

**TEWKSBURY TOWNSHIP**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**TEWKSBURY TOWNSHIP BOARD OF EDUCATION  
TEWKSBURY TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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	7-9
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	11
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	14
A-2 Statement of Activities	15
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	17-18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19-20
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
B-4 Statement of Fund Net Position	22
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	23
B-6 Statement of Cash Flows	24
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26
<b>Notes to the Financial Statements</b>	28-57
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	60-65
C-1A Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual	66
C-2 Budgetary Comparison Schedule-Special Revenue Fund	67
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	69

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

<b>FINANCIAL SECTION (Continued)</b>		<u><b>PAGE</b></u>
<b>Required Supplementary Information – Part III</b>		
L.	Schedule Related to Accounting & Reporting for Pensions (GASB68):	
L-1	Schedule of District's Proportionate Share of the Net Pension Liability-TPAF	71
L-2	Schedule of Pension Contribution-TPAF	71
L-3	Schedule of District's Proportionate Share of the Net Pension Liability-PERS	72
L-4	Schedule of Pension Contribution-PERS	72
<b>Notes to the Required Supplementary Information - Part III</b>		73-74
<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	78
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	80
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis	81
F-2A	Schedule of Project Revenues, Expenditures, Project Balance, to and Project Status-Budgetary Basis	
F-2I		82-90
G.	Proprietary Funds	
	Enterprise Fund:	
G-1	Statement of Fund Net Position	92
G-2	Statement of Revenues, Expenses and Changes in Fund Net Position	93
G-3	Statement of Cash Flows	94
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Fund Net Position	96
H-2	Statement of Changes in Fiduciary Net Position	97
H-3	Student Activity Agency Fund Statement of Changes in Assets and Liabilities	98
H-4	Payroll Agency Fund Statement of Changes in Assets and Liabilities	99
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds and Loans	101
I-2	Schedule of Capital Leases Payable	102
I-3	Debt Service Fund Budgetary Comparison Schedule	103

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

	<u>PAGE</u>
<b>STATISTICAL SECTION (Unaudited)</b>	
Table of Contents	105
J-1 Net Position by Component	106
J-2 Changes in Net Position	107-109
J-3 Fund Balances, Governmental Funds	110
J-4 Changes in Fund Balances, Governmental Funds	111
J-5 General Fund-Other Local Revenues by Source	112
J-6 Assessed Value and Actual Value of Taxable Property	113
J-7 Direct and Overlapping Property Tax Rates	114
J-8 Principal Property Taxpayers	115
J-9 Property Tax Levies and Collections	116
J-10 Ratios of Outstanding Debt by Type	117
J-11 Ratios of General Bonded Debt Outstanding	118
J-12 Direct and Overlapping Governmental Activities Debt	119
J-13 Legal Debt Margin Information	120
J-14 Demographic and Economic Statistics	121
J-15 Principal Employers	122
J-16 Full Time Equivalent District Employees by Function/Program	123
J-17 Operating Statistics	124
J-18 School Building Information	125
J-19 Required Maintenance	126
J-20 Insurance Schedule	127

**SINGLE AUDIT SECTION**

K-1 Independent Auditor's Report-Government Auditing Standards	129-130
K-2 Independent Auditor's Report-OMB Circular A-133	131-133
K-3 Schedule of Expenditures of Federal Awards, Schedule A	134
K-4 Schedule of Expenditures State Financial Assistance, Schedule B	135-136
K-5 Notes to the Schedules of Awards and Financial Assistance	137-138
K-6 Schedule of Findings and Questioned Costs	139-141
K-7 Summary Schedule of Prior Audit Findings	141

## INTRODUCTORY SECTION



# Tewksbury Township Board of Education 2.0

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[www.tewksburyschools.org](http://www.tewksburyschools.org)

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November 16, 2015

President Larsen 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, 2015, 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 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**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 identified students. The district completed the 2014-2015 fiscal year with an enrollment of students, which is a decrease of 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>
2010-2011	751	-4.0%
2011-2012	715	-4.8%
2012-2013	707	-1.1%
2013-2014	689	-2.6%
2014-2015	660	-4.2%

**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. The Tewksbury Elementary School also houses a Pre-K disabled class which consists of a program for three and four year old disabled students along with an inclusionary program. Old Turnpike School is home to grades 5-8. Students receive instruction using a departmentalized structure and an eight period day.

Across the district, there is a strong emphasis on the use of instructional technology and the development of 21st century skills. Inquiry-based learning and highly individualized instruction using a workshop model are especially valued in the district. Tewksbury students are offered a full complement of academic offerings including the Visual and Performing Arts, World Language and Technology. Tewksbury students consistently perform well on normed assessments.

Special education students predominately receive instruction in an inclusion setting in both schools and basic skills instruction is available in both language arts and mathematics. Gifted and Talented students as well as accelerated students are identified and provided with specialized instruction as needed.

The district continues to have a high student attendance rate of 96.61 % for the 2014-2015 school year.

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, 2015.



**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 August 2015. 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 15-08 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.

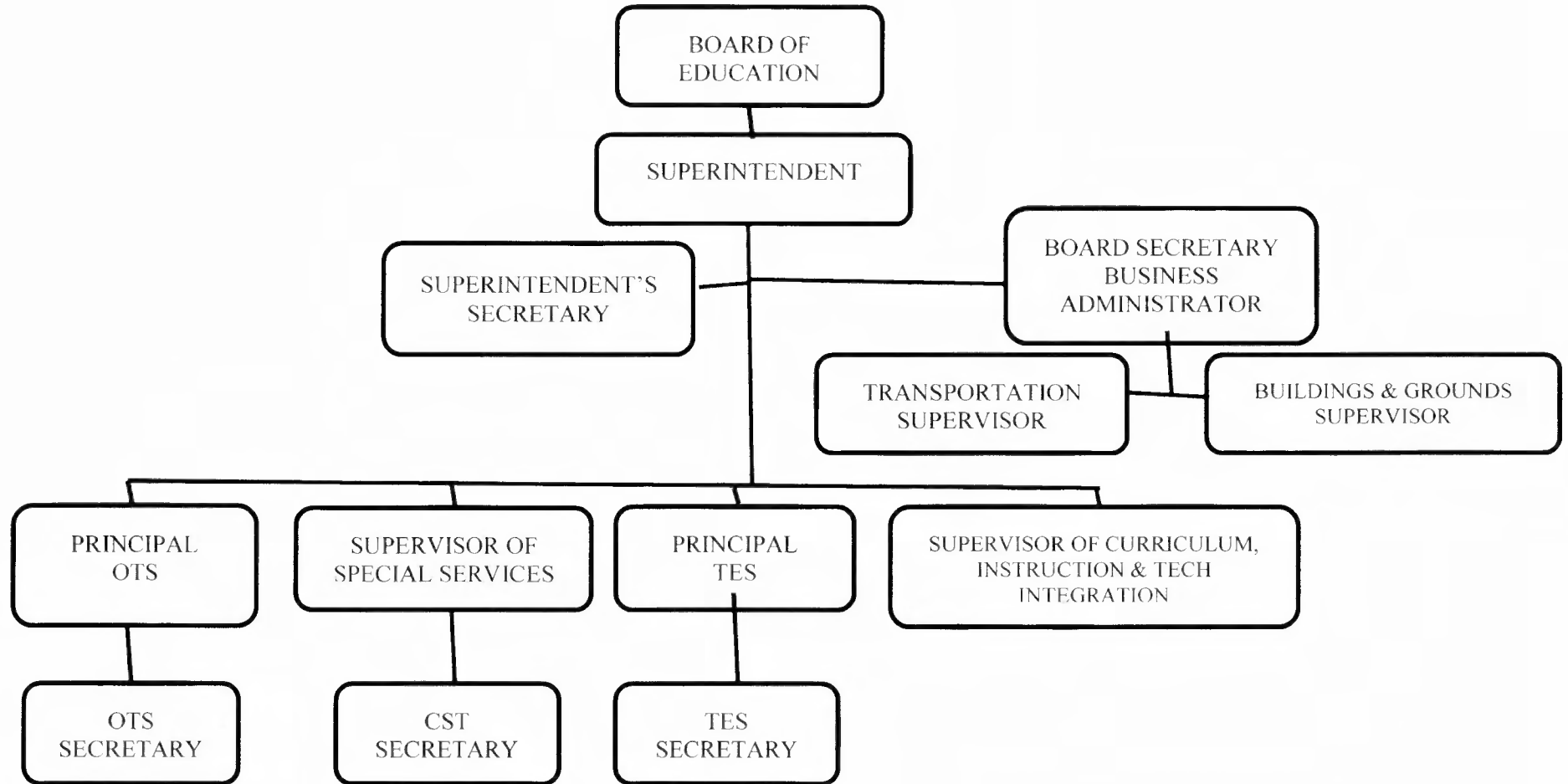
Respectfully yours,

A handwritten signature in black ink, appearing to read "Monica A Rowland". The signature is fluid and cursive, with a large loop at the end.

Monica A Rowland  
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, 2015

<u>Members of the Board of Education:</u>		<u>Term Expires</u>
President:	Mrs. Lori Larsen	2017
Vice President:	Mrs. Laura Bartels	2015
	Ms. Lisa Delventhal	2017
	Mr. Brian Regan	2016
	Dr. Andrew Schiller	2016
	Ms. Marin Resnick	2016
	Mr. Thomas Thorp	2015
	Mrs. Krista Jenkins	2015
	Mrs. Krista Geoffrion	2015

Other Officials:

Monica Rowland, 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**

SSP Architectural Group  
1011 Route 22, Suite 203  
Bridgewater, NJ 08807-2950

**AUDIT FIRM**

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

**ATTORNEY**

Marc Zitomer, Esq.  
Schenck Price Smith & King LLP  
220 Park Avenue  
PO Box 991  
Florham Park, NJ 07932-0991

**OFFICIAL DEPOSITORY**

Peapack Gladstone  
169 Lamington Road  
Oldwick, NJ 08858

**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 16, 2015

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Tewksbury Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



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



REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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, 2015. 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 2015 are as follows:

- In total, net position increased \$625,008 which represents a 5.01 percent increase from fiscal year 2014. The increase was a result of effective cost cutting measures implemented by the District.
- General revenues accounted for \$15,318,614 in revenue or 96.15 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$613,620 or 3.85 percent to total revenues of \$15,932,234.
- Total assets of governmental activities increased by \$85,623 as cash and cash equivalents increased by \$101,597, receivables and other assets increased by \$153,688 and capital assets decreased by \$169,662.
- The School District had \$15,307,226 in expenses; only \$613,620 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,318,614 were adequate to provide for these programs.
- Among major funds, the General Fund had \$13,075,497 in revenues and \$12,551,671 in expenditures. After factoring in other financing uses of \$24,150, the General Fund's balance increased \$499,676 from fiscal year 2014.

### **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 Position 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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

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 Position 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 fiscal year 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position 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 Position 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 17. 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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

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

Table 1 provides a summary of the District's net position at June 30, 2015 with comparisons to June 30, 2014.

	<b>Table 1 Net Position</b>		Variance	
	6/30/15	6/30/14	Dollars	%
<b>ASSETS</b>				
Current & Other Assets	\$ 4,818,843	\$ 4,550,552	\$ 268,291	5.90
Capital Assets	19,191,669	19,362,979	(171,310)	(0.88)
Total Assets	<u>24,010,512</u>	<u>23,913,531</u>	<u>96,981</u>	0.41
Deferred Pension Expenses	222,724	129,308	93,416	72.24
Total Deferred Outflow of Resources	<u>222,724</u>	<u>129,308</u>	<u>93,416</u>	72.24
<b>LIABILITIES</b>				
Long-Term Liabilities	10,186,759	11,040,614	(853,855)	(7.73)
Other Liabilities	553,031	535,726	17,305	3.23
Total Liabilities	<u>10,739,790</u>	<u>11,576,340</u>	<u>(836,550)</u>	(7.23)
Deferred Pension Adjustments	401,939		401,939	*
Total Deferred Inflow of Resources	<u>401,939</u>	<u>-</u>	<u>401,939</u>	*
<b>NET POSITION</b>				
Net Investment in Capital Assets	12,415,808	12,097,118	318,690	2.63
Restricted	2,309,830	2,427,315	(117,485)	(4.84)
Unrestricted	<u>(1,634,131)</u>	<u>(2,057,934)</u>	<u>423,803</u>	(20.59)
Total Net Position	<u>\$ 13,091,507</u>	<u>\$ 12,466,499</u>	<u>\$ 625,008</u>	5.01

\* = Undefined

Total assets increased \$96,981. Cash and cash equivalents increased by \$112,750, receivables and other assets increased by \$155,541 and capital assets decreased by \$171,310. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

constraints established by grants or legal requirements of the District, increased by \$423,803 due to effective cost cutting measures implemented by the District offset by net transfers to restricted net position of \$150,000.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the district's changes in net position in fiscal year 2015 with comparisons to fiscal year 2014.

**Table 2  
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 235,957	\$ 259,003	\$ (23,046)	(8.90)
Operating Grants	184,874	180,784	4,090	2.26
Capital Grants	192,789		192,789	*
General Revenues:				
Property Taxes	11,737,111	11,713,881	23,230	0.20
Unrestricted Grants	3,549,515	1,839,473	1,710,042	92.96
Other	31,988	71,913	(39,925)	(55.52)
Total Revenues	<u>15,932,234</u>	<u>14,065,054</u>	<u>1,867,180</u>	13.28
Program Expenses				
Instruction:				
Regular	6,288,589	5,208,687	1,079,902	20.73
Special	1,898,621	1,666,344	232,277	13.94
Other	811,099	788,157	22,942	2.91
Support Services:				
Tuition	60,721	54,144	6,577	12.15
Student & Instructional Staff	2,250,981	1,916,059	334,922	17.48
General & Business Administration	1,036,806	761,789	275,017	36.10
School Administration	707,278	619,103	88,175	14.24
Maintenance	1,003,379	1,059,730	(56,351)	(5.32)
Transportation	717,707	742,663	(24,956)	(3.36)
Food Service	212,725	239,282	(26,557)	(11.10)
Interest on Long-Term Debt	319,320	337,556	(18,236)	(5.40)
Total Expenses	<u>15,307,226</u>	<u>13,393,514</u>	<u>1,913,712</u>	14.29
Increase (Decrease) in Net Assets	<u>\$ 625,008</u>	<u>\$ 671,540</u>	<u>\$ (46,532)</u>	6.93

\* = Undefined

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

### 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 74.72 percent of revenues for governmental activities for the Tewksbury Township Public School District for fiscal year 2015.

