

**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, 2017**

# **Comprehensive Annual**

## **Financial Report**

**of the**

**Tewksbury Township School District**

**Board of Education**

**Califon, New Jersey**

**For the Fiscal Year Ending June 30, 2017**

**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 2, 2017

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, 2017, 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 2016-2017 fiscal year with an enrollment of 580 students, which is a decrease of 25 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>
2012-2013	707	-1.1%
2013-2014	689	-2.6%
2014-2015	660	-4.2%
2015-2016	605	-8.3%
2016-2017	580	-4.1%

**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. In the fall of 2016, the District implemented a full day program for the Pre-school. 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. The District maintained a 1:1 laptop ratio for grades 3 through 8 for the 2016-2017 school year. 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 96.23% for the 2016-2017 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, 2017.



**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.

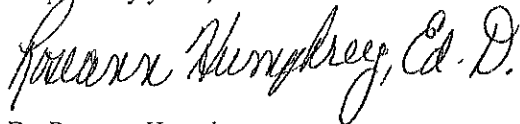
**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**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.

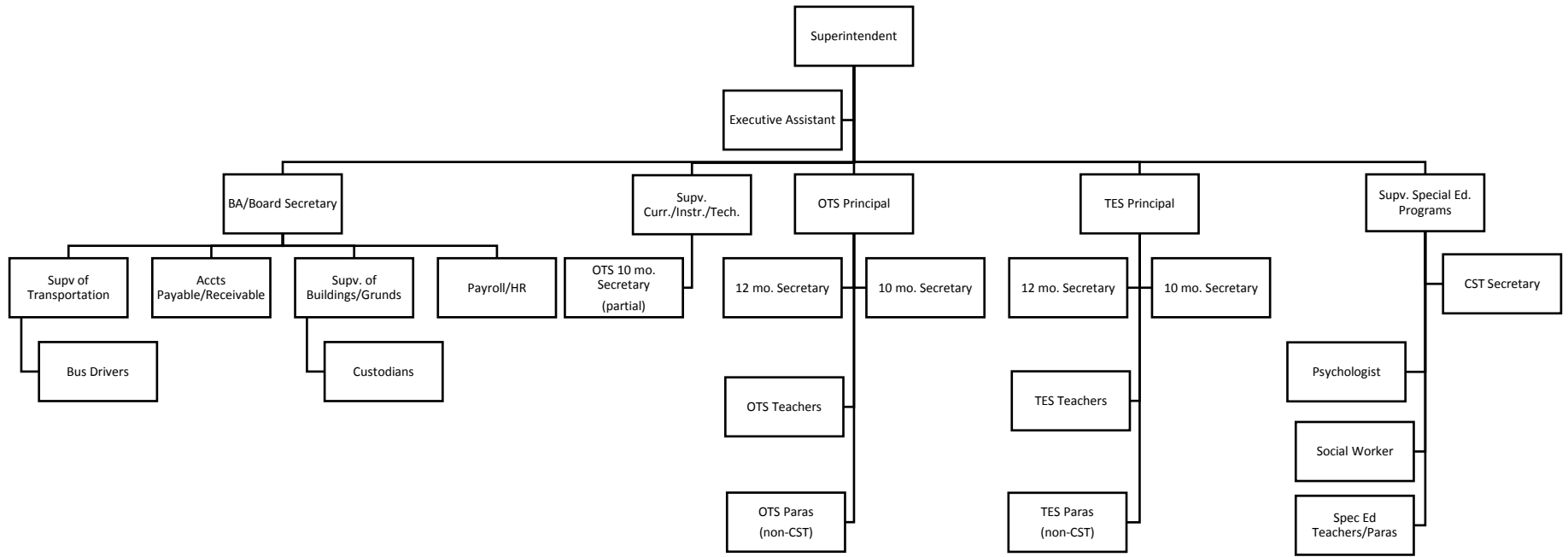
**10) ACKNOWLEDGEMENTS:** I would like to express my appreciation to the members of the Tewksbury Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully yours,



Dr. Roseann Humphrey  
Interim Superintendent

# Tewksbury Twp. School District Organizational Structure



**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<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
Krista Jenkins	2018
Krista Geoffrion	2018
Leslie Ackerman	2017
Paulette Frank	2017
Kevin Mulroony	2019
Cynthia Pettegrove	2017
Thomas Thorp	2019
 <b><u>Other Officials</u></b>	
Roseann Humphrey, <i>Interim Superintendent</i>	
Joanne Black, <i>School Business Administrator/Board Secretary</i>	

**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

**Gianforcaro Architects & Engineers**  
555 East Main Street, Suite One  
Chester, NJ 07930

**AUDIT FIRM**

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

**BOARD ATTORNEY**

**Marc 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, 2017, 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, 2017, 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.



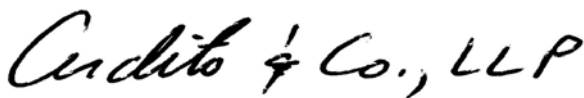
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management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

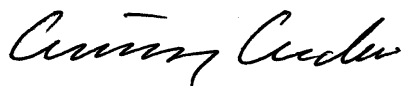
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2017, 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, 2017



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, 2017  
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, 2017. 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 2017 are as follows:

- ◆ In total, Net Position decreased \$204,596 which represents a 1.5% decrease from 2016.
- ◆ General revenues accounted for \$12,647,786 in revenue or 69.6% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,563,073 or 30.4% of total revenues of \$18,210,859.
- ◆ Total assets of governmental activities decreased by \$619,155, as cash and cash equivalents increased by \$566,698, receivables decreased by \$837,261, and capital assets decreased by \$346,253.
- ◆ The School District had \$18,415,455 in expenses; only \$5,563,073 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,647,786 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$14,469,223 in revenues and \$14,281,110 in expenditures. The General Fund's surplus balance increased \$188,113 over 2016, which compares favorably to the budgeted decrease of \$848,411.

**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, 2017  
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 2017?" 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, 2017  
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 2017 compared to 2016.

	<u>2017</u>	<u>2016</u>
<b>Table 1 Net Position</b>		
<b>Assets</b>		
Current and Other Assets	\$ 4,029,986	\$ 4,302,888
Capital Assets	<u>19,316,038</u>	<u>19,662,291</u>
<b>Total Assets</b>	<u>23,346,024</u>	<u>23,965,179</u>
<b>Deferred Outflows of Resources</b>	<u>1,325,355</u>	<u>587,887</u>
<b>Liabilities</b>		
Long-Term Liabilities	5,850,753	6,203,789
Other Liabilities	<u>5,267,845</u>	<u>4,521,202</u>
<b>Total Liabilities</b>	<u>11,118,598</u>	<u>10,724,991</u>
<b>Deferred Inflows of Resources</b>	<u>219,569</u>	<u>290,267</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	13,318,038	13,224,291
Restricted	2,712,957	2,678,463
Unrestricted	<u>(2,697,783)</u>	<u>(2,364,946)</u>
<b>Total Net Position</b>	<u>\$ 13,333,212</u>	<u>\$ 13,537,808</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED

Total assets of governmental activities decreased by \$619,155, as cash and cash equivalents increased by \$566,698, receivables decreased by \$837,261, and capital assets decreased by \$346,253.

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 decrease in capital assets was due to depreciation expense, net of capital additions spending.

Table 2 shows the changes in Net Position from fiscal year 2016.

**Table 2**  
**Changes in Net Position**

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 198,172	\$ 184,862
Operating Grants and Contributions	5,364,901	3,664,251
General Revenues:		
Property Taxes	12,633,947	12,173,565
Federal & State Aid on Capital Asset Projects	(26,525)	(47,280)
Investment Earnings	7,204	5,539
Other	<u>33,160</u>	<u>32,140</u>
<b>Total Revenues</b>	<u>18,210,859</u>	<u>16,013,077</u>
<b>Program Expenses</b>		
Instruction	10,236,669	9,093,621
Support Services:		
Tuition	302,243	202,237
Pupils and Instructional Staff	2,608,190	2,394,126
General Administration, School Administration, Business	1,373,081	1,537,149
Operations and Maintenance of Facilities	2,521,901	1,503,023
Pupil Transportation	835,345	701,490
Business-Type Activities	195,728	205,520
Interest and Fiscal Charges	<u>342,298</u>	<u>186,820</u>
<b>Total Expenses</b>	<u>18,415,455</u>	<u>15,823,986</u>
Increase in Net Position	<u>\$ (204,596)</u>	<u>\$ 189,091</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
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 69.4% percent of revenues for governmental activities for the Tewksbury Township School District for the fiscal year 2017.

Instruction comprises 55.6% of district expenses. Support services expenses make up 41.5% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2016. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 10,236,669	\$ 7,096,498	\$ 9,093,621	\$ 6,876,925
Support Services:				
Tuition	302,243	214,412	202,237	156,541
Pupils and Instructional Staff	2,608,190	1,813,188	2,394,126	1,836,298
General Admin., School Admin., Business	1,373,081	974,067	1,537,149	1,189,828
Operation and Maintenance of Facilities	2,521,901	1,789,043	1,503,023	1,163,412
Pupil Transportation	835,345	592,596	701,490	542,987
Business-Type Activities	195,728	30,280	205,520	22,062
Interest and Fiscal Charges	<u>342,298</u>	<u>342,298</u>	<u>186,820</u>	<u>186,820</u>
<b>Total Expenses</b>	<u>\$ 18,415,455</u>	<u>\$ 12,852,382</u>	<u>\$ 15,823,986</u>	<u>\$ 11,974,873</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, 2017  
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 69.3% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 70.5%. 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 \$15,374,054 and expenditures of \$15,212,456. The General Fund's surplus balance increased \$188,113 over 2016, which compares favorably to the budgeted decrease of \$848,411.

