4
School Administrative Services	2.0		2.2	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Other Administrative Services	1.8	4.9	4.3	5.6	4.8	4.4	5.0	5.0	5.0	4.0
Central Services	3.0	2.1	2.2	2.2	2.2	2.6	3.0	3.0	3.0	3.0
Administrative Information Technology	3.3	3.8	3.3	3.0	3.8	3.0	2.0	1.0	1.0	0.1
Plant Operations and Maintenance	7.0	7.5	9.0	9.0	10.5	9.5	9.5	8.5	9.0	10.0
Pupil Transportation	5.7	6.9	7.1	7.1	7.4	7.7	8.3	9.6	9.5	9.0
<b>Total</b>	<b>102.2</b>	<b>101.8</b>	<b>107.4</b>	<b>112.0</b>	<b>114.5</b>	<b>117.7</b>	<b>119.4</b>	<b>123.9</b>	<b>129.5</b>	<b>127.2</b>

Sources: District Personnel Records

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	737	\$ 7,741,256	\$ 10,504	3.44%	76.0	1 to 9.70	733.0	701.7	1.45%	95.73%
2003	730	8,330,398	11,412	8.64%	76.0	1 to 9.61	736.0	694.3	0.41%	94.33%
2004	710	9,172,893	12,920	13.22%	75.0	1 to 9.47	701.6	674.0	-4.67%	96.07%
2005	723	9,461,446	13,086	1.29%	79.0	1 to 9.15	716.2	687.1	2.08%	95.94%
2006	757	10,508,501	13,882	6.08%	79.0	1 to 9.58	754.5	725.4	5.35%	96.14%
2007	776	11,392,456	14,681	5.76%	81.0	1 to 9.58	772.0	740.8	2.32%	95.96%
2008	784	12,089,922	15,421	5.04%	82.0	1 to 9.56	778.5	744.0	0.84%	95.57%
2009	781	12,536,739	16,052	4.09%	85.0	1 to 9.19	772.1	742.3	-0.82%	96.14%
2010	782	12,583,952	16,092	0.25%	83.5	1 to 9.31	776.9	748.4	0.62%	96.33%
2011	751	11,947,127	15,908	-1.14%	84.3	1 to 8.91	748.6	716.8	-3.64%	95.75%

Source: District Records

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

( b ) Teaching staff includes only full-time equivalents or certificated staff.

( c ) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Sawmill School (1951)</u>										
Square Feet	25,800	25,800	25,800	25,800	CLOSED 2005					
Enrollment	220	241	241	251	-	-	-	-	-	-
<u>Old Turnpike School (1968)</u>										
Square Feet	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384
Enrollment	513	495	458	461	321	299	334	339	370	374
<u>Tewksbury Elementary School (2006)</u>										
Square Feet					73,289	73,289	73,289	73,289	73,289	73,289
Enrollment					432	442	439	440	416	377

Number of Schools at June 30, 2011:

Elementary	1
Middle School	1

Source: District Facilities Office  
 N/A=Not Available

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

Note: Enrollment prior to 2002 is not available

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities Fiscal Year	Old Turnpike School	Tewksbury Elementary School	Total
2002	\$ 81,658		\$ 81,658
2003	65,931		65,931
2004	124,661		124,661
2005	99,869		99,869
2006 **			264,095
2007 **			175,547
2008	107,021	\$ 89,793	196,814
2009	96,412	49,894	146,306
2010	36,299	29,129	65,428
2011	24,605	40,014	64,619
Total School Facilities	<u>\$ 636,456</u>	<u>\$ 208,830</u>	<u>\$ 1,284,928</u>

\* School Facilities as Defined Under EFCFA.  
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

\*\* Detail by school not available.

Source: District Records

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Group Policy Maximum)	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Environmental Impairment Liability	1,000,000	5,000
Employee Benefit Liability	5,000,000	1,000
Blanket Employee Dishonesty (Per Loss)	500,000	1,000
Umbrella Liability-School Alliance Insurance Fund:		
Umbrella Policy	5,000,000	
School Board Legal Liability-School Alliance Insurance Fund:		
Directors and Officers Policy	5,000,000	5,000
Worker's Compensation-School Alliance Insurance Fund:		
Per Accident, Disease and Disease Limit	5,000,000	
Catastrophic Student Accident Insurance-Bollinger Insurance Co:		
Policy Limit	1,500,000	
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer of School Monies Bond	190,000	
Business Administrator's Bond	190,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