Instruction comprises 58.78 percent of district expenses. Support services expenses make up 39.13 percent of the expenses, while interest expense made up 2.09 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 School District's cost of governmental services in fiscal year 2015 with comparisons to fiscal year 2014.

**Table 3  
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 8,998,309	\$ 7,663,188	\$ 8,838,053	\$ 7,618,897
Support Services:				
Tuition	60,721	54,144	703	-
Student & Instructional Staff	2,250,981	1,916,059	2,123,712	1,827,644
General & Business Administration	1,036,806	761,789	1,018,639	761,789
School Administration	707,278	619,103	696,827	619,103
Plant Operations & Maintenance	1,003,379	1,059,730	1,002,029	1,059,430
Pupil Transportation	717,707	742,663	705,648	728,964
Interest on Long-Term Debt	319,320	337,556	319,320	337,556
<b>Total Expenses</b>	<b>\$ 15,094,501</b>	<b>\$ 13,154,232</b>	<b>\$ 14,704,931</b>	<b>\$ 12,953,383</b>

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

Extracurricular activities include 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 73.67 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 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$14,184,577; expenditures of \$13,953,415; and other financing uses of \$-0-. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$499,676.

### **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 2015 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 \$11,870,625, which was \$29,218 over original budgeted estimates of \$11,841,407. This variance was due primarily to unbudgeted revenues realized for extraordinary and non-public transportation aid.

The General Fund revenues and other financing uses of the District exceeded expenditures by \$502,285 in fiscal year 2015. The increase was due primarily to effective cost cutting measures implemented by the District.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

### Capital Assets

At the end of the fiscal year 2015, the District had \$19,191,669 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, 2015 with comparisons to June 30, 2014.

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

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 1,211,800	\$ 1,211,800	\$ -	0.00
Construction in Progress	550,463	64,559	485,904	752.65
Land Improvements	76,433	82,300	(5,867)	(7.13)
Buildings and Improvements	16,977,872	17,565,405	(587,533)	(3.34)
Furniture and Equipment	245,040	254,947	(9,907)	(3.89)
Vehicles	130,061	183,968	(53,907)	(29.30)
Total	<u>\$ 19,191,669</u>	<u>\$ 19,362,979</u>	<u>\$ (171,310)</u>	<u>(0.88)</u>

\* = Undefined

Overall capital assets decreased by \$171,310 from fiscal year 2014 to fiscal year 2015. The District has ongoing facility projects for a generator at the middle school, security upgrades at the elementary school, and HVAC upgrades for both schools. Also, the PTA donated stage curtains for the OTS middle school totaling \$6,350. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year.

### Long-term Liabilities and Debt Administration

At June 30, 2015, the District had \$10,186,759 in long-term liabilities. This amount is summarized in Table 5 below.

At June 30, 2015, the District's overall legal debt limit was \$48,953,520 and the legal debt margin was \$41,831,357.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2015 with comparisons to June 30, 2014.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

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

	6/30/15	6/30/14	Variance	
			Dollars	%
2010 General Obligation Bonds	\$ 1,318,000	\$ 1,423,000	\$ (105,000)	(7.38)
2006 Refunding Bonds	5,625,000	6,010,000	(385,000)	(6.41)
Net Pension Liability	2,950,904	3,279,894	(328,990)	(10.03)
Unamortized Bond Premium	55,204	60,542	(5,338)	(8.82)
Compensated Absences	237,651	267,178	(29,527)	(11.05)
	<u>\$ 10,186,759</u>	<u>\$ 11,040,614</u>	<u>\$ (853,855)</u>	<u>(7.73)</u>

\* = 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, please contact Monica Rowland, Superintendent at Tewksbury Township Board of Education, 173 Old Turnpike, Califon, New Jersey 07830 or email at [mrowland@tewksburyschools.org](mailto:mrowland@tewksburyschools.org).

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 953,978	\$ 78,746	\$ 1,032,724
Due from Other Funds	6,449		6,449
Receivables, Net	1,952,231	5,277	1,957,508
Inventory		3,888	3,888
Restricted Assets:			
Cash & Cash Equivalents	1,818,274		1,818,274
Capital Assets (Note 4):			
Land and Construction in Progress	1,762,263		1,762,263
Other Capital Assets, Net of Depreciation	17,424,072	5,334	17,429,406
<b>Total Assets</b>	<b>23,917,267</b>	<b>93,245</b>	<b>24,010,512</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Activity	222,724	-	222,724
<b>LIABILITIES</b>			
Accounts Payable	431,067	11,773	442,840
Accrued Interest	99,262		99,262
Unearned Revenue	5,083	5,396	10,479
Other Current Liabilities	450		450
Long-Term Liabilities (Note 5):			
Due Within One Year	514,682		514,682
Due Beyond One Year	9,672,077		9,672,077
<b>Total Liabilities</b>	<b>10,722,621</b>	<b>17,169</b>	<b>10,739,790</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Activity	401,939	-	401,939
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,410,474	5,334	12,415,808
Restricted For:			
Capital Projects	705,250		705,250
Debt Service	2		2
Legal Reserves	1,604,578		1,604,578
Unrestricted	(1,704,873)	70,742	(1,634,131)
<b>TOTAL NET POSITION</b>	<b>\$ 13,015,431</b>	<b>\$ 76,076</b>	<b>\$ 13,091,507</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expenses) Revenues & Changes in Net Position			
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>									
Instruction:									
Regular	\$ 3,724,599	\$ 2,563,990	\$ 17,400		\$ 89,295	\$ (6,181,894)		\$ (6,181,894)	
Special Education	1,127,259	771,362		\$ 1,363	27,172	(1,870,086)		(1,870,086)	
Other Special Instruction	342,478	256,466	13,343		8,255	(577,346)		(577,346)	
Other Instruction	155,548	56,607			3,428	(208,727)		(208,727)	
Support Services:									
Tuition	60,721				60,018	(703)		(703)	
Students & Instruction Related Services	1,495,004	755,977			91,248	(2,123,712)		(2,123,712)	
General & Business Administration Services	753,711	283,095				(1,018,639)		(1,018,639)	
School Administration Services	433,908	273,370				(696,827)		(696,827)	
Plant Operations & Maintenance	881,248	122,131	1,350			(1,002,029)		(1,002,029)	
Pupil Transportation	612,610	105,097	12,059			(705,648)		(705,648)	
Interest on Long-Term Debt	319,320					(319,320)		(319,320)	
<b>Total Governmental Activities</b>	<b>9,906,406</b>	<b>5,188,095</b>	<b>44,152</b>		<b>152,629</b>	<b>(14,704,931)</b>	<b>\$ -</b>	<b>(14,704,931)</b>	
<b>Business-Type Activities:</b>									
Food Service	212,725		191,805		32,245		11,325	11,325	
<b>Total Business-Type Activities</b>	<b>212,725</b>	<b>-</b>	<b>191,805</b>		<b>32,245</b>	<b>-</b>	<b>11,325</b>	<b>11,325</b>	
<b>Total Primary Government</b>	<b>\$ 10,119,131</b>	<b>\$ 5,188,095</b>	<b>\$ 235,957</b>		<b>\$ 184,874</b>	<b>\$ 192,789</b>	<b>(14,704,931)</b>	<b>11,325</b>	<b>(14,693,606)</b>
<b>General Revenues, Transfers and Special Items</b>									
Property Taxes Levied for General Purposes						10,973,900		10,973,900	
Property Taxes Levied for Debt Service						763,211		763,211	
Federal & State Aid Not Restricted						3,549,515		3,549,515	
Investment Earnings						6,371	114	6,485	
Miscellaneous Income						25,503		25,503	
<b>Total General Revenues, Transfers and Special Items</b>						<b>15,318,500</b>	<b>114</b>	<b>15,318,614</b>	
Change in Net Position						613,569	11,439	625,008	
Net Position-Beginning						12,401,862	64,637	12,466,499	
<b>Net Position-Ending</b>						<b>\$ 13,015,431</b>	<b>\$ 76,076</b>	<b>\$ 13,091,507</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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 953,976			\$ 2	\$ 953,978
Due from Other Funds	1,232,605				1,232,605
Receivables from Other Governments:					
State	61,385		\$ 1,858,388		1,919,773
Federal		\$ 31,544			31,544
Local	914				914
Restricted Cash & Cash Equivalents	1,604,578		213,696		1,818,274
<b>TOTAL ASSETS</b>	<u>\$ 3,853,458</u>	<u>\$ 31,544</u>	<u>\$ 2,072,084</u>	<u>\$ 2</u>	<u>\$ 5,957,088</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Due to Other Funds		\$ 26,461	\$ 1,199,695		\$ 1,226,156
Accounts Payable	\$ 431,067				431,067
Unearned Revenue		5,083			5,083
Other Current Liabilities	450				450
<b>Total Liabilities</b>	<u>431,517</u>	<u>31,544</u>	<u>1,199,695</u>	<u>\$ -</u>	<u>1,662,756</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus	432,276				432,276
Excess Surplus-Designated for Subsequent Year's Expenditures	797,931				797,931
Capital Project Fund Balance			872,389		872,389

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances (Cont'd):					
Committed Fund Balance:					
Capital Reserve Account	\$ 894,325				\$ 894,325
Maintenance Reserve	460,253				460,253
Emergency Reserve	250,000				250,000
Assigned Fund Balance:					
Year-End Encumbrances	251,323				251,323
Designated for Subsequent Year's Expenditures	97,709				97,709
Debt Service Fund-Undesignated				\$ 2	2
Unassigned Fund Balance	238,124				238,124
Total Fund Balances	<u>3,421,941</u>	<u>\$ -</u>	<u>\$ 872,389</u>	<u>2</u>	<u>4,294,332</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,853,458</u>	<u>\$ 31,544</u>	<u>\$ 2,072,084</u>	<u>\$ 2</u>	

Amounts reported for governmental activities in the Statement of Net Position (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	\$ 28,529,460				
	<u>9,343,125</u>				19,186,335
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds.					(10,186,759)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds					(179,215)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					<u>(99,262)</u>
Total Net Position of Governmental Activities					<u>\$ 13,015,431</u>

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 10,973,900			\$ 763,211	\$ 11,737,111
Tuition from Individuals	17,400				17,400
Transportation Fees-Other LEAs Within the State	12,059				12,059
Interest Earned on Capital Reserve Fund	1,029				1,029
Interest on Investments	4,892		\$ 450		5,342
Miscellaneous	20,165				20,165
<b>Total</b>	<b>11,029,445</b>	<b>\$ -</b>	<b>450</b>	<b>763,211</b>	<b>11,793,106</b>
State Sources	2,046,052		192,790		2,238,842
Federal Sources		152,629			152,629
<b>Total Revenues</b>	<b>13,075,497</b>	<b>152,629</b>	<b>193,240</b>	<b>763,211</b>	<b>14,184,577</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	3,704,448				3,704,448
Special Education Instruction	1,125,896	1,363			1,127,259
Other Special Instruction	342,478				342,478
Other Instruction	142,205				142,205
Support Service & Undistributed Costs:					
Tuition	703	60,018			60,721
Student & Instruction Related Services	1,403,097	91,248			1,494,345
General & Business Administrative Services	753,672				753,672
School Administrative Services	433,579				433,579
Plant Operations & Maintenance	866,223				866,223

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, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Current (Cont'd):					
Pupil Transportation	\$ 563,265				\$ 563,265
Unallocated Benefits	3,124,540				3,124,540
Capital Outlay	38,719		\$ 485,904		524,623
Debt Service:					
Principal				\$ 490,000	490,000
Interest & Other Charges				273,211	273,211
Assessment for Debt Service on SDA Funding	52,846				52,846
Total Expenditures	<u>12,551,671</u>	<u>\$ 152,629</u>	<u>485,904</u>	<u>763,211</u>	<u>13,953,415</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>523,826</u>	<u>-</u>	<u>(292,664)</u>	<u>-</u>	<u>231,162</u>
Other Financing Sources (Uses):					
Transfers In	450		24,600		25,050
Transfers Out	(24,600)		(450)		(25,050)
Total Other Financing Sources (Uses)	<u>(24,150)</u>	<u>-</u>	<u>24,150</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	499,676	-	(268,514)	-	231,162
Fund Balances, July 1	<u>2,922,265</u>	<u>-</u>	<u>1,140,903</u>	<u>2</u>	<u>4,063,170</u>
Fund Balances, June 30	<u>\$ 3,421,941</u>	<u>\$ -</u>	<u>\$ 872,389</u>	<u>\$ 2</u>	<u>\$ 4,294,332</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, 2015

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	231,162
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital Outlays	\$	524,623
Depreciation Expense		<u>(694,285)</u>
		(169,662)
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 position and are not reported in the statement of activities:		
Bond Principal Payments		490,000
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
		20,467
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are Unearned & amortized in the statement of activities:		
Amortization of Bond Premiums		5,338
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.		
		6,737
In the statement of activities, compensated absences & 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.		
		<u>29,527</u>
Change in Net Position of Governmental Activities	\$	<u><u>613,569</u></u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 78,746
Receivables from Other Governments:	
State	190
Federal	1,486
Local	2,930
Accounts Receivable-Other	671
Inventory	<u>3,888</u>
Total Current Assets	<u>87,911</u>
Noncurrent Assets:	
Capital Assets	59,548
Less: Accumulated Depreciation	<u>54,214</u>
Total Noncurrent Assets	<u>5,334</u>
Total Assets	<u>93,245</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	11,773
Unearned Revenues	<u>5,396</u>
Total Liabilities	<u>17,169</u>
NET POSITION	
Net Investment in Capital Assets	5,334
Unrestricted	<u>70,742</u>
TOTAL NET POSITION	<u>\$ 76,076</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 103,756
Daily Sales-Nonreimbursable Programs	78,403
Daily Sales-Other Off-Premise Locations	9,646
Total Operating Revenues	191,805
Other Expenses:	
Salaries	63,077
Employee Benefits	14,264
Purchased Property Services	6,104
Insurance	1,379
Management Fee	6,930
Other Purchased Services	7,668
Supplies and Materials	476
Miscellaneous	2,598
Depreciation	1,648
Costs of Sales-Reimbursable Programs	64,813
Costs of Sales-Nonreimbursable Programs	38,973
Costs of Sales-Other Off-Premise Locations	4,795
Total Operating Expenses	212,725
Operating Income (Loss)	(20,920)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,713
Federal Sources:	
National School Lunch Program:	
Cash Assistance	17,294
Noncash Assistance (Commodities)	13,238
Interest Income	114
Total Nonoperating Revenues (Expenses)	32,359
Change in Net Position	11,439
Net Position, Beginning	64,637
Net Position, Ending	\$ 76,076