**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 2017 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 \$12,869,139, \$91,044 over original budgeted estimates of \$12,778,095. This difference was due primarily to an increase in extraordinary aid and non-public transportation aid over budgeted amounts.

General fund revenues exceeded expenditures by \$188,730. Again this surplus compares to a budgeted deficit of \$848,411, which was due to the budgeted use of surplus, maintenance and capital reserve withdrawals needed to balance the 2016-2017 budget. The budgeted deficit was reduced due to cost savings in the areas of instruction, administration, and benefits.

Overall general fund balance (budget basis) was \$3,420,026, and amounts ear-marked and reserved for future purposes were \$3,096,627, creating a surplus in unreserved fund balance of \$323,399. 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, 2017  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2017, the School District had \$19,316,038 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

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

	<u>2017</u>	<u>2016</u>
Land	\$ 1,762,263	\$ 1,762,263
Land Improvements	64,699	70,566
Buildings and Improvements	16,870,346	17,353,050
Machinery and Equipment	166,132	213,681
Vehicles	<u>452,598</u>	<u>262,731</u>
 Totals	 <u>\$ 19,316,038</u>	 <u>\$ 19,662,291</u>

Overall capital assets decreased \$346,253 from fiscal year 2016 to fiscal year 2017. The decrease in capital assets was due to depreciation expense, net of capital spending.

Capital improvements of \$407,715 were purchased during fiscal year 2017. Capital items included capitalization of two new bus leases, purchase of a mid bus, the loading doc project, and window films.

**Debt Administration**

At June 30, 2017, the School District had \$6,548,093 as outstanding long term debt. Of this amount, \$343,927 is for compensated absences, and \$5,998,000 is for bonds payable.

At June 30, 2017, the School District's overall legal debt margin was \$48,740,875 and the unvoted debt margin was \$42,742,875.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
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, 2017

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,850,298	\$ 35,730	\$ 3,886,028
Receivables from Other Governments	111,111		111,111
Other Receivables	11,240		11,240
Interfund Receivables	16,141	2,470	18,611
Inventory		2,996	2,996
Capital Assets, Net (Note 6):	19,316,038		19,316,038
<b>Total Assets</b>	<b>23,304,828</b>	<b>41,196</b>	<b>23,346,024</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	1,325,355		1,325,355
<b>LIABILITIES</b>			
Accounts Payable	23,510	8,052	31,562
Interfund Payables	3,470		3,470
Unearned Revenue			
Accrued Interest	51,416		51,416
Net Pension Liability (Note 8)	4,507,151		4,507,151
Noncurrent Liabilities (Note 7):			
Due Within One Year	674,246		674,246
Due Beyond One Year	5,850,753		5,850,753
<b>Total Liabilities</b>	<b>11,110,546</b>	<b>8,052</b>	<b>11,118,598</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	219,569		219,569
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	13,318,038		13,318,038
Reserved for:			
Other Purposes	2,712,957		2,712,957
Unrestricted	(2,730,927)	33,144	(2,697,783)
<b>Total Net Position</b>	<b>\$ 13,300,068</b>	<b>\$ 33,144</b>	<b>\$ 13,333,212</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, 2017

	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	\$ 7,116,437	\$ 34,757	\$ 2,198,683		\$ (4,882,997)		\$ (4,882,997)
Special Education	2,543,732		739,202		(1,804,530)		(1,804,530)
Other Special Instruction	264,797		76,949		(187,848)		(187,848)
School Sponsored Cocurricular	311,703		90,580		(221,123)		(221,123)
Support Services:							
Tuition	302,243		87,831		(214,412)		(214,412)
Student & Instruction Related Serv.	2,608,190		795,002		(1,813,188)		(1,813,188)
School Administrative Services	562,444		163,445		(398,999)		(398,999)
General and Business Admin. Serv.	810,637		235,569		(575,068)		(575,068)
Plant Operations and Maintenance	2,521,901		732,858		(1,789,043)		(1,789,043)
Pupil Transportation	835,345		242,749		(592,596)		(592,596)
Interest and Other Fiscal Charges	342,298		-		(342,298)		(342,298)
Unallocated Depreciation	-		-		-		-
Total Governmental Activities	18,219,727	34,757	5,362,868		(12,822,102)		(12,822,102)
Business-Type Activities:							
Food Service	195,728	163,415	2,033			\$ (30,280)	(30,280)
Preschool Program	-	-	-			-	-
Total Business-Type Activities	195,728	163,415	2,033	-	-	(30,280)	(30,280)
<b>Total Primary Government</b>	<b>\$ 18,415,455</b>	<b>\$ 198,172</b>	<b>\$ 5,364,901</b>		<b>\$ (12,822,102)</b>	<b>\$ (30,280)</b>	<b>\$ (12,852,382)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 11,870,336		\$ 11,870,336
Taxes Levied for Debt Service					763,611		763,611
Investment Earnings					7,204		7,204
Miscellaneous Income					29,176	\$ 3,984	33,160
Federal and State Capital Aid					(26,525)		(26,525)
Total General Revenues, Special Items, Extraor. Items and Transfers					12,643,802	3,984	12,647,786
Change in Net Position					(178,300)	(26,296)	(204,596)
Net Position—Beginning (As Restated)					13,478,368	59,440	13,537,808
Net Position—Ending					\$ 13,300,068	\$ 33,144	\$ 13,333,212

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, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,232,105		\$ 618,193	\$ 3,850,298
Interfund Receivables	57,461			57,461
Other Receivables	11,240			11,240
Receivables from Other Governments	69,791	\$ 41,320		111,111
<b>TOTAL ASSETS</b>	<b>\$ 3,370,597</b>	<b>\$ 41,320</b>	<b>\$ 618,193</b>	<b>\$ 4,030,110</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 23,510			\$ 23,510
Interfund Payable	3,470	\$ 41,320		44,790
<b>Total Liabilities</b>	<b>26,980</b>	<b>41,320</b>	<b>-</b>	<b>68,300</b>
<b>Fund Balances:</b>				
<u>Restricted for:</u>				
Capital Reserve Account	1,143,235			1,143,235
Maintenance Reserve Account	260,252			260,252
Emergency Reserve Account	250,000			250,000
Excess Surplus	495,304			495,304
Excess Surplus - Designated for Subsequent Year's Expenditures	527,234			527,234
<u>Assigned to:</u>				
General Fund - Designated for Subsequent Year's Expenditures	36,932			36,932
Year-End Encumbrances	383,670			383,670
Debt Service Fund				-
Capital Projects Fund			618,193	618,193
<u>Unassigned:</u>				
General Fund	246,990			246,990
<b>Total Fund Balances</b>	<b>3,343,617</b>	<b>-</b>	<b>618,193</b>	<b>3,961,810</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,370,597</b>	<b>\$ 41,320</b>	<b>\$ 618,193</b>	<b>\$ 4,030,110</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 \$30,119,936 and the accumulated depreciation is \$10,803,898.	19,316,038
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)	1,325,355
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)	(219,569)
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)	(4,507,151)
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)	(51,416)
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)	(6,524,999)
Net Position of governmental activities	<u>\$13,300,068</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, 2017

	<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	\$ 11,870,336			\$ 763,611	\$ 12,633,947
Tuition	34,757				34,757
Interest on Capital Reserve	919				919
Miscellaneous	35,451		\$ 10		35,461
<b>Total - Local Sources</b>	<u>11,941,463</u>	-	10	763,611	<u>12,705,084</u>
<b>State Sources</b>	2,527,760		(26,525)		2,501,235
<b>Federal Sources</b>		\$ 167,735			167,735
<b>Total Revenues</b>	<u>14,469,223</u>	<u>167,735</u>	<u>(26,515)</u>	<u>763,611</u>	<u>15,374,054</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular Instruction	3,985,863	130,666			4,116,529
Special Education Instruction	1,631,906				1,631,906
Other Special Instruction	169,878				169,878
School Sponsored Activities	199,970				199,970
Support services and undistributed costs:					
Tuition	302,243				302,243
Student and Instruction Related Services	1,625,796	37,069			1,662,865
School Administrative Services	355,651				355,651
Other Administrative Services	514,859			-	514,859
Plant Operations and Maintenance	1,358,481				1,358,481
Pupil Transportation	760,254				760,254
Unallocated Benefits	3,101,597				3,101,597
Transfer to Charter School					-
<b>Debt Service:</b>					
Principal				525,000	525,000
Interest and Other Charges				238,611	238,611
<b>Capital Outlay</b>	274,612	-	-		274,612
<b>Total Expenditures</b>	<u>14,281,110</u>	<u>167,735</u>	<u>-</u>	<u>763,611</u>	<u>15,212,456</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>188,113</u>		<u>(26,515)</u>		<u>161,598</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - Capital Projects Fund	-		-		-
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	188,113	-	(26,515)	-	161,598
Fund Balance—July 1	3,155,504		644,708	-	3,800,212
<b>Fund Balance—June 30</b>	<u>\$ 3,343,617</u>	<u>-</u>	<u>\$ 618,193</u>	<u>-</u>	<u>\$ 3,961,810</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, 2017**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 161,598

