

**SCHOOL DISTRICT**  
**OF**  
**TEWKSBURY TOWNSHIP**

**Tewksbury Township School District**  
**Board of Education**  
**Califon, Hunterdon County**  
**New Jersey**

**Comprehensive Annual Financial Report**  
**For The Fiscal Year Ended June 30, 2016**

# **Comprehensive Annual**

## **Financial Report**

**of the**

**Tewksbury Township School District  
Board of Education  
Califon, New Jersey  
For the Fiscal Year Ending June 30, 2016**

**Prepared by  
Tewksbury Township School District  
Board of Education  
Finance Department**

# OUTLINE OF CAFR

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# Introductory Section







# Tewksbury Township Board of Education

173 Old Turnpike Road, Califon, NJ 07830  
908-439-2010 Fax: 908-439-2655  
[www.tewksburyschools.org](http://www.tewksburyschools.org)

November 3, 2016

Honorable President 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 Township School District for the fiscal year ended June 30, 2016, 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 Township Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for handicapped youngsters. The district completed the 2015-2016 fiscal year with an enrollment of 605 students, which is a decrease of 55 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>
2011-2012	715	-4.8%
2012-2013	707	-1.1%
2013-2014	689	-2.6%
2014-2015	660	-4.2%
2015-2016	605	-8.3%

**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. 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 21<sup>st</sup> 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 and STEM. 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 96.21% for the 2015-2016 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

**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 Ardito & Co., LLP, was selected by the Board in May 2016. 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) ACKNOWLEDGEMENTS:** 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.

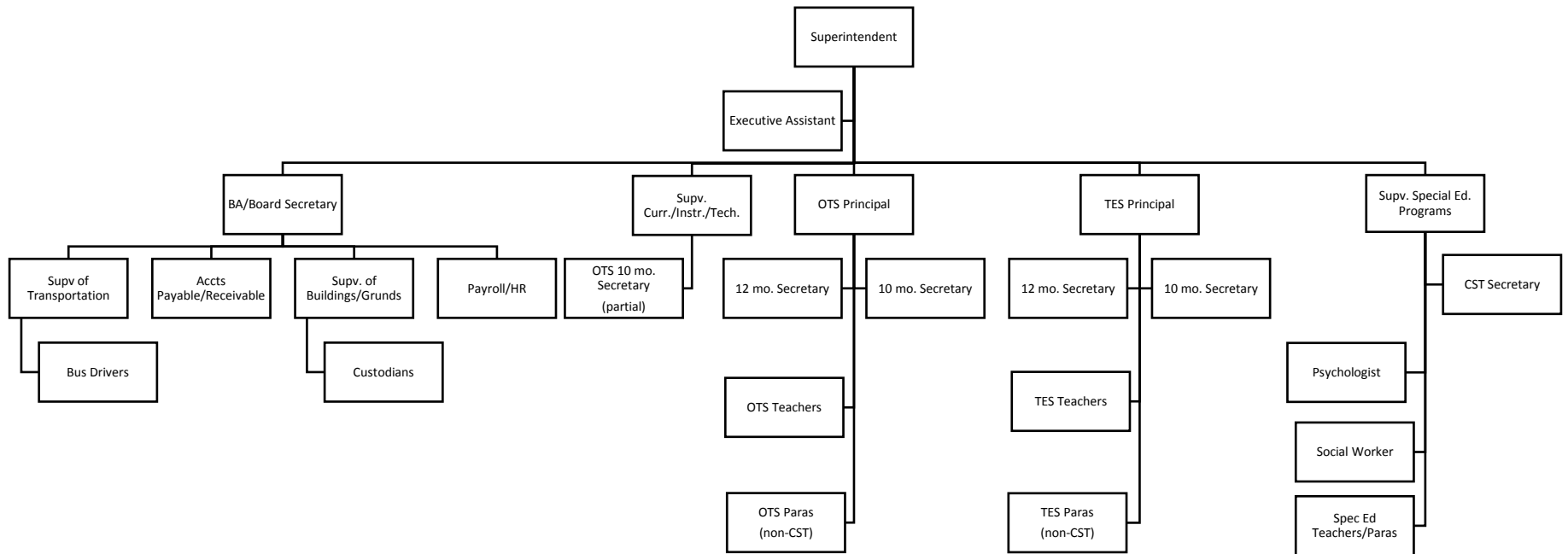
Respectfully yours,



Monica A. Rowland  
Superintendent



# Tewksbury Twp. School District Organizational Structure



REVISED 8-17-16



**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lori Larson, <i>President</i>	2017
Laura Bartels, <i>Vice-President</i>	2018
Dr. Andrew Schiller	2016
Lisa Delventhal	2017
Brian Regan	2016
Marin Resnick	2016
Krista Jenkins	2018
Krista Geoffrion	2018
Michele Tenerelli	2017
<b><u>Other Officials</u></b>	
Monica Rowland, <i>Superintendent</i>	
Joanne Black, <i>School Business Administrator/Board Secretary</i>	

**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

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

**AUDIT FIRM**

**Ardito & Co., LLP**  
1110 Harrison Street, Suite C  
Frenchtown, NJ 08825

**BOARD ATTORNEY**

**Marck Zitomer, Esq.**  
Schenk, Price, Smith, And King LLP  
220 Park Avenue PO Box 991  
Florham Park, NJ 07932-0991

**OFFICIAL DEPOSITORIES**

**Peapack Gladstone Bank**  
169 Lamington Road  
Oldwick, NJ 08858



# Financial Section

# Independent Auditor's Report



## **ARDITO & Co., LLP**

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

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

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Tewksbury Township School District  
County of Hunterdon  
Califon, New Jersey 07830

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

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Tewksbury Township School District Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Tewksbury Township School District Board of Education, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

#### ***Other Information***

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

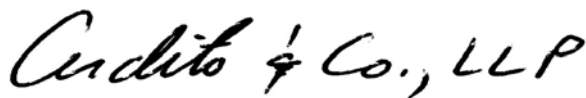
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management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

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

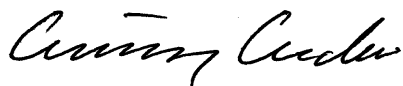
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016, on our consideration of the Tewksbury Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP  
September 30, 2016



Licensed Public School Accountant No. 2369

**Required Supplementary Information -  
Part I**

**Management's Discussion and Analysis**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

The discussion and analysis of Tewksbury Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- ◆ In total, Net Position increased \$189,091 which represents a 1.4% increase from 2015.
- ◆ General revenues accounted for \$12,163,964 in revenue or 76.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,849,113 or 23.7% of total revenues of \$16,013,077.
- ◆ Total assets of governmental activities decreased by \$302,543, as cash and cash equivalents increased by \$468,332, receivables decreased by \$1,242,944, and capital assets increased by \$470,622.
- ◆ The School District had \$15,823,986 in expenses; only \$3,849,113 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,163,964 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$13,750,795 in revenues and \$13,492,205 in expenditures. The General Fund's surplus balance decreased \$266,437 over 2015, which compares favorably to the budgeted decrease of \$1,218,072.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

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

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 24. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.



TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Governmental Funds**

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

**The School District as a Whole**

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

Table 1 provides a summary of the School District's Net Position for 2016 compared to 2015.

	<u>2016</u>	<u>2015</u>
<b>Table 1 Net Position</b>		
<b>Assets</b>		
Current and Other Assets	\$ 4,302,888	\$ 5,076,053
Capital Assets	<u>19,662,291</u>	<u>19,191,669</u>
<b>Total Assets</b>	<u>23,965,179</u>	<u>24,267,722</u>
<b>Deferred Outflows of Resources</b>	<u>587,887</u>	<u>222,724</u>
<b>Liabilities</b>		
Long-Term Liabilities	6,203,789	9,672,077
Other Liabilities	<u>4,521,202</u>	<u>1,067,713</u>
<b>Total Liabilities</b>	<u>10,724,991</u>	<u>10,739,790</u>
<b>Deferred Inflows of Resources</b>	<u>290,267</u>	<u>401,939</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	13,224,291	12,415,808
Restricted	2,678,463	2,309,830
Unrestricted	<u>(2,364,946)</u>	<u>(1,376,921)</u>
<b>Total Net Position</b>	<u>\$ 13,537,808</u>	<u>\$ 13,348,717</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

Total assets of governmental activities decreased by \$302,543, as cash and cash equivalents increased by \$468,332, receivables decreased by \$1,242,944, and capital assets increased by \$470,622.

The cash increase was mainly due to budget operational efficiencies and collection of prior year receivables, and the decrease in receivables was due to collection of old SDA grants. The increase in capital assets was due to capital project spending and other equipment, net of depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2015.

**Table 2  
Changes in Net Position**

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 184,862	\$ 235,957
Operating Grants and Contributions	3,664,251	3,734,389
General Revenues:		
Property Taxes	12,173,565	11,737,111
Federal & State Aid on Capital Asset Projects	(47,280)	192,789
Investment Earnings	5,539	6,485
Other	<u>32,140</u>	<u>25,503</u>
<b>Total Revenues</b>	<u>16,013,077</u>	<u>15,932,234</u>
 <b>Program Expenses</b>		
Instruction	9,093,621	8,998,309
Support Services:		
Tuition	202,237	60,721
Pupils and Instructional Staff	2,394,126	2,250,981
General Administration, School Administration, Business	1,537,149	1,744,084
Operations and Maintenance of Facilities	1,503,023	1,003,379
Pupil Transportation	701,490	717,707
Business-Type Activities	205,520	212,725
Interest and Fiscal Charges	<u>186,820</u>	<u>319,320</u>
<b>Total Expenses</b>	<u>15,823,986</u>	<u>15,307,226</u>
 Increase in Net Position	 <u>\$ 189,091</u>	 <u>\$ 625,008</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 76.0% percent of revenues for governmental activities for the Tewksbury Township School District for the fiscal year 2016.

Instruction comprises 57.5% of district expenses. Support services expenses make up 40.1% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 9,093,621	\$ 6,876,925	\$ 8,998,309	\$ 8,838,053
Support Services:				
Tuition	202,237	156,541	60,721	703
Pupils and Instructional Staff	2,394,126	1,836,298	2,250,981	2,123,712
General Admin., School Admin., Business	1,537,149	1,189,828	1,531,359	1,704,141
Operation and Maintenance of Facilities	1,503,023	1,163,412	1,003,379	1,002,029
Pupil Transportation	701,490	542,987	717,707	705,648
Business-Type Activities	205,520	22,062	212,725	11,325
Interest and Fiscal Charges	<u>186,820</u>	<u>186,820</u>	<u>319,320</u>	<u>319,320</u>
<b>Total Expenses</b>	<u>\$ 15,823,986</u>	<u>\$ 11,974,873</u>	<u>\$ 15,094,501</u>	<u>\$ 14,704,931</u>

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

Tuition activities are for those expenditures related to sending district resident students to high school and other special schools.

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

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

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

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

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

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

The dependence upon tax revenues is apparent. Over 75.6% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 77.1%. The community, as a whole, is the primary support for the Tewksbury Township School District.

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

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$14,617,349 and expenditures of \$15,368,679. The General Fund's surplus balance decreased \$266,437 over 2015, which compares favorably to the budgeted decrease of \$1,218,072.

### **General Fund Budgeting Highlights**

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

During the course of the fiscal 2016 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$12,357,627, \$34,029 over original budgeted estimates of \$12,323,598. This difference was due primarily to an increase in extraordinary aid and non-public transportation aid over budgeted amounts.

General fund revenues fell short of expenditures by \$263,906. Again this deficit compares to a budgeted deficit of \$1,218,072, which was due to the budgeted use of surplus and capital reserve withdrawal needed to balance the 2015-2016 budget. The budgeted deficit was reduced due to cost savings in the areas of instruction, administration, operations, and benefits.

Overall general fund balance (budget basis) was \$3,231,296, and amounts ear-marked and reserved for future purposes were \$2,941,933, creating a surplus in unreserved fund balance of \$289,363. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2016, the School District had \$19,662,291 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

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

	<u>2016</u>	<u>2015</u>
Land	\$ 1,762,263	\$ 1,762,263
Land Improvements	70,566	76,433
Buildings and Improvements	17,353,050	16,977,872
Machinery and Equipment	213,681	239,706
Vehicles	<u>262,731</u>	<u>130,061</u>
 Totals	 <u>\$ 19,662,291</u>	 <u>\$ 19,186,335</u>

Overall capital assets increased \$475,956 from fiscal year 2015 to fiscal year 2016. The increase in capital assets was due to capital projects fund spending, two new buses, and a copier, net of depreciation expense for the year.

Capital improvements of \$1,182,761 were purchased during fiscal year 2016. Capital items included capital projects fund spending, two new buses, and a copier.

**Debt Administration**

At June 30, 2016, the School District had \$6,728,789 as outstanding long term debt. Of this amount, \$290,789 is for compensated absences, and \$6,438,000 is for bonds payable.

At June 30, 2016, the School District's overall legal debt margin was \$42,091,991 and the unvoted debt margin was the same.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**For the Future**

The Tewksbury Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes in light of possible state funding decreases. However, future finances are not without challenges as the community continues to grow and state funding is expected to decrease.

It has been increasingly difficult to balance educational needs with increases in property tax rates. The frozen state aid to offset local property taxes in a predominately bedroom community is thought to be the main reason for the problem. This problem seems to be statewide and is not exclusive to the Tewksbury Township School District. The Tewksbury Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/ Board Secretary at Tewksbury Township School District, 173 Old Turnpike Road, Califon, NJ 07830.