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 190,541
Payments to Food Service Management Company	(186,459)
Payments to Vendors (Net)	(11,770)
Net Cash Provided by (Used For) Operating Activities	(7,688)
Cash Flows from Noncapital Financing Activities:	
State Sources	1,744
Federal Sources	16,983
Net Cash Provided by (Used For) Noncapital Financing Activities	18,727
Cash Flows from Investing Activities:	
Interest Earned on Investments	114
Net Cash Provided by (Used For) Investing Activities	114
Net Increase (Decrease) in Cash and Cash Equivalents	11,153
Cash and Cash Equivalents, July 1	67,593
Cash and Cash Equivalents, June 30	\$ 78,746
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (20,920)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	1,648
Federal Food Donation Program	13,238
(Increase) Decrease in Intergovernmental Receivable-Local	(761)
(Increase) Decrease in Accounts Receivable-Other	(33)
(Increase) Decrease in Inventory	(779)
Increase (Decrease) in Accounts Payable	517
Increase (Decrease) in Unearned Revenues	(598)
Net Cash Provided by (Used For) Operating Activities	\$ (7,688)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS			
Cash & Cash Equivalents	\$ 26,759	\$ 19,297	\$ 97,473
TOTAL ASSETS	<u>26,759</u>	<u>19,297</u>	<u>\$ 97,473</u>
LIABILITIES			
Due to Other Funds			\$ 6,449
Accounts Payable	4,601		
Due to Student Groups			75,873
Payroll Deductions & Withholdings			<u>15,151</u>
TOTAL LIABILITIES	<u>4,601</u>	<u>-</u>	<u>\$ 97,473</u>
NET POSITION			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 22,158</u>		
Reserved for Scholarships		<u>\$ 19,297</u>	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u>                    </u>	<u>                    </u>
ADDITIONS		
Contributions:		
Plan Members	\$      11,781	
Other		\$      19,667
Investment Earnings-Interest	<u>          33</u>	<u>          30</u>
Total Additions	<u>          11,814</u>	<u>          19,697</u>
DEDUCTIONS		
Unemployment Claims	16,377	
Scholarships Awarded		400
Total Deductions	<u>          16,377</u>	<u>          400</u>
Change in Net Position	(4,563)	19,297
Net Position, Beginning of the Year	<u>          26,721</u>	<u>                  -</u>
Net Position, End of the Year	<u>          \$      22,158</u>	<u>          \$      19,297</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



**NOTES TO FINANCIAL STATEMENTS**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**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 District's 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, 2015 of 660 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, 2015  
(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 position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has 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, 2015  
 (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, 2015  
 (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 (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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, 2015  
 (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.

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, if required, voted upon at the annual school election in November. 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, 2015 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.

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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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 unearned 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 2013-2014 and 2014-2015 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 unearned 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, 2015.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (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, 2015  
 (Continued)

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

L. Unearned Revenue

Unearned 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.

Unearned 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 unearned 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 position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

N. Fund Balances-Governmental Funds (cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)**

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.

**NOTE 3. DEPOSITS 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, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 2,994,527</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 2,772,252
Enterprise Fund, Statement of Net Position	B-4	78,746
Fiduciary Funds, Statement of Net Position	B-7	<u>143,529</u>
Total Cash		<u>\$ 2,994,527</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$2,994,527 and the bank balance is \$3,416,866. Of the bank balance, \$250,000 is covered by federal depository insurance and \$3,166,866 is insured by GUDPA.

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 are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

The District does not have a policy for custodial credit risk.

As the district has no such investments, this disclosure is not applicable.

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, 2015, the district has no investments.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 1,211,800			\$ 1,211,800
Construction in Progress	64,559	\$ 485,904		550,463
Total	<u>1,276,359</u>	<u>485,904</u>	<u>\$ -0-</u>	<u>1,762,263</u>
Capital Assets, Being Depreciated:				
Land Improvements	248,800			248,800
Building & Improvements	23,713,057			23,713,057
Furniture & Equipment	1,703,052	38,719		1,741,771
Vehicles	1,063,569			1,063,569
Total	<u>26,728,478</u>	<u>38,719</u>	<u>-0-</u>	<u>26,767,197</u>
Accumulated Depreciation:				
Land Improvements	166,500	5,867		172,367
Building & Improvements	6,147,652	587,533		6,735,185
Furniture & Equipment	1,455,087	46,978		1,502,065
Vehicles	879,601	53,907		933,508
Total	<u>8,648,840</u>	<u>694,285</u>	<u>-0-</u>	<u>9,343,125</u>
Total Capital Assets, Being Depreciated, Net	<u>18,079,638</u>	<u>(655,566)</u>	<u>-0-</u>	<u>17,424,072</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,355,997</u>	<u>\$ (169,662)</u>	<u>\$ -0-</u>	<u>\$ 19,186,335</u>
Business-Type Activities:				
Furniture & Equipment	\$ 59,548			\$ 59,548
Less: Accum Depreciation	52,566	\$ 1,648		54,214
Business-Type Activities Capital Assets, Net	<u>\$ 6,982</u>	<u>\$ (1,648)</u>	<u>\$ -0-</u>	<u>\$ 5,334</u>

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

Instruction:	
Regular	\$ 302,592
Special Education	85,946
Other Special Instruction	26,112
Other Instruction	10,842
Support Services:	
Student & Instruction	114,593
General & Business Admin	57,793
School Administration	33,387
Plant & Maintenance	13,675
Pupil Transportation	49,345
Total Depreciation Expense, Governmental Activities	<u>\$ 694,285</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015 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 Payable	\$ 7,433,000		\$ 490,000	\$ 6,943,000	\$ 505,000
PERS Net Pension Liability	3,279,894	\$ (328,990)		2,950,904	
Unamortized Bond Premium	60,542		5,338	55,204	5,338
Compensated Absences Payable	267,178	215	29,742	237,651	4,344
<b>Total Governmental Activities Long-Term Liabilities</b>	<b><u>\$ 11,040,614</u></b>	<b><u>\$ (328,775)</u></b>	<b><u>\$ 525,080</u></b>	<b><u>\$ 10,186,759</u></b>	<b><u>\$ 514,682</u></b>

Payments on the general obligation bonds 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, 2015 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 505,000	\$ 255,710	\$ 760,710
2017	525,000	238,611	763,611
2018	550,000	220,550	770,550
2019	570,000	201,131	771,131
2020	600,000	180,228	780,228
2021-2025	3,410,000	542,135	3,952,135
2026	783,000	27,572	810,572
<b>Totals</b>	<b><u>\$ 6,943,000</u></b>	<b><u>\$ 1,665,937</u></b>	<b><u>\$ 8,608,937</u></b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

General Obligation Bonds and Loans – General obligation school building bonds and loans at June 30, 2015, 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%	\$ 1,318,000
\$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%	<u>5,625,000</u>
	<u>\$ 6,943,000</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, 2015 is \$48,953,520. General obligation debt at June 30, 2015 is \$7,122,163, resulting in a legal debt margin of \$41,831,357.

Bonds and Notes Authorized but not Issued

As of June 30, 2015, the District had \$179,163 of authorized but not issued debt for the school facility capital projects authorized by the voters. The authorized but not issued amount is summarized below:

	<u>Construct of an Elementary Sch</u>	<u>Old Turnpike Sch Renovation</u>	<u>Total</u>
NJ SDA Aid	\$ 178,448		\$ 178,448
Other Local Financing		\$ 715	<u>715</u>
Totals	<u>\$ 178,448</u>	<u>\$ 715</u>	<u>\$ 179,163</u>

**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, 2015  
 (Continued)

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

A. Public Employees' Retirement System (PERS)

**Plan Description**

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

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

The following represents the membership tiers for PERS:

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

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

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



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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

**Allocation Methodology and Reconciliation to Financial Statements**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

**Contributions**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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

**Contributions** (Cont'd)

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

**Collective Net Pension Liability and Actuarial Information**

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 6,158,082	\$ 6,396,465
Plan Fiduciary Net Position	<u>3,207,178</u>	<u>3,116,571</u>
Net Pension Liability	<u>\$ 2,950,904</u>	<u>\$ 3,279,894</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases (Based on Age):	
2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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

**Collective Net Pension Liability and Actuarial Information** (Cont'd)

Components of Net Pension Liability (Cont'd)

Investment Rate of Return 7.90%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2014
At Current Discount Rate (5.39%)	\$ 2,950,904
At a 1% Lower Rate (4.39%)	3,712,337
At a 1% Higher Rate (6.39%)	2,311,493

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate (Cont'd)

	<u>2013</u>
At Current Discount Rate (5.55%)	\$ 3,279,894
At a 1% Lower Rate (4.55%)	4,083,035
At a 1% Higher Rate (6.55%)	2,606,967

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	92,792	
Net difference between projected and actual earnings on pension plan investments		175,858
Changes in proportion and differences between District contributions and proportionate share of contributions		226,081
District contributions subsequent to the measurement date	<u>129,932</u>	
Total	<u>\$ 222,724</u>	<u>\$ 401,939</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$129,932 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 109,849	\$ 17,057	\$ 92,792
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	219,822	43,964	<u>175,858</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (83,066)</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (26,907)
2016	(26,907)
2017	(26,907)
2018	(26,907)
2019	17,057
Thereafter	<u>7,505</u>
Total	<u>\$ (83,066)</u>

**Pension Expense**

For the year ended June 30, 2015, the District recognized net pension expense of \$109,465 which represents the District's proportionate share of allocable plan pension expense of \$151,714 less the net amortization of deferred amounts from changes in proportion of \$41,559 and plus other adjustments to the net pension liability of \$690. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 138,066
Interest on Total Pension Liability	325,757
Member Contributions	(75,611)
Administrative Expense	2,303
Expected Investment Return Net of Investment Expense	(210,956)
Pension Expense Related to Specific Liabilities of Individual Employers	(938)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	17,057
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(43,964)</u>
Pension Expense	<u>\$ 151,714</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

B. Teacher's Pension and Annuity Fund (TPAF)

**Plan Description**

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

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

The following represents the membership tiers for TPAF:

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

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

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

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

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	2014	2013
Net Pension Liability	\$ 27,940,510	\$28,345,958
Employer Pension Expense & Related Revenue	1,503,462	N/A
Non-Employer Contribution	222,068	363,256
Allocable Proportionate Percentage	0.0522772902%	0.0560870574%

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 (\$8,200 for 2015) 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, 2015  
 (Continued)

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

Contribution Requirements

The contribution policy is set by 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. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual 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 noncontributing employer of the TPAF.

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

<u>Year</u> <u>Funding</u>	<u>TPAF</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/15	\$ 792,164	100%
06/30/14	583,766	100%
06/30/13	772,206	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>
06/30/15	\$ 129,932	100%
06/30/14	129,308	100%
06/30/13	140,211	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$486,013 to the TPAF for post-retirement medical benefits, \$20,548 for the non-contributory insurance premiums, and \$285,603 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$408,967 during the year ended June 30, 2015 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 68.



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**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 of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. 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 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 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 definer 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.

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 ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

**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:

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

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

The composition of Interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 1,232,605	
Special Revenue Fund		\$ 26,461
Capital Projects Fund		1,199,695
Payroll Agency Fund		6,449
	<u>\$ 1,232,605</u>	<u>\$ 1,232,605</u>

The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$26,461 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the Capital Projects Fund to the General Fund represents a loan from the General Fund of \$1,199,695 due to cash flow issues related to the delayed receipt of NJ SDA aid. The balance due from the Payroll Agency Fund to the General Fund of \$6,449 represents prior year balances, voided outstanding checks and interest earnings.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

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

The District transferred \$24,600 from the General Fund to the Capital Projects Fund representing capital outlay funding for projects approved in the District's Long Range Facility Plan.

The District also transferred \$450 from the Capital Projects Fund to the General Fund representing interest earnings.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2015 consisted of the following:

Food	\$	2,802
Supplies		1,086
	\$	3,888

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.

**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.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 12. RISK MANAGEMENT (Cont'd)**

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>
2014-2015	\$ -0-	\$ 33	\$ 11,781	\$ 16,377	\$ 22,158
2013-2014	-0-	26	12,423	33,769	26,721
2012-2013	11,464	24	12,407	33,769	14,586

**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. Pursuant to this state statute, the District deposited \$150,000 to their Capital Reserve account by board resolution in June 2015 as summarized in the following schedule.