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	\$ (753,968)	
Capital Outlays	<u>407,715</u>	(346,253)

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. (231,594)

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. 525,000

Bond issuance and refunding costs and related premiums are not recorded in the governmental funds, but are amortized as an expenditure in the statement of activities (85,000)

Capital lease additions are not recorded in the governmental funds, but are a liability in the statement of net position. (206,166)

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. (30,044)

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. 34,159

**Change in Net Position of Governmental Activities** \$ (178,300)

**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, 2017

	<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	\$ 35,730	\$ 35,730
Accounts Receivable-Governmental	-	-
Interfund Receivables	2,470	2,470
Inventories	2,996	2,996
<b>Total Current Assets</b>	<b>41,196</b>	<b>41,196</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>41,196</b>	<b>41,196</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts Payable	8,052	8,052
<b>Total Current Liabilities</b>	<b>8,052</b>	<b>8,052</b>
<b>Total Liabilities</b>	<b>8,052</b>	<b>8,052</b>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt		
Unrestricted	33,144	33,144
<b>Total Net Position</b>	<b>\$ 33,144</b>	<b>\$ 33,144</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, 2017

	<b>Business-type Activities- Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable	\$ 154,404	\$ 154,404
Daily Sales - Non-Reimb. Programs	9,011	9,011
Miscellaneous	3,984	3,984
<b>Total Operating Revenues</b>	<u>167,399</u>	<u>167,399</u>
<b>Operating Expenses:</b>		
Cost of Sales	94,908	94,908
Salaries	53,852	53,852
Employee Benefits	13,052	13,052
Repairs	18,862	18,862
Miscellaneous	8,124	8,124
Other Purchased Professional Services	6,930	6,930
<b>Total Operating Expenses</b>	<u>195,728</u>	<u>195,728</u>
Operating Income (Loss)	<u>(28,329)</u>	<u>(28,329)</u>
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	-	-
Federal Sources:		
National School Lunch Program	-	-
Food Distribution Program	1,950	1,950
Interest Income	83	83
<b>Total Nonoperating Revenues (Expenses)</b>	<u>2,033</u>	<u>2,033</u>
Income (Loss) Before Contributions and Transfers	(26,296)	(26,296)
Transfers In (Out)		
Change in Net Position	<u>(26,296)</u>	<u>(26,296)</u>
Total Net Position—Beginning	59,440	59,440
<b>Total Net Position—Ending</b>	<u>\$ 33,144</u>	<u>\$ 33,144</u>

**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, 2017

	<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	\$ 167,400	\$ 167,400
Payments to Employees and Benefits	(66,905)	(66,905)
Payments to Suppliers	(118,433)	(118,433)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(17,938)</b>	<b>(17,938)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	207	207
Federal Sources	2,263	2,263
Operating Subsidies and Transfers from Other Funds	(2,470)	(2,470)
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Income	83	83
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>83</b>	<b>83</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,855)	(17,855)
Balances—Beginning of Year	53,585	53,585
<b>Balances—End of Year</b>	<b>\$ 35,730</b>	<b>\$ 35,730</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>		
<b>Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (28,329)	\$ (28,329)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (used for) Operating Activities:		
Federal Commodities	1,950	1,950
(Increase) Decrease in Accounts Receivable, Net	-	-
(Increase) Decrease in Inventories	2,339	2,339
Increase (Decrease) in Accounts Payable	6,102	6,102
Total Adjustments	10,391	10,391
Net Cash Provided by (used for) Operating Activities	\$ (17,938)	\$ (17,938)

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, 2017

	<b>Unemployment Compensation Trust</b>	<b>Private Scholarship Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 58,464	\$ 18,654	\$ 334,283
Interfund Receivables	<u>-</u>	<u>-</u>	<u>1,000</u>
<b>Total Assets</b>	<u>\$ 58,464</u>	<u>\$ 18,654</u>	<u>\$ 335,283</u>
<b>LIABILITIES</b>			
Payroll Deductions and Accrued Salaries			\$ 241,513
Interfund Payables			16,141
Payable to Student Groups			<u>77,629</u>
<b>Total Liabilities</b>			<u>\$ 335,283</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 58,464</u>	<u>\$ 18,654</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, 2017

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Private Scholarship <u>Trust</u></b>
<b>ADDITIONS</b>		
Total Contributions		
Plan Member	\$ 14,031	
Employer	<u>20,000</u>	<u>-</u>
Total Contributions	<u>34,031</u>	<u>-</u>
Investment Earnings:		
Interest	<u>44</u>	<u>\$ 28</u>
Net Investment Earnings	<u>44</u>	<u>28</u>
<b>Total Additions</b>	<u>34,075</u>	<u>28</u>
<b>DEDUCTIONS</b>		
Scholarship Awards	-	400
Unemployment Claims	<u>706</u>	<u>-</u>
<b>Total Deductions</b>	<u>706</u>	<u>400</u>
Change in Net Position	33,369	(372)
Net Position—Beginning of the Year	<u>25,095</u>	<u>19,026</u>
<b>Net Position—End of the Year</b>	<u>\$ 58,464</u>	<u>\$ 18,654</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, 2017

**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, 2017, of 580 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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2017, but which were levied to finance fiscal year 2018 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, 2017

**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, 2017

**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, 2017

**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, 2017, 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, 2017, 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>\$3,886,028</u>	<u>\$411,401</u>	<u>\$4,297,429</u>
	<u>\$3,886,028</u>	<u>\$411,401</u>	<u>\$4,297,429</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$4,297,429 and the bank balance was \$4,517,547. 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 \$4,267,547 was covered by collateral pool.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2017, 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	\$69,791	\$69,791
Federal Aid	41,320	41,320
Other Receivables	11,240	11,240
Gross Receivable	122,351	122,351
Less: Allow. for Uncollectibles		
Total Receivables, Net	\$122,351	\$122,351

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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2017, consisted of the following:

Food	\$1,610
Supplies	<u>1,386</u>
	<u>\$2,996</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, 2017, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>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	24,675,768	\$ 138,195		24,813,963
Furniture and Equipment	1,767,271	-		1,767,271
Vehicles	1,258,119	269,520		1,527,639
Total at Historical Cost	<u>27,949,958</u>	<u>407,715</u>	-	<u>28,357,673</u>
Less Accumulated Depreciation for:				
Land Improvements	(178,234)	(5,867)		(184,101)
Building and Improvements	(7,322,718)	(620,899)		(7,943,617)
Furniture and Equipment	(1,553,590)	(47,549)		(1,601,139)
Vehicles	(995,388)	(79,653)		(1,075,041)
Total Accumulated Depreciation	<u>(10,049,930)</u>	<u>(753,968)</u>	-	<u>(10,803,898)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>17,900,028</u>	<u>(346,253)</u>	-	<u>17,553,775</u>
<b>Government Activity Capital Assets, Net</b>	<b><u>\$ 19,662,291</u></b>	<b><u>\$ (346,253)</u></b>	<b>-</b>	<b><u>\$ 19,316,038</u></b>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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	\$ 398,689
Support Services:	
Student & Instruction	10,393
General & Business Admin	5,197
School Administration	5,197
Plant & Maintenance	259,419
Pupil Transportation	75,091
Total	\$ 753,986

**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, 2017, are as follows:

	Balance <u>7/1/16</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/17</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 6,438,000	\$ 4,890,000	\$ (5,330,000)	\$ 5,998,000	\$ 645,000
Other Liabilities:					
Capital Lease Obligations		206,166		206,166	29246
Compensated Absences Payable	290,789	53,138		343,927	
<b>Total</b>	<b>\$ 6,728,789</b>	<b>\$ 5,149,304</b>	<b>\$ (5,330,000)</b>	<b>\$ 6,548,093</b>	<b>\$ 674,246</b>

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, 2017

**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, 2017, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			
	Issue Dates	Interest Rates	Date of Maturity	Balance 6/30/2017
2017 Refunding Bonds	4/6/17	2.25%	2/15/26	\$ 4,890,000
2010 School Bonds	9/23/10	2.0-3.1%	7/15/25	1,108,000
Total Bonds				\$ 5,998,000

**B. Debt Service Requirements:**

Debt Service requirements on serial bonds payable at June 30, 2017, is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 645,000	\$ 124,906	\$ 769,906
2019	600,000	126,056	726,056
2020	620,000	112,068	732,068
2021	635,000	97,256	732,256
2022	660,000	82,031	742,031
Thereafter	2,838,000	165,435	3,003,435
	\$ 5,998,000	\$ 707,752	\$ 6,705,752

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**C. Bonds and Notes Authorized but not Issued:**

As of June 30, 2016, 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.

**D. Capital Lease Obligations:**

On January 2, 2017, the district entered into an agreement to lease two school buses through U.S. Bancorp. The term of the lease is for six years, with five annual payments of \$32,274 and a sixth payment of \$61,846, which includes interest at 2.35% per annum. The fair market value of the equipment was \$206,166.

**NOTE 8: PENSION PLANS**

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$43,887,355 as measured on June 30, 2016 and \$35,791,233 as measured on June 30, 2015.