# 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

Exhibit A-1

**STATEMENT OF NET POSITION**  
JUNE 30, 2016

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,265,745	\$ 53,585	\$ 3,319,330
Receivables from Other Governments	947,404	2,470	949,874
Other Receivables	12,066		12,066
Interfund Receivables	16,283		16,283
Inventory		5,335	5,335
Capital Assets, Net (Note 6):	19,662,291		19,662,291
<b>Total Assets</b>	<b>23,903,789</b>	<b>61,390</b>	<b>23,965,179</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	587,887		587,887
<b>LIABILITIES</b>			
Accounts Payable	441,286		441,286
Unearned Revenue		1,950	1,950
Accrued Interest	85,575		85,575
Net Pension Liability (Note 8)	3,467,391		3,467,391
Noncurrent Liabilities (Note 7):			
Due Within One Year	525,000		525,000
Due Beyond One Year	6,203,789		6,203,789
<b>Total Liabilities</b>	<b>10,723,041</b>	<b>1,950</b>	<b>10,724,991</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	290,267		290,267
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	13,224,291		13,224,291
Reserved for:			
Other Purposes	2,678,463		2,678,463
Unrestricted	(2,424,386)	59,440	(2,364,946)
<b>Total Net Position</b>	<b>\$ 13,478,368</b>	<b>\$ 59,440</b>	<b>\$ 13,537,808</b>

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

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

**STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2016

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Functions/Programs</b>							
Governmental Activities:							
Instruction:							
Regular	\$ 6,317,192	\$ 25,791	\$ 1,563,566		\$ (4,727,835)		\$ (4,727,835)
Special Education	2,126,108		480,398		(1,645,710)		(1,645,710)
Other Special Instruction	407,502		92,076		(315,426)		(315,426)
School Sponsored Cocurricular	242,819		54,865		(187,954)		(187,954)
Support Services:							
Tuition	202,237		45,696		(156,541)		(156,541)
Student & Instruction Related Serv.	2,394,126		557,828		(1,836,298)		(1,836,298)
School Administrative Services	633,721		143,190		(490,531)		(490,531)
General and Business Admin. Serv.	903,428		204,131		(699,297)		(699,297)
Plant Operations and Maintenance	1,503,023		339,611		(1,163,412)		(1,163,412)
Pupil Transportation	701,490		158,503		(542,987)		(542,987)
Interest and Other Fiscal Charges	186,820		-		(186,820)		(186,820)
Unallocated Depreciation	-		-		-		-
Total Governmental Activities	15,618,466	25,791	3,639,864		(11,952,811)		(11,952,811)
Business-Type Activities:							
Food Service	205,520	159,071	24,387			\$ (22,062)	(22,062)
Preschool Program	-	-	-			-	-
Total Business-Type Activities	205,520	159,071	24,387	-	-	(22,062)	(22,062)
<b>Total Primary Government</b>	<b>\$ 15,823,986</b>	<b>\$ 184,862</b>	<b>\$ 3,664,251</b>		<b>\$ (11,952,811)</b>	<b>\$ (22,062)</b>	<b>\$ (11,974,873)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 11,412,856		\$ 11,412,856
Taxes Levied for Debt Service					760,709		760,709
Investment Earnings					5,539		5,539
Miscellaneous Income					26,714	\$ 5,426	32,140
Federal and State Capital Aid					(47,280)		(47,280)
Total General Revenues, Special Items, Extraor. Items and Transfers					12,158,538	5,426	12,163,964
Change in Net Position					205,727	(16,636)	189,091
Net Position—Beginning (As Restated)					13,272,641	76,076	13,348,717
Net Position—Ending					\$ 13,478,368	\$ 59,440	\$ 13,537,808

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

## **FUND FINANCIAL STATEMENTS**

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



## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,151,450	\$ 1,114,295	\$ 3,265,745
Interfund Receivables	1,396,342		1,396,342
Other Receivables	12,066		12,066
Receivables from Other Governments	36,932	910,472	947,404
<b>TOTAL ASSETS</b>	<b>\$ 3,596,790</b>	<b>\$ 2,024,767</b>	<b>\$ 5,621,557</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 441,286		\$ 441,286
Interfund Payable	-	\$ 1,380,059	1,380,059
<b>Total Liabilities</b>	<b>441,286</b>	<b>1,380,059</b>	<b>1,821,345</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	997,316		997,316
Maintenance Reserve Account	410,252		410,252
Emergency Reserve Account	250,000		250,000
Excess Surplus	527,234		527,234
Excess Surplus - Designated for Subsequent Year's Expenditures	432,276		432,276
<u>Assigned to:</u>			
General Fund - Designated for Subsequent Year's Expenditures	61,385		61,385
Year-End Encumbrances	263,470	99,069	362,539
Debt Service Fund			-
Capital Projects Fund		545,639	545,639
<u>Unassigned:</u>			
General Fund	213,571		213,571
<b>Total Fund Balances</b>	<b>3,155,504</b>	<b>644,708</b>	<b>3,800,212</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,596,790</b>	<b>\$ 2,024,767</b>	<b>\$ 5,621,557</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$29,712,221 and the accumulated depreciation is \$10,049,930.	19,662,291
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)	587,887
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(290,267)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(3,467,391)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(85,575)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(6,728,789)
Net Position of governmental activities	<u>\$13,478,368</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
<b>Local sources:</b>					
Local Tax Levy	\$ 11,412,856			\$ 760,709	\$ 12,173,565
Tuition	19,095				19,095
Interest on Capital Reserve	673				673
Miscellaneous	38,203		\$ 73		38,276
<b>Total - Local Sources</b>	<u>11,470,827</u>	-	<u>73</u>	<u>760,709</u>	<u>12,231,609</u>
<b>State Sources</b>	2,279,968		(47,280)		2,232,688
<b>Federal Sources</b>		\$ 153,052			153,052
<b>Total Revenues</b>	<u>13,750,795</u>	<u>153,052</u>	<u>(47,207)</u>	<u>760,709</u>	<u>14,617,349</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular Instruction	3,909,320	136,182			4,045,502
Special Education Instruction	1,408,360				1,408,360
Other Special Instruction	260,295				260,295
School Sponsored Activities	162,127				162,127
Support services and undistributed costs:					
Tuition	202,237				202,237
Student and Instruction Related Services	1,551,216	16,870			1,568,086
School Administrative Services	412,015				412,015
Other Administrative Services	572,069			-	572,069
Plant Operations and Maintenance	1,042,704				1,042,704
Pupil Transportation	642,418				642,418
Unallocated Benefits	3,070,672				3,070,672
Transfer to Charter School					-
<b>Debt Service:</b>					
Principal				505,000	505,000
Interest and Other Charges				255,711	255,711
<b>Capital Outlay</b>	258,772	-	962,711		1,221,483
<b>Total Expenditures</b>	<u>13,492,205</u>	<u>153,052</u>	<u>962,711</u>	<u>760,711</u>	<u>15,368,679</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>258,590</u>		<u>(1,009,918)</u>	<u>(2)</u>	<u>(751,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - Capital Projects Fund	(525,027)		525,027		-
<b>Total Other Financing Sources and Uses</b>	<u>(525,027)</u>	-	<u>525,027</u>	-	-
Net Change in Fund Balances	(266,437)	-	(484,891)	(2)	(751,330)
Fund Balance—July 1	3,421,941		1,129,599	2	4,551,542
<b>Fund Balance—June 30</b>	<u>\$ 3,155,504</u>	-	<u>\$ 644,708</u>	-	<u>\$ 3,800,212</u>

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (751,330)

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

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

Depreciation Expense	\$ (706,805)	
Capital Outlays	<u>1,182,761</u>	475,956

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (39,652)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position and is not reported in the statement of activities. 505,000

In the statement of activities, compensated absence debt is accrued, regardless of when paid. In the governmental funds, the related expense is reported when paid. This is the amount by which current year's debt amount of exceeds the prior year's amount. (53,138)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount. 68,891

**Change in Net Position of Governmental Activities** \$ 205,727

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

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
PROPRIETARY FUNDS

JUNE 30, 2016

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and Cash Equivalents	\$ 53,585	\$ 53,585
Accounts Receivable-Governmental	2,470	2,470
Inventories	5,335	5,335
<b>Total Current Assets</b>	<b>61,390</b>	<b>61,390</b>
<b>Noncurrent Assets:</b>		
Furniture, Machinery and Equipment	59,548	59,548
Less Accumulated Depreciation	(59,548)	(59,548)
<b>Total Noncurrent Assets</b>		
<b>Total Assets</b>	<b>61,390</b>	<b>61,390</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Deferred Revenue	1,950	1,950
<b>Total Current Liabilities</b>	<b>1,950</b>	<b>1,950</b>
<b>Total Liabilities</b>	<b>1,950</b>	<b>1,950</b>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt		
Unrestricted	59,440	59,440
<b>Total Net Position</b>	<b>\$ 59,440</b>	<b>\$ 59,440</b>

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



## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2016

	<b>Business-type Activities-</b>	
	<b>Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable	\$ 75,888	\$ 75,888
Daily Sales - Non-Reimb. Programs	83,183	83,183
Miscellaneous	5,426	5,426
<b>Total Operating Revenues</b>	<b>164,497</b>	<b>164,497</b>
<b>Operating Expenses:</b>		
Cost of Sales	86,774	86,774
Salaries	63,405	63,405
Employee Benefits	15,880	15,880
Repairs	16,076	16,076
Supplies		
Miscellaneous	11,121	11,121
Other Purchased Professional Services	6,930	6,930
Depreciation	5,334	5,334
<b>Total Operating Expenses</b>	<b>205,520</b>	<b>205,520</b>
Operating Income (Loss)	(41,023)	(41,023)
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	1,415	1,415
Federal Sources:		
National School Lunch Program	14,981	14,981
Food Distribution Program	7,862	7,862
Interest Income	129	129
<b>Total Nonoperating Revenues (Expenses)</b>	<b>24,387</b>	<b>24,387</b>
Income (Loss) Before Contributions and Transfers	(16,636)	(16,636)
Transfers In (Out)		
Change in Net Position	(16,636)	(16,636)
Total Net Position—Beginning	76,076	76,076
<b>Total Net Position—Ending</b>	<b>\$ 59,440</b>	<b>\$ 59,440</b>

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

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2016

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 167,834	\$ 167,834
Payments to Employees and Benefits	(79,285)	(79,285)
Payments to Suppliers	(129,312)	(129,312)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(40,763)</b>	<b>(40,763)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,398	1,398
Federal Sources	14,204	14,204
Operating Subsidies and Transfers from Other Funds		
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>15,602</b>	<b>15,602</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Income		
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>		
Net Increase (Decrease) in Cash and Cash Equivalents	(25,161)	(25,161)
Balances—Beginning of Year	78,746	78,746
<b>Balances—End of Year</b>	<b>\$ 53,585</b>	<b>\$ 53,585</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (41,023)	\$ (41,023)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation Expense	5,334	5,334
Federal Commodities	7,862	7,862
(Increase) Decrease in Accounts Receivable, Net	3,729	3,729
(Increase) Decrease in Inventories	(1,446)	(1,446)
Increase (Decrease) in Accounts Payable	(15,219)	(15,219)
Total Adjustments	260	260
Net Cash Provided by (used for) Operating Activities	\$ (40,763)	\$ (40,763)

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

JUNE 30, 2016

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Private Scholarship <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 25,095	\$ 19,026	\$ 106,268
<b>Total Assets</b>	<u>\$ 25,095</u>	<u>\$ 19,026</u>	<u>\$ 106,268</u>
<b>LIABILITIES</b>			
Payroll Deductions and Accrued Salaries			\$ 14,422
Interfund Payables			6,449
Payable to Student Groups			<u>85,397</u>
<b>Total Liabilities</b>			<u>\$ 106,268</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 25,095</u>	<u>\$ 19,026</u>	<u>                    </u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended June 30, 2016

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Private Scholarship <u>Trust</u></b>
<b>ADDITIONS</b>		
Total Contributions		
Plan Member	\$ 13,005	
Employer	<u>-</u>	<u>-</u>
Total Contributions	<u>13,005</u>	<u>-</u>
Investment Earnings:		
Interest	<u>28</u>	<u>\$ 29</u>
Net Investment Earnings	<u>28</u>	<u>29</u>
<b>Total Additions</b>	<u>13,033</u>	<u>29</u>
<b>DEDUCTIONS</b>		
Scholarship Awards	-	300
Unemployment Claims	<u>10,096</u>	<u>-</u>
<b>Total Deductions</b>	<u>10,096</u>	<u>300</u>
Change in Net Position	2,937	(271)
Net Position—Beginning of the Year	<u>22,158</u>	<u>19,297</u>
<b>Net Position—End of the Year</b>	<u>\$ 25,095</u>	<u>\$ 19,026</u>

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

# Notes to Financial Statements



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**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 generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, and amendment of GASB No. 27. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2015.

**A. Reporting Entity:**

The Tewksbury Township School 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 Tewksbury Township School District had an approximate enrollment at June 30, 2016, of 598 students.

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

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

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

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**GOVERNMENTAL FUNDS (Continued)**

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

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

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

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Additionally, the District reports the following fund type:

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

**Basis of Accounting**

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control:**

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

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

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

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

**D. Encumbrance Accounting:**

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

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

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

**Inventories:**

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

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

District employees are granted sick leave in varying amounts under the District's personnel contractual agreed policies. Sick leave benefits provide for ordinary sick pay begin vesting with the employee after twenty years of service and payable at set limits upon retirement in the state pension system.

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

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

**Unearned (Deferred) Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations, have been recorded as unearned revenue. Grants and entitlement received before the eligible requirements are met are also recorded as unearned revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 2: CASH AND CASH EQUIVALENTS (Continued):**

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2016, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (H-1)</u>	<u>Total</u>
Checking Accounts	<u>\$3,319,330</u>	<u>\$150,389</u>	<u>\$3,469,719</u>
	<u>\$3,319,330</u>	<u>\$150,389</u>	<u>\$3,469,719</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$3,469,719 and the bank balance was \$3,685,852. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$3,435,852 was covered by collateral pool.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2016, consisted of transportation charges and intergovernmental state and federal awards. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$947,404	\$947,611
Federal Aid	-	2,263
Other Receivables	12,066	12,066
Gross Receivable	959,470	961,940
Less: Allow. for Uncollectibles		
Total Receivables, Net	\$959,470	\$961,940



TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2016, consisted of the following:

Food	\$4,163
Supplies	<u>1,172</u>
	<u>\$5,335</u>

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

**NOTE 5: DEFERRED BOND ISSUANCE COSTS**

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

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Construction in Progress	\$ 1,762,263			\$ 1,762,263
Total Capital Assets Not Being Depreciated	<u>1,762,263</u>			<u>1,762,263</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	248,800			248,800
Buildings and Building Improvements	23,713,057	\$ 962,711		24,675,768
Furniture and Equipment	1,741,771	25,500		1,767,271
Vehicles	1,063,569	194,550		1,258,119
Total at Historical Cost	<u>26,767,197</u>	<u>1,182,761</u>	-	<u>27,949,958</u>
Less Accumulated Depreciation for:				
Land Improvements	(172,367)	(5,867)		(178,234)
Building and Improvements	(6,735,185)	(587,533)		(7,322,718)
Furniture and Equipment	(1,502,065)	(51,525)		(1,553,590)
Vehicles	(933,508)	(61,880)		(995,388)
Total Accumulated Depreciation	<u>(9,343,125)</u>	<u>(706,805)</u>	-	<u>(10,049,930)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>17,424,072</u>	<u>475,956</u>	-	<u>17,900,028</u>
<b>Government Activity Capital Assets, Net</b>	<b><u>\$ 19,186,335</u></b>	<b><u>\$ 475,956</u></b>	<b>-</b>	<b><u>\$ 19,662,291</u></b>

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 6: CAPITAL ASSETS - (CONTINUED)**

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

Depreciation expense was charged to functions as follows:

Instruction :	
Regular	\$ 302,592
Special Education	85,946
Other Special Instruction	26,112
Other Instruction	8,535
Support Services:	
Student & Instruction	114,593
General & Business Admin	62,893
School Administration	33,387
Plant & Maintenance	13,675
Pupil Transportation	<u>59,072</u>
Total	<u>\$ 706,805</u>

**NOTE 7: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2016, are as follows:

	Balance <u>7/1/15</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/16</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 6,943,000		\$ (505,000)	\$ 6,438,000	\$ 525,000
Other Liabilities:					
Compensated Absences Payable	237,651	\$ 53,138		290,789	
<b>Total</b>	<u>\$ 7,180,651</u>	<u>\$ 53,138</u>	<u>\$ (505,000)</u>	<u>\$ 6,728,789</u>	<u>\$ 525,000</u>

Compensated absences have been liquidated in the General Fund.