November 22, 2011

Honorable President and  
Members of the Board of Education  
Tewksbury Township School District  
County of Hunterdon, New Jersey

We have audited the financial statements of the Board of Education of the Tewksbury School District in the County of Hunterdon as of and for the year ended June 30, 2011, and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education'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 these 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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04

November 22, 2011

Honorable President and  
Members of the Board of Education  
Tewksbury Township School District  
County of Hunterdon, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Tewksbury School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

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 Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

## Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

  
\_\_\_\_\_  
William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education:													
General Fund:													
Education Jobs Fund	84.410A	ARRA-518011	\$ 25,899	08/10/2010-09/30/2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
US Department of Education Passed Through													
State Department of Education:													
Special Revenue Fund:													
NCLB Title II A	84.367A	NCLB-518009	12,677	09/01/2008-08/31/2009	(6,655)						(6,655)		
NCLB Title II A	84.367A	NCLB-518010	13,134	09/01/2009-08/31/2010	(2,294)		10,743	10,890	50		(2,391)		
NCLB Title II A	84.367A	NCLB-518011	13,068	09/01/2010-08/31/2011				7,383			(13,068)	5,685	
NCLB Title IV	84.184	NCLB-518009	1,153	09/01/2008-08/31/2009	(1,153)						(1,153)		
NCLB Title IV	84.184	NCLB-518010	1,108	09/01/2009-08/31/2010	(1,108)		1,108						
ARRA IDEA Basic	84.391	ARRA-518010	157,020	09/01/2009-08/31/2011	(6,311)		14,846	18,986			(75,514)	65,063	
ARRA IDEA Preschool	84.392	ARRA-518010	5,683	09/01/2009-08/31/2011				1,070			(3,805)	2,735	
IDEA Basic	84.027	IDEA-518007	122,739	09/01/2006-08/31/2007	1,320								1,320
IDEA Basic	84.027	IDEA-518009	133,256	09/01/2008-08/31/2009	(7,992)		7,992						
IDEA Basic	84.027	IDEA-518010	134,858	09/01/2009-08/31/2010	(134,858)		134,858						
IDEA Basic	84.027	IDEA-518011	137,834	09/01/2010-08/31/2011			59,451	123,183			(78,383)	14,651	
IDEA Preschool	84.173	IDEA-518007	8,109	09/01/2006-08/31/2007	507								507
IDEA Preschool	84.173	IDEA-518010	7,910	09/01/2009-08/31/2010	(7,910)		7,910						
IDEA Preschool	84.173	IDEA-518011	8,164	09/01/2010-08/31/2011			8,164	8,164					
<b>Total Special Revenue Fund</b>					<b>(166,454)</b>	<b>-</b>	<b>245,072</b>	<b>169,676</b>	<b>50</b>	<b>-</b>	<b>(180,969)</b>	<b>88,134</b>	<b>1,827</b>
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Donation Program	10.550	N/A	18,075	07/01/2009-06/30/2010	3,226			3,226					
Food Donation Program	10.550	N/A	14,578	07/01/2010-06/30/2011			14,578	13,351				1,227	
National School Lunch Program	10.555	N/A	18,388	07/01/2009-06/30/2010	(1,740)		1,740						
National School Lunch Program	10.555	N/A	18,964	07/01/2010-06/30/2011			17,205	18,964			(1,759)		
<b>Total Enterprise Fund</b>					<b>1,486</b>	<b>-</b>	<b>33,523</b>	<b>35,541</b>	<b>-</b>	<b>-</b>	<b>(1,759)</b>	<b>1,227</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>					<b>\$ (164,968)</b>	<b>\$ -</b>	<b>\$ 278,595</b>	<b>\$ 205,217</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ (182,728)</b>	<b>\$ 89,361</b>	<b>\$ 1,827</b>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2011			MEMO		
									Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<b>State Department of Education</b>														
<b>General Fund:</b>														
Categorical Special Education Aid	11-495-034 -5120-089	\$ 165,221	07/01/2010- 06/30/2011		\$ 165,221	\$ 165,221							\$ 165,221	\$ 165,221
Extraordinary Special Education Costs Aid	10-100-034 -5120-473	152,028	07/01/2009- 06/30/2010	\$ (152,028)	152,028									152,028
Extraordinary Special Education Costs Aid	11-100-034 -5120-473	64,766	07/01/2010- 06/30/2011			64,766			\$ (64,766)					64,766
Nonpublic Transportation Aid	10-495-034 -5120-014	21,377	07/01/2009- 06/30/2010	(21,377)	21,377									21,377
Nonpublic Transportation Aid	11-495-034 -5120-014	26,304	07/01/2010- 06/30/2011			26,304			(26,304)					26,304