*For the year ended June 30, 2017, the District recognized pension expense of \$3,297,524 and revenue of \$3,297,524 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, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. 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, 2015 and June 30, 2016.*

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>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$7,521,378,257	\$17,440,003,201
Collective deferred inflows of resources	\$554,399,005	\$195,027,919
Collective net pension liability (Nonemployer-State of New Jersey)	\$63,204,270,305	\$78,666,367,052
State's portion of the net pension liability that was associated with the district	\$35,791,233	\$43,887,355
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.056628%	0.055789%

*Actuarial assumptions* - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.50%
Salary Increases:	
Through 2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return:	7.65%

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%



TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*Discount rate* - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the 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>.

**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.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

At June 30, 2017, the District reported a liability of \$4,507,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 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, 2016 and 2015. At June 30, 2016, the District's proportion was 0.01522% which was a decrease of 0.00023% from its proportion measured as of June 30, 2015.

*For the year ended June 30, 2017, the District recognized pension expense of \$370,016. At June 30, 2017, 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	\$ 83,819	-
Changes of assumptions	933,641	
Net difference between projected and actual earnings on pension plan investments	171,862	
Changes in proportion and differences between District contributions and proportionate share of contributions	-	\$ 219,569
District contributions subsequent to the measurement date	136,033	
Total	\$ 1,325,355	\$ 219,569

\$136,033 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability measured as of June 30, 2017. 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>
2017	\$218,331
2018	218,331
2019	252,944
2020	212,510
2021	<u>67,637</u>
Total	<u>\$969,753</u>

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>6/30/2015</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$3,578,755,666	\$8,685,338,380
Collective deferred inflows of resources	993,410,455	870,133,595
Collective net pension liability (Non State - Local Group)	\$22,447,996,119	\$29,617,131,759
District's portion of net pension liability	\$3,467,391	\$4,507,151
District's proportion %	0.01544633%	0.01521805%

*Actuarial assumptions.* The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation:	3.08%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.65%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds I Absolute	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*Discount rate.* The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on contribution rate in the most recent fiscal year.

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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Municipality's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.98%)</u>	<u>(3.98%)</u>	<u>(4.98%)</u>
District's proportionate share of the net pension liability	\$ 5,522,987	\$4,507,151	\$ 3,668,490

*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.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

<u>Three-Year Trend Information for PERS</u>			
Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2017	\$136,033	100 %	-0-
6/30/2016	\$132,797	100	-0-
6/30/2015	\$129,932	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2017	\$630,151	100 %	-0-
6/30/2016	\$446,671	100	-0-
6/30/2015	\$306,151	100	-0-

During the fiscal year ended June 30, 2017, the State of New Jersey did contribute \$1,154,023 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 \$446,678 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**NOTE 9: POST-RETIREMENT BENEFITS**

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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 9: POST-RETIREMENT BENEFITS - (Continued)**

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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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.

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, 2017, no liability existed for compensated absences in the proprietary fund types.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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>
2016-2017	\$44	\$14,031	\$706	\$58,464
2015-2016	\$28	\$13,005	\$10,096	\$25,095
2014-2015	\$33	\$11,781	\$16,377	\$22,158

**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.

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1)- Of the \$3,343,617 General Fund fund balance at June 30, 2017, \$383,670 is reserved for encumbrances; \$260,252 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$1,143,235 is reserved for Capital Reserve; \$250,000 is reserved for Emergency Reserve; \$1,022,538 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$527,234 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$36,932 is designated for subsequent year's expenditures and has been included as anticipated revenue for the year ending June 30, 2018, and \$246,990 is unreserved and undesignated.



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 997,316
Interest Earnings	919
Budgeted Withdrawal	(355,000)
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/27/2017	500,000
Ending Balance, June 30, 2017	<u>\$ 1,143,235</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.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 410,252
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/27/2017	75,000
Withdrawal	(225,000)
Ending Balance, June 30, 2017	<u>\$ 260,252</u>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance July 1, 2016	\$ 250,000
Ending balance June 30, 2017	<u>\$ 250,000</u>

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

A general fund interfund receivable of \$16,141 is due from the payroll agency fund (\$6,449) and the student activity fund (\$9,692). The food service fund receivables represent the June 2016 final child nutrition program subsidy not yet paid over to the food service fund. The amount owed from the student activity account represents bills paid by the general fund on behalf of the student activity fund.

	<u>Receivable</u>	<u>Payable</u>	
General Fund	\$ 16,141	\$ 3,470	
Enterprise Fund	2,470	-	
Payroll Agency		6,449	
Student Activity	1,000	9,692	
	<u>\$ 19,611</u>	<u>\$ 19,611</u>	

**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, 2017 is \$495,304.

**NOTE 20: TAX ABATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	\$ 11,870,336		\$ 11,870,336	\$ 11,870,336	
Tuition	30,624		30,624	34,757	\$ 4,133
Interest Earned on Capital Reserve	250		250	919	669
Miscellaneous	19,000		19,000	35,451	16,451
<b>Total - Local Sources</b>	<b>11,920,210</b>		<b>11,920,210</b>	<b>11,941,463</b>	<b>21,253</b>
<b>State Sources:</b>					
School Choice Aid	296,585		296,585	296,585	
Transportation Aid	101,537		101,537	101,537	
Special Education Aid	345,703		345,703	345,703	
Security Aid	56,555		56,555	56,555	
Additional Adjustment Aid	38,685		38,685	38,685	
PARCC Readiness Aid	6,530		6,530	6,530	
Per Pupil Growth Aid	6,530		6,530	6,530	
Prof. Learning Comm. Aid	5,760		5,760	5,760	
Other State Aid			-	69,791	69,791
TPAF Pension (On-Behalf - Non-Budgeted)				628,727	628,727
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				523,872	523,872
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				1,424	1,424
TPAF Social Security (Reimbursed - Non-Budgeted)				446,678	446,678
<b>Total State Sources</b>	<b>857,885</b>		<b>857,885</b>	<b>2,528,377</b>	<b>1,670,492</b>
<b>TOTAL REVENUES</b>	<b>12,778,095</b>	<b>-</b>	<b>12,778,095</b>	<b>14,469,840</b>	<b>1,691,745</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	241,118	5,480	246,598	246,561	37
Grades 1-5 - Salaries of Teachers	1,678,860	108,944	1,787,804	1,786,166	1,638
Grades 6-8 - Salaries of Teachers	1,459,783	28,814	1,488,597	1,488,597	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000	-	1,000		1,000
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	54,811	3,527	58,338	58,338	
Other Purchased Services (400-500 series)	43,450	(4,892)	38,558	20,252	18,306
General Supplies	464,856	(16,476)	448,380	330,084	118,296
Textbooks	7,550	19,815	27,365	20,395	6,970
Other Objects	1,500	580	2,080	2,077	3
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>3,952,928</b>	<b>145,792</b>	<b>4,098,720</b>	<b>3,952,470</b>	<b>146,250</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	811,853	21,780	833,633	833,348	285
Other Salaries for Instruction	173,717	(21,394)	152,323	134,938	17,385
General Supplies	4,575	(2,592)	1,983	-	1,983
Textbooks	1,250	-	1,250	975	275
<b>Total Resource Room/Resource Center</b>	<b>991,395</b>	<b>(2,206)</b>	<b>989,189</b>	<b>969,261</b>	<b>19,928</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Autisim:</b>					
Salaries of Teachers	66,275	4,206	70,481	69,436	1,045
Other Salaries for Instruction	44,912	-	44,912	25,687	19,225
General Supplies	730	-	730	226	504
Textbooks	100	-	100	-	100
<b>Total Autisim</b>	<b>112,017</b>	<b>4,206</b>	<b>116,223</b>	<b>95,349</b>	<b>20,874</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	92,468	17,245	109,713	107,813	1,900
Other Salaries for Instruction	59,101	12,956	72,057	72,057	
General Supplies	750	-	750	504	246
Textbooks	100	-	100	22	78
<b>Total Preschool Disabilities - Full-Time</b>	<b>152,419</b>	<b>30,201</b>	<b>182,620</b>	<b>180,396</b>	<b>2,224</b>
<b>Home Instruction:</b>					
Salaries of Teachers	3,000	2,667	5,667	5,538	129
<b>Total Home Instruction</b>	<b>3,000</b>	<b>2,667</b>	<b>5,667</b>	<b>5,538</b>	<b>129</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,258,831</b>	<b>34,868</b>	<b>1,293,699</b>	<b>1,250,544</b>	<b>43,155</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	313,352	(140,960)	172,392	169,878	2,514
General Supplies	1,300	-	1,300	-	1,300
<b>Total Basic Skills/Remedial - Instruction</b>	<b>314,652</b>	<b>(140,960)</b>	<b>173,692</b>	<b>169,878</b>	<b>3,814</b>
<b>TOTAL INSTRUCTION</b>	<b>5,526,411</b>	<b>39,700</b>	<b>5,566,111</b>	<b>5,372,892</b>	<b>193,219</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	57,954	21,120	79,074	79,074	-
Purchased Services (300-500 series)	11,000	-	11,000	11,000	
Purchased Services (300-500 series)	1,800	-	1,800	1,000	800
Supplies and Materials	600	(192)	408	-	408
Other Objects	1,000	-	1,000	795	205
<b>Total School-Spon.Co/Extra Curric. Activities - Instruc.</b>	<b>72,354</b>	<b>20,928</b>	<b>93,282</b>	<b>91,869</b>	<b>1,413</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	84,407	11,019	95,426	95,426	-
Purchased Services (300-500 series)	8,000	1,858	9,858	9,857	1
Supplies and Materials	5,000	(119)	4,881	2,818	2,063
<b>Total School-Spon. Athletics - Instruction</b>	<b>97,407</b>	<b>12,758</b>	<b>110,165</b>	<b>108,101</b>	<b>2,064</b>
<b>Instruction:</b>					
Tuition to Other LEAs within the State-Special		3,799	3,799	3,799	
Tuition to Private Schools for the Disabled - Within State	249,972	50,205	300,177	298,444	1,733
<b>Total Instruction</b>	<b>249,972</b>	<b>54,004</b>	<b>303,976</b>	<b>302,243</b>	<b>1,733</b>
<b>Attendance &amp; Social Work:</b>					
Salaries	15,000	-	15,000	15,000	
<b>Total Attendance &amp; Social Work</b>	<b>15,000</b>		<b>15,000</b>	<b>15,000</b>	
<b>Health Services:</b>					
Salaries	173,699	955	174,654	172,547	2,107
Purchased Professional and Technical Services	6,750	(855)	5,895	4,300	1,595
Other Purchased Services (400-500 series)	2,525	-	2,525	1,228	1,297
Supplies and Materials	6,150	-	6,150	4,903	1,247
Other Objects	300	-	300	85	215
<b>Total Health Services</b>	<b>189,424</b>	<b>100</b>	<b>189,524</b>	<b>183,063</b>	<b>6,461</b>