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

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
Capital	\$ 743,296	\$ 150,000	\$ 1,029		\$ 894,325
Maintenance	460,253				460,253
Emergency	250,000				250,000
Totals	\$ 1,453,549	\$ 150,000	\$ 1,029	\$ -0-	\$ 1,604,578

The June 30, 2015 LRFP balance of local support funding of uncompleted capital projects at June 30, 2015 exceeded the balance in the capital reserve account.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**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, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Restricted:		
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 year's budgets	\$ 432,276	\$ 797,931
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	797,931	300,000
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	894,325	743,296
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	460,253	460,253
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	250,000	250,000
Assigned:		
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,	251,323	43,655
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	97,709	50,073
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>311,385</u>	<u>347,709</u>
Total Fund Balance	<u>\$ 3,495,202</u>	<u>\$ 2,992,917</u>

**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, 2015 is \$432,276.

**NOTE 16: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 16, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION**

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 15,552,448
Add: Deferred Outflow of Resources for Pension Activity	129,308
Less: Net Pension Liability as of June 30, 2014	<u>(3,279,894)</u>
Net Position, June 30, 2014 as Restated	<u>\$ 12,401,862</u>

**NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$1,704,873 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II



**BUDGETARY COMPARISON SCHEDULES**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 10,973,900		\$ 10,973,900	\$ 10,973,900	
Tuition from Individuals	25,245		25,245	17,400	\$ (7,845)
Transportation Fees-Other LEAs Within the State	11,724		11,724	12,059	335
Interest Earned on Capital Reserve	250		250	1,029	779
Interest on Investments				4,892	4,892
Unrestricted Miscellaneous Revenues	32,000		32,000	13,815	(18,185)
<b>Total</b>	<b>11,043,119</b>	<b>\$ -</b>	<b>11,043,119</b>	<b>11,023,095</b>	<b>(20,024)</b>
State Sources:					
Categorical Special Education Aid	354,090		354,090	354,090	
Categorical Transportation Aid	90,472		90,472	90,472	
Categorical Security Aid	56,976		56,976	56,976	
School Choice Aid	283,690	(12,895)	270,795	270,795	
PARCC Readiness Aid	6,530		6,530	6,530	
Per Pupil Growth Aid	6,530		6,530	6,530	
Extraordinary Special Education Costs Aid:					
Current Year				43,290	43,290
Prior Year Additional Award				752	752
Nonpublic Transportation Aid				18,095	18,095
On-Behalf TPAF Pension Contribution				306,151	306,151
On-Behalf TPAF Post Retirement Medical Benefits				486,013	486,013
Reimbursed TPAF Social Security Contribution				408,967	408,967
<b>Total</b>	<b>798,288</b>	<b>(12,895)</b>	<b>785,393</b>	<b>2,048,661</b>	<b>1,263,268</b>
<b>TOTAL REVENUES</b>	<b>\$ 11,841,407</b>	<b>\$ (12,895)</b>	<b>\$ 11,828,512</b>	<b>\$ 13,071,756</b>	<b>\$ 1,243,244</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 174,795	\$ 1,582	\$ 176,377	\$ 176,193	\$ 184
Grades 1-5	1,763,365	(31,768)	1,731,597	1,729,704	1,893
Grades 6-8	1,316,770	85,687	1,402,457	1,401,297	1,160
Home Instruction:					
Salaries of Teachers	1,000	(250)	750	604	146
Purchased Professional-Educational Services		250	250	250	
Undistributed Instruction:					
Other Salaries for Instruction	83,429	(13,284)	70,145	69,670	475
Other Purchased Services	43,670	(17,463)	26,207	23,234	2,973
General Supplies	340,489	24,828	365,317	284,499	80,818
Textbooks	23,711	(5,489)	18,222	17,951	271
Other Objects	2,500		2,500	1,046	1,454
<b>Total</b>	<b>3,749,729</b>	<b>44,093</b>	<b>3,793,822</b>	<b>3,704,448</b>	<b>89,374</b>
Special Education:					
Resource Room/Center:					
Salaries of Teachers	598,461	84,813	683,274	683,274	
Other Salaries for Instruction	106,547	10,830	117,377	117,377	
General Supplies	2,871		2,871	1,089	1,782
Textbooks	660	(120)	540	375	165
<b>Total</b>	<b>708,539</b>	<b>95,523</b>	<b>804,062</b>	<b>802,115</b>	<b>1,947</b>
Autism:					
Salaries of Teachers	142,785	(29,181)	113,604	109,863	3,741
Other Salaries for Instruction	88,920		88,920	87,226	1,694
Other Purchased Services	300		300		300
General Supplies	730		730	269	461
Textbooks	100		100	100	
<b>Total</b>	<b>232,835</b>	<b>(29,181)</b>	<b>203,654</b>	<b>197,458</b>	<b>6,196</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Preschool Disabilities-Part Time:					
Salaries of Teachers	\$ 86,718		\$ 86,718	\$ 85,005	\$ 1,713
Other Salaries for Instruction	30,072	\$ 10,554	40,626	40,626	
General Supplies	730	400	1,130	602	528
Other Objects	100		100	90	10
Total	<u>117,620</u>	<u>10,954</u>	<u>128,574</u>	<u>126,323</u>	<u>\$ 2,251</u>
Home Instruction:					
Salaries of Teachers	3,000	-	3,000	-	3,000
Total Special Education	<u>1,061,994</u>	<u>77,296</u>	<u>1,139,290</u>	<u>1,125,896</u>	<u>13,394</u>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	469,382	(124,958)	344,424	339,949	4,475
General Supplies	1,721	999	2,720	2,529	191
Total	<u>471,103</u>	<u>(123,959)</u>	<u>347,144</u>	<u>342,478</u>	<u>4,666</u>
School Sponsored Co/Extra Curricular Activities:					
Salaries	46,818	2,248	49,066	49,066	
Purchased Services	1,800	(1,420)	380	380	
Supplies & Materials	600	(396)	204	204	
Other Objects	1,000	40	1,040	1,040	
Total	<u>50,218</u>	<u>472</u>	<u>50,690</u>	<u>50,690</u>	<u>-</u>
School Sponsored Athletics:					
Salaries	82,752	(1,324)	81,428	79,125	2,303
Purchased Services	7,500	2,591	10,091	7,960	2,131
Supplies & Materials	5,096	392	5,488	4,430	1,058
Total	<u>95,348</u>	<u>1,659</u>	<u>97,007</u>	<u>91,515</u>	<u>5,492</u>
Total Instructional	<u>\$ 5,428,392</u>	<u>\$ (439)</u>	<u>\$ 5,427,953</u>	<u>\$ 5,315,027</u>	<u>\$ 112,926</u>
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Special		\$ 703	\$ 703	\$ 703	
Total	<u>\$ -</u>	<u>703</u>	<u>703</u>	<u>703</u>	<u>\$ -</u>
Health Services:					
Salaries	167,552	10,842	178,394	178,394	
Purchased Professional & Technical Services	6,750	(625)	6,125	4,300	1,825
Other Purchased Services	2,525		2,525	1,065	1,460
Supplies & Materials	6,120		6,120	5,185	935
Other Objects	300		300	170	130
Total	<u>183,247</u>	<u>10,217</u>	<u>193,464</u>	<u>189,114</u>	<u>4,350</u>
Speech, OT, PT & Related Services:					
Salaries	181,743	(15,929)	165,814	126,668	39,146
Purchased Professional Educational Services	95,755	4,712	100,467	95,353	5,114
Supplies & Materials	1,844		1,844	1,199	645
Other Objects	3,728		3,728	3,233	495
Total	<u>283,070</u>	<u>(11,217)</u>	<u>271,853</u>	<u>226,453</u>	<u>45,400</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 128,974	\$ 1	\$ 128,975	128,973	\$ 2
Purchased Professional Educational Services		1,000	1,000	269	731
Other Purchased Professional & Technical Services	6,030	(1,001)	5,029	2,669	2,360
Other Purchased Services (400-500 Series)		7,376	7,376	7,376	
Supplies & Materials	3,400	1,000	4,400	4,055	345
Total	138,404	8,376	146,780	143,342	3,438
Child Study Teams:					
Salaries of Other Professional Staff	260,693	(4,264)	256,429	254,878	1,551
Salaries of Secretarial & Clerical Assistants	38,830	1	38,831	38,831	
Miscellaneous Purchased Services	4,350	2,131	6,481	6,481	
Supplies & Materials	9,004		9,004	6,278	2,726
Other Objects	1,579		1,579	1,019	560
Total	314,456	(2,132)	312,324	307,487	4,837
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	101,357		101,357	101,357	
Salaries of Other Professional Staff	41,720	(13,114)	28,606	12,059	16,547
Other Salaries	12,953		12,953	12,240	713
Purchased Professional Educational Services	53,060	(13,060)	40,000	27,949	12,051
Other Purchased Services	1,509	6,325	7,834	6,788	1,046
Supplies & Materials	2,082	(82)	2,000	22	1,978
Other Objects	1,025		1,025	1,000	25
Total	213,706	(19,931)	193,775	161,415	32,360
Educational Media Services/School Library:					
Salaries	146,022		146,022	144,100	1,922
Purchased Professional & Technical Services	120,000	1,918	121,918	121,918	
Other Purchased Services	97,605	(7,253)	90,352	75,447	14,905
Supplies & Materials	24,305	82	24,387	22,811	1,576
Total	387,932	(5,253)	382,679	364,276	18,403
Instructional Staff Training Services:					
Other Purchased Services	10,000	4,082	14,082	11,010	3,072
Supplies & Materials	500	(500)			
Other Objects	500	(500)			
Total	11,000	3,082	14,082	11,010	3,072
Support Services General Administration:					
Salaries	215,350	(3,071)	212,279	210,197	2,082
Legal Services	25,000	10,389	35,389	35,389	
Audit Fees	18,600	(746)	17,854	17,600	254
Architectural/Engineering Services	9,000	(2,302)	6,698	5,795	903
Other Purchased Professional Services	7,000	4,071	11,071	10,200	871
Communications & Telephone	44,160	(5,118)	39,042	38,588	454
Board of Education Other Purchased Services	3,000	2,193	5,193	5,193	
Miscellaneous Purchased Services	21,500	41,204	62,704	62,704	
General Supplies	2,598	1,398	3,996	3,256	740
Judgments Against the School District		125,000	125,000	125,000	
Miscellaneous Expenditures	3,400	895	4,295	4,295	
Board of Education Membership Dues & Fees	6,600	703	7,303	7,303	
Total	356,208	174,616	530,824	525,520	5,304
Support Services School Administration:					
Salaries of Principals/Ass't Principals/Prg Directors	272,073	(1,590)	270,483	270,483	
Salaries of Secretarial & Clerical Assistants	135,951	(1,573)	134,378	134,378	
Other Purchased Services	5,000	9,017	14,017	14,014	3
Supplies & Materials	12,110	1,179	13,289	12,560	729
Other Objects	3,200	(1,056)	2,144	2,144	
Total	428,334	5,977	434,311	433,579	732

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (Cont'd)</b>					
Current: (cont'd)					
Support Services Central Services:					
Salaries	\$ 204,859	\$ (2,429)	\$ 202,430	\$ 202,430	
Purchased Professional Services	15,000	(4,004)	10,996	10,996	
Purchased Technical Services		9,180	9,180	9,180	
Miscellaneous Purchased Services	2,550	(159)	2,391	1,647	\$ 744
Supplies & Materials	2,548	1,567	4,115	2,714	1,401
Other Objects	1,250		1,250	1,185	65
<b>Total</b>	<b>226,207</b>	<b>4,155</b>	<b>230,362</b>	<b>228,152</b>	<b>2,210</b>
Required Maintenance for School Facilities:					
Cleaning, Repair, & Maintenance Services	80,000		80,000	69,603	10,397
General Supplies	20,000		20,000	3,568	16,432
<b>Total</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>73,171</b>	<b>26,829</b>
Custodial Services:					
Salaries	371,861	(6,481)	365,380	342,093	23,287
Purchased Professional & Technical Services	44,504	(15,500)	29,004	7,353	21,651
Cleaning, Repair, & Maintenance Services	23,000	2,976	25,976	20,399	5,577
Insurance	90,321	(3,564)	86,757	84,316	2,441
Miscellaneous Purchased Services	3,500		3,500	2,042	1,458
General Supplies	55,000	22,569	77,569	69,253	8,316
Energy (Natural Gas)	95,000		95,000	76,839	18,161
Energy (Electricity)	207,000		207,000	169,827	37,173
Other Objects	2,500		2,500	1,023	1,477
<b>Total</b>	<b>892,686</b>	<b>-</b>	<b>892,686</b>	<b>773,145</b>	<b>119,541</b>
Care and Upkeep of Grounds:					
Cleaning, Repair, & Maintenance Services		5,577	5,577	5,577	
General Supplies		1,306	1,306	1,306	
<b>Total</b>	<b>-</b>	<b>6,883</b>	<b>6,883</b>	<b>6,883</b>	<b>-</b>
Security:					
General Supplies		13,024	13,024	13,024	
<b>Total</b>	<b>-</b>	<b>13,024</b>	<b>13,024</b>	<b>13,024</b>	<b>-</b>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School-Regular	294,211	(7,685)	286,526	283,373	3,153
Between Home and School-Special Education	8,000	(1,380)	6,620	5,030	1,590
Other Than Between Home and School	8,000		8,000	5,978	2,022
Management Fee-ESC & CTSA Transportation Prg	1,485		1,485	508	977
Other Purchased Professional & Technical Services	1,200		1,200	1,044	156
Cleaning, Repair, & Maintenance Services	68,000	47,126	115,126	115,126	
Rental Payments-School Buses	1,000		1,000		1,000
Contracted Services:					
Aid in Lieu of Payments-Non-Public Schools (Special Education Students)-Vendor	100,776	(11,233)	89,543	77,404	12,139
(Special Education Students)-Joint Agreements	4,000	(4,000)			483
(Regular Education Students)-ESCs & CTSA		8,193	8,193	7,766	427
(Special Education Students)-ESCs & CTSA	27,000	(23,485)	3,515	1,467	2,048
Miscellaneous Purchased Services-Transportation	2,000		2,000	1,282	718
General Supplies	500	(100)	400	237	163
Transportation Supplies	69,500	7,215	76,715	63,050	13,665
Other Objects	900	100	1,000	1,000	
<b>Total</b>	<b>586,572</b>	<b>15,234</b>	<b>601,806</b>	<b>563,265</b>	<b>38,541</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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	\$ 1,303	\$ 3,497
Social Security Contributions	155,000	\$ (10,937)	144,063	139,018	5,045
Other Retirement Contributions-PERS	145,000	(15,068)	129,932	129,932	
Other Retirement Contributions-Regular	3,200		3,200	2,724	476
Unemployment Compensation	41,400	(25,118)	16,282		16,282
Workmen's Compensation	74,000		74,000	69,439	4,561
Health Benefits	1,735,674	(186,044)	1,549,630	1,419,894	129,736
Tuition Reimbursements	25,000	4,232	29,232	25,092	4,140
Other Employee Benefits	325,000	(28,049)	296,951	136,007	160,944
Total	<u>2,509,074</u>	<u>(260,984)</u>	<u>2,248,090</u>	<u>1,923,409</u>	<u>324,681</u>
On-Behalf TPAF Pensions Contributions				306,151	(306,151)
On-Behalf TPAF Post Retirement Medical Benefits				486,013	(486,013)
Reimbursed TPAF Social Security Contributions				408,967	(408,967)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,201,131</u>	<u>(1,201,131)</u>
Total Undistributed Expenditures	<u>\$ 6,630,896</u>	<u>\$ (57,250)</u>	<u>\$ 6,573,646</u>	<u>\$ 7,145,079</u>	<u>\$ (571,433)</u>
TOTAL CURRENT	<u>\$ 12,059,288</u>	<u>\$ (57,689)</u>	<u>\$ 12,001,599</u>	<u>\$ 12,460,106</u>	<u>\$ (458,507)</u>
CAPITAL OUTLAY					
Undistributed Expenditures:					
Custodial Services		\$ 37,519	\$ 37,519	\$ 32,369	\$ 5,150
School Buses - Regular	\$ 90,000	7,275	97,275		97,275
Total	<u>90,000</u>	<u>44,794</u>	<u>134,794</u>	<u>32,369</u>	<u>102,425</u>
Facilities Acquisition & Construction Services:					
Legal Services	12,000	(4,256)	7,744		7,744
Architectural/Engineering Services	65,931	(14,000)	51,931		51,931
Other Purchased Professional & Technical Svc		4,256	4,256		4,256
Construction Services	629,820	(538,000)	91,820		91,820
Assessment for Debt Service on SDA Funding	52,846		52,846	52,846	
Total	<u>760,597</u>	<u>(552,000)</u>	<u>208,597</u>	<u>52,846</u>	<u>155,751</u>
TOTAL CAPITAL OUTLAY	<u>\$ 850,597</u>	<u>\$ (507,206)</u>	<u>\$ 343,391</u>	<u>\$ 85,215</u>	<u>\$ 258,176</u>
TOTAL EXPENDITURES	<u>\$ 12,909,885</u>	<u>\$ (564,895)</u>	<u>\$ 12,344,990</u>	<u>\$ 12,545,321</u>	<u>\$ (200,331)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,068,478)</u>	<u>\$ 552,000</u>	<u>\$ (516,478)</u>	<u>\$ 526,435</u>	<u>\$ 1,042,913</u>
Other Financing Sources (Uses):					
Transfer In-Capital Project Fund				450	450
Transfers Out:					
Capital Reserve to Capital Projects Fund		(322,682)	(322,682)		322,682
Capital Outlay to Capital Projects Fund		(229,318)	(229,318)	(24,600)	204,718
Total Other Financing Sources (Uses)	<u>-</u>	<u>(552,000)</u>	<u>(552,000)</u>	<u>(24,150)</u>	<u>527,850</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,068,478)</u>	<u>-</u>	<u>(1,068,478)</u>	<u>502,285</u>	<u>1,570,763</u>
Fund Balances, July 1	<u>2,992,917</u>	<u>-</u>	<u>2,992,917</u>	<u>2,992,917</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 1,924,439</u>	<u>\$ -</u>	<u>\$ 1,924,439</u>	<u>\$ 3,495,202</u>	<u>\$ 1,570,763</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (43,655)		\$ (43,655)	\$ (43,655)	
Increase in Capital Reserve	250	\$ 150,779	151,029	151,029	
Withdrawal from Capital Reserve	(675,000)		(675,000)		\$ 675,000
Budgeted Fund Balance	(350,073)	(150,779)	(500,852)	394,911	895,763
<b>TOTAL</b>	<b>\$ (1,068,478)</b>	<b>\$ -</b>	<b>\$ (1,068,478)</b>	<b>\$ 502,285</b>	<b>\$ 1,570,763</b>
RECAPITULATION OF FUND BALANCE					
Restricted For:					
Excess Surplus:					
Prior Year-Designated for 2015-2016 Budget				\$ 797,931	
Current Year-Designated for 2016-2017 Budget				432,276	
					\$ 1,230,207
Committed For:					
Capital Reserve				894,325	
Maintenance Reserve				460,253	
Emergency Reserve				250,000	
					1,604,578
Assigned For:					
Year-End Encumbrances				251,323	
Designated for Subsequent Year's Expenditures				97,709	
					349,032
Unassigned Fund Balance					311,385
Fund Balance Per Budgetary Basis					3,495,202
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis					(73,261)
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 3,421,941</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, 2015