On-Behalf TPAF Pension Contribution- Post Retirement Medical	11-495-034 -5095-001	376,126	07/01/2010- 06/30/2011		376,126	376,126								376,126
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	11-495-034 -5095-007	17,708	07/01/2010- 06/30/2011		17,708	17,708								17,708
Reimbursed TPAF Social Security Contribution	10-495-034 -5095-002	422,115	07/01/2009- 06/30/2010	(21,178)	21,178									422,115
Reimbursed TPAF Social Security Contribution	11-495-034 -5095-002	393,138	07/01/2010- 06/30/2011		372,840	393,138			(20,298)					393,138
<b>Total General Fund</b>				<b>(194,583)</b>	<b>1,126,478</b>	<b>1,043,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(111,368)</b>	<b>\$ -</b>	<b>\$ -</b>		<b>165,221</b>	<b>1,638,783</b>
<b>Educational Facilities Construction</b>														
<b>Financing Act</b>														
<b>Capital Projects Fund:</b>														
New Elementary School	SP# 201134	3,974,000	N/A	(178,448)					(178,448)					3,974,000
Middle School Roof Project	5180-030 -03-1178	100,603	N/A	(99,929)	99,919	\$ (10)								100,593
Middle School Roof Project	5180-030 -04-00PJ	65,341	N/A	(65,341)	64,741	(600)								64,741
Acquisition of a Back Up Generator	5180-055 -09-1002	29,953	07/01/2008- 06/30/2012	(29,953)					(29,953)					29,953
Roof & Boiler Replacement and Other Improvements to Old Turnpike School	5180-030 -09-1003	1,194,481	07/01/2010- 06/30/2012			1,194,481			(1,194,481)					1,194,481
Air Conditioning Upgrades at Old Turnpike School	5180-030 -09-1001	427,995	07/01/2010- 06/30/2012			427,995			(427,995)					427,995
Window Replacement in the 1968 & 1974 Wings at Old Turnpike School	5180-030 -10-1001	137,307	07/01/2010- 06/30/2012			137,307			(137,307)					137,307
<b>Total Capital Projects Fund</b>				<b>(373,671)</b>	<b>164,660</b>	<b>1,759,173</b>	<b>-</b>	<b>-</b>	<b>(1,968,184)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>5,929,070</b>
<b>State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
State School Lunch Program	10-100-010 -3350-023	2,466	07/01/2009- 06/30/2010	(238)	238									2,466
State School Lunch Program	11-100-010 -3350-023	2,491	07/01/2010- 06/30/2011		2,118	2,491			(373)					2,491
<b>Total Enterprise Fund</b>				<b>(238)</b>	<b>2,356</b>	<b>2,491</b>	<b>-</b>	<b>-</b>	<b>(373)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>4,957</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<b>\$ (568,492)</b>	<b>\$ 1,293,494</b>	<b>\$ 2,804,927</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,079,925)</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 165,221</b>	<b>\$ 7,572,810</b>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Tewksbury Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$65,729 for the general fund, (\$2,236) for the special revenue fund and (\$1,380,968) for the capital projects 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 and Exhibit F-2 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,108,992	\$ 1,108,992
Special Revenue Fund	\$ 167,440		167,440
Capital Projects Fund		378,205	378,205
Food Service Fund	<u>35,541</u>	<u>2,491</u>	<u>38,032</u>
	<u>\$ 202,981</u>	<u>\$ 1,489,688</u>	<u>\$ 1,692,669</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011  
(Continued)

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the USDA Commodities Program represent 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, 2011. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \_\_\_\_\_

Auditee qualified as a low-risk auditee        Yes        No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:        \$300,000       

Auditee Qualified as low-risk auditee   X   Yes        No

Type of Auditor's Report Issued on Compliance  
for Major Programs:        Unqualified       

Internal Control Over Major Programs:  
1. Material weakness(es) identified?        Yes   X   No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?        Yes   X   No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?        Yes   X   No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5095-002	\$ 393,138	Reimbursed TPAF Social Security Contrib
11-495-034-5120-089	165,221	Categorical Special Education Aid
5180-030-10-1001 & 5180-030-09-100,1003	1,759,173	School Development Authority Cluster

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

K-7

There were no prior year findings or questioned costs.