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	137,496	-	137,496	114,397	23,099
Purchased Professional - Educational Services	142,239	(2,215)	140,024	96,183	43,841
Supplies and Materials	1,900	-	1,900	1,680	220
Other Objects	6,078	-	6,078	2,634	3,444
<b>Total Other Supp. Svsc Students-Spech/OT/PT Rel. Services</b>	<b>287,713</b>	<b>(2,215)</b>	<b>285,498</b>	<b>214,894</b>	<b>70,604</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	136,188	4,815	141,003	141,003	
Other Purchased Prof. and Tech. Services	3,500	(3,100)	400	50	350
Supplies and Materials	3,400	362	3,762	3,186	576
<b>Total Other Supp. Services Students-Regular</b>	<b>143,088</b>	<b>2,077</b>	<b>145,165</b>	<b>144,239</b>	<b>926</b>
<b>Other Supp. Services Students-Child Study Teams:</b>					
Salaries of Other Professional Staff	246,417	-	246,417	240,555	5,862
Salaries of Secretarial and Clerical Assistants	40,399	497	40,896	40,896	
Misc. Purchased Services (400-500 series O/than Resid.Costs)	12,800	-	12,800	2,953	9,847
Supplies and Materials	8,750	216	8,966	7,170	1,796
Other Objects	1,600	-	1,600	835	765
<b>Total Other Supp. Services Students-Child Study Teams</b>	<b>309,966</b>	<b>713</b>	<b>310,679</b>	<b>292,409</b>	<b>18,270</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	106,383	1,042	107,425	107,425	
Salaries of Other Professional Staff	42,554	437	42,991	18,863	24,128
Salaries of Secretarial and Clerical Assistants	46,042	-	46,042	45,092	950
Purchased Professional - Educational Services	87,800	4,500	92,300	39,696	52,604
Other Purchased Services (400-500 series)	17,000	(9,074)	7,926	194	7,732
Supplies and Materials	1,500	1,608	3,108	2,552	556
Other Objects	1,025	1,174	2,199	892	1,307
<b>Total Improvement of Instruction Services</b>	<b>302,304</b>	<b>(313)</b>	<b>301,991</b>	<b>214,714</b>	<b>87,277</b>
<b>Educational Media Services/School Library:</b>					
Salaries	124,515	950	125,465	122,576	2,889
Purchased Professional and Technical Services	125,276	(5,000)	120,276	120,276	
Other Purchased Services (400-500 series)	104,169	17,200	121,369	117,525	3,844
Supplies and Materials	29,955	(1,773)	28,182	18,604	9,578
<b>Total Educational Media Services/School Library</b>	<b>383,915</b>	<b>11,377</b>	<b>395,292</b>	<b>378,981</b>	<b>16,311</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Services (400-500 series)	18,000	-	18,000	9,196	8,804
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>9,196</b>	<b>9,804</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	213,953	(1,250)	212,703	196,197	16,506
Legal Services	25,000	-	25,000	22,607	2,393
Audit Fees	18,600	(400)	18,200	16,000	2,200
Architectural/Engineering Fees	9,000	-	9,000	1,333	7,667
Other Purchased Professional Services	7,000	(6,150)	850	850	
Communications/Telephone	44,160	(27,688)	16,472	16,472	
BOE Other Purchased Services	3,000	(952)	2,048	2,033	15
Other Purchased Services (400-500 series)	21,500	33,527	55,027	15,857	39,170
General Supplies	2,500	(940)	1,560	1,414	146
Miscellaneous Expenditures	3,400	3,804	7,204	3,979	3,225
BOE Membership Dues & Fees	6,600	703	7,303	7,303	
<b>Total Supp. Services - General Administration</b>	<b>354,713</b>	<b>654</b>	<b>355,367</b>	<b>284,045</b>	<b>71,322</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	285,488	(14,975)	270,513	249,452	21,061
Salaries of Secretarial and Clerical Assistants	88,594	3,891	92,485	92,390	95
Other Purchased Services (400-500 series)	5,000	(504)	4,496	4,487	9
Supplies and Materials	5,800	1,189	6,989	6,985	4
Other Objects	3,100	(750)	2,350	2,337	13
<b>Total Support Services - School Administration</b>	<b>387,982</b>	<b>(11,149)</b>	<b>376,833</b>	<b>355,651</b>	<b>21,182</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	185,646	15,263	200,909	200,909	
Purchased Professional Services	11,000	10,029	21,029	21,029	
Purchased Technical Services	10,000	(8,833)	1,167	474	693
Misc. Purchased Services (400-500 series)	2,500	(75)	2,425	2,399	26
Supplies and Materials	2,450	475	2,925	2,925	
Other Objects	1,000	2,078	3,078	3,078	
<b>Total Central Services</b>	<b>212,596</b>	<b>18,937</b>	<b>231,533</b>	<b>230,814</b>	<b>719</b>
<b>Required Maintenance for School Facilities:</b>					
Cleaning, Repair and Maintenance Services	80,000	365,185	445,185	322,591	122,594
General Supplies	25,500	(10,523)	14,977	11,176	3,801
<b>Total Required Maintenance for School Facilities</b>	<b>105,500</b>	<b>354,662</b>	<b>460,162</b>	<b>333,767</b>	<b>126,395</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	384,558	(40,340)	344,218	344,218	
Purchased Professional and Technical Services	44,000	9,770	53,770	39,774	13,996
Cleaning, Repair and Maintenance Services	23,000	70,034	93,034	52,036	40,998
Insurance	96,643	(1,461)	95,182	95,182	
Misc. Purchased Services	3,500	(1,147)	2,353	2,353	
General Supplies	60,000	9,897	69,897	68,836	1,061
Energy (Natural Gas)	95,000	(31,575)	63,425	63,425	
Energy (Electricity)	210,000	(32,298)	177,702	177,702	
Other Objects	2,500	(1,527)	973	973	
<b>Total Other Operations and Maintenance of Plant</b>	<b>919,201</b>	<b>(18,647)</b>	<b>900,554</b>	<b>844,499</b>	<b>56,055</b>
<b>Undist. Expend. -Care and Upkeep of Grounds:</b>					
General Supplies	20,000	(6,203)	13,797	5,215	8,582
<b>Total Undist. Expend. -Care and Upkeep of Grounds</b>	<b>20,000</b>	<b>(6,203)</b>	<b>13,797</b>	<b>5,215</b>	<b>8,582</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	289,601	8,984	298,585	291,438	7,147
Salaries for Pupil Trans.(Bet.Home & Sch.)-Sp.Ed.	8,000	10,000	18,000	-	18,000
Salaries for Pupil Trans.(Other Than Bet.Home & Sch.)	8,000	-	8,000	-	8,000
Management Fee - ESC & CTSA Trans. Program	1,000	1,086	2,086	2,086	
Other Purchased Prof. and Tech. Services	1,200	395	1,595	1,595	
Cleaning, Repair and Maintenance Services	100,000	(1,481)	98,519	76,486	22,033
Rental Payments - School Buses	1,000	-	1,000	-	1,000
Lease Purchase Payments - School Buses	40,000	-	40,000	34,524	5,476
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	97,000	-	97,000	83,562	13,438
Contract Services (Other than Between Home & School)-Vendors	-	-	-		
Contr Serv (Spl. Ed. Students) - Vendors	-	2,335	2,335	2,335	
Contracted Services (Special Education Students)-Joint Agrmnts.	10,000	(8,270)	1,730	1,730	
Contracted Services (Special Education Students)-ESCs & CTSA	35,000	14,665	49,665	48,966	699
Miscellaneous Purchased Services-Transportation	2,000	(1,000)	1,000	547	453
General Supplies	500	1,000	1,500	1,465	35
Transportation Supplies	69,500	(16,026)	53,474	37,090	16,384
Other Objects	1,000	500	1,500	1,430	70
<b>Total Student Transportation Services</b>	<b>663,801</b>	<b>12,188</b>	<b>675,989</b>	<b>583,254</b>	<b>92,735</b>
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs-Instruction:</b>					
Social Security Contributions	3,850	-	3,850	3,850	
Tuition Reimbursement	35,000	(5,199)	29,801	29,543	258
Other Employee Benefits	10,000	(8,500)	1,500	-	1,500
<b>Total Regular Programs-Instruction</b>	<b>48,850</b>	<b>(13,699)</b>	<b>35,151</b>	<b>33,393</b>	<b>1,758</b>
<b>Special Programs - Instruction:</b>					
Social Security Contributions	1,600	-	1,600	1,600	
Health Benefits	381,000	(1,238)	379,762	379,762	
<b>Total Special Programs - Instruction</b>	<b>382,600</b>	<b>(1,238)</b>	<b>381,362</b>	<b>381,362</b>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Health Services:</b>					
Social Security Contributions	1,300	-	1,300	1,300	
Health Benefits	43,000	-	43,000	43,000	
<b>Total Health Services</b>	<u>44,300</u>	<u>-</u>	<u>44,300</u>	<u>44,300</u>	
<b>Other Supp Services-Speech/OT/PT &amp; Related Svcs:</b>					
Health Benefits	31,000	-	31,000	31,000	
<b>Total Other Supp Services-Speech/OT/PT &amp; Related Svcs</b>	<u>31,000</u>	<u>-</u>	<u>31,000</u>	<u>31,000</u>	
<b>Other Supp Services-Guidance</b>					
Health Benefits	23,000	-	23,000	23,000	
<b>Total Other Supp Services-Guidance</b>	<u>23,000</u>	<u>-</u>	<u>23,000</u>	<u>23,000</u>	
<b>Other Supp Services-CST</b>					
Group Insurance	1,200	(497)	703	-	703
Social Security Contributions	450	-	450	450	
Health Benefits	61,000	-	61,000	61,000	
<b>Total Other Supp Services-CST</b>	<u>62,650</u>	<u>(497)</u>	<u>62,153</u>	<u>61,450</u>	<u>703</u>
<b>Improvement of Instruction Services :</b>					
Group Insurance	1,200	(1,042)	158	-	158
Social Security Contributions	3,550	-	3,550	3,550	
Health Benefits	10,000	-	10,000	10,000	
<b>Total Improvement of Instruction Services</b>	<u>14,750</u>	<u>(1,042)</u>	<u>13,708</u>	<u>13,550</u>	<u>158</u>
<b>School Administration:</b>					
Group Insurance	2,400	(2,400)	-	-	
<b>Total School Administration</b>	<u>2,400</u>	<u>(2,400)</u>	<u>-</u>	<u>-</u>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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	30,000	-	30,000	30,000	
Health Benefits	145,000	-	145,000	145,000	
<b>Total Operations and Maintenance of Plant</b>	<b>175,000</b>	<b>-</b>	<b>175,000</b>	<b>175,000</b>	
<b>Student Transportation Services:</b>					
Social Security Contributions	22,000	-	22,000	22,000	
Health Benefits	155,000	-	155,000	155,000	
<b>Total Student Transportation Services</b>	<b>177,000</b>	<b>-</b>	<b>177,000</b>	<b>177,000</b>	
<b>TOTAL ALLOCATED BENEFITS</b>	<b>961,550</b>	<b>(18,876)</b>	<b>942,674</b>	<b>940,055</b>	<b>2,619</b>
<b>UNALLOCATED BENEFITS:</b>					
Social Security Contributions	91,250	-	91,250	75,028	16,222
Other Retirement Contributions - PERS	155,000	-	155,000	136,033	18,967
Other Retirement Contributions - Regular	3,300	-	3,300	-	3,300
Unemployment Compensation	20,000	-	20,000	20,000	
Workman's Compensation	79,000	1,565	80,565	80,565	
Health Benefits	1,333,213	(123,920)	1,209,293	1,044,567	164,726
Other Employee Benefits	315,000	(20,230)	294,770	144,703	150,067
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,996,763</b>	<b>(142,585)</b>	<b>1,854,178</b>	<b>1,500,896</b>	<b>353,282</b>
On-behalf TPAF pension Contrib. (non-budgeted)				628,727	(628,727)
On-behalf TPAF PRM Contrib. (non-budgeted)				523,872	(523,872)
On-behalf TPAF pension LTD Ins. (non-budgeted)				1,424	(1,424)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				446,678	(446,678)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>1,600,701</b>	<b>(1,600,701)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>2,958,313</b>	<b>(161,461)</b>	<b>2,796,852</b>	<b>4,041,652</b>	<b>355,901</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>7,692,249</b>	<b>288,410</b>	<b>7,980,659</b>	<b>8,633,606</b>	<b>947,754</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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>13,218,660</b>	<b>328,110</b>	<b>13,546,770</b>	<b>14,006,498</b>	<b>1,140,973</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Undistributed Expenditures - Operations Plant Equipment		10,158	10,158		10,158
School Buses - Regular		140,373	140,373	63,354	77,019
<b>Total Equipment</b>	<b>-</b>	<b>150,531</b>	<b>150,531</b>	<b>63,354</b>	<b>87,177</b>
<b>Facilities Acquisition and Construction Services</b>					
Legal Services		255	255	255	
Architectural/Engineering Services	28,400	(255)	28,145	19,962	8,183
Other Purchased Prof. and Tech. Services		9,829	9,829	-	9,829
Construction Services	326,600	-	326,600	138,195	188,405
Assessment for Debt Service on SDA Funding	52,846	-	52,846	52,846	
<b>Total Facilities Acquisition and Construction Services</b>	<b>407,846</b>	<b>9,829</b>	<b>417,675</b>	<b>211,258</b>	<b>206,417</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>407,846</b>	<b>160,360</b>	<b>568,206</b>	<b>274,612</b>	<b>293,594</b>
<b>TOTAL EXPENDITURES</b>	<b>13,626,506</b>	<b>488,470</b>	<b>14,114,976</b>	<b>14,281,110</b>	<b>1,434,567</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(848,411)</b>	<b>(488,470)</b>	<b>(1,336,881)</b>	<b>188,730</b>	<b>1,525,611</b>