(NOT APPLICABLE TO THIS AUDIT)



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 157,711	\$ -	\$ 157,711	\$ 157,711	\$ -
TOTAL REVENUES	<u>\$ 157,711</u>	<u>\$ -</u>	<u>\$ 157,711</u>	<u>\$ 157,711</u>	<u>\$ -</u>
EXPENDITURES					
Instruction:					
Other Purchased Services	\$ 60,018		\$ 60,018	\$ 60,018	
General Supplies	6,445		6,445	6,445	
Totals	<u>66,463</u>	<u>\$ -</u>	<u>66,463</u>	<u>66,463</u>	<u>\$ -</u>
Support Services:					
Purchased Professional & Technical Services	91,248		91,248	91,248	
Total	<u>91,248</u>	<u>-</u>	<u>91,248</u>	<u>91,248</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 157,711</u>	<u>\$ -</u>	<u>\$ 157,711</u>	<u>\$ 157,711</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART II

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 13,071,756	\$ 157,711
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		(5,082)
Vehicle trade-in values and donations are not recognized for budgetary basis purposes but treated as revenues and other financing sources and additional expenditures for GAAP purposes	6,350	
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	70,652	
State Aid Receivable-Current Year	<u>(73,261)</u>	
Total Revenues (GAAP Basis)	<u>\$ 13,075,497</u>	<u>\$ 152,629</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 12,545,321	\$ 157,711
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		(5,082)
Donations of capital assets are not recognized as expenditures for budgetary purposes but are recognized for GAAP purposes	<u>6,350</u>	
Total Expenditures (GAAP Basis)	<u>\$ 12,551,671</u>	<u>\$ 152,629</u>

REQUIRED SUPPLEMENTARY INFORMATION-PART III

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		27,940,510	28,345,958							
Total	\$ -	\$ 27,940,510	\$ 28,345,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 5,546,980	\$ 5,448,222							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 306,151	\$ 221,155	\$ 362,411	\$ 180,836	\$ 17,708	\$ 16,863	\$ 16,625	\$ 260,748	\$ 350,494	\$ 51,375
Contributions in Relation to the Contractually Required Contribution	(306,151)	(221,155)	(362,411)	(180,836)	(17,708)	(16,863)	(16,625)	(260,748)	(350,494)	(51,375)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 5,738,347	\$ 5,546,980	\$ 5,448,222	\$ 5,192,758	\$ 5,280,688	\$ 5,600,952	\$ 5,595,553	\$ 4,776,240	\$ 4,743,578	\$ 4,365,901
Contributions as a Percentage of Covered Employee Payroll	5.34%	3.99%	6.65%	3.48%	0.34%	0.30%	0.30%	5.46%	7.39%	1.18%

N/A = Not Available

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0157610715%	0.0171614473%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 2,950,904	\$ 3,279,894							
District's Covered Employee Payroll	N/A	1,060,433	1,048,742	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		278.27%	312.75%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 129,932	\$ 129,308	\$ 140,211	\$ 142,938	\$ 131,088	\$ 117,685	\$ 97,361	\$ 67,315	\$ 35,939	\$ 21,939
Contributions in Relation to the Contractually Required Contribution	(129,932)	(129,308)	(140,211)	(142,938)	(131,088)	(117,685)	(97,361)	(67,315)	(35,939)	(21,939)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 1,083,477	\$ 1,060,433	\$ 1,048,742	\$ 1,179,412	\$ 1,282,599	\$ 1,340,130	\$ 1,219,101	\$ 1,230,382	\$ 1,117,288	\$ 1,012,336
Contributions as a Percentage of Covered Employee Payroll	11.99%	12.19%	13.37%	12.12%	10.22%	8.78%	7.99%	5.47%	3.22%	2.17%

N/A = Not Available

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
(UNAUDITED)

JUNE 30, 2014 AND 2013

**NOTE 1. SPECIAL FUNDING SITUATION-TPAF**

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.



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, 2015

	<u>NCLB Title IIA</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Total</u>
REVENUES				
Federal Sources	<u>\$ 9,251</u>	<u>\$ 140,341</u>	<u>\$ 8,119</u>	<u>\$ 157,711</u>
TOTAL REVENUES	<u><u>\$ 9,251</u></u>	<u><u>\$ 140,341</u></u>	<u><u>\$ 8,119</u></u>	<u><u>\$ 157,711</u></u>
EXPENDITURES				
Instruction:				
Other Purchased Services		\$ 60,018		\$ 60,018
General Supplies		6,000	\$ 445	6,445
Totals	<u>\$ -</u>	<u>66,018</u>	<u>445</u>	<u>66,463</u>
Support Services:				
Purchased Professional & Technical Services	<u>9,251</u>	<u>74,323</u>	<u>7,674</u>	<u>91,248</u>
Total	<u>9,251</u>	<u>74,323</u>	<u>7,674</u>	<u>91,248</u>
TOTAL EXPENDITURES	<u><u>\$ 9,251</u></u>	<u><u>\$ 140,341</u></u>	<u><u>\$ 8,119</u></u>	<u><u>\$ 157,711</u></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, 2015

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			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	2,787,016	2,488,235		298,781
Air Conditioner Upgrades at Old Turnpike School	06/30/10	1,008,770	916,943		91,827
Window Replacement in the 1968 and 1974 Wings at Old Turnpike School	05/18/11	301,086	237,815		63,271
Generator Installation at Old Turnpike School	06/30/14	495,000		\$ 283,302	211,698
Security Upgrades at Tewksbury Elementary	06/30/14	335,000		172,244	162,756
HVAC and Ventilator Upgrades at Old Turnpike School	06/30/14	269,600		29,084	240,516
HVAC Upgrades at Tewksbury Elementary	06/30/14	50,000		1,274	48,726
		<u>\$ 19,849,148</u>	<u>\$ 18,232,930</u>	<u>\$ 485,904</u>	<u>\$ 1,130,314</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, 2015

Revenues and Other Financing Sources:	
Local Sources:	
Transfers In from Capital Outlay	\$ 24,600
Interest Earnings	450
Total Revenues and Other Financing Sources	<u>25,050</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional & Technical Services	8,729
Construction Services	477,175
Transfer Out to General Fund	450
Total Expenditures and Other Financing Uses	<u>486,354</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(461,304)
Fund Balance-Beginning	<u>1,590,903</u>
Fund Balance-Ending	<u>\$ 1,129,599</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 1,129,599
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	1,858,388
Budgetary Basis (Schedule K-4)	<u>(2,115,598)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 872,389</u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ -
Adjustment to GAAP Basis	<u>192,790</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 192,790</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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
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	3,973,390		3,973,390	3,973,390
<b>Total Revenues</b>	<b>14,519,390</b>	<b>\$ -</b>	<b>14,519,390</b>	<b>14,519,390</b>
<b>Expenditures and Other Financing Uses:</b>				
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
<b>Total Expenditures</b>	<b>14,515,055</b>	<b>-</b>	<b>14,515,055</b>	<b>14,519,390</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures	\$ 4,335	\$ -	\$ 4,335	\$ -

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, 2015

	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, 2015

	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	995,294		995,294	995,294
Total Revenues	<u>2,786,301</u>	<u>\$ -</u>	<u>2,786,301</u>	<u>2,787,016</u>
Expenditures and Other Financing Uses:				
Bond Attorney Services	16,897		16,897	16,897
Other Purchased Professional and Technical Services	199,785		199,785	451,947
Construction Services	2,271,553		2,271,553	2,318,172
Total Expenditures	<u>2,488,235</u>	<u>-</u>	<u>2,488,235</u>	<u>2,787,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 298,066</u>	<u>\$ -</u>	<u>\$ 298,066</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	\$ (199,187)
Revised Authorized Cost	\$ 2,787,016
Percentage Complete	89.28%

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, 2015

	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	366,777		366,777	366,777
Total Revenues	<u>1,008,770</u>	<u>\$ -</u>	<u>1,008,770</u>	<u>1,008,770</u>
Expenditures and Other Financing Uses:				
Bond Attorney Services	9,098		9,098	9,098
Other Purchased Professional and Technical Services	93,194		93,194	159,040
Construction Services	814,651		814,651	840,632
Total Expenditures	<u>916,943</u>	<u>-</u>	<u>916,943</u>	<u>1,008,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 91,827</u>	<u>\$ -</u>	<u>\$ 91,827</u>	<u>\$ -</u>

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	\$ (61,218)
Revised Authorized Cost	\$ 1,008,770
Percentage Complete	90.90%

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, 2015

	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	95,126		95,126	95,126
Total Revenues	<u>301,086</u>	<u>\$ -</u>	<u>301,086</u>	<u>301,086</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services				35,000
Construction Services	237,815		237,815	266,086
Total Expenditures	<u>237,815</u>	<u>-</u>	<u>237,815</u>	<u>301,086</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 63,271</u>	<u>\$ -</u>	<u>\$ 63,271</u>	<u>\$ -</u>

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	\$ (42,181)
Revised Authorized Cost	\$ 301,086
Percentage Complete	78.99%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
GENERATOR INSTALLATION AT OLD TURNPIKE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve Fund	\$ 297,000		\$ 297,000	\$ 297,000
State Sources:				
NJ SDA Aid	198,000		198,000	198,000
Total Revenues	<u>495,000</u>	<u>\$ -</u>	<u>495,000</u>	<u>495,000</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		4,616	4,616	47,300
Construction Services		278,686	278,686	447,700
Total Expenditures	<u>-</u>	<u>283,302</u>	<u>283,302</u>	<u>495,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 495,000</u>	<u>\$ (283,302)</u>	<u>\$ 211,698</u>	<u>\$ -</u>

Additional Project Information

Project Number	5180-030-14-2004
Grant Date	6/30/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 495,000
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 495,000
Percentage Complete	57.23%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
 BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
 SECURITY UPGRADES AT TEWKSBURY ELEMENTARY SCHOOL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve Fund	\$ 201,000		\$ 201,000	\$ 201,000
State Sources:				
NJ SDA Aid	134,000		134,000	134,000
Total Revenues	<u>335,000</u>	<u>\$ -</u>	<u>335,000</u>	<u>335,000</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		4,113	4,113	32,500
Construction Services		168,131	168,131	302,500
Total Expenditures	<u>-</u>	<u>172,244</u>	<u>172,244</u>	<u>335,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 335,000</u>	<u>\$ (172,244)</u>	<u>\$ 162,756</u>	<u>\$ -</u>

Additional Project Information

Project Number	5180-055-14-1008
Grant Date	6/30/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 335,000
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 335,000
Percentage Complete	51.42%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
HVAC AND VENTILATOR UPGRADES IN ADMINISTRATION WING  
AND TECHNOLOGY OFFICE AT OLD TURNPIKE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve Fund	\$ 147,000		\$ 147,000	\$ 147,000
Transfer In from Capital Outlay		\$ 24,600	24,600	24,600
State Sources:				
NJ SDA Aid	98,000		98,000	98,000
Total Revenues	<u>245,000</u>	<u>24,600</u>	<u>269,600</u>	<u>269,600</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services				25,000
Construction Services		29,084	29,084	244,600
Total Expenditures	<u>-</u>	<u>29,084</u>	<u>29,084</u>	<u>269,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 245,000</u>	<u>\$ (4,484)</u>	<u>\$ 240,516</u>	<u>\$ -</u>