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 7: LONG-TERM OBLIGATIONS (Continued)**

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

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

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

For the year ended June 30, 2016, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			Balance <u>6/30/2016</u>
	Issue Dates	Interest Rates	Date of Maturity	
2006 Refunding Bonds	12/21/06	3.8-4.0%	2/15/26	\$ 5,225,000
2010 School Bonds	9/23/10	2.0-3.1%	7/15/25	<u>1,213,000</u>
Total Bonds				<u>\$ 6,438,000</u>

**B. Debt Service Requirements:**

Debt Service requirements on serial bonds payable at June 30, 2016, is as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 525,000	\$ 238,610	\$ 763,610
2018	550,000	220,550	770,550
2019	570,000	201,131	771,131
2020	600,000	180,227	780,227
2021	620,000	157,863	777,863
Thereafter	<u>3,573,000</u>	<u>411,844</u>	<u>3,984,844</u>
	<u>\$ 6,438,000</u>	<u>\$ 1,410,225</u>	<u>\$ 7,848,225</u>

As of June 30, 2016, the District had no authorized but not issued bonds.

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 7: LONG-TERM OBLIGATIONS (Continued)**

**C. 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 for the purposes of the elementary school construction and the Old Turnpike School renovation.

**NOTE 8: PENSION PLANS**

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$35,791,233 as measured on June 30, 2015 and \$27,940,510 as measured on June 30, 2014.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

*For the year ended June 30, 2016, the District recognized pension expense of \$2,185,377 and revenue of \$2,185,377 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.*

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

	<u>6/30/2014</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$2,306,623,861	\$7,521,378,257
Collective deferred inflows of resources	\$1,763,205,593	\$554,399,005
Collective net pension liability (Nonemployer-State of New Jersey)	\$53,446,745,367	\$63,204,270,305
State's portion of the net pension liability that was associated with the district	\$27,940,510	\$35,791,233
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.052277%	0.056628%

*Actuarial assumptions* - The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%	
Salary Increases:	Varies based on experience	
Investment Rate of Return:	7.90%	

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

*Discount rate.* The discount rate used to measure the State's total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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 (State of New Jersey) will be made based on the average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

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

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

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

At June 30, 2016, the District reported a liability of \$3,467,391 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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 District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was 0.01545% which was a decrease of 0.00031% from its proportion measured as of June 30, 2014.

*For the year ended June 30, 2016, the District recognized pension expense of \$175,310. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:*

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 82,720	-
Changes of assumptions	372,370	
Net difference between projected and actual earnings on pension plan investments		\$ 55,749
Changes in proportion and differences between District contributions and proportionate share of contributions	-	234,518
District contributions subsequent to the measurement date	132,797	
Total	<u>\$ 587,887</u>	<u>\$ 290,267</u>

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

\$132,797 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability measured as of June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
2016	\$30,006	
2017	30,006	
2017	30,006	
2018	47,790	
2019	<u>27,015</u>	
Total	<u>\$164,823</u>	
	<u>6/30/2014</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$952,194,675	\$3,578,755,666
Collective deferred inflows of resources	1,479,224,662	993,410,455
Collective net pension liability (Non State - Local Group)	\$18,722,735,003	\$22,447,996,119
District's portion of net pension liability	\$2,950,904	\$3,467,391
District's proportion %	0.01576107%	0.01544633%

*Actuarial assumptions.* The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation:	3.04%
Salary Increases:	
2012-2021	2.15%-4.40% based on age
Therafter	3.15%-5.40% based on age
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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:



TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds I Absolute	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount rate.* The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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 District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>1% Decrease</u> <u>(3.90%)</u>	<u>Current</u> <u>Discount</u> <u>Rate</u> <u>(4.90%)</u>	<u>1% Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 4,309,543	\$ 3,467,391	\$ 2,761,337

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

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

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

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

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

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

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

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

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

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SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8: PENSION PLANS (Continued)**

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

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

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>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2016	\$132,797	100 %	-0-
6/30/2015	\$129,932	100	-0-
6/30/2014	\$129,308	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<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>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2016	\$446,671	100 %	-0-
6/30/2015	\$306,151	100	-0-
6/30/2014	\$221,155	100	-0-

During the fiscal year ended June 30, 2016, the State of New Jersey did contribute \$978,533 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$417,166 during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 9: POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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 does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the the State of New Jersey and as such, no district OPEB liability exists.

**NOTE 10: DEFERRED COMPENSATION**

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

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

**NOTE 11: COMPENSATED ABSENCES**

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

District employees are granted sick leave in varying amounts under the District's personnel contractual agreed policies. Sick leave benefits provide for ordinary sick pay begin vesting with the employee after twenty years of service and payable at set limits upon retirement in the state pension system.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 11: COMPENSATED ABSENCES-(Continued)**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the proprietary fund types.

**NOTE 12: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$28	\$13,005	\$10,096	\$25,095
2014-2015	\$33	\$11,781	\$16,377	\$22,158
2013-2014	\$26	\$12,423	\$33,769	\$26,721

**NOTE 13: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

The Board is not involved in any disputes incidental to its operations.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1)- Of the \$3,155,504 General Fund fund balance at June 30, 2016, \$263,470 is reserved for encumbrances; \$410,252 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$997,316 is reserved for Capital Reserve; \$250,000 is reserved for Emergency Reserve; \$959,510 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$432,276 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$61,385 is designated for subsequent year's expenditures and has been included as anticipated revenue for the year ending June 30, 2017, and \$213,571 is unreserved and undesignated.

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Tewksbury Township School District Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 894,325
Interest Earnings	673
Budgeted Withdrawal	(322,682)
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/28/2016	425,000
Ending Balance, June 30, 2016	<u>\$ 997,316</u>

**NOTE 16: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

A maintenance reserve account was established by the Tewksbury Township School District Board for the accumulation of funds for use as maintenance reserve expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 16: MAINTENANCE RESERVE ACCOUNT-(Continued)**

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 460,252
Withdrawal	<u>(50,000)</u>
Ending Balance, June 30, 2016	<u>\$ 410,252</u>

**NOTE 17: EMERGENCY RESERVE ACCOUNT**

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

The activity of the emergency reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance July 1, 2015	<u>\$ 250,000</u>
Ending balance June 30, 2016	<u>\$ 250,000</u>

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

An general fund interfund receivable of \$16,283 is due from the food service fund (\$142), the payroll agency fund (\$6,449) and the student activity fund (\$9,692). The food service and payroll agency fund receivables represent cash advances, and the amount owed from the student activity account represents bills paid by the general fund on behalf of the student activity fund.

**NOTE 19: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$527,234.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 20: RETROACTIVE RESTATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE**

**Restatement of Prior Period:**

The District understated SDA grant receivables in the capital Projects fund as of June 30, 2015. An Adjustment was necessary at June 30, 2015 to properly reflect the SDA grant receivable as numerous invoices/PO's were charged to incorrect projects. Adjustments were made and the appropriate paperwork for payment receipt was submitted to the SDA as of June 30, 2016.

Governmental Activities Net Position:

Net Position (per A-1), June 30, 2015	\$ 13,015,431
Restatement of Capital Projects Fund Accounts Receivable	<u>257,210</u>
Net Position (per A-1), June 30, 2016, as Restated	<u>\$ 13,272,641</u>

Governmental Fund Balance:

Fund Balance (per B-1), June 30, 2015	\$ 4,294,332
Restatement of Capital Projects Fund Accounts Receivable	<u>257,210</u>
Fund Balance (per B-1), June 30, 2015, as restated	<u>\$ 4,551,542</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 11,412,856		\$ 11,412,856	\$ 11,412,856	
Tuition	18,900		18,900	19,095	\$ 195
Transportation	11,724		11,724	-	(11,724)
Interest Earned on Capital Reserve	250		250	673	423
Miscellaneous	30,000		30,000	38,203	8,203
<b>Total - Local Sources</b>	<b>11,473,730</b>		<b>11,473,730</b>	<b>11,470,827</b>	<b>(2,903)</b>
<b>State Sources:</b>					
School Choice Aid	335,270		335,270	335,270	
Transportation Aid	90,472		90,472	90,472	
Special Education Aid	354,090		354,090	354,090	
Security Aid	56,976		56,976	56,976	
PARCC Readiness Aid	6,530		6,530	6,530	
Per Pupil Growth Aid	6,530		6,530	6,530	
Other State Aid			-	36,932	36,932
TPAF Pension (On-Behalf - Non-Budgeted)				425,476	425,476
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				531,862	531,862
TPAF Pension Non-contributory Insurance (On-Behalf - Non-Budgeted)				21,195	21,195
TPAF Social Security (Reimbursed - Non-Budgeted)				417,166	417,166
<b>Total State Sources</b>	<b>849,868</b>		<b>849,868</b>	<b>2,282,499</b>	<b>1,432,631</b>
<b>TOTAL REVENUES</b>	<b>12,323,598</b>	<b>-</b>	<b>12,323,598</b>	<b>13,753,326</b>	<b>1,429,728</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	225,049	3,080	228,129	228,100	29
Grades 1-5 - Salaries of Teachers	1,783,257	21,059	1,804,316	1,800,612	3,704
Grades 6-8 - Salaries of Teachers	1,431,618	65,747	1,497,365	1,497,174	191
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000	-	1,000	965	35
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	54,656	10,878	65,534	57,183	8,351
Other Purchased Services (400-500 series)	43,670	(10,378)	33,292	20,646	12,646
General Supplies	332,103	35,634	367,737	273,616	94,121
Textbooks	27,000	-	27,000	2,704	24,296
Other Objects	2,500	820	3,320	1,194	2,126
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>3,900,853</b>	<b>126,840</b>	<b>4,027,693</b>	<b>3,882,194</b>	<b>145,499</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	794,399	61,438	855,837	819,691	36,146
Other Salaries for Instruction	137,848	(484)	137,364	129,753	7,611
General Supplies	3,325	(1,057)	2,268	2,268	-
Textbooks	800	(8)	792	690	102
<b>Total Resource Room/Resource Center</b>	<b>936,372</b>	<b>59,889</b>	<b>996,261</b>	<b>952,402</b>	<b>43,859</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Autisim:</b>					
Salaries of Teachers	65,013	-	65,013	64,206	807
Other Salaries for Instruction	44,995	12,589	57,584	57,584	
General Supplies	730	40	770	116	654
Textbooks	100	-	100	69	31
<b>Total Autisim</b>	<b>110,838</b>	<b>12,629</b>	<b>123,467</b>	<b>121,975</b>	<b>1,492</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	90,692	500	91,192	90,371	821
Other Salaries for Instruction	44,611	(3,511)	41,100	29,443	11,657
General Supplies	900	(35)	865	748	117
Textbooks	100	-	100	-	100
<b>Total Preschool Disabilities - Part-Time</b>	<b>136,303</b>	<b>(3,046)</b>	<b>133,257</b>	<b>120,562</b>	<b>12,695</b>
<b>Home Instruction:</b>					
Salaries of Teachers	3,000	-	3,000	2,168	832
<b>Total Home Instruction</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>2,168</b>	<b>832</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,186,513</b>	<b>69,472</b>	<b>1,255,985</b>	<b>1,197,107</b>	<b>58,878</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	318,490	(54,912)	263,578	257,589	5,989
General Supplies	1,300	1,558	2,858	2,706	152
<b>Total Basic Skills/Remedial - Instruction</b>	<b>319,790</b>	<b>(53,354)</b>	<b>266,436</b>	<b>260,295</b>	<b>6,141</b>
<b>TOTAL INSTRUCTION</b>	<b>5,407,156</b>	<b>142,958</b>	<b>5,550,114</b>	<b>5,339,596</b>	<b>210,518</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>School-Sponsored Co/Extra Curricular Activities - Instruction:</b>					
Salaries	56,818	13,713	70,531	55,462	15,069
Purchased Services (300-500 series)	1,800	(96)	1,704	-	1,704
Supplies and Materials	600	(200)	400	-	400
Other Objects	1,000	296	1,296	1,291	5
<b>Total School-Spon.Co/Extra Curric. Activities - Instruc.</b>	<b>60,218</b>	<b>13,713</b>	<b>73,931</b>	<b>56,753</b>	<b>17,178</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	82,752	575	83,327	83,327	-
Purchased Services (300-500 series)	7,500	106	7,606	7,606	
Supplies and Materials	5,096	952	6,048	4,375	1,673
<b>Total School-Spon. Athletics - Instruction</b>	<b>95,348</b>	<b>1,633</b>	<b>96,981</b>	<b>95,308</b>	<b>1,673</b>
<b>Instruction:</b>					
Tuition to Other LEAs within the State-Special	157,012	69,225	226,237	202,237	24,000
<b>Total Instruction</b>	<b>157,012</b>	<b>69,225</b>	<b>226,237</b>	<b>202,237</b>	<b>24,000</b>
<b>Attendance &amp; Social Work:</b>					
Salaries		5,000	5,000	5,000	
<b>Total Attendance &amp; Social Work</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	
<b>Health Services:</b>					
Salaries	178,997	(6,863)	172,134	172,034	100
Purchased Professional and Technical Services	6,750	(2,201)	4,549	4,300	249
Other Purchased Services (400-500 series)	2,525	(200)	2,325	1,827	498
Supplies and Materials	6,120	-	6,120	4,563	1,557
Other Objects	300	-	300	170	130
<b>Total Health Services</b>	<b>194,692</b>	<b>(9,264)</b>	<b>185,428</b>	<b>182,894</b>	<b>2,534</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Speech/OT/PT Related Services:</b>					
Salaries	129,070	-	129,070	118,884	10,186
Purchased Professional - Educational Services	164,991	(30,136)	134,855	103,997	30,858
Supplies and Materials	1,445	104	1,549	1,189	360
Other Objects	5,728	-	5,728	2,978	2,750
<b>Total Other Supp. Svsc Students-Spech/OT/PT Rel. Services</b>	<b>301,234</b>	<b>(30,032)</b>	<b>271,202</b>	<b>227,048</b>	<b>44,154</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	133,518	-	133,518	133,518	
Purchased Professional - Educational Services	-	355	355	-	355
Other Purchased Prof. and Tech. Services	3,350	-	3,350	-	3,350
Supplies and Materials	3,400	-	3,400	3,063	337
<b>Total Other Supp. Services Students-Regular</b>	<b>140,268</b>	<b>355</b>	<b>140,623</b>	<b>136,581</b>	<b>4,042</b>
<b>Other Supp. Services Students-Child Study Teams:</b>					
Salaries of Other Professional Staff	247,586	(194)	247,392	244,348	3,044
Salaries of Secretarial and Clerical Assistants	39,607	194	39,801	39,801	
Misc. Purchased Services (400-500 series O/than Resid.Costs)	5,550	-	5,550	2,227	3,323
Supplies and Materials	8,750	671	9,421	4,979	4,442
Other Objects	1,579	-	1,579	1,019	560
<b>Total Other Supp. Services Students-Child Study Teams</b>	<b>303,072</b>	<b>671</b>	<b>303,743</b>	<b>292,374</b>	<b>11,369</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Improvement of Instruction Services :</b>					
Salaries of Supervisor of Instruction	104,297	-	104,297	104,296	1
Salaries of Other Professional Staff	41,720	-	41,720	26,850	14,870
Salaries of Secretarial and Clerical Assistants	33,319	5,000	38,319	32,369	5,950
Purchased Professional - Educational Services	82,800	6,000	88,800	54,817	33,983
Other Purchased Services (400-500 series)	12,000	825	12,825	3,694	9,131
Supplies and Materials	2,000	-	2,000	190	1,810
Other Objects	1,025	-	1,025	250	775
<b>Total Improvement of Instruction Services</b>	<b>277,161</b>	<b>11,825</b>	<b>288,986</b>	<b>222,466</b>	<b>66,520</b>
<b>Educational Media Services/School Library:</b>					
Salaries	147,781	-	147,781	120,956	26,825
Purchased Professional and Technical Services	123,276	-	123,276	120,276	3,000
Other Purchased Services (400-500 series)	100,300	42	100,342	89,498	10,844
Supplies and Materials	24,305	(42)	24,263	18,650	5,613
<b>Total Educational Media Services/School Library</b>	<b>395,662</b>	<b>-</b>	<b>395,662</b>	<b>349,380</b>	<b>46,282</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Services (400-500 series)	18,000	-	18,000	10,992	7,008
Supplies and Materials	500	-	500	-	500
Other Objects	500	-	500	-	500
<b>Total Instructional Staff Training Services</b>	<b>19,000</b>	<b>-</b>	<b>19,000</b>	<b>10,992</b>	<b>8,008</b>