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2017

	<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>	(848,411)	(488,470)	(1,336,881)	188,730	1,525,611
<b>Fund Balance, July 1</b>	3,231,296		3,231,296	3,231,296	
<b>Fund Balance, June 30</b>	<u>\$ 2,382,885</u>	<u>\$ (488,470)</u>	<u>\$ 1,894,415</u>	<u>\$ 3,420,026</u>	<u>\$ 1,525,611</u>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 1,143,235	
Emergency Reserve				250,000	
Maintenance Reserve				260,252	
Excess Surplus				495,304	
Excess Surplus - Designated for Subsequent Year's Expenditures				527,234	
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures				36,932	
Year-End Encumbrances				383,670	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>323,399</u>	
<b>Fund Balance, June 30</b>				<u>\$ 3,420,026</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				\$ 3,420,026	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(76,409)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ 3,343,617</u>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2017

	<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	\$ 125,775	\$ 41,960	\$ 167,735	\$ 167,735	-
<b>Total Revenues</b>	<b>125,775</b>	<b>41,960</b>	<b>167,735</b>	<b>167,735</b>	<b>-</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Tuition	111,435	7,231	118,666	118,666	-
General Supplies		12,000	12,000	12,000	-
<b>Total Instruction</b>	<b>111,435</b>	<b>19,231</b>	<b>130,666</b>	<b>130,666</b>	<b>-</b>
<b>Support Services</b>					
Purchased Ed. Services	6,619	21,902	28,521	28,521	-
Other Purchased Professional Services	7,721	827	8,548	8,548	-
<b>Total Support Services</b>	<b>14,340</b>	<b>22,729</b>	<b>37,069</b>	<b>37,069</b>	<b>-</b>
Total Expenditures	125,775	41,960	167,735	167,735	-
<b>Total Outflows</b>	<b>\$ 125,775</b>	<b>\$ 41,960</b>	<b>\$ 167,735</b>	<b>\$ 167,735</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					
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>					None

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

For the Fiscal Year Ended June 30, 2017

**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)	\$ 14,469,840	\$ 167,735
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	-
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	75,792	-
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(76,409)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 14,469,223</u>	<u>\$ 167,735</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)	\$ 14,281,110	\$ 167,735
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	-
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>\$ 14,281,110</u>	<u>\$ 167,735</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A						
State's proportionate share of the net pension liability (asset) associated with the District	\$ 43,887,355	\$ 35,791,233	\$ 27,940,510	\$ 28,345,958						
Total	\$ 43,887,355	\$ 35,791,233	\$ 27,940,510	\$ 28,345,958						
District's covered employee payroll	\$ 5,819,343	\$ 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	N/A						
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%						

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

**Exhibit L-1**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.015218052%	0.015446329%	0.0157610715%	0.0171614473%						
District's proportionate share of the net pension liability (asset)	\$ 4,507,151	\$ 3,467,391	\$ 2,950,904	\$ 3,279,894						
District's covered employee payroll	\$ 1,021,654	\$ 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	441.16%	211.11%	278.27%	312.75%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	40.14%	47.92%	52.08%	48.72%						

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

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution **	630,151	446,671	306,151	221,155	362,411	180,836	17,708	16,863	16,625	260,748
Contributions in relation to the contractually required contribution **	(630,151)	(446,671)	(306,151)	(221,155)	(362,411)	(180,836)	(17,708)	(16,863)	(16,625)	(260,748)
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	\$ 5,819,343	\$ 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
Contributions as a percentage of covered-employee payroll	10.83%	7.36%	5.34%	3.99%	6.65%	3.48%	0.34%	0.30%	0.30%	5.46%