Additional Project Information

Project Number	5180-030-14-2006
Grant Date	6/30/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 245,000
Additional Authorized Cost	\$ 24,600
Revised Authorized Cost	\$ 269,600
Percentage Complete	10.79%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT  
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS  
HVAC UPGRADES IN ADMINISTRATION WING, NURSE'S AND CHILD STUDY  
TEAM'S OFFICES AT TEWKSBURY ELEMENTARY SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve Fund	\$ 30,000		\$ 30,000	\$ 30,000
State Sources:				
NJ SDA Aid	20,000		20,000	20,000
Total Revenues	<u>50,000</u>	<u>\$ -</u>	<u>50,000</u>	<u>50,000</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services				11,500
Construction Services		1,274	1,274	38,500
Total Expenditures	<u>-</u>	<u>1,274</u>	<u>1,274</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50,000</u>	<u>\$ (1,274)</u>	<u>\$ 48,726</u>	<u>\$ -</u>

Additional Project Information

Project Number	5180-055-14-1007
Grant Date	6/30/2014
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 50,000
Reduced Authorized Cost	\$ -
Revised Authorized Cost	\$ 50,000
Percentage Complete	2.55%



## **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 POSITION  
FOOD SERVICE ENTERPRISE FUND  
JUNE 30, 2015

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 78,746
Receivables from Other Governments:	
State	190
Federal	1,486
Local	2,930
Accounts Receivable-Other	671
Inventory	3,888
Total Current Assets	<u>87,911</u>
Noncurrent Assets:	
Capital Assets	59,548
Less: Accumulated Depreciation	54,214
Total Noncurrent Assets	<u>5,334</u>
Total Assets	<u>93,245</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	11,773
Unearned Revenues	5,396
Total Liabilities	<u>17,169</u>
NET POSITION	
Net Investment in Capital Assets	5,334
Unrestricted	<u>70,742</u>
TOTAL NET POSITION	<u>\$ 76,076</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 103,756
Daily Sales-Nonreimbursable Programs	78,403
Daily Sales-Other Off-Premise Locations	9,646
Total Operating Revenues	<u>191,805</u>
Other Expenses:	
Salaries	63,077
Employee Benefits	14,264
Purchased Property Services	6,104
Insurance	1,379
Management Fee	6,930
Other Purchased Services	7,668
Supplies and Materials	476
Miscellaneous	2,598
Depreciation	1,648
Costs of Sales-Reimbursable Programs	64,813
Costs of Sales-Nonreimbursable Programs	38,973
Costs of Sales-Other Off-Premise Locations	4,795
Total Operating Expenses	<u>212,725</u>
Operating Income (Loss)	<u>(20,920)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,713
Federal Sources:	
National School Lunch Program:	
Cash Assistance	17,294
Noncash Assistance (Commodities)	13,238
Interest Income	114
Total Nonoperating Revenues (Expenses)	<u>32,359</u>
Change in Net Position	11,439
Net Position, Beginning	<u>64,637</u>
Net Position, Ending	<u>\$ 76,076</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 190,541
Payments to Food Service Management Company	(186,459)
Payments to Vendors (Net)	(11,770)
Net Cash Provided by (Used For) Operating Activities	<u>(7,688)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,744
Federal Sources	16,983
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>18,727</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	114
Net Cash Provided by (Used For) Investing Activities	<u>114</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,153
Cash and Cash Equivalents, July 1	<u>67,593</u>
Cash and Cash Equivalents, June 30	<u>\$ 78,746</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (20,920)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	1,648
Federal Food Donation Program	13,238
(Increase) Decrease in Intergovernmental Receivable-Local	(761)
(Increase) Decrease in Accounts Receivable-Other	(33)
(Increase) Decrease in Inventory	(779)
Increase (Decrease) in Accounts Payable	517
Increase (Decrease) in Unearned Revenues	(598)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (7,688)</u>

**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 POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 26,759	\$ 19,297	\$ 75,873	\$ 21,600	\$ 124,232
Total Assets	<u>26,759</u>	<u>19,297</u>	<u>75,873</u>	<u>21,600</u>	<u>124,232</u>
<b>LIABILITIES</b>					
Due to Other Funds				6,449	6,449
Accounts Payable	4,601				4,601
Due to Student Groups			75,873		75,873
Payroll Deductions & Withholdings				15,151	15,151
Total Liabilities	<u>4,601</u>	<u>-</u>	<u>75,873</u>	<u>21,600</u>	<u>102,074</u>
<b>NET POSITION</b>					
Held in Trust for					
Unemployment Claims	22,158				22,158
Reserved for Scholarships		19,297			19,297
Total Net Position	<u>\$ 22,158</u>	<u>\$ 19,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,455</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Totals
ADDITIONS			
Contributions:			
Employees	\$ 11,781		\$ 11,781
Other		\$ 19,667	19,667
Investment Earnings:			
Interest	33	30	63
Total Additions	<u>11,814</u>	<u>19,697</u>	<u>31,511</u>
DEDUCTIONS			
Unemployment Claims	16,377		16,377
Scholarships Awarded		400	400
Total Deductions	<u>16,377</u>	<u>400</u>	<u>16,777</u>
Change in Net Position	(4,563)	19,297	14,734
Net Position, Beginning of the Year	<u>26,721</u>	<u>-</u>	<u>26,721</u>
Net Position, End of the Year	<u>\$ 22,158</u>	<u>\$ 19,297</u>	<u>\$ 41,455</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 89,310	\$ 192,921	\$ 206,358	\$ 75,873
<b>TOTAL ASSETS</b>	<b>\$ 89,310</b>	<b>\$ 192,921</b>	<b>\$ 206,358</b>	<b>\$ 75,873</b>
<b>LIABILITIES</b>				
Old Turnpike School	\$ 57,865	\$ 174,029	\$ 181,553	\$ 50,341
Tewksbury Elementary School	6,420	11,497	16,052	1,865
Mini Grant Account	16,440	7,386	5,168	18,658
Library Account	8,585	9	3,585	5,009
<b>TOTAL LIABILITIES</b>	<b>\$ 89,310</b>	<b>\$ 192,921</b>	<b>\$ 206,358</b>	<b>\$ 75,873</b>



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
ASSETS				
Cash & Cash Equivalents	\$ 18,351	\$ 8,188,466	\$ 8,185,217	\$ 21,600
TOTAL ASSETS	<u>\$ 18,351</u>	<u>\$ 8,188,466</u>	<u>\$ 8,185,217</u>	<u>\$ 21,600</u>
LIABILITIES				
Due to Other Funds	\$ 6,304	\$ 11,926	\$ 11,781	\$ 6,449
Payroll Deductions & Withholdings	12,047	3,646,970	3,643,866	15,151
Net Payroll	<u>          </u>	<u>4,529,570</u>	<u>4,529,570</u>	<u>          </u>
TOTAL LIABILITIES	<u>\$ 18,351</u>	<u>\$ 8,188,466</u>	<u>\$ 8,185,217</u>	<u>\$ 21,600</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, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15			
			Date	Amount								
2006 Refunding Issue	12/21/06	\$ 8,500,000	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								
			02/15/05	610,000								
			02/15/26	630,000				\$ 6,010,000		\$ 385,000	\$ 5,625,000	
			School Bonds of 2010	09/23/10	1,633,000	07/15/15-						
						07/15/17	105,000	2.00%				
07/15/18	110,000	2.25%										
07/15/19-												
07/15/20	115,000	3.00%										
07/15/21	120,000											
07/15/22-												
07/15/23	125,000											
07/15/24	140,000											
07/15/25	153,000	3.10%			1,423,000		105,000	1,318,000				
						<u>\$ 7,433,000</u>	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 6,943,000</u>			

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 763,211		\$ 763,211	\$ 763,211	
<b>Total Revenues</b>	<u>763,211</u>	<u>\$ -</u>	<u>763,211</u>	<u>763,211</u>	<u>\$ -</u>
<b>EXPENDITURES</b>					
Regular Debt Service:					
Interest on Bonds	273,211		273,211	273,211	
Redemption of Principal	490,000		490,000	490,000	
<b>Total Expenditures</b>	<u>763,211</u>	<u>-</u>	<u>763,211</u>	<u>763,211</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	-	-
<b>Fund Balance, July 1</b>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
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
DEBT CAPACITY	
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
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
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.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 10,198,630	\$ 10,230,258	\$ 10,265,095	\$ 10,394,460	\$ 10,460,711	\$ 10,419,029	\$ 12,236,055	\$ 12,077,141	\$ 12,090,136	\$ 12,410,474
Restricted	171,120	139,034	873,959	1,276,063	1,785,745	2,201,742	1,898,553	2,328,637	2,427,315	2,309,830
Unrestricted	1,023,808	1,410,144	1,439,108	1,041,785	660,825	838,700	546,667	474,941	(2,115,589)	(1,704,873)
<b>TOTAL GOVERNMENTAL ACTIVITIES</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>\$ 14,681,275</b>	<b>\$ 14,880,719</b>	<b>\$ 12,401,862</b>	<b>\$ 13,015,431</b>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 29,735	\$ 25,910	\$ 22,084	\$ 18,258	\$ 14,431	\$ 10,604	\$ 7,472	\$ 9,118	\$ 6,982	\$ 5,334
Unrestricted	11,162	24,095	56,345	54,500	50,729	59,642	63,252	55,708	57,655	70,742
<b>TOTAL BUSINESS-TYPE ACTIVITIES</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>\$ 70,724</b>	<b>\$ 64,826</b>	<b>\$ 64,637</b>	<b>\$ 76,076</b>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 10,228,365	\$ 10,256,168	\$ 10,287,179	\$ 10,412,718	\$ 10,475,142	\$ 10,429,633	\$ 12,243,527	\$ 12,086,259	\$ 12,097,118	\$ 12,415,808
Restricted	171,120	139,034	873,959	1,276,063	1,785,745	2,201,742	1,898,553	2,328,637	2,427,315	2,309,830
Unrestricted	1,034,970	1,434,239	1,495,453	1,096,285	711,554	898,342	609,919	530,649	(2,057,934)	(1,634,131)
<b>TOTAL DISTRICT-WIDE</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>	<b>\$ 14,751,999</b>	<b>\$ 14,945,545</b>	<b>\$ 12,466,499</b>	<b>\$ 13,091,507</b>



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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 5,073,668	\$ 5,754,173	\$ 5,835,731	\$ 5,686,581	\$ 5,764,872	\$ 5,506,545	\$ 5,421,709	\$ 5,509,200	\$ 5,208,687	\$ 6,288,589
Special Education	1,128,032	1,024,047	1,071,046	1,160,591	1,384,533	1,557,375	1,657,788	1,698,692	1,666,344	1,898,621
Other Instruction	131,326	153,626	266,722	533,263	503,105	571,448	644,158	596,262	788,157	811,099
Support Services:										
Tuition	210,397	259,949	285,418	583,128	387,052	96,729	151,613	61,001	54,144	60,721
Student & Instruction Related Services	1,284,852	1,505,765	1,693,470	1,616,456	1,628,255	1,674,415	1,884,620	1,964,923	1,916,059	2,250,981
General & Business Administrative Services	693,989	778,436	873,683	740,036	1,009,789	859,670	785,879	780,275	761,789	1,036,806
School Administration	469,160	604,329	551,931	677,240	482,134	491,464	628,104	611,783	619,103	707,278
Plant Operations & Maintenance	1,145,008	1,065,853	1,270,045	1,291,012	1,134,811	1,060,405	1,064,814	1,061,216	1,059,730	1,003,379
Pupil Transportation	721,511	759,800	808,045	939,372	866,871	775,321	781,217	733,875	742,663	717,707
Transfer of Funds to Charter Schools					10,361					
Interest on Long-Term Debt	449,684	301,164	337,210	346,239	326,821	376,869	348,229	339,247	337,556	319,320
Total Governmental Activities Expenses	11,307,627	12,207,142	12,993,301	13,573,918	13,498,604	12,970,241	13,368,131	13,356,474	13,154,232	15,094,501
Business-Type Activities:										
Food Services	150,195	167,509	190,116	220,422	244,532	237,717	254,170	236,561	239,282	212,725
Total Business-Type Activities	150,195	167,509	190,116	220,422	244,532	237,717	254,170	236,561	239,282	212,725
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 11,457,822</b>	<b>\$ 12,374,651</b>	<b>\$ 13,183,417</b>	<b>\$ 13,794,340</b>	<b>\$ 13,743,136</b>	<b>\$ 13,207,958</b>	<b>\$ 13,622,301</b>	<b>\$ 13,593,035</b>	<b>\$ 13,393,514</b>	<b>\$ 15,307,226</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services	\$ 15,383	\$ 17,688	\$ 44,642	\$ 52,391	\$ 66,500	\$ 76,200	\$ 44,176	\$ 68,987	\$ 58,290	\$ 44,152
Operating Grants & Contributions	142,828	73,167	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629
Capital Grants & Contributions	908,716		31,162		29,953	378,205	1,078,382			192,789
<b>Total Governmental Activities Program Revenues</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>	<b>1,359,592</b>	<b>214,705</b>	<b>200,849</b>	<b>389,570</b>
Business-Type Activities:										
Charges for Services:										
Food Service	124,687	151,773	185,659	180,433	199,513	204,671	214,442	193,565	200,713	191,805
Operating Grants & Contributions	19,907	24,064	31,086	33,892	37,705	38,032	40,122	37,031	38,225	32,245
<b>Total Business-Type Activities Program Revenues</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>254,564</b>	<b>230,596</b>	<b>238,938</b>	<b>224,050</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</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>\$ 1,614,156</b>	<b>\$ 445,301</b>	<b>\$ 439,787</b>	<b>\$ 613,620</b>
<b>NET (EXPENSE) REVENUES</b>										
Governmental Activities	\$ (10,240,700)	\$ (12,116,287)	\$ (12,742,090)	\$ (13,343,132)	\$ (13,119,294)	\$ (12,348,396)	\$ (12,008,539)	\$ (13,141,769)	\$ (12,953,383)	\$ (14,704,931)
Business-Type Activities	(5,601)	8,328	26,629	(6,097)	(7,314)	4,986	394	(5,965)	(344)	11,325
<b>TOTAL DISTRICT-WIDE NET EXPENSES</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>\$ (12,008,145)</b>	<b>\$ (13,147,734)</b>	<b>\$ (12,953,727)</b>	<b>\$ (14,693,606)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET ASSETS</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,285,237	\$ 10,176,892	\$ 10,887,889	\$ 10,926,012	\$ 10,954,973	\$ 10,954,973	\$ 11,074,000	\$ 10,878,900	\$ 10,888,900	\$ 10,973,900
Property Taxes Levied for Debt Service	842,012	863,116	668,626	725,983	852,148	845,025	733,002	823,319	824,981	763,211
Unrestricted Grants & Contributions	1,364,372	1,685,341	1,774,628	1,691,508	1,435,223	1,108,992	1,448,388	1,715,945	1,839,473	3,549,515
Investment Earnings	65,619	139,244	104,510	30,383	26,769	11,404	5,305	4,516	5,921	6,371
Local Contributions	40,000		92,000	62,500						
Miscellaneous Income	47,894	15,692	17,473	32,692	54,123	59,876	32,139	27,065	65,837	25,503
Transfers In/(Out)	(8,219)				(12,069)	(79,684)	(61,291)	(11,464)		
Special Item-Gain/(Loss) on Sale/Disposal of Capital Assets			(4,310)	8,200	3,100		(1,200)			
Special Item-Payments to Refunding Bond Agent		(378,120)								
<b>Total Governmental Activities</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>	<b>13,230,343</b>	<b>13,438,281</b>	<b>13,625,112</b>	<b>15,318,500</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings		\$ 780	\$ 944	\$ 426	\$ 163	\$ 100	\$ 84	\$ 67	\$ 102	\$ 114
Miscellaneous			851		15				53	
Transfers In/(Out)	\$ 8,219									
Special Item-Refund of Prior Year Revenue					(462)					
Total Business-Type Activities	8,219	780	1,795	426	(284)	100	84	67	155	114
TOTAL DISTRICT-WIDE	\$ 11,645,134	\$ 12,502,945	\$ 13,542,611	\$ 13,477,704	\$ 13,313,983	\$ 12,900,686	\$ 13,230,427	\$ 13,438,348	\$ 13,625,267	\$ 15,318,614
CHANGE IN NET POSITION										
Governmental Activities	\$ 1,396,215	\$ 385,878	\$ 798,726	\$ 134,146	\$ 194,973	\$ 552,190	\$ 1,221,804	\$ 296,512	\$ 671,729	\$ 613,569
Business-Type Activities	2,618	9,108	28,424	(5,671)	(7,598)	5,086	478	(5,898)	(189)	11,439
TOTAL DISTRICT	\$ 1,398,833	\$ 394,986	\$ 827,150	\$ 128,475	\$ 187,375	\$ 557,276	\$ 1,222,282	\$ 290,614	\$ 671,540	\$ 625,008