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Supp. Services - General Administration:</b>					
Salaries	209,758	(2,276)	207,482	198,252	9,230
Legal Services	25,000	1,702	26,702	26,702	
Audit Fees	18,600	-	18,600	18,600	
Architectural/Engineering Fees	9,000	(6,244)	2,756	2,502	254
Other Purchased Professional Services	7,000	(3,772)	3,228	1,300	1,928
Communications/Telephone	44,160	2,208	46,368	46,368	
BOE Other Purchased Services	3,000	(1,492)	1,508	1,106	402
Other Purchased Services (400-500 series)	21,500	16,199	37,699	37,647	52
General Supplies	2,500	94	2,594	2,486	108
Judgements	-	203	203	203	
Miscellaneous Expenditures	3,400	(223)	3,177	3,177	
BOE Membership Dues & Fees	6,600	703	7,303	7,303	
<b>Total Supp. Services - General Administration</b>	<b>350,518</b>	<b>7,102</b>	<b>357,620</b>	<b>345,646</b>	<b>11,974</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	279,920	-	279,920	278,284	1,636
Salaries of Secretarial and Clerical Assistants	132,933	(8,318)	124,615	118,896	5,719
Other Purchased Services (400-500 series)	5,000	(341)	4,659	4,659	
Supplies and Materials	5,869	2,303	8,172	7,892	280
Other Objects	3,200	(829)	2,371	2,284	87
<b>Total Support Services - School Administration</b>	<b>426,922</b>	<b>(7,185)</b>	<b>419,737</b>	<b>412,015</b>	<b>7,722</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Central Services:</b>					
Salaries	207,499	(9,525)	197,974	192,974	5,000
Purchased Professional Services	15,000	5,551	20,551	20,550	1
Misc. Purchased Services (400-500 series)	2,500	3,102	5,602	5,320	282
Supplies and Materials	2,450	2,614	5,064	4,956	108
Other Objects	1,250	1,373	2,623	2,623	
<b>Total Central Services</b>	<b>228,699</b>	<b>3,115</b>	<b>231,814</b>	<b>226,423</b>	<b>5,391</b>
<b>Required Maintenance for School Facilities:</b>					
Cleaning, Repair and Maintenance Services	80,000	74,585	154,585	100,017	54,568
General Supplies	20,000	(15,325)	4,675	3,469	1,206
<b>Total Required Maintenance for School Facilities</b>	<b>100,000</b>	<b>59,260</b>	<b>159,260</b>	<b>103,486</b>	<b>55,774</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	380,770	-	380,770	328,654	52,116
Purchased Professional and Technical Services	44,000	7,014	51,014	31,906	19,108
Cleaning, Repair and Maintenance Services	23,000	33,837	56,837	45,673	11,164
Insurance	90,321	7,658	97,979	97,979	
Misc. Purchased Services	3,500	(13)	3,487	1,259	2,228
General Supplies	55,000	15,265	70,265	66,695	3,570
Energy (Natural Gas)	95,000	(24,902)	70,098	55,246	14,852
Energy (Electricity)	207,000	(12,781)	194,219	174,620	19,599
Other Objects	2,500	279	2,779	2,779	
<b>Total Other Operations and Maintenance of Plant</b>	<b>901,091</b>	<b>26,357</b>	<b>927,448</b>	<b>804,811</b>	<b>122,637</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services:</b>					
Salaries for Pupil Trans.(Bet.Home & Sch.)-Regular	272,961	10,897	283,858	277,642	6,216
Salaries for Pupil Trans.(Bet.Home & Sch.)-Sp.Ed.	8,000	-	8,000	-	8,000
Salaries for Pupil Trans.(Other Than Bet.Home & Sch.)	8,000	-	8,000	-	8,000
Management Fee - ESC & CTSA Trans. Program	1,485	-	1,485	806	679
Other Purchased Prof. and Tech. Services	1,200	-	1,200	985	215
Cleaning, Repair and Maintenance Services	75,000	13,760	88,760	88,760	
Rental Payments - School Buses	1,000	-	1,000	-	1,000
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	97,240	-	97,240	78,167	19,073
Contract Services (Other than Between Home & School)-Vendors	-	551	551	551	
Contr Serv (Spl. Ed. Students) - Vendors	-	2,932	2,932	2,885	47
Contracted Services (Special Education Students)-Joint Agrmnts.	10,000	(3,000)	7,000	1,730	5,270
Contracted Services (Special Education Students)-ESCs & CTSA	35,000	(12,080)	22,920	19,491	3,429
Miscellaneous Purchased Services-Transportation	2,000	-	2,000	1,044	956
General Supplies	500	172	672	666	6
Transportation Supplies	69,500	(24,374)	45,126	44,422	704
Other Objects	900	670	1,570	1,570	
<b>Total Student Transportation Services</b>	<b>582,786</b>	<b>(10,472)</b>	<b>572,314</b>	<b>518,719</b>	<b>53,595</b>
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs-Instruction:</b>					
Social Security Contributions	3,850	-	3,850	3,850	
Tuition Reimbursement	25,000	-	25,000	23,276	1,724
Other Employee Benefits	10,000	(4,371)	5,629	-	5,629
<b>Total Regular Programs-Instruction</b>	<b>38,850</b>	<b>(4,371)</b>	<b>34,479</b>	<b>27,126</b>	<b>7,353</b>
<b>Special Programs - Instruction:</b>					
Social Security Contributions	1,565	-	1,565	1,492	73
Health Benefits	380,451	(80,572)	299,879	209,761	90,118
<b>Total Special Programs - Instruction</b>	<b>382,016</b>	<b>(80,572)</b>	<b>301,444</b>	<b>211,253</b>	<b>90,191</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Instructional Programs:</b>					
Social Security Contributions	10,678	-	10,678	10,066	612
<b>Total Other Instructional Programs</b>	<u>10,678</u>	<u>-</u>	<u>10,678</u>	<u>10,066</u>	<u>612</u>
<b>Health Services:</b>					
Social Security Contributions	1,272	-	1,272	1,272	
Health Benefits	42,092	(9,511)	32,581	32,581	
<b>Total Health Services</b>	<u>43,364</u>	<u>(9,511)</u>	<u>33,853</u>	<u>33,853</u>	
<b>Other Supp Services-Speech/OT/PT &amp; Related Svcs:</b>					
Health Benefits	30,376	-	30,376	22,343	8,033
<b>Total Other Supp Services-Speech/OT/PT &amp; Related Svcs</b>	<u>30,376</u>	<u>-</u>	<u>30,376</u>	<u>22,343</u>	<u>8,033</u>
<b>Other Supp Services-Guidance</b>					
Health Benefits	22,528	-	22,528	9,955	12,573
<b>Total Other Supp Services-Guidance</b>	<u>22,528</u>	<u>-</u>	<u>22,528</u>	<u>9,955</u>	<u>12,573</u>
<b>Other Supp Services-CST</b>					
Group Insurance	1,200	-	1,200	-	1,200
Social Security Contributions	421	-	421	421	
Health Benefits	60,286	-	60,286	50,636	9,650
<b>Total Other Supp Services-CST</b>	<u>61,907</u>	<u>-</u>	<u>61,907</u>	<u>51,057</u>	<u>10,850</u>
<b>Improvement of Instruction Services :</b>					
Group Insurance	1,200	-	1,200	-	1,200
Social Security Contributions	3,549	-	3,549	2,985	564
Health Benefits	9,961	-	9,961	4,288	5,673
<b>Total Improvement of Instruction Services</b>	<u>14,710</u>	<u>-</u>	<u>14,710</u>	<u>7,273</u>	<u>7,437</u>
<b>School Administration:</b>					
Group Insurance	2,400	(2,383)	17	-	17
<b>Total School Administration</b>	<u>2,400</u>	<u>(2,383)</u>	<u>17</u>	<u>-</u>	<u>17</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Operations and Maintenance of Plant:</b>					
Social Security Contributions	29,129	-	29,129	25,361	3,768
Health Benefits	143,435	-	143,435	109,046	34,389
<b>Total Operations and Maintenance of Plant</b>	<b>172,564</b>	<b>-</b>	<b>172,564</b>	<b>134,407</b>	<b>38,157</b>
<b>Student Transportation Services:</b>					
Social Security Contributions	21,568	-	21,568	19,562	2,006
Health Benefits	153,582	(41,422)	112,160	104,137	8,023
<b>Total Student Transportation Services</b>	<b>175,150</b>	<b>(41,422)</b>	<b>133,728</b>	<b>123,699</b>	<b>10,029</b>
<b>TOTAL ALLOCATED BENEFITS</b>	<b>954,543</b>	<b>(138,259)</b>	<b>816,284</b>	<b>631,032</b>	<b>185,252</b>
<b>UNALLOCATED BENEFITS:</b>					
Social Security Contributions	82,968	-	82,968	81,500	1,468
Other Retirement Contributions - PERS	145,000	(10,821)	134,179	132,797	1,382
Other Retirement Contributions - Regular	3,200	-	3,200	-	3,200
Workman's Compensation	74,000	(9,119)	64,881	64,881	
Health Benefits	1,274,274	13,777	1,288,051	1,256,857	31,194
Tuition Reimbursement	-	2,880	2,880	2,870	10
Other Employee Benefits	315,000	(9,450)	305,550	136,068	169,482
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,894,442</b>	<b>(12,733)</b>	<b>1,881,709</b>	<b>1,674,973</b>	<b>206,736</b>
On-behalf TPAF pension Contrib. (non-budgeted)				425,476	(425,476)
On-behalf TPAF PRM Contrib. (non-budgeted)				531,862	(531,862)
On-behalf TPAF pension Non-contributory Ins. (non-budgeted)				21,195	(21,195)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				417,166	(417,166)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>1,395,699</b>	<b>(1,395,699)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>2,848,985</b>	<b>(150,992)</b>	<b>2,697,993</b>	<b>3,701,704</b>	<b>391,988</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>7,382,668</b>	<b>(9,689)</b>	<b>7,372,979</b>	<b>7,893,837</b>	<b>874,841</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>12,789,824</b>	<b>133,269</b>	<b>12,923,093</b>	<b>13,233,433</b>	<b>1,085,359</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Undistributed Expenditures - Operations Plant Equipment		5,150	5,150		5,150
School Buses - Regular	95,000	162,905	257,905	194,550	63,355
<b>Total Equipment</b>	<b>95,000</b>	<b>168,055</b>	<b>263,055</b>	<b>194,550</b>	<b>68,505</b>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	14,000	-	14,000		14,000
Construction Services	590,000	(525,027)	64,973	11,376	53,597
Assessment for Debt Service on SDA Funding	52,846	-	52,846	52,846	
<b>Total Facilities Acquisition and Construction Services</b>	<b>656,846</b>	<b>(525,027)</b>	<b>131,819</b>	<b>64,222</b>	<b>67,597</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>751,846</b>	<b>(356,972)</b>	<b>394,874</b>	<b>258,772</b>	<b>136,102</b>
<b>TOTAL EXPENDITURES</b>	<b>13,541,670</b>	<b>(223,703)</b>	<b>13,317,967</b>	<b>13,492,205</b>	<b>1,221,461</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,218,072)</b>	<b>223,703</b>	<b>(994,369)</b>	<b>261,121</b>	<b>1,255,490</b>
<b>Other Financing Sources (Uses):</b>					
<b>Operating Transfer In/(Out):</b>					
Transfer to Capital Projects Fund from Capital Reserve		(322,682)	(322,682)	(322,682)	
Transfer to Capital Projects Fund from Capital Outlay		(202,345)	(202,345)	(202,345)	
<b>Total Transfer In/(Out)</b>		<b>(525,027)</b>	<b>(525,027)</b>	<b>(525,027)</b>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(1,218,072)	(301,324)	(1,519,396)	(263,906)	1,255,490
<b>Fund Balance, July 1</b>	3,495,202		3,495,202	3,495,202	
<b>Fund Balance, June 30</b>	<u>\$ 2,277,130</u>	<u>\$ (301,324)</u>	<u>\$ 1,975,806</u>	<u>\$ 3,231,296</u>	<u>\$ 1,255,490</u>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 997,316	
Emergency Reserve				250,000	
Maintenance Reserve				410,252	
Excess Surplus				527,234	
Excess Surplus - Designated for Subsequent Year's Expenditures				432,276	
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures				61,385	
Year-End Encumbrances				263,470	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>289,363</u>	
<b>Fund Balance, June 30</b>				<u>\$ 3,231,296</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				\$ 3,231,296	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(75,792)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ 3,155,504</u>	





TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
 For the Fiscal Year Ended June 30, 2016

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Federal Sources	\$ 124,442	\$ 23,528	\$ 147,970	\$ 147,970	\$ -
<b>Total Revenues</b>	<b>124,442</b>	<b>23,528</b>	<b>147,970</b>	<b>147,970</b>	<b>-</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Tuition	110,056	21,044	131,100	131,100	
<b>Total Instruction</b>	<b>110,056</b>	<b>21,044</b>	<b>131,100</b>	<b>131,100</b>	<b>-</b>
<b>Support Services</b>					
Purchased Ed. Services	6,523	1,264	7,787	7,787	
Other Purchased Professional Services	7,863	1,220	9,083	9,083	
<b>Total Support Services</b>	<b>14,386</b>	<b>2,484</b>	<b>16,870</b>	<b>16,870</b>	
Total Expenditures	124,442	23,528	147,970	147,970	
<b>Total Outflows</b>	<b>\$ 124,442</b>	<b>\$ 23,528</b>	<b>\$ 147,970</b>	<b>\$ 147,970</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>					None
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis					(660)
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>					<b>(660)</b>

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

For the Fiscal Year Ended June 30, 2016

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 13,753,326	\$ 147,970
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	5,082
Current Year Encumbrances	N/A	-
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	73,261	-
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(75,792)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 13,750,795</u>	<u>\$ 153,052</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 13,492,205	\$ 147,970
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	5,082
Current Year Encumbrances	N/A	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 13,492,205</u>	<u>\$ 153,052</u>

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

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A							
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 35,791,233</u>	<u>\$ 27,940,510</u>	<u>\$ 28,345,958</u>							
Total	<u>\$ 35,791,233</u>	<u>\$ 27,940,510</u>	<u>\$ 28,345,958</u>							
District's covered employee payroll	\$ 6,068,529	\$ 5,738,347	\$ 5,546,980							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A							
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%							

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

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset)	0.015446329%	0.0157610715%	0.0171614473%							
District's proportionate share of the net pension liability (asset)	<u>\$ 3,467,391</u>	<u>\$ 2,950,904</u>	<u>\$ 3,279,894</u>							
District's covered employee payroll	\$ 1,642,459	\$ 1,060,433	\$ 1,048,742							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.11%	278.27%	312.75%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	47.92%	52.08%	48.72%							

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

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

**Exhibit L-2**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution **	446,671	306,151	221,155	362,411	180,836	17,708	16,863	16,625	260,748	350,494
Contributions in relation to the contractually required contribution **	(446,671)	(306,151)	(221,155)	(362,411)	(180,836)	(17,708)	(16,863)	(16,625)	(260,748)	(350,494)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 6,068,529	\$ 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
Contributions as a percentage of covered-employee payroll	7.36%	5.34%	3.99%	6.65%	3.48%	0.34%	0.30%	0.30%	5.46%	7.39%

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

**Public Employees' Retirement System (PERS)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 132,797	\$ 129,932	129,308	140,211	142,938	131,088	117,685	97,361	67,315	35,939
Contributions in relation to the contractually required contribution	<u>(132,797)</u>	<u>(129,932)</u>	<u>(129,308)</u>	<u>(140,211)</u>	<u>(142,938)</u>	<u>(131,088)</u>	<u>(117,685)</u>	<u>(97,361)</u>	<u>(67,315)</u>	<u>(35,939)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 1,642,459	\$ 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
Contributions as a percentage of covered-employee payroll	8.09%	11.99%	12.19%	13.37%	12.12%	10.22%	8.78%	7.99%	5.47%	3.22%

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III**  
**Pension Schedules**

For the Fiscal Year Ended June 30, 2016

**Teachers' Pension and Annuity Fund (TPAF)**

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

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

**Public Employees' Retirement System (PERS)**

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

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



**OTHER SUPPLEMENTARY INFORMATION**

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

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



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

**SPECIAL REVENUE FUND**

**BUDGETARY CONTROL SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY FUND**

For the Fiscal Year Ended June 30, 2016

	<b>Title I I Part A</b>	<b>IDEA Basic</b>	<b>IDEA Pre-School</b>	<b>Totals</b>
<b>REVENUES</b>				
Federal Sources	\$ 9,083	\$ 131,100	\$ 7,787	\$147,970
<b>TOTAL REVENUES</b>	<b>9,083</b>	<b>131,100</b>	<b>7,787</b>	<b>147,970</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Tuition		131,100		131,100
<b>Total Instruction</b>	-	131,100	-	131,100
<b>Support Services:</b>				
Purchased Professional Educ. Serv.			7,787	7,787
Other Purchased Services	9,083			9,083
<b>Total Support Services</b>	<b>9,083</b>	<b>-</b>	<b>7,787</b>	<b>16,870</b>
<b>TOTAL EXPENDITURES</b>	<b>9,083</b>	<b>131,100</b>	<b>7,787</b>	<b>147,970</b>
<b>Total Outflows</b>	<b>9,083</b>	<b>131,100</b>	<b>7,787</b>	<b>147,970</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>				

**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

Exhibit F-1

**CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES**

For the Fiscal Year Ended June 30, 2016

<u>Issue/Project Title</u>	<u>Approval</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
					<u>Prior Years</u>	<u>Current Year</u>	
New Elementary School	Board of Education SDA Grant	7/19/00	\$ 8,996,610	\$ 10,546,000	\$ 10,541,665	-	\$ 4,335
			3,973,390	3,973,790	3,973,390	-	400
			<b>12,970,000</b>	<b>14,519,790</b>	<b>14,515,055</b>	-	<b>4,735</b>
Backup Generator at Old Turnpike School	Board of Education SDA Grant	6/30/09	158,199	53,333	44,929	-	8,404
			29,953	33,153	29,953	-	3,200
			<b>188,152</b>	<b>86,486</b>	<b>74,882</b>	-	<b>11,604</b>
Roof & Boiler Replacement Old Turnpike	Board of Education SDA Grant	6/30/10	1,990,909	1,791,007	1,492,941	-	298,066
			995,294	1,019,354	995,294	-	24,060
			<b>2,986,203</b>	<b>2,810,361</b>	<b>2,488,235</b>	-	<b>322,126</b>
Air Conditioner Upgrades Old Turnpike	Board of Education SDA Grant	6/30/10	1,069,988	641,993	560,962	-	81,031
			366,777	355,981	355,981	-	-
			<b>1,436,765</b>	<b>997,974</b>	<b>916,943</b>	-	<b>81,031</b>
Window Replacement at Old Turnpike	Board of Education SDA Grant	5/18/11	343,267	205,960	142,689	-	63,271
			95,126	105,339	95,126	-	10,213
			<b>438,393</b>	<b>311,299</b>	<b>237,815</b>	-	<b>73,484</b>
Generator Intall at Old Turnpike School	Board of Education SDA Grant	6/30/14	297,000	297,000	104,849	141,228	50,923
			198,000	178,453	178,453	-	-
			<b>495,000</b>	<b>475,453</b>	<b>283,302</b>	<b>141,228</b>	<b>50,923</b>
Security Upgrades at Tewksbury Elem.	Board of Education SDA Grant	6/30/14	201,000	201,000	83,885	28,444	88,671
			134,000	88,359	88,359	-	-
			<b>335,000</b>	<b>289,359</b>	<b>172,244</b>	<b>28,444</b>	<b>88,671</b>
HVAC & Ventilator Upgrades at Old Turnpike	Board of Education SDA Grant	6/30/14	147,000	696,627		717,682	(21,055)
			98,000	98,000	29,084	68,916	-
			<b>245,000</b>	<b>794,627</b>	<b>29,084</b>	<b>786,598</b>	<b>(21,055)</b>
HVAC Upgrades at Tewksbury Elem.	Board of Education SDA Grant	6/30/14	30,000	30,000		-	30,000
			20,000	10,831	1,274	6,441	3,116
			<b>50,000</b>	<b>40,831</b>	<b>1,274</b>	<b>6,441</b>	<b>33,116</b>
Totals			<b>\$ 19,144,513</b>	<b>\$ 20,326,180</b>	<b>\$ 18,718,834</b>	<b>\$ 962,711</b>	<b>\$ 644,635</b>

Accumulated Interest \$ 73

Fund Balance 644,708

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

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

For the Fiscal Year Ended June 30, 2016

**Revenues and Other Financing**

**Sources**

Transfer from capital reserve	\$ 322,682
Transfer from capital outlay	202,345
SDA Grants	<u>(47,280)</u>
Total Revenues	\$ 477,747

**Expenditures and Other Financing**

**Sources**

Purchased professional and technical services	\$ 21,249
Construction Services	<u>941,462</u>
Total Expenditures	962,711

Excess(deficiency) of revenues over(under) expenditures	\$ (484,964)
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Fund Balance - beginning	<u>\$ 1,129,599</u>
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Fund Balance - ending	<u>\$ 644,635</u>
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**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**CONSTRUCTION OF NEW ELEMENTARY SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 8,996,000		\$ 8,996,000	\$ 8,996,000
Other Local Financing	1,550,000		1,550,000	1,550,000
NJ SDA Grant	3,973,390	\$ 400	3,973,790	3,973,790
Total Revenues	14,519,390	400	14,519,790	14,519,790
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 1,704,264		\$ 1,704,264	\$ 1,704,264
Construction services	12,810,791		12,810,791	12,815,526
Total Expenditures	14,515,055	-	14,515,055	14,519,790
Excess(deficiency) of revenues over(under) expenditures	\$ 4,335	400	\$ 4,735	

**Additional project information:**

Project number	SP#201134
Authorized Date	7/19/2000
Bond Authorization Date	7/19/2000
Bonds Authorized	\$12,970,000
Bonds Issued	\$8,996,000
Original Authorized Cost	\$12,970,000
Additional Authorized Cost	\$1,549,790
Revised Authorized Cost	\$14,519,790

## Percentage Increase over Original

Authorized Cost	11.9%
Percentage Completion	100%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit F-2b

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**ACQUISITION OF A GENERATOR**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Outlay	\$ 53,333		\$ 53,333	\$ 53,333
NJ SDA Grant	29,953	\$ 3,200	33,153	33,153
Total Revenues	<u>83,286</u>	<u>3,200</u>	<u>86,486</u>	<u>86,486</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 4,336		\$ 4,336	\$ 12,740
Construction services	70,546		70,546	73,746
Total Expenditures	<u>74,882</u>	<u>-</u>	<u>74,882</u>	<u>86,486</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 8,404</u>	<u>3,200</u>	<u>\$ 11,604</u>	

**Additional project information:**

Project number	5180-055-09-1002
Authorized Date	6/30/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$188,152
Additional Authorized Cost	-\$101,666
Revised Authorized Cost	\$86,486
Percentage Increase over Original Authorized Cost	-54.0%
Percentage Completion	100.0%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit F-2c

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**ROOF AND BOILER REPLACEMENT AND OTHER IMPROVMENTS TO THE OLD TURNPIKE SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 991,007		\$ 991,007	\$ 991,722
Transfer from Capital Reserve	800,000		800,000	800,000
NJ SDA Grant	995,294	\$ 24,060	1,019,354	1,019,354
Total Revenues	<u>2,786,301</u>	<u>24,060</u>	<u>2,810,361</u>	<u>2,811,076</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 216,682		\$ 216,682	\$ 468,844
Construction services	2,271,553		2,271,553	2,342,232
Total Expenditures	<u>2,488,235</u>	<u>-</u>	<u>2,488,235</u>	<u>2,811,076</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 298,066</u>	<u>24,060</u>	<u>\$ 322,126</u>	

**Additional project information:**

Project number	5108-030-09-1003
Authorized Date	7/9/2010
Bond Authorization Date	7/9/2010
Bonds Authorized	\$991,722
Bonds Issued	\$991,007
Original Authorized Cost	\$2,986,203
Additional Authorized Cost	-\$175,127
Revised Authorized Cost	\$2,811,076
Percentage Increase over Original Authorized Cost	-5.9%
Percentage Completion	100.0%

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**AIR CONDITIONING UPGRADES AND MAIN OFFICE RENOVATION AT THE OLD TURNPIKE SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing</b>				
<b>Sources</b>				
Bond Proceeds	\$ 641,993		\$ 641,993	\$ 641,993
NJ SDA Grant	366,777	\$ (10,796)	355,981	355,981
Total Revenues	<u>1,008,770</u>	<u>(10,796)</u>	<u>997,974</u>	<u>997,974</u>
<b>Expenditures and Other Financing</b>				
<b>Sources</b>				
Purchased professional and technical services	\$ 102,292		\$ 102,292	\$ 168,138
Construction services	814,651		814,651	829,836
Total Expenditures	<u>916,943</u>	<u>-</u>	<u>916,943</u>	<u>997,974</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 91,827</u>	<u>\$ (10,796)</u>	<u>\$ 81,031</u>	
<b>Additional project information:</b>				
Project number	5180-030-09-1001			
Authorized Date	7/9/2010			
Bond Authorization Date	7/9/2010			
Bonds Authorized	\$641,993			
Bonds Issued	\$641,993			
Original Authorized Cost	\$1,069,988			
Additional Authorized Cost	-\$72,014			
Revised Authorized Cost	\$997,974			
Percentage Increase over Original Authorized Cost	-6.7%			
Percentage Completion	100.0%			



**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**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 205,960		\$ 205,960	\$ 205,960
NJ SDA Grant	95,126	\$ 10,213	105,339	105,339
Total Revenues	<u>301,086</u>	<u>10,213</u>	<u>311,299</u>	<u>311,299</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	-		-	\$ 35,000
Construction services	\$ 237,815		\$ 237,815	276,299
Total Expenditures	<u>237,815</u>	<u>-</u>	<u>237,815</u>	<u>311,299</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 63,271</u>	<u>\$ 10,213</u>	<u>\$ 73,484</u>	

**Additional project information:**

Project number	5180-030-10-1001
Authorized Date	5/18/2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$343,267
Additional Authorized Cost	-\$31,968
Revised Authorized Cost	\$311,299
Percentage Increase over Original Authorized Cost	-9.3%
Percentage Completion	100.00%