\*\* 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 136,033	\$ 132,797	\$ 129,932	129,308	140,211	142,938	131,088	117,685	97,361	67,315
Contributions in relation to the contractually required contribution	<u>(136,033)</u>	<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>
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	\$ 1,021,654	\$ 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
Contributions as a percentage of covered-employee payroll	13.31%	8.09%	11.99%	12.19%	13.37%	12.12%	10.22%	8.78%	7.99%	5.47%

\* - 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, 2017

**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**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2017

	<b>Title I</b>	<b>Title I I Part A</b>	<b>IDEA Basic</b>	<b>IDEA Pre-School</b>	<b>Totals</b>
<b>REVENUES</b>					
Federal Sources	\$ 32,772	\$ 8,548	\$ 118,666	\$ 7,749	\$167,735
<b>TOTAL REVENUES</b>	<b>32,772</b>	<b>8,548</b>	<b>118,666</b>	<b>7,749</b>	<b>167,735</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Tuition			118,666		118,666
General Supplies	12,000				12,000
<b>Total Instruction</b>	<b>12,000</b>	<b>-</b>	<b>118,666</b>	<b>-</b>	<b>130,666</b>
<b>Support Services:</b>					
Purchased Professional Educ. Serv.	20,772			7,749	28,521
Other Purchased Services	-	8,548			8,548
<b>Total Support Services</b>	<b>20,772</b>	<b>8,548</b>	<b>-</b>	<b>7,749</b>	<b>37,069</b>
<b>TOTAL EXPENDITURES</b>	<b>32,772</b>	<b>8,548</b>	<b>118,666</b>	<b>7,749</b>	<b>167,735</b>
<b>Total Outflows</b>	<b>32,772</b>	<b>8,548</b>	<b>118,666</b>	<b>7,749</b>	<b>167,735</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, 2017

<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, 2017</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	587,466	-	54,527
			366,777	329,477	329,477	-	-
			<b>1,436,765</b>	<b>971,470</b>	<b>916,943</b>	-	<b>54,527</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	246,077	-	50,923
			198,000	178,453	178,453	-	-
			<b>495,000</b>	<b>475,453</b>	<b>424,530</b>	-	<b>50,923</b>
Security Upgrades at Tewksbury Elem.	Board of Education SDA Grant	6/30/14	201,000	201,000	112,350	-	88,650
			134,000	88,338	88,338	-	-
			<b>335,000</b>	<b>289,338</b>	<b>200,688</b>	-	<b>88,650</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	98,000	-	-
			<b>245,000</b>	<b>794,627</b>	<b>815,682</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	7,715	-	3,116
			<b>50,000</b>	<b>40,831</b>	<b>7,715</b>	-	<b>33,116</b>
Totals			<b>\$ 19,144,513</b>	<b>\$ 20,299,655</b>	<b>\$ 19,681,545</b>	-	<b>\$ 618,110</b>

Accumulated Interest \$ 83

Fund Balance 618,193

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, 2017

**Revenues and Other Financing  
Sources**

SDA Grants	\$ (26,525)
Total Revenues	<u>(26,525)</u>
Excess(deficiency) of revenues over(under) expenditures	(26,525)
Fund Balance - beginning	<u>644,635</u>
Fund Balance - ending	<u>\$ 618,110</u>

**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, 2017

	<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	3,973,790		3,973,790	3,973,790
Total Revenues	<u>14,519,790</u>	-	<u>14,519,790</u>	<u>14,519,790</u>
<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	<u>14,515,055</u>	-	<u>14,515,055</u>	<u>14,519,790</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 4,735</u>	<u>-</u>	<u>\$ 4,735</u>	

**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%

**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, 2017

	<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	33,153		33,153	33,153
Total Revenues	<u>86,486</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>74,882</u>	<u>86,486</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 11,604</u>	<u>-</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, 2017

	<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	1,019,354		1,019,354	1,019,354
Total Revenues	<u>2,810,361</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>2,488,235</u>	<u>2,811,076</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 322,126</u>	<u>-</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, 2017

	<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	\$ 641,993		\$ 641,993	\$ 641,993
NJ SDA Grant	355,981	\$ (26,504)	329,477	329,477
Total Revenues	<u>997,974</u>	<u>(26,504)</u>	<u>971,470</u>	<u>971,470</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 102,292		\$ 102,292	\$ 141,634
Construction services	814,651		814,651	829,836
Total Expenditures	<u>916,943</u>	<u>-</u>	<u>916,943</u>	<u>971,470</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 81,031</u>	<u>\$ (26,504)</u>	<u>\$ 54,527</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	-\$98,518			
Revised Authorized Cost	\$971,470			
Percentage Increase over Original Authorized Cost	-9.2%			
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, 2017

	<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	105,339		105,339	105,339
Total Revenues	<u>311,299</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>237,815</u>	<u>311,299</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 73,484</u>	<u>\$ -</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, 2017

	<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	178,453		178,453	178,453
Total Revenues	<u>475,453</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	419,914		419,914	428,153
Total Expenditures	<u>424,530</u>	-	<u>424,530</u>	<u>475,453</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 50,923</u>	<u>\$ -</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%

**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, 2017

	<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	88,359	\$ (21)	88,338	88,338
Total Revenues	<u>289,359</u>	<u>(21)</u>	<u>289,338</u>	<u>289,338</u>
<b>Expenditures and Other Financing Sources</b>				
Purchased professional and technical services	\$ 13,942		\$ 13,942	\$ 32,500
Construction services	186,746		186,746	256,838
Total Expenditures	<u>200,688</u>	<u>-</u>	<u>200,688</u>	<u>289,338</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 88,671</u>	<u>\$ (21)</u>	<u>\$ 88,650</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	-\$45,662
Revised Authorized Cost	\$289,338
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, 2017

	<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	\$ 469,682		\$ 469,682	\$ 469,682
Transfer from Capital Outlay	226,945		226,945	253,918
NJ SDA Grant	98,000		98,000	98,000
Total Revenues	<u>794,627</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	807,912		807,912	796,600
Total Expenditures	<u>815,682</u>	-	<u>815,682</u>	<u>821,600</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ (21,055)</u>	<u>-</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, 2017

	<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	10,831		10,831	10,831
Total Revenues	<u>40,831</u>	<u>-</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	\$ 4,065		4,065	29,331
Total Expenditures	<u>7,715</u>	<u>-</u>	<u>7,715</u>	<u>40,831</u>
Excess(deficiency) of revenues over(under) expenditures	<u>\$ 33,116</u>	<u>\$ -</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, 2017**

	<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</b>	<b>PRIVATE SCHOLARSHIP TRUST</b>	<b>AGENCY FUNDS</b>		<b>TOTALS</b>
			<b>STUDENT ACTIVITY</b>	<b>PAYROLL AGENCY</b>	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 58,464	\$ 18,654	\$ 86,321	\$ 247,962	\$ 411,401
Interfund Receivable			1,000		1,000
<b>TOTAL ASSETS</b>	<b>\$ 58,464</b>	<b>\$ 18,654</b>	<b>\$ 87,321</b>	<b>\$ 247,962</b>	<b>\$ 412,401</b>
<b>LIABILITIES:</b>					
Liabilities:					
Payroll Deductions and Withholdings				\$ 145	\$ 145
Summer Pay Wages				241,368	241,368
Interfund Payable			\$ 9,692	6,449	16,141
Payable to Student Groups			77,629		77,629
<b>Total Liabilities</b>			<b>87,321</b>	<b>247,962</b>	<b>335,283</b>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims and Other Purposes	\$ 58,464	\$ 18,654			77,118
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 58,464</b>	<b>\$ 18,654</b>	<b>\$ 87,321</b>	<b>\$ 247,962</b>	<b>\$ 412,401</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	<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	\$ 14,031		\$ 14,031
Employer	20,000	-	20,000
Total Contributions	<u>34,031</u>	<u>-</u>	<u>34,031</u>
Investment Earnings:			
Interest	44	\$ 28	72
Net Investment Earnings	<u>44</u>	<u>28</u>	<u>72</u>
<b>Total Additions</b>	<u>34,075</u>	<u>28</u>	<u>34,103</u>
<b>DEDUCTIONS</b>			
Scholarship Awards		400	400
Unemployment Claims	706	-	706
<b>Total Deductions</b>	<u>706</u>	<u>400</u>	<u>1,106</u>
Change in Net Position	33,369	(372)	32,997
Net Position—Beginning of the Year	<u>25,095</u>	<u>19,026</u>	<u>44,121</u>
<b>Net Position—End of the Year</b>	<u>\$ 58,464</u>	<u>\$ 18,654</u>	<u>\$ 77,118</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>TRANSFERS</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
Tewksbury Township School	2,647		8,691	7,506	3,832
Old Turnpike School	35,152		152,640	156,456	31,336
Library	2,613		529	1,014	2,128
Tewksbury Education Foundation	9,821		18		9,839
Mini Grant	21,418		8,151	4,129	25,440
Play Account	13,746				13,746
Totals	<u>\$ 85,397</u>	<u>\$ -</u>	<u>\$ 170,029</u>	<u>\$ 169,105</u>	<u>\$ 86,321</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BALANCE JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 20,871	\$ 13,577,943	\$ 13,350,852	\$ 247,962
<b>Total Assets</b>	<u>\$ 20,871</u>	<u>\$ 13,577,943</u>	<u>\$ 13,350,852</u>	<u>\$ 247,962</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 7,426	\$ 8,640,824	\$ 8,655,142	\$ (6,892)
Interfund Payable	6,449			6,449
Summer Pay		241,368		241,368
Salaries and Wages	<u>6,996</u>	<u>4,695,751</u>	<u>4,695,710</u>	<u>7,037</u>
<b>Total Liabilities</b>	<u>\$ 20,871</u>	<u>\$ 13,577,943</u>	<u>\$ 13,350,852</u>	<u>\$ 247,962</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, 2017**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2016</u>	<u>RETIRED</u>	<u>REFUNDED</u>	<u>BALANCE JUNE 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>					
2006 Refunding Issue	12/21/06	\$ 8,500,000	2/15/17	\$ 420,000	3.80%	\$ 5,225,000	\$ 420,000	\$ 4,805,000	-
2017 Refunding Issue	4/6/17	\$ 4,890,000	2/15/18	\$ 540,000	2.25%			(4,890,000)	\$ 4,890,000
			2/15/19	490,000	2.25%				
			2/15/20	505,000	2.25%				
			2/15/21	520,000	2.25%				
			2/15/22	540,000	2.25%				
			2/15/23	550,000	2.25%				
			2/15/24	565,000	2.25%				
			2/15/25	585,000	2.25%				
			2/15/26	595,000	2.25%				
2010 School Bonds	9/23/10	1,633,000	7/15/17	\$ 105,000	2.00%	1,213,000	105,000		1,108,000
			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									
						\$ 6,438,000	\$ 525,000	\$ (85,000)	\$ 5,998,000