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted			\$ 1,077,524	\$ 879,520	\$ 358,401	\$ 153,700	\$ 225,441	\$ 388,612	\$ 1,097,931	\$ 1,230,207
Committed	\$ 1	\$ 1	826,797	1,220,849	989,466	1,147,203	1,599,788	2,029,873	1,453,549	1,604,578
Assigned	1,187,156	1,575,167	440,550	189,228	306,283	448,062	333,811	260,972	93,728	349,032
Unassigned	195,761	243,670	267,318	373,369	345,265	328,659	319,140	253,341	277,057	238,124
Total General Fund	\$ 1,382,918	\$ 1,818,838	\$ 2,612,189	\$ 2,662,966	\$ 1,999,415	\$ 2,077,624	\$ 2,478,180	\$ 2,932,798	\$ 2,922,265	\$ 3,421,941
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 171,117	\$ 130,781	\$ 105,661	\$ 58,278	\$ 799,343	\$ 2,083,476	\$ 465,903	\$ 465,903	\$ 1,140,903	\$ 872,389
Assigned, Reported In:										
Debt Service Fund	2	8,252	6,964			1	1		2	2
Total All Other Governmental Funds	\$ 171,119	\$ 139,033	\$ 112,625	\$ 58,278	\$ 799,343	\$ 2,083,477	\$ 465,904	\$ 465,903	\$ 1,140,905	\$ 872,391

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 10,127,249	\$ 11,040,008	\$ 11,556,515	\$ 11,651,995	\$ 11,807,121	\$ 11,799,998	\$ 11,807,002	\$ 11,702,219	\$ 11,713,881	\$ 11,737,111
Tuition Charges	10,334	14,863	22,381		29,387	49,189	24,942	50,500	30,525	17,400
Transportation Fees				28,960	31,138	1,270	3,176	3,224	13,699	12,059
Interest Earnings	65,619	139,244	104,510	30,383	26,769	11,404	5,305	4,516	5,921	6,371
Miscellaneous	92,943	24,137	112,670	97,401	54,559	58,868	27,089	21,935	60,799	20,165
State Sources	1,365,853	1,689,036	1,774,628	1,691,508	1,435,223	1,108,992	1,421,678	1,715,945	1,839,473	2,046,052
State Sources-Capital Projects	908,716		31,162		29,953	378,205	1,078,382			192,790
Federal Sources	141,347	63,852	175,407	178,395	282,857	167,440	263,744	145,718	142,559	152,629
<b>Total Revenues</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>14,631,318</b>	<b>13,644,057</b>	<b>13,806,857</b>	<b>14,184,577</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	3,541,273	3,821,818	3,982,137	3,981,814	4,049,080	3,682,104	3,665,610	3,697,506	3,616,335	3,704,448
Special Education Instruction	627,410	614,019	674,050	798,511	932,603	935,109	1,064,568	1,135,190	1,149,470	1,125,896
Other Special Instruction	55,014	58,507	57,822	220,846	208,426	283,093	277,962	254,771	392,909	342,478
Other Instruction	122,559	142,395	128,071	147,221	146,455	88,751	150,036	139,192	144,499	142,205
<b>Support Services:</b>										
Tuition	138,740	234,493	247,880	431,419	206,891	96,729	10,718	8,901		703
Student & Instruction Related Services	915,666	1,102,562	1,220,235	1,195,561	1,174,200	1,193,289	1,350,626	1,297,328	1,333,152	1,403,097
General Administration	380,752	422,779	424,354	335,527	530,185	404,033	336,772	335,008	334,535	525,520
School Administration Services	350,735	406,744	403,736	476,643	338,311	335,232	431,325	420,446	433,289	433,579
Central Services / Business	147,716	180,467	193,787	213,881	227,149	213,092	220,003	229,316	226,219	228,152
Administrative Information Technology	7,116	4,374	4,559	4,100	4,373	4,080	4,080	4,080		
Plant Operations & Maintenance	1,039,050	932,326	1,124,196	1,076,730	965,667	905,007	909,610	912,680	925,952	866,223
Pupil Transportation	682,457	670,213	633,904	735,972	637,215	544,787	569,722	551,238	581,067	563,265
Employee Benefits	1,739,465	1,788,825	1,834,894	1,982,537	2,114,499	2,307,409	2,147,014	1,939,865	1,780,691	1,923,409
On-Behalf TPAF Pension/Social Security Contributions	617,720	939,767	984,890	757,582	755,680	786,972	928,109	1,172,260	1,003,754	1,201,131
Capital Outlay	488,815	269,891	235,085	320,010	85,536		30,964	76,885	200,132	38,719
Transfer of Funds to Charter School					10,361					
Special Revenue Funds	142,828	73,167	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629
Capital Projects	465,444	43,130	15,409	100,716	88,888	957,947	2,695,955			485,904
<b>Debt Service:</b>										
Principal	406,776	567,859	303,985	380,178	516,389	532,693	389,064	510,541	532,090	490,000
Interest & Other Charges	459,236	293,970	365,929	352,769	335,759	353,487	367,872	347,051	345,735	326,057
<b>Total Expenditures</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>15,787,044</b>	<b>13,177,976</b>	<b>13,142,388</b>	<b>13,953,415</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	383,289	403,834	766,943	(11,770)	86,483	(215,888)	(1,155,726)	466,081	664,469	231,162
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-Budgeted)	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				8,200	3,100					
Transfers In/(Out)	(8,219)				(12,069)	(79,684)	(61,291)	(11,464)		
<b>Total Other Financing Sources (Uses)</b>	<b>107,585</b>	<b>-</b>	<b>-</b>	<b>8,200</b>	<b>(8,969)</b>	<b>1,578,231</b>	<b>(61,291)</b>	<b>(11,464)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</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>\$ (1,217,017)</b>	<b>\$ 454,617</b>	<b>\$ 664,469</b>	<b>\$ 231,162</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</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>	<b>6.15%</b>	<b>7.00%</b>	<b>7.28%</b>	<b>6.47%</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.

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

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 58,701	\$ 136,450	\$ 103,245	\$ 30,289	\$ 26,754	\$ 8,796	\$ 4,983	\$ 4,514	\$ 5,921	\$ 5,921
Tuition Charges	10,334	14,863	22,381		29,387	49,189	24,942	50,500	30,525	17,400
Transportation Fees	1,859			28,960	31,138	1,270	3,176	3,224	13,699	12,059
Old Outstanding Checks Canceled	400		1,265		20,619			1,687	1,833	
Miscellaneous	122	397	808	290	79	121	1,597	1,263	620	71
Prior Year Refunds		1,476	217	1,415	3,957	744		6,361	164	59
Miscellaneous Refunds		60	323	135	47	151	20	4		3,823
Miscellaneous Account Balances Canceled			846				118		943	
Payroll Agency & Net Payroll Excess Balances							15,693			
Building Use Rental Fees	3,190	2,825	6,097	3,330	2,000	2,000	230		300	
Prior Year Accounts Payable Canceled		460	1,079		7,382	21,541		1,604	23,530	
Book Fines	89		185	251	516	479	256		682	
Sale of Surplus Materials/Textbooks	230			2,280				250		
Lawsuit Settlement Proceeds			4,199							
Yearbook Photography Commission/Rebates	3,626	6,215	3,651	5,510	3,622	5,127	3,675	3,256	7,397	
Insurance Dividends/Rebates				20,999	6,287	7,326			6,880	8,797
Local Contributions/Donations	40,182	121	92,000	62,500	500	7,865	5,500	7,510	18,450	7,415
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				
<b>Annual Totals</b>	<b>\$ 121,233</b>	<b>\$ 162,867</b>	<b>\$ 236,296</b>	<b>\$ 156,650</b>	<b>\$ 141,838</b>	<b>\$ 118,123</b>	<b>\$ 60,190</b>	<b>\$ 80,173</b>	<b>\$ 110,944</b>	<b>\$ 55,545</b>

Source: District Records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 16,816,500	\$ 14,425,900	\$ 14,265,900	\$ 14,950,500	\$ 14,589,200	\$ 12,889,800	\$ 12,444,900	\$ 12,193,100	\$ 11,791,300	\$ 11,241,600
Residential	1,026,395,900	1,040,803,400	1,049,742,100	1,052,627,411	1,050,951,800	1,051,075,700	1,048,835,800	1,052,559,900	1,052,605,900	1,055,088,200
Farms-Regular	212,762,000	220,772,700	222,657,400	222,849,200	229,161,300	231,348,010	233,715,310	231,808,510	234,439,410	232,942,910
Farms-"Q"	3,611,800	3,638,400	3,611,000	3,621,236	3,590,586	3,532,300	3,479,255	3,437,255	3,717,155	3,491,755
Commercial	58,355,600	58,749,700	58,491,300	58,503,500	59,231,800	59,427,400	47,453,900	47,503,200	47,503,200	47,362,900
Industrial	2,862,100	2,733,000	5,304,000	5,304,000	5,304,000	5,304,000	5,304,000	5,304,000	5,304,000	2,804,000
<b>Total Assessed Value</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>	<b>1,351,233,165</b>	<b>1,352,805,965</b>	<b>1,355,360,965</b>	<b>1,352,931,365</b>
Public Utilities (a)	2,145,099	1,947,786	1,805,183	1,615,868	1,860,933	1,953,975	2,067,188	2,001,443	2,048,264	2,366,473
<b>Net Valuation Taxable</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>	<b>\$ 1,353,300,353</b>	<b>\$ 1,354,807,408</b>	<b>\$ 1,357,409,229</b>	<b>\$ 1,355,297,838</b>
Estimated Actual County Equalized Value	\$ 1,800,226,545	\$ 1,977,083,704	\$ 1,935,800,747	\$ 1,870,561,756	\$ 1,826,649,202	\$ 1,775,723,258	\$ 1,720,224,168	\$ 1,662,952,508	\$ 1,630,325,762	\$ 1,611,914,650
Percentage of Net Valuation to Est. Actual County Equal. Value	73.49%	67.93%	70.04%	72.68%	74.71%	76.90%	78.67%	81.47%	83.26%	84.08%
<b>Total Direct School Tax Rate (b)</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>	<b>\$ 0.86</b>	<b>\$ 0.86</b>	<b>\$ 0.87</b>	<b>\$ 0.90</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

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	
2006	\$ 0.76	\$ 0.07	\$ 0.83	\$ 0.54	\$ 0.36	\$ 0.48	\$ 2.21
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
2012	0.80	0.06	0.86	0.55	0.39	0.45	2.25
2013	0.80	0.06	0.86	0.57	0.39	0.45	2.27
2014	0.81	0.06	0.87	0.62	0.39	0.45	2.33
2015	0.84	0.06	0.90	0.61	0.41	0.44	2.36

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.