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**GENERATOR INSTALLATION AT OLD TURNPIKE SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 297,000		\$ 297,000	\$ 297,000
NJ SDA Grant	198,000	\$ (19,547)	178,453	178,453
Total Revenues	<u>495,000</u>	<u>(19,547)</u>	<u>475,453</u>	<u>475,453</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 4,616		\$ 4,616	\$ 47,300
Construction services	278,686	\$ 141,228	419,914	428,153
Total Expenditures	<u>283,302</u>	<u>141,228</u>	<u>424,530</u>	<u>475,453</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 211,698</u>	<u>\$ (160,775)</u>	<u>\$ 50,923</u>	

**Additional project information:**

Project number	5180-030-14-2004
Authorized Date	6/30/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$495,000
Additional Authorized Cost	-\$19,547
Revised Authorized Cost	\$475,453
Percentage Increase over Original Authorized Cost	-3.9%
Percentage Completion	100.00%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit F-2g

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**  
**AND PROJECT STATUS-BUDGETARY BASIS**  
**SECURITY UPGRADES AT TEWKSBURY ELEMENTARY SCHOOL**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 201,000		\$ 201,000	\$ 201,000
NJ SDA Grant	134,000	\$ (45,641)	88,359	88,359
Total Revenues	<u>335,000</u>	<u>(45,641)</u>	<u>289,359</u>	<u>289,359</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 4,113	\$ 9,829	\$ 13,942	\$ 32,500
Construction services	168,131	18,615	186,746	256,859
Total Expenditures	<u>172,244</u>	<u>28,444</u>	<u>200,688</u>	<u>289,359</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 162,756</u>	<u>\$ (74,085)</u>	<u>\$ 88,671</u>	

**Additional project information:**

Project number	5108-055-14-1008
Authorized Date	6/30/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$335,000
Additional Authorized Cost	-\$45,641
Revised Authorized Cost	\$289,359
Percentage Increase over Original Authorized Cost	-13.6%
Percentage Completion	100.00%

**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**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 147,000	\$ 322,682	\$ 469,682	\$ 469,682
Transfer from Capital Outlay	24,600	202,345	226,945	253,918
NJ SDA Grant	98,000		98,000	98,000
Total Revenues	<u>269,600</u>	<u>525,027</u>	<u>794,627</u>	<u>821,600</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services		\$ 7,770	\$ 7,770	\$ 25,000
Construction services	\$ 29,084	778,828	807,912	796,600
Total Expenditures	<u>29,084</u>	<u>786,598</u>	<u>815,682</u>	<u>821,600</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 240,516</u>	<u>(261,571)</u>	<u>\$ (21,055)</u>	

**Additional project information:**

Project number	5180-030-14-2006
Authorized Date	6/30/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$245,000
Additional Authorized Cost	\$576,600
Revised Authorized Cost	\$821,600

Percentage Increase over Original Authorized Cost	235.3%
Percentage Completion	102.65%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit F-2i

**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**

From Inception and for the Fiscal Year Ended June 30, 2016

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 30,000		\$ 30,000	\$ 30,000
NJ SDA Grant	20,000	\$ (9,169)	10,831	10,831
Total Revenues	<u>50,000</u>	<u>(9,169)</u>	<u>40,831</u>	<u>40,831</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services		\$ 3,650	\$ 3,650	\$ 11,500
Construction services	\$ 1,274	2,791	4,065	29,331
Total Expenditures	<u>1,274</u>	<u>6,441</u>	<u>7,715</u>	<u>40,831</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 48,726</u>	<u>\$ (15,610)</u>	<u>\$ 33,116</u>	

**Additional project information:**

Project number	5180-055-14-1007
Authorized Date	6/30/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$50,000
Additional Authorized Cost	-\$9,169
Revised Authorized Cost	\$40,831

Percentage Increase over Original

Authorized Cost	-18.3%
Percentage Completion	18.89%



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

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

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

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

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

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

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

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

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



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2016

	UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u>	PRIVATE SCHOLARSHIP <u>TRUST</u>	AGENCY FUNDS		<u>TOTALS</u>
			STUDENT <u>ACTIVITY</u>	PAYROLL <u>AGENCY</u>	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 25,095	\$ 19,026	\$ 85,397	\$ 20,871	\$ 150,389
<b>TOTAL ASSETS</b>	<u>\$ 25,095</u>	<u>\$ 19,026</u>	<u>\$ 85,397</u>	<u>\$ 20,871</u>	<u>\$ 150,389</u>
<b>LIABILITIES:</b>					
Liabilities:					
Payroll Deductions and Withholdings				\$ 14,422	\$ 14,422
Interfund Payable				6,449	6,449
Payable to Student Groups			\$ 85,397		85,397
<b>Total Liabilities</b>			<u>85,397</u>	<u>20,871</u>	<u>106,268</u>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims and Other Purposes	\$ 25,095	\$ 19,026			44,121
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 25,095</u>	<u>\$ 19,026</u>	<u>\$ 85,397</u>	<u>\$ 20,871</u>	<u>\$ 150,389</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	<b>UNEMPLOYMENT COMPENSATION INSURANCE <u>TRUST</u></b>	<b>SCHOLARSHIP <u>TRUST</u></b>	<b><u>TOTALS</u></b>
<b>ADDITIONS</b>			
Contributions:			
Plan Member	\$ 13,005		\$ 13,005
Employer	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions	<u>13,005</u>	<u>-</u>	<u>13,005</u>
Investment Earnings:			
Interest	<u>28</u>	<u>\$ 29</u>	<u>57</u>
Net Investment Earnings	<u>28</u>	<u>29</u>	<u>57</u>
<b>Total Additions</b>	<u>13,033</u>	<u>29</u>	<u>13,062</u>
<b>DEDUCTIONS</b>			
Scholarship Awards		300	300
Unemployment Claims	<u>10,096</u>	<u>-</u>	<u>10,096</u>
<b>Total Deductions</b>	<u>10,096</u>	<u>300</u>	<u>10,396</u>
Change in Net Position	2,937	(271)	2,666
Net Position—Beginning of the Year	<u>22,158</u>	<u>19,297</u>	<u>41,455</u>
<b>Net Position—End of the Year</b>	<u>\$ 25,095</u>	<u>\$ 19,026</u>	<u>\$ 44,121</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BALANCE</u> <u>JULY 1, 2015</u>	<u>TRANSFERS</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
Tewksbury Township School	1,866		9,392	8,611	2,647
Old Turnpike School	37,527		143,106	145,481	35,152
Library	5,009		622	3,018	2,613
Tewksbury Education Foundation	9,806		15		9,821
Mini Grant	18,658		5,821	3,061	21,418
Play Account	13,746				13,746
Totals	<u>\$ 86,612</u>	<u>\$ -</u>	<u>\$ 158,956</u>	<u>\$ 160,171</u>	<u>\$ 85,397</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BALANCE JULY 1, 2015</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 21,600	\$ 7,710,988	\$ 7,711,717	\$ 20,871
<b>Total Assets</b>	<u>\$ 21,600</u>	<u>\$ 7,710,988</u>	<u>\$ 7,711,717</u>	<u>\$ 20,871</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 15,151	\$ 3,069,094	\$ 3,076,819	\$ 7,426
Interfund Payable	6,449			6,449
Salaries and Wages	<u>-</u>	<u>4,641,894</u>	<u>4,634,898</u>	<u>6,996</u>
<b>Total Liabilities</b>	<u>\$ 21,600</u>	<u>\$ 7,710,988</u>	<u>\$ 7,711,717</u>	<u>\$ 20,871</u>

## **LONG-TERM DEBT SCHEDULES**

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS  
AS OF ENDED JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2015	RETIRED	BALANCE JUNE 30, 2016
			DATE	AMOUNT				
2006 Refunding Issue	12/21/06	\$ 8,500,000	2/15/17	\$ 420,000	3.80%	\$ 5,625,000	\$ 400,000	\$ 5,225,000
			2/15/18	445,000	3.85%			
			2/15/19	460,000	3.90%			
			2/15/20	485,000	3.90%			
			2/15/21	505,000	3.90%			
			2/15/22	535,000	4.00%			
			2/15/23	555,000	4.00%			
			2/15/24	580,000	4.00%			
			2/15/25	610,000	4.00%			
			2/15/26	630,000	4.00%			
			2010 School Bonds	9/23/10	1,633,000			
7/15/17	105,000	2.00%						
7/15/18	110,000	2.25%						
7/15/19	115,000	3.00%						
7/15/20	115,000	3.00%						
7/15/21	120,000	3.00%						
7/15/22	125,000	3.00%						
7/15/23	125,000	3.00%						
7/15/24	140,000	3.00%						
7/15/25	153,000	3.10%						
Total								<u>\$ 6,943,000</u> <u>\$ 505,000</u> <u>\$ 6,438,000</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 760,709		\$ 760,709	\$ 760,709	
<b>TOTAL REVENUES</b>	<b>760,709</b>	<b>-</b>	<b>760,709</b>	<b>760,709</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	255,711		255,711	255,711	-
Redemption of Principal	505,000		505,000	505,000	
Fiduciary Fees			-	-	
Total Regular Debt Service	760,711	-	760,711	760,711	-
<b>TOTAL EXPENDITURES</b>	<b>760,711</b>		<b>760,711</b>	<b>760,711</b>	
Excess (Deficiency) of Revenues Over Expenditures	(2)	-	(2)	(2)	-
Fund Balance, July 1	2		2	2	
Fund Balance, June 30					
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance					

Tewksbury Township School District  
**Statistical Section**

<u><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	104-109
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	110-113
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	114-117
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	118-119
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	120-124

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.



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

*(accrual basis of accounting)*

**Exhibit J-1**

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 13,224,291
Restricted	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	2,678,463
Unrestricted	1,410,144	1,439,108	1,041,785	660,825	838,700	546,667	474,941	(2,115,589)	(1,704,873)	(2,424,386)
<b>Total governmental activities net position</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>	<b>\$ 13,478,368</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 25,910	\$ 22,084	\$ 18,258	\$ 14,431	\$ 10,604	\$ 7,472	\$ 9,118	\$ 6,982	\$ 5,334	\$ -
Restricted										
Unrestricted	24,095	56,345	54,500	50,729	59,642	63,252	55,708	57,655	70,742	\$ 59,440
<b>Total business-type activities net position</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>	<b>\$ 59,440</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 13,224,291
Restricted	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	2,678,463
Unrestricted	1,434,239	1,495,453	1,096,285	711,554	898,342	609,919	530,649	(2,057,934)	(1,634,131)	(2,364,946)
<b>Total district net position</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>	<b>\$ 13,537,808</b>

Source: CAFR Schedule A-1

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

**Exhibit J-2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 6,317,192
Special education	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	2,126,108
Other special education	153,626	266,722	533,263	503,105	571,448	644,158	596,262	788,157	811,099	407,502
School sponsored cocurricular										242,819
Support Services:										
Tuition	259,949	285,418	583,128	387,052	96,729	151,613	61,001	54,144	60,721	202,237
Student & instruction related services	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	2,394,126
School administrative services	604,329	551,931	677,240	482,134	491,464	628,104	611,783	619,103	707,278	633,721
General and business administrative service:	778,436	873,683	740,036	1,009,789	859,670	785,879	780,275	761,789	1,036,806	903,428
Plant operations and maintenance	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	1,503,023
Pupil transportation	759,800	808,045	939,372	866,871	775,321	781,217	733,875	742,663	717,707	701,490
Interest on long-term debt	301,164	337,210	346,239	337,182						186,820
Unallocated depreciation					376,869	348,229	339,247	337,556	319,320	-
Total governmental activities expenses	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	15,618,466
Business-type activities:										
Food service	167,509	190,116	220,422	244,532	237,717	254,170	236,561	239,282	212,725	205,520
Preschool Program										-
Total business-type activities expense	167,509	190,116	220,422	244,532	237,717	254,170	236,561	239,282	212,725	205,520
Total district expenses	\$ 12,374,651	\$ 13,183,417	\$ 13,794,340	\$ 13,743,136	\$ 13,207,958	\$ 13,622,301	\$ 13,593,035	\$ 13,393,514	\$ 15,307,226	\$ 15,823,986
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction-regular	\$ 17,688	\$ 44,642	\$ 52,391	\$ 66,500	\$ 76,200	\$ 44,176	\$ 68,987	\$ 58,290	\$ 44,152	\$ 25,791
Tuition										
Operating grants and contributions:	73,167	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629	3,639,864
Capital grants and contributions:		31,162		29,953	378,205	1,078,382		-	192,789	-
Total governmental activities program revenues	90,855	251,211	230,786	379,310	621,845	1,359,592	214,705	200,849	389,570	3,665,655
Business-type activities:										
Charges for services:										
Food service	151,773	185,659	180,433	199,513	204,671	214,442	193,565	200,713	191,805	159,071
Preschool Program										-
Operating grants and contributions:	24,064	31,086	33,892	37,705	38,032	40,122	37,031	38,225	32,245	24,387
Capital grants and contributions:	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	175,837	216,745	214,325	237,218	242,703	254,564	230,596	238,938	224,050	183,458
Total district program revenues	\$ 266,692	\$ 467,956	\$ 445,111	\$ 616,528	\$ 864,548	\$ 1,614,156	\$ 445,301	\$ 439,787	\$ 613,620	\$ 3,849,113
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (11,952,811)
Business-type activities	8,328	26,629	(6,097)	(7,314)	4,986	394	(5,965)	(344)	11,325	(22,062)
Total district-wide net expense	\$ (12,107,959)	\$ (12,715,461)	\$ (13,349,229)	\$ (13,126,608)	\$ (12,343,410)	\$ (12,008,145)	\$ (13,147,734)	\$ (12,953,727)	\$ (14,693,606)	\$ (11,974,873)