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

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AM Best Co	\$ 25,000,000	1	1.84%	\$ 37,058,000	1	2.80%
JLJ/GWJ LLC	6,612,055	2	0.49%	5,605,300	2	0.42%
Individual Property Owner	4,164,500	3	0.31%	4,119,800	3	0.31%
Stavola Quarries LLC	3,275,100	4	0.24%	2,888,400	4	0.22%
Individual Property Owner	2,984,300	5	0.22%			
United Telephone Co of NJ	2,580,473	6	0.19%	2,359,100	7	0.18%
Individual Property Owner	2,361,600	7	0.17%			
Individual Property Owner	2,302,410	8	0.17%			
Individual Property Owner	2,229,800	9	0.16%	2,237,300	8	0.17%
Individual Property Owner	2,057,000	10	0.15%			
Hill & Dale Farms Inc				2,597,300	5	0.20%
Individual Property Owner				2,456,800	6	0.19%
Individual Property Owner				2,159,700	9	0.16%
Individual Property Owner				2,115,400	10	0.16%
	<u>\$ 53,567,238</u>		<u>3.94%</u>	<u>\$ 63,597,100</u>		<u>4.81%</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
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%
2011	30,204,265	29,802,044	98.66%
2012	30,621,678	30,087,564	98.25%
2013	30,992,663	30,583,298	98.67%
2014	31,664,401	31,297,352	98.84%

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,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 9,162,799		\$ 149,249			\$ 9,312,048	2.56%	\$ 1,547
2007	8,964,940		11,291			8,976,231	2.28%	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	1.97%	1,295
2011	8,864,695					8,864,695	2.26%	1,484
2012	8,475,631					8,475,631	2.05%	1,429
2013	7,965,090					7,965,090	1.80%	1,342
2014	7,433,000					7,433,000	1.66%	1,255
2015	6,943,000					6,943,000	N/A	1,172

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		
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%	1,295
2011	8,864,695		8,864,695	0.65%	1,484
2012	8,475,631		8,475,631	0.63%	1,429
2013	7,965,090		7,965,090	0.59%	1,342
2014	7,433,000		7,433,000	0.55%	1,255
2015	6,943,000		6,943,000	0.51%	1,172

**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, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 17,961,405	100.00	\$ 17,961,405
Regional High School	2,160,000	20.23	436,943
County General Obligation Debt	70,347,424	7.80	<u>5,484,518</u>
Subtotal, Overlapping Debt			23,882,866
School District Direct Debt			<u>7,507,163</u>
Total Direct and Overlapping Debt			<u><u>\$ 31,390,029</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 2015

Equalized Valuation Basis

2014	\$ 1,611,989,730
2013	1,624,796,979
2012	<u>1,658,565,319</u>

\$ 4,895,352,028

Average Equalized Valuation of Taxable Property

\$ 1,631,784,009

Debt Limit (3.0% of Average Equalization Value)

\$ 48,953,520 (a)

Total Net Debt Applicable to Limit

7,122,163

Legal Debt Margin

\$ 41,831,357

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 44,789,122	\$ 49,389,461	\$ 53,271,735	\$ 55,497,523	\$ 56,115,125	\$ 55,133,816	\$ 53,229,985	\$ 51,640,617	\$ 50,166,497	\$ 48,953,520
Total Net Debt Applicable	<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>	<u>8,654,794</u>	<u>8,144,253</u>	<u>7,612,163</u>	<u>7,122,163</u>
Legal Debt Margin	<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>	<u>\$ 44,575,191</u>	<u>\$ 43,496,364</u>	<u>\$ 42,554,334</u>	<u>\$ 41,831,357</u>
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	20.86%	18.51%	16.59%	15.24%	14.15%	16.40%	16.26%	15.77%	15.17%	14.55%

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>
2006	6,018	\$ 390,706,614	\$ 64,923	2.4%
2007	6,063	414,048,333	68,291	2.1%
2008	6,071	417,363,037	68,747	2.7%
2009	6,076	399,187,124	65,699	5.0%
2010	5,994	393,751,854	65,691	5.1%
2011	5,972	416,349,924	69,717	5.0%
2012	5,933	442,210,222	74,534	5.2%
2013	5,936	448,304,528	75,523	5.1%
2014	5,925	N/A	N/A	4.5%
2015	5,925	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 2010 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	2015			2006		
	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	56.0	56.2	56.2	61.2	61.9	57.2	56.2	54.4	56.0	56.0
Special Education	10.0	10.0	10.0	10.0	12.0	14.0	13.0	13.0	12.2	12.2
Other Special Education	3.6	5.3	7.4	8.0	10.8	10.2	10.2	11.6	11.0	11.0
Other Instruction	5.8	5.0	6.0	5.2	4.9	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student & Other Related Services	6.4	10.0	8.0	8.4	8.4	12.8	13.5	14.9	15.9	16.0
General Administration	3.0	3.0	3.0	3.0	3.0	2.4	2.4	2.4	2.4	2.4
School Administrative Services	1.0	1.0	1.0	1.0	1.0	1.5	2.1	2.0	2.0	2.0
Other Administrative Services	4.8	4.4	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Central Services	2.2	2.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administrative Information Technology	3.8	3.0	2.0	1.0	1.0	0.1	0.1	0.1		
Plant Operations and Maintenance	10.5	9.5	9.5	8.5	9.0	10.0	9.0	8.0	8.0	8.0
Pupil Transportation	7.4	7.7	8.3	9.6	9.5	9.0	10.0	10.0	10.0	10.0
<b>Total</b>	<u>114.5</u>	<u>117.7</u>	<u>119.4</u>	<u>123.9</u>	<u>129.5</u>	<u>127.2</u>	<u>126.5</u>	<u>126.4</u>	<u>127.5</u>	<u>127.6</u>

Sources: District Personnel Records

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ( a )</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff ( b )</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ( c )</u>	<u>Average Daily Attendance (ADA) ( c )</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2012	715	12,299,689	17,202	8.13%	80.0	1 to 8.93	709.8	683.6	-5.18%	96.31%
2013	707	12,243,499	17,318	0.67%	83.8	1 to 8.44	694.5	673.3	-2.16%	96.95%
2014	689	12,064,431	17,510	1.11%	84.5	1 to 8.15	685.2	668.3	-1.34%	97.53%
2015	660	12,612,735	19,110	9.14%	84.5	1 to 7.81	654.6	632.3	-4.47%	96.60%

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	321	299	334	339	370	374	352	366	367	347
<u>Tewksbury Elementary School (2006)</u>										
Square Feet	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289
Enrollment	432	442	439	440	416	377	356	341	322	310
Number of Schools at June 30, 2015:										
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.

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

UNDISTRIBUTED EXPENDITURES-REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

Fiscal Year	*School Facilities	Old Turnpike School	Tewksbury Elementary School	Total
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
2012		49,262	37,349	86,611
2013		56,271	47,029	103,300
2014		73,520	49,818	123,338
2015		31,865	41,306	73,171
Total School Facilities		<u>\$ 475,255</u>	<u>\$ 384,332</u>	<u>\$ 1,299,229</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, 2015  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-NJ School Board Association		
Insurance Group:		
Property-Blanket Building & Contents	\$ 33,482,616	\$ 1,000
Equipment Breakdown	100,000,000	1,000
Comprehensive General Liability	16,000,000	
Comprehensive Automobile Liability	16,000,000	
Employee Benefit Liability	16,000,000	1,000
Blanket Employee Dishonesty (Per Loss)	500,000	1,000
School Board Legal Liability-NJ School Board Association		
Insurance Group:		
Directors and Officers Policy	16,000,000	5,000
Worker's Compensation-NJ School Board Association		
Insurance Group:		
Per Accident, Disease and Disease Limit	2,000,000	
Student Accident Insurance-NJ School Board Association		
Insurance Group Through Market Insurance Company:		
Policy Limit	1,000,000	
Environmental Impairment Liability-NJ School Board Association		
Insurance Group Through ACE American Insurance Company:		
Fund Limit	1,000,000	25,000
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer of School Monies Bond Selective	190,000	
Business Administrator's Bond Travelers Insurance Co	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 AUDITOR'S REPORT

November 16, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Tewksbury Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 16, 2015.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

  
William M. Colantano, Jr.  
Public School Accountant



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 16, 2015

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

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

We have audited the Board of Education of the Tewksbury Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. 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.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 16, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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, 2015

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: Special Revenue Fund:													
NCLB Title II A	84 367A	NCLB-518014	\$ 9,154	07/01/2013-06/30/2014	\$ (1,957)		\$ 1,947		\$ (10)				
NCLB Title II A	84 367A	NCLB-518015	9,251	07/01/2014-06/30/2015			9,251	\$ 9,251					
IDEA Basic	84 027	IDEA-518012	135,523	09/01/2011-08/31/2012	(1,673)		1,673						
IDEA Basic	84 027	IDEA-518013	131,714	09/01/2012-08/31/2013	(10,207)		10,207						
IDEA Basic	84 027	IDEA-518014	125,136	07/01/2013-06/30/2014	(6,730)	\$ (10,863)	17,593						
IDEA Basic Carry-Over	84 027	IDEA-518014	125,136	07/01/2014-06/30/2015		10,863		10,863					
IDEA Basic	84 027	IDEA-518015	129,478	07/01/2014-06/30/2015			97,934	129,478			\$ (31,544)		
IDEA Preschool	84 173	IDEA-518014	7,697	07/01/2013-06/30/2014	(2,944)	(445)	3,389						
IDEA Preschool Carry-Over	84 173	IDEA-518014	7,697	07/01/2014-06/30/2015		445		445					
IDEA Preschool	84 173	IDEA-518015	7,674	07/01/2014-06/30/2015			7,674	7,674					
Total Special Revenue Fund					(23,511)	-	149,668	157,711	(10)	\$ -	(31,544)	\$ -	\$ -
US Department of Agriculture Passed Through State Department of Education: Enterprise Fund:													
Child Nutrition Cluster:													
National School Lunch Program- Noncash Assistance (Commodities)	10 555	N/A	17,429	07/01/2013-06/30/2014	693			693					
National School Lunch Program- Noncash Assistance (Commodities)	10 555	N/A	13,112	07/01/2014-06/30/2015			13,112	12,545			567		
National School Lunch Program- Cash Assistance	10 555	N/A	18,713	07/01/2013-06/30/2014	(1,175)		1,175						
National School Lunch Program- Cash Assistance	10 555	N/A	17,294	07/01/2014-06/30/2015			15,808	17,294			(1,486)		
Total Enterprise Fund					(482)	-	30,095	30,532	-	-	(1,486)	567	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (23,993)	\$ -	\$ 179,763	\$ 188,243	\$ (10)	\$ -	\$ (33,030)	\$ 567	\$ -

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, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2015			MEMO	
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education													
General Fund:													
Categorical Special Education Aid	15-495-034	\$ 354,090	07/01/2014-			\$ 354,090	\$ 354,090					\$ 33,029	\$ 354,090
	-5120-089		06/30/2015										
Categorical Transportation Aid	15-495-034	90,472	07/01/2014-				90,472					8,439	90,472
	-5120-014		06/30/2015										
Categorical Security Aid	15-495-034	56,976	07/01/2014-				56,976					5,315	56,976
	-5120-084		06/30/2015										
School Choice Aid	15-495-034	270,795	07/01/2014-				270,795					25,260	270,795
	-5120-068		06/30/2015										
PARCC Readiness Aid	15-495-034	6,530	07/01/2014-				6,530					609	6,530
	-5120-098		06/30/2015										
Per Pupil Growth Aid	15-495-034	6,530	07/01/2014-				6,530					609	6,530
	-5120-097		06/30/2015										
Extraordinary Special Education Costs Aid	14-100-034	72,781	07/01/2013-	\$ (72,029)		72,781	752						72,781
	-5120-473		06/30/2014										
Extraordinary Special Education Costs Aid	15-100-034	43,290	07/01/2014-				43,290		\$ (43,290)				43,290
	-5120-473		06/30/2015										
Nonpublic Transportation Aid	14-495-034	25,680	07/01/2013-				25,680						25,680
	-5120-014		06/30/2014	(25,680)									
Nonpublic Transportation Aid	15-495-034	18,095	07/01/2014-									(18,095)	18,095
	-5120-014		06/30/2015										
On-Behalf TPAF Pension Contribution-Post Retirement Medical	15-495-034	486,013	07/01/2014-			486,013	486,013						486,013
	-5094-001		06/30/2015										
On-Behalf TPAF Pension Contribution-Non-Contributory Group Insurance	15-495-034	20,548	07/01/2014-			20,548	20,548						20,548
	-5094-007		06/30/2015										
On-Behalf TPAF Pension Contribution-Normal Costs and Accrued Liability	15-495-034	285,603	07/01/2014-			285,603	285,603						285,603
	-5094-006		06/30/2015										
Reimbursed TPAF Social Security Contribution	15-495-034	408,967	07/01/2014-			408,967	408,967						408,967
	-5094-003		06/30/2015										
<b>Total General Fund</b>				<u>(97,709)</u>	<u>\$ -</u>	<u>2,084,985</u>	<u>2,048,661</u>	<u>\$ -</u>	<u>(61,385)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>73,261</u>	<u>2,146,370</u>

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, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2015			MEMO		
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education (Continued)</u>														
NJ School Development Authority														
Capital Projects Fund:														
New Elementary School	SP# 201134	\$ 3,974,000	N/A	\$ (178,448)						\$ (178,448)				\$ 3,974,000
Acquisition of a Back Up Generator	5180-055	29,953	N/A	(29,953)						(29,953)				29,953
Roof & Boiler Replacement and Other Improvements to Old Turnpike School	5180-030	995,294	N/A	(995,294)						(995,294)				995,294
Air Conditioning Upgrades at Old Turnpike School	5180-030	366,777	N/A	(366,777)						(366,777)				366,777
Window Replacement in the 1968 & 1974 Wings at Old Turnpike School	5180-030	95,126	N/A	(95,126)						(95,126)				95,126
Generator Installation at Old Turnpike School	5180-030	198,000	N/A	(198,000)						(198,000)				198,000
Security Upgrades at Tewksbury Elementary	5180-055	134,000	N/A	(134,000)						(134,000)				134,000
HVAC and Ventilator Upgrades at Old Turnpike School	5180-030	98,000	N/A	(98,000)						(98,000)				98,000
HVAC Upgrades at Tewksbury Elementary	5180-055	20,000	N/A	(20,000)						(20,000)				20,000
Total Capital Projects Fund				<u>(2,115,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(2,115,598)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,911,150</u>
<u>State Department of Agriculture</u>														
Enterprise Fund:														
State School Lunch Program	14-100-010	1,955	07/01/2013-06/30/2014	(221)		221								1,955
State School Lunch Program	15-100-010	1,713	07/01/2014-06/30/2015			1,523	1,713			(190)				1,713
Total Enterprise Fund				<u>(221)</u>	<u>-</u>	<u>1,744</u>	<u>1,713</u>	<u>-</u>		<u>(190)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,668</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (2,213,528)</u>	<u>\$ -</u>	<u>\$ 2,086,729</u>	<u>\$ 2,050,374</u>	<u>\$ -</u>		<u>\$ (2,177,173)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,261</u>	<u>\$ 8,061,188</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

**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 (\$2,609) for the general fund, (5,082) for the Special Revenue Fund and \$193,852 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 fund and for the capital projects fund Exhibit F-2.

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		\$ 2,046,052	\$ 2,046,052
Special Revenue Fund	\$ 152,629		152,629
Capital Projects Fund		193,852	193,852
Food Service Fund	<u>36,532</u>	<u>1,713</u>	<u>32,245</u>
	<u>\$ 183,161</u>	<u>\$ 2,241,617</u>	<u>\$ 2,424,778</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015  
(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, 2015. 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, 2015.





TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(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:        Unmodified       

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 15-08?        Yes   X   No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5094-003	\$ 408,967	Reimbursed TPAF Social Security Contrib
15-495-034-5120-089	354,090	Categorical Special Education Aid

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

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, 2015.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

There were no prior year findings or questioned costs.