Continued

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

**Exhibit J-2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 11,412,856
Taxes levied for debt service	863,116	668,626	725,983	852,148	845,025	733,002	823,319	824,981	763,211	760,709
Unrestricted grants and contributions	1,685,341	1,866,628	1,754,008	1,435,223	1,108,992	1,448,388	1,715,945	1,839,473	3,549,515	
Federal and State Capital Grants										(47,280)
Investment earnings	139,244	104,510	30,383	26,769	11,404	5,305	4,516	5,921	6,371	5,539
Miscellaneous income	15,692	17,473	32,692	54,123	59,876	32,139	27,065	65,837	25,503	26,714
Transfers	(378,120)	(4,310)	8,200	(8,969)	(79,684)	(62,491)	(11,464)			
Total governmental activities	<u>12,502,165</u>	<u>13,540,816</u>	<u>13,477,278</u>	<u>13,314,267</u>	<u>12,900,586</u>	<u>13,230,343</u>	<u>13,438,281</u>	<u>13,625,112</u>	<u>15,318,500</u>	<u>12,158,538</u>
Business-type activities:										
Miscellaneous Income	780	1,795	426	178	100	84	67	155	114	5,426
Transfers				(462)						
Total business-type activities	<u>780</u>	<u>1,795</u>	<u>426</u>	<u>(284)</u>	<u>100</u>	<u>84</u>	<u>67</u>	<u>155</u>	<u>114</u>	<u>5,426</u>
Total district-wide	<u>\$ 12,502,945</u>	<u>\$ 13,542,611</u>	<u>\$ 13,477,704</u>	<u>\$ 13,313,983</u>	<u>\$ 12,900,686</u>	<u>\$ 13,230,427</u>	<u>\$ 13,438,348</u>	<u>\$ 13,625,267</u>	<u>\$ 15,318,614</u>	<u>\$ 12,163,964</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 385,878	\$ 798,726	\$ 134,146	\$ 194,973	\$ 552,190	\$ 1,221,804	\$ 296,512	\$ 671,729	\$ 613,569	\$ 205,727
Business-type activities	9,108	28,424	(5,671)	(7,598)	5,086	478	(5,898)	(189)	11,439	(16,636)
Total district	<u>\$ 394,986</u>	<u>\$ 827,150</u>	<u>\$ 128,475</u>	<u>\$ 187,375</u>	<u>\$ 557,276</u>	<u>\$ 1,222,282</u>	<u>\$ 290,614</u>	<u>\$ 671,540</u>	<u>\$ 625,008</u>	<u>\$ 189,091</u>

Source: CAFR Schedule A-2

**Tewksbury Township School District  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,575,168	\$ 2,344,871	\$ 2,289,597	\$ 1,654,150	\$ 1,748,965	\$ 2,159,040	\$ 2,679,457	\$ 2,645,208	\$ 3,183,817	\$ 2,941,933
Unreserved	243,670	267,318	373,369	345,265	328,659	319,140	253,341	277,057	238,124	213,571
Total general fund	<u>\$ 1,818,838</u>	<u>\$ 2,612,189</u>	<u>\$ 2,662,966</u>	<u>\$ 1,999,415</u>	<u>\$ 2,077,624</u>	<u>\$ 2,478,180</u>	<u>\$ 2,932,798</u>	<u>\$ 2,922,265</u>	<u>\$ 3,421,941</u>	<u>\$ 3,155,504</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 130,781	\$ 105,661	\$ 58,278	\$ 799,343	\$ 2,083,476	\$ 465,903	\$ 465,903	\$ 1,140,903	\$ 872,389	\$ 644,708
Debt service fund	8,252	6,964			1	1		2	2	
Total all other governmental funds	<u>\$ 139,033</u>	<u>\$ 112,625</u>	<u>\$ 58,278</u>	<u>\$ 799,343</u>	<u>\$ 2,083,477</u>	<u>\$ 465,904</u>	<u>\$ 465,903</u>	<u>\$ 1,140,905</u>	<u>\$ 872,391</u>	<u>\$ 644,708</u>

Source: CAFR Schedule B-1

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

**Exhibit J-4**

	<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>	<u>2016</u>
<b>Revenues</b>										
Tax levy	\$ 11,404,008	\$ 11,556,515	\$ 11,651,995	\$ 11,807,121	\$ 11,799,998	\$ 11,807,002	\$ 11,702,219	\$ 11,713,881	\$ 11,737,111	\$ 12,173,565
Tuition charges	14,863	22,381		29,387	49,189	24,942	50,500	30,525	17,400	19,095
Miscellaneous	163,381	217,180	156,744	112,466	71,542	35,570	29,675	80,419	38,595	38,949
State sources	1,689,036	1,805,790	1,691,508	1,465,176	1,487,197	2,500,060	1,715,945	1,839,473	2,238,842	2,232,688
Federal sources	63,852	175,407	178,395	282,857	167,440	263,744	145,718	142,559	152,629	153,052
<b>Total revenue</b>	<b>13,335,140</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>14,617,349</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	4,045,502
Special education instruction	614,019	674,050	798,511	932,603	935,109	1,064,568	1,135,190	1,149,470	1,125,896	1,408,360
Other special instruction	58,507	57,822	220,846	208,426	283,093	277,962	254,771	392,909	342,478	260,295
Other instruction	142,395	128,071	147,221	146,455	88,751	150,036	139,192	144,499	142,205	162,127
<b>Support Services:</b>										
Tuition	234,493	247,880	431,419	206,891	96,729	10,718	8,901		703	202,237
Student & instruction related services	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	1,568,086
School administrative services	406,744	403,736	476,643	338,311	335,232	431,325	420,446	433,289	433,579	412,015
Other administrative services	607,620	622,700	553,508	761,707	621,205	560,855	568,404	560,754	753,672	572,069
Plant operations and maintenance	932,326	1,124,196	1,076,730	965,667	905,007	909,610	912,680	925,952	866,223	1,042,704
Pupil transportation	670,213	633,904	735,972	637,215	544,787	569,722	551,238	581,067	563,265	642,418
Unallocated employee benefits	2,728,592	2,819,784	2,740,119	2,870,179	3,094,381	3,075,123	3,112,125	2,784,445	3,124,540	3,070,672
Special Revenue	73,167	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629	
Charter Schools				10,361						-
Capital Outlay	313,021	250,494	420,726	174,424	957,947	2,726,919	76,885	200,132	524,623	1,221,483
<b>Debt service:</b>										
Principal	567,859	303,985	380,178	516,389	532,693	389,064	510,541	532,090	490,000	505,000
Interest and other charges	293,970	365,929	352,769	335,759	353,487	367,872	347,051	345,735	326,057	255,711
<b>Total expenditures</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>15,368,679</b>
Excess (Deficiency) of revenues over (under) expenditures	767,834	766,943	(11,770)	86,483	(215,888)	(1,155,726)	466,081	664,469	231,162	(751,330)
<b>Other Financing Sources (uses)</b>										
Capital leases (non-budgeted)										
Bond proceeds	8,569,476				1,657,915					
Proceeds of refunding debt										
Payment to refunded debt escrow agent	(8,569,476)									
Transfers in			8,200	3,100						525,027
Transfers out				(12,069)	(79,684)	(61,291)	(11,464)	-	-	(525,027)
<b>Total other financing sources (uses)</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>-</b>
<b>Net change in fund balances</b>	<b>\$ 767,834</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>\$ (751,330)</b>
Debt service as a percentage of noncapital expenditures	7.0%	5.3%	5.5%	6.3%	6.9%	5.8%	6.5%	6.8%	6.1%	5.4%

Source: CAFR Schedule B-2

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit J-5

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Rentals</u>	<u>Tuition</u>	<u>Prior Year</u> <u>A/P cancelled</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 136,450	\$ 1,476	\$ 2,825	\$ 14,863	\$ 460	\$ 6,793	\$ 162,867
2008	103,245	218	6,097	22,381	1,079	103,276	236,296
2009	30,289	1,415	3,330			121,616	156,650
2010	26,754	3,957	2,000	29,387	7,382	72,358	141,838
2011	8,796	744	2,000	49,189	21,541	35,853	118,123
2012	4,983		230	24,942		30,035	60,190
2013	4,514	6,361		50,500	1,604	17,194	80,173
2014	5,921	164	300	30,525	23,530	50,504	110,944
2015	5,921	59		17,400		32,165	55,545
2016	5,539	2,749		19,095		30,588	57,971

SOURCE: District Records

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

**Exhibit J-6**

<u>Fiscal Year Ended June 30.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2007	\$14,425,900	\$1,040,803,400	\$220,772,700	\$3,638,400	\$58,749,700	\$2,733,000		\$1,343,070,886		\$1,947,786	\$1,341,123,100	\$0.860	\$1,977,083,704
2008	14,265,900	1,049,742,100	222,657,400	3,611,000	58,491,300	5,304,000		1,355,876,883		1,805,183	1,354,071,700	0.860	1,935,800,747
2009	14,950,500	1,052,627,411	222,849,200	3,621,236	58,503,500	5,304,000		1,359,471,715		1,615,868	1,357,855,847	0.870	1,870,561,756
2010	14,589,200	1,050,951,800	229,161,300	3,590,586	59,231,800	5,304,000		1,364,689,619		1,860,933	1,362,828,686	0.860	1,826,649,202
2011	12,889,800	1,051,075,700	231,348,010	3,532,300	59,427,400	5,304,000		1,365,531,185		1,953,975	1,363,577,210	0.860	1,775,723,258
2012	12,444,900	1,048,835,800	233,715,310	3,479,255	47,453,900	5,304,000		1,353,300,353		2,067,188	1,351,233,165	0.860	1,720,224,168
2013	12,193,100	1,052,559,900	231,808,510	3,437,255	47,503,200	5,304,000		1,354,807,408		2,001,443	1,352,805,965	0.860	1,662,952,508
2014	11,791,300	1,052,605,900	234,439,410	3,717,155	47,503,200	5,304,000		1,357,409,229		2,048,264	1,355,360,965	0.870	1,630,325,762
2015	11,241,600	1,055,088,200	232,942,910	3,491,755	47,362,900	2,804,000		1,355,297,838		2,366,473	1,352,931,365	0.900	1,611,914,650
2016	11,241,600	1,055,088,200	232,942,910	3,491,755	47,362,900	2,804,000		1,423,716,232	\$68,418,394	2,366,473	1,352,931,365	0.898	1,615,855,999

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Tewksbury Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Regional School District	Tewksbury Township	Hunterdon County	
2007	\$0.790	\$0.070	\$0.860	\$0.520	\$0.370	\$0.490	\$2.240
2008	\$0.800	\$0.060	\$0.860	\$0.490	\$0.360	\$0.480	\$2.190
2009	\$0.820	\$0.050	\$0.870	\$0.520	\$0.360	\$0.470	\$2.220
2010	\$0.800	\$0.060	\$0.860	\$0.470	\$0.380	\$0.460	\$2.170
2011	\$0.800	\$0.060	\$0.860	\$0.510	\$0.380	\$0.450	\$2.200
2012	\$0.810	\$0.050	\$0.860	\$0.550	\$0.390	\$0.450	\$2.250
2013	\$0.800	\$0.060	\$0.860	\$0.570	\$0.390	\$0.450	\$2.270
2014	\$0.810	\$0.060	\$0.870	\$0.620	\$0.390	\$0.450	\$2.330
2015	\$0.840	\$0.060	\$0.900	\$0.610	\$0.410	\$0.440	\$2.360
2016	\$0.842	\$0.056	\$0.898	\$0.609	\$0.410	\$0.440	\$2.357

Source: District Records and Municipal Tax Collector

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

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

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



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

**Exhibit J-8**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
AM Best Co	\$25,000,000	1	1.85%	\$ 37,058,000	1	2.80%
JLJ/GWL LLC	6,612,055	2	0.49%	5,605,300	2	0.42%
Individual Taxpayer #1	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 Taxpayer #2	2,984,300	5	0.22%			
United Telephone Co of NJ	2,580,473	6	0.19%	2,359,100	7	0.18%
Individual Taxpayer #3	2,361,600	7	0.17%			
Individual Taxpayer #4	2,302,410	8	0.17%			
Individual Taxpayer #5	2,229,800	9	0.16%	2,237,300	8	0.17%
Individual Taxpayer #6	2,057,000	10	0.15%			
Hill & Dale Farms Inc				2,597,300	5	0.20%
Individual Taxpayer #7				2,456,800	6	0.19%
Individual Taxpayer #8				2,159,700	9	0.16%
Individual Taxpayer #9				2,115,400	10	0.16%
<b>Total</b>	<b>\$ 53,567,238</b>		<b>3.96%</b>	<b>\$ 63,597,100</b>		<b>4.81%</b>

Source: District CAFR & Municipal Tax Assessor

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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$11,040,008	\$11,040,008	100.00%	-
2008	\$11,556,515	\$11,556,515	100.00%	-
2009	\$11,651,995	\$11,651,995	100.00%	-
2010	\$11,807,121	\$11,807,121	100.00%	-
2011	\$11,799,998	\$11,799,998	100.00%	-
2012	\$11,807,002	\$11,807,002	100.00%	-
2014	\$11,702,219	\$11,702,219	100.00%	-
2015	\$11,713,881	\$11,713,881	100.00%	-
2015	\$11,737,111	\$11,737,111	100.00%	-
2016	\$12,173,565	\$12,173,565	100.00%	-

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

**Note:**

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	\$ 8,964,940	-0-	\$ 11,291	-0-	-0-	\$ 8,976,231	2.19%	\$1,491.56
2008	\$ 8,660,955	-0-	-0-	-0-	-0-	\$ 8,660,955	2.07%	\$1,428.49
2009	\$ 8,280,777	-0-	-0-	-0-	-0-	\$ 8,280,777	2.07%	\$1,363.99
2010	\$ 7,764,388	-0-	-0-	-0-	-0-	\$ 7,764,388	1.92%	\$1,277.88
2011	\$ 8,864,695	-0-	-0-	-0-	-0-	\$ 8,864,695	2.10%	\$1,478.43
2012	\$ 8,475,631	-0-	-0-	-0-	-0-	\$ 8,475,631	1.90%	\$1,421.37
2013	\$ 7,965,090	-0-	-0-	-0-	-0-	\$ 7,965,090	1.81%	\$1,345.00
2014	\$ 7,433,000	-0-	-0-	-0-	-0-	\$ 7,433,000	1.61%	\$1,257.49
2015	\$ 6,943,000	-0-	-0-	-0-	-0-	\$ 6,943,000	1.51%	\$1,175.58
2016	\$ 6,438,000	-0-	-0-	-0-	-0-	\$ 6,438,000	1.40%	\$1,094.15

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

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 8,964,940	-0-	\$ 8,964,940	0.67%	\$ 1,490
2008	\$ 8,660,955	-0-	\$ 8,660,955	0.64%	\$ 1,428
2009	\$ 8,280,777	-0-	\$ 8,280,777	0.61%	\$ 1,364
2010	\$ 7,764,388	-0-	\$ 7,764,388	0.57%	\$ 1,278
2011	\$ 8,864,695	-0-	\$ 8,864,695	0.65%	\$ 1,478
2012	\$ 8,475,631	-0-	\$ 8,475,631	0.63%	\$ 1,421
2013	\$ 7,965,090	-0-	\$ 7,965,090	0.59%	\$ 1,345
2014	\$ 7,433,000	-0-	\$ 7,433,000	0.55%	\$ 1,257
2015	\$ 6,943,000	-0-	\$ 6,943,000	0.51%	\$ 1,176
2016	\$ 6,438,000	-0-	\$ 6,438,000	0.48%	\$ 1,094

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

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

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

R Revised

\* Current data unavailable

**Tewksbury Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2016**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Tewksbury Township	\$ 20,705,524	100.00%	\$ 20,705,524
<b>Other debt</b>			
North Hunterdon Regional School District	1,475,000	20.111%	296,631
Hunterdon County	62,494,492	7.733%	<u>4,832,947</u>
Subtotal, overlapping debt			25,835,102
<b>Tewksbury Township School District Direct Debt</b>			<u>6,438,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 32,273,102</u></u>

**Sources:** Finance Officer, Hunterdon County Finance Office and Utility Authorities

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

<sup>a</sup> 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**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized valuation basis
	2013 1,624,796,979
	2014 1,611,989,730
	2015 1,616,212,358
	<b>[A]</b> \$ <u>4,852,999,067</u>
Average equalized valuation of taxable property	<b>[A/3]</b> \$ 1,617,666,356
Debt limit (3 % of average equalization value)	<b>[B]</b> 48,529,991
Net bonded school debt	<b>[C]</b> 6,438,000
Legal debt margin	<b>[B-C]</b> \$ <u>42,091,991</u>

	Fiscal Year									
	<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>	<u>2016</u>
Debt limit	\$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	\$48,529,991
Total net debt applicable to limit	9,143,388	8,839,403	8,459,225	7,942,836	9,043,858	8,654,794	8,144,253	7,612,163	7,122,163	6,438,000
Legal debt margin	<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>	<u>\$42,091,991</u>
Total net debt applicable to the limit as a percentage of debt limit	18.51%	16.59%	15.24%	14.15%	16.40%	16.26%	15.77%	15.17%	14.55%	13.27%

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

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

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2007	6,018	\$ 410,409,546	\$68,197 R	2.1%
2008	6,063	\$ 418,686,528	\$69,056 R	2.7%
2009	6,071	\$ 400,261,030	\$65,930 R	5.0%
2010	6,076	\$ 403,549,692	\$66,417 R	5.1%
2011	5,996	\$ 421,476,828	\$70,293 R	5.0%
2012	5,963	\$ 444,970,986	\$74,622 R	5.2%
2013	5,922	\$ 440,348,076	\$74,358 R	5.1%
2014	5,911	\$ 460,726,984	\$77,944 R	4.5%
2015	5,906	\$ 460,337,264	\$77,944 *	4.1%
2016	5,884	\$ 458,622,496	\$77,944 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal Income provided by US Dept of Commerce

<sup>c</sup> Per Capita provided by US Dept of Commerce

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

P =Projected

R =Revised

\* Current data unavailable

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

**Exhibit J-15  
  
N/A**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
						0.00%
						0.00%
						0.00%
						0.00%
						0.00%
	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>
	-		0.00%	-		0.00%

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



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

**Exhibit J-16**

<u>Function/Program</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>	<u>2016</u>
Instruction										
Regular	56.2	56.2	61.2	61.9	57.2	56.2	54.4	56.0	56.0	56.0
Special Education	10.0	10.0	10.0	12.0	14.0	13.0	13.0	12.2	12.2	12.2
Other Special Education	5.3	7.4	8.0	10.8	10.2	10.2	11.6	11.0	11.0	11.0
Other Instruction	5.0	6.0	5.2	4.9	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student & Other Related Services	10.0	8.0	8.4	8.4	12.8	13.5	14.9	15.9	16.0	15.8
General administrative services	3.0	3.0	3.0	3.0	2.4	2.4	2.4	2.4	2.4	2.4
School administrative services	1.0	1.0	1.0	1.0	1.5	2.1	2.0	2.0	2.0	2.0
Business administrative services	10.0	10.0	9.0	9.0	7.1	7.1	7.1	7.0	7.0	7.0
Plant operations and maintenance	9.5	9.5	8.5	9.0	10.0	9.0	8.0	8.0	8.0	7.0
Pupil transportation	7.7	8.3	9.6	9.5	9.0	10.0	10.0	10.0	10.0	10.0
Total	117.7	119.4	123.9	129.5	127.2	126.5	126.4	127.5	127.6	126.4

**Source:** District Personnel Records

**Tewksbury Township School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio 1:		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2007	776	\$11,392,456	14,681	5.76%	81	9.58		772.0	740.8	2.32%	95.96%
2008	784	\$12,089,922	15,421	5.04%	82	9.56		778.5	744.0	0.84%	95.57%
2009	781	\$12,536,739	16,052	4.09%	85	9.19		772.1	742.3	-0.82%	96.14%
2010	782	\$12,583,952	16,092	0.25%	84	9.31		776.9	748.4	0.62%	96.33%
2011	751	\$11,947,127	15,908	-1.14%	84	8.91		748.6	716.8	-3.64%	95.75%
2012	715	\$12,299,689	17,202	8.13%	80	8.93		709.8	683.6	-5.18%	96.31%
2013	707	\$12,243,499	17,318	0.67%	84	8.44		694.5	673.3	-2.16%	96.95%
2014	689	\$12,064,431	17,510	1.11%	85	8.15		685.2	668.3	-1.34%	97.53%
2015	660	\$12,612,735	19,110	9.14%	85	7.81		654.6	632.3	-4.47%	96.59%
2016	605	\$13,386,485	22,126	15.78%	85	7.12		598.4	575.4	-8.59%	96.15%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

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

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

**Exhibit J-18**

<b><u>District Building</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
<b><u>Old Turnpike School (1968)</u></b>										
Square Feet	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384
Capacity (students)										
Enrollment	299	334	339	370	374	352	366	367	347	291
<b><u>Tewksbury Elementary School (2006)</u></b>										
Square Feet	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289
Capacity (students)										
Enrollment	442	439	440	416	377	356	341	322	310	307

Number of Schools at June 30, 2016

Elementary = 1  
Middle School = 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases 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  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
Last Ten Fiscal Years Ending June 30, 2016

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>2016</u>	<u>Total</u>
Old Turnpike School	N/A	N/A	\$107,021	\$96,412	\$36,299	\$24,605	\$49,262	\$56,271	\$73,520	\$31,865	\$54,848	\$530,103
Tewksbury Township Elementary School	N/A	N/A	89,793	49,894	29,129	40,014	37,349	47,029	49,818	41,306	48,638	432,970
Total School Facilities		175,547	196,814	146,306	65,428	64,619	86,611	103,300	123,338	73,171	103,486	963,073
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>Grand Total</b>		<b>\$175,547</b>	<b>\$196,814</b>	<b>\$146,306</b>	<b>\$65,428</b>	<b>\$64,619</b>	<b>\$86,611</b>	<b>\$103,300</b>	<b>\$123,338</b>	<b>\$73,171</b>	<b>\$103,486</b>	<b>\$1,138,620</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY - New Jersey Schools Insurance Group (NJSIG):</b>		
Property-Blanket Building and Contents	\$ 33,482,616	\$ 1,000
Comprehensive General Liability	16,000,000	
Comprehensive Automotive Liability	16,000,000	
Blanket Employee Dishonesty (per loss)	500,000	1,000
<b>Extra Expense</b>	50,000,000	1,000
<b>Equipment Breakdown</b>	100,000,000	1,000
School Leaders Errors and Omissions Liability	6,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND - Selective Insurance Company</b>		
Treasurer Position Bond	190,000	
Board Secretary/School Business Administrator Position	190,000	
<b>Environmental Impairment Liability</b>	1,000,000	25,000
<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY -</b>	Statutory	

SOURCE: District Records

**Single Audit Section**



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 Douglas R. Williams, CPA, RMA, PSA

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

#### Independent Auditor's Report

The Honorable President and  
 Members of the Board of Education  
 Tewksbury Township School District  
 County of Hunterdon  
 Califon, New Jersey 07830

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tewksbury Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Tewksbury Township School District Board of Education's basic financial statements, and have issued our report thereon dated September 30, 2016.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the Tewksbury Township School District, in a separate letter dated September 30, 2016 entitled "Auditor's Management Report on Administrative Findings".

**Purpose of this Report**

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

*ARDITO & Co., LLP*

ARDITO & CO., LLP  
September 30, 2016

*Cynthia Cecile*

Licensed Public School Accountant No.2369





## **ARDITO & Co., LLP**

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

#### Independent Auditor's Report

The Honorable President and  
 Members of the Board of Education  
 Tewksbury Township School District  
 County of Hunterdon  
 Califon, New Jersey 07830

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

We have audited the Tewksbury Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2016. The Tewksbury Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

-Continued-

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

### **Opinion on Each Major State Program**

In our opinion, the Tewksbury Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with NJ OMB circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2016-1. Our opinion on each major state program is not modified with respect to these matters.

Management's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Tewksbury Township School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 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 Tewksbury Township School District Board of Education's internal control over compliance.

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

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

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

*Ardito & Co., LLP*

ARDITO & CO., LLP

September 30, 2016

*Anthony Corder*

Licensed Public School Accountant No.2369

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2016

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2015	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2016			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education</b>															
<b>General Fund:</b>															
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	\$ 335,270			\$ 335,270	\$ (335,270)							\$ 29,900	\$ 335,270
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	90,472			90,472	(90,472)							8,069	90,472
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	354,090			354,090	(354,090)							31,578	354,090
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	56,976			56,976	(56,976)							5,081	56,976
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	6,530			6,530	(6,530)							582	6,530
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	6,530			6,530	(6,530)							582	6,530
Non-Public Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	18,656				(18,656)			\$ (18,656)					18,656
Non-Public Transportation Aid	14-100-034-5120-068	7/1/14-6/30/15	18,095	\$ (18,095)		18,095									18,095
Extraordinary Aid	14-495-034-5120-057	7/1/14-6/30/15	43,290	(43,290)		43,290									43,290
Extraordinary Aid	16-495-034-5120-057	7/1/15-6/30/16	18,276				(18,276)			(18,276)					18,276
On-Behalf TPAF Pension	16-495-034-5094-002	7/1/15-6/30/16	425,476			425,476	(425,476)								425,476
On-Behalf TPAF Pension PMR	16-495-034-5094-001	7/1/15-6/30/16	531,862			531,862	(531,862)								531,862
On-Behalf TPAF Pension Non-Contrib Ins	16-495-034-5094-004	7/1/15-6/30/16	21,195			21,195	(21,195)								21,195
Reimbursed TPAF Soc.Secur.Contrib.	16-495-034-5094-003	7/1/15-6/30/16	417,166			417,166	(417,166)								417,166
<b>Total General Fund</b>				<b>(61,385)</b>		<b>2,306,952</b>	<b>(2,282,499)</b>	<b>-</b>		<b>(36,932)</b>				<b>75,792</b>	<b>2,343,884</b>
<b>Capital Projects Fund:</b>															
New Elementary School	SP#201134	2000	3,973,790	(178,448)				\$ (400)		(178,848)					-
Backup Generator at Old Turnpike School	5180-055-09-1002	2009	33,153	(29,953)		33,153		(3,200)		-					
Roof & Boiler Replacement Old Turnpike	5180-030-09-1003	2010	1,019,354	(995,294)		1,019,354		(24,060)		-					
Air Conditioner Upgrades Old Turnpike	5180-030-09-1001	2010	355,981	(366,777)				10,796		(355,981)					
Window Replacement at Old Turnpike	5180-030-10-1001	2011	105,339	(95,126)		105,339		(10,213)		-					
Generator Intall at Old Turnpike School	5180-030-14-2004	2014	178,453	(198,000)				19,547		(178,453)					
Security Upgrades at Tewksbury Elem.	5180-055-14-1008	2014	88,359	(134,000)				45,641		(88,359)					
HVAC & Ventilator Upgrades at Old Turnpike	5180-030-14-2006	2014	98,000	(98,000)				-		(98,000)					
HVAC Upgrades at Tewksbury Elem.	5180-055-14-2007	2014	10,831	(20,000)				9,169		(10,831)					
<b>Total General Fund</b>				<b>(2,115,598)</b>		<b>1,157,846</b>	<b>-</b>	<b>47,280</b>		<b>(910,472)</b>				<b>-</b>	<b>-</b>
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	15-100-010-3350-023	7/1/14-6/30/15		(190)		190									
Nat.School Lunch Prog.(State Share)	16-100-010-3350-023	7/1/15-6/30/16	1,415			1,208	(1,415)			(207)					1,415
<b>Total Enterprise Fund</b>				<b>(190)</b>		<b>1,398</b>	<b>(1,415)</b>			<b>(207)</b>					<b>1,415</b>
<b>Total State Financial Assistance</b>				<b>\$ (2,177,173)</b>		<b>\$ 3,466,196</b>	<b>\$ (2,283,914)</b>	<b>\$ 47,280</b>		<b>- \$ (947,611)</b>				<b>\$ 75,792</b>	<b>\$ 2,345,299</b>

Less: On-behalf TPAF Pension Amounts 978,533

Total State Expenditures Subject to Major Program Determination \$ (1,305,381)

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2016

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on 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 Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,531) for the general fund and \$5,082 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TEWKSBURY TOWNSHIP  
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NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2016

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,279,968	\$ 2,279,968
Special Revenue Fund	\$ 153,052	-	153,052
Capital Projects Fund		(47,280)	(47,280)
Food Service Fund	<u>22,843</u>	<u>1,415</u>	<u>24,258</u>
Total Financial Assistance	<u>\$ 175,895</u>	<u>\$ 2,234,103</u>	<u>\$ 2,409,998</u>

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

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Section I - Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes \_\_x\_\_ No

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

Reported

Noncompliance material to financial statements noted? \_\_\_ Yes \_\_x\_\_ No

**Federal Awards**

N/A

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no





SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Section III - State Financial Assistance Findings and Questioned Costs**

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

**Finding 2016-1**

**Information on the State Program:**

School Choice Aid 16-495-034-5120-068

**Criteria or Specific Requirement:**

Expenditures, which exceed the bid or quote threshold, must be made in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A: 18A et seq.)

**Condition:**

Repairs and service for the district's bus fleet was \$71,974 for one vendor, which exceeded the bid threshold of \$40,000.

**Context:**

The expenditures comprise less than one-half of 1 percent of total district expenditures.

**Effect:**

The statutory bid limit was exceeded without required bidding or governing body approval.

**Cause:**

Monitoring of incremental expenditures not performed throughout the year.

**Recommendation:**

That expenditures, which exceed the bid or quote threshold, be made in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A: 18A et seq.) Per unit pricing such as rates per hour, or cost markups for products should be solicited for those expenditures that are reasonably expected to exceed statutory threshold levels during the school year.

**Views of management and planned corrective actions:**

Management will ensure that expenditures exceeding bid or quote thresholds are made in accordance with the requirements of the Public School Contracts Law.

TEWKSBURY TOWNSHIP  
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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**STATUS OF PRIOR YEAR FINDINGS**

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