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>LEASE TERM</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING 7/1/2016</u>	<u>ADDITIONAL OBLIGATIONS INCURRED</u>	<u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u>	<u>AMOUNT OUTSTANDING 6/30/2017</u>
Two Thomas School Buses	2.35%	6 Years	\$ 206,166		\$ 206,166		\$ 206,166
<b>Total</b>					<b>- \$ 206,166</b>		<b>- \$ 206,166</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2017

	<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	\$ 763,611		\$ 763,611	\$ 763,611	
<b>TOTAL REVENUES</b>	<b>763,611</b>	<b>-</b>	<b>763,611</b>	<b>763,611</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	238,611		238,611	238,611	-
Redemption of Principal	525,000		525,000	525,000	
Fiduciary Fees			-	-	
Total Regular Debt Service	763,611	-	763,611	763,611	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 763,611</b>	<b>\$ -</b>	<b>\$ 763,611</b>	<b>\$ 763,611</b>	
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1				-	
Fund Balance, June 30					
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance					



Tewksbury Township School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<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.	105-110
<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.	111-114
<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.	115-118
<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.	119-120
<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.	121-125

**Sources:**

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

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

*(accrual basis of accounting)*

**Exhibit J-1**

	2008		2009		2010		2011		Fiscal Year Ending June 30,		2012		2013		2014		2015		2016		2017		
<b>Governmental activities</b>																							
Invested in capital assets, net of related debt	\$	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	\$	13,318,038			
Restricted		873,959		1,276,063		1,785,745		2,201,842		1,898,553		2,328,637		2,427,315		2,309,830		2,678,463		2,712,957			
Unrestricted		1,439,108		1,041,785		660,825		838,700		546,667		474,941		(2,115,589)		(1,704,873)		(2,424,386)		(2,730,927)			
<b>Total governmental activities net position</b>	<b>\$</b>	<b>12,578,162</b>	<b>\$</b>	<b>12,712,308</b>	<b>\$</b>	<b>12,907,281</b>	<b>\$</b>	<b>13,459,571</b>	<b>\$</b>	<b>14,681,275</b>	<b>\$</b>	<b>14,880,719</b>	<b>\$</b>	<b>12,401,862</b>	<b>\$</b>	<b>13,015,431</b>	<b>\$</b>	<b>13,478,368</b>	<b>\$</b>	<b>13,300,068</b>			
<b>Business-type activities</b>																							
Invested in capital assets, net of related debt	\$	22,084	\$	18,258	\$	14,431	\$	10,604	\$	7,472	\$	9,118	\$	6,982	\$	5,334	\$	-	\$	-			
Restricted																							
Unrestricted		56,345		54,500		50,729		59,642		63,252		55,708		57,655		70,742		59,440		33,144			
<b>Total business-type activities net position</b>	<b>\$</b>	<b>78,429</b>	<b>\$</b>	<b>72,758</b>	<b>\$</b>	<b>65,160</b>	<b>\$</b>	<b>70,246</b>	<b>\$</b>	<b>70,724</b>	<b>\$</b>	<b>64,826</b>	<b>\$</b>	<b>64,637</b>	<b>\$</b>	<b>76,076</b>	<b>\$</b>	<b>59,440</b>	<b>\$</b>	<b>33,144</b>			
<b>District-wide</b>																							
Invested in capital assets, net of related debt	\$	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	\$	13,318,038			
Restricted		873,959		1,276,063		1,785,745		2,201,842		1,898,553		2,328,637		2,427,315		2,309,830		2,678,463		2,712,957			
Unrestricted		1,495,453		1,096,285		711,554		898,342		609,919		530,649		(2,057,934)		(1,634,131)		(2,364,946)		(2,697,783)			
<b>Total district net position</b>	<b>\$</b>	<b>12,656,591</b>	<b>\$</b>	<b>12,785,066</b>	<b>\$</b>	<b>12,972,441</b>	<b>\$</b>	<b>13,529,817</b>	<b>\$</b>	<b>14,751,999</b>	<b>\$</b>	<b>14,945,545</b>	<b>\$</b>	<b>12,466,499</b>	<b>\$</b>	<b>13,091,507</b>	<b>\$</b>	<b>13,537,808</b>	<b>\$</b>	<b>13,333,212</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 7,116,437
Special education	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	2,543,732
Other special education	266,722	533,263	503,105	571,448	644,158	596,262	788,157	811,099	407,502	264,797
School sponsored cocurricular									242,819	311,703
Support Services:										
Tuition	285,418	583,128	387,052	96,729	151,613	61,001	54,144	60,721	202,237	302,243
Student & instruction related services	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	2,608,190
School administrative services	551,931	677,240	482,134	491,464	628,104	611,783	619,103	707,278	633,721	562,444
General and business administrative service:	873,683	740,036	1,009,789	859,670	785,879	780,275	761,789	1,036,806	903,428	810,637
Plant operations and maintenance	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	2,521,901
Pupil transportation	808,045	939,372	866,871	775,321	781,217	733,875	742,663	717,707	701,490	835,345
Interest on long-term debt	337,210	346,239	337,182						186,820	342,298
Unallocated depreciation				376,869	348,229	339,247	337,556	319,320	-	-
Total governmental activities expenses	<u>12,993,301</u>	<u>13,573,918</u>	<u>13,498,604</u>	<u>12,970,241</u>	<u>13,368,131</u>	<u>13,356,474</u>	<u>13,154,232</u>	<u>15,094,501</u>	<u>15,618,466</u>	<u>18,219,727</u>
Business-type activities:										
Food service	190,116	220,422	244,532	237,717	254,170	236,561	239,282	212,725	205,520	195,728
Preschool Program									-	-
Total business-type activities expense	<u>190,116</u>	<u>220,422</u>	<u>244,532</u>	<u>237,717</u>	<u>254,170</u>	<u>236,561</u>	<u>239,282</u>	<u>212,725</u>	<u>205,520</u>	<u>195,728</u>
Total district expenses	<u>\$ 13,183,417</u>	<u>\$ 13,794,340</u>	<u>\$ 13,743,136</u>	<u>\$ 13,207,958</u>	<u>\$ 13,622,301</u>	<u>\$ 13,593,035</u>	<u>\$ 13,393,514</u>	<u>\$ 15,307,226</u>	<u>\$ 15,823,986</u>	<u>\$ 18,415,455</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction-regular	\$ 44,642	\$ 52,391	\$ 66,500	\$ 76,200	\$ 44,176	\$ 68,987	\$ 58,290	\$ 44,152	\$ 25,791	\$ 34,757
Tuition										
Operating grants and contributions	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629	3,639,864	5,362,868
Capital grants and contributions	31,162		29,953	378,205	1,078,382		-	192,789	-	-
Total governmental activities program revenues	<u>251,211</u>	<u>230,786</u>	<u>379,310</u>	<u>621,845</u>	<u>1,359,592</u>	<u>214,705</u>	<u>200,849</u>	<u>389,570</u>	<u>3,665,655</u>	<u>5,397,625</u>
Business-type activities:										
Charges for services										
Food service	185,659	180,433	199,513	204,671	214,442	193,565	200,713	191,805	159,071	163,415
Preschool Program									-	-
Operating grants and contributions	31,086	33,892	37,705	38,032	40,122	37,031	38,225	32,245	24,387	2,033
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>216,745</u>	<u>214,325</u>	<u>237,218</u>	<u>242,703</u>	<u>254,564</u>	<u>230,596</u>	<u>238,938</u>	<u>224,050</u>	<u>183,458</u>	<u>165,448</u>
Total district program revenues	<u>\$ 467,956</u>	<u>\$ 445,111</u>	<u>\$ 616,528</u>	<u>\$ 864,548</u>	<u>\$ 1,614,156</u>	<u>\$ 445,301</u>	<u>\$ 439,787</u>	<u>\$ 613,620</u>	<u>\$ 3,849,113</u>	<u>\$ 5,563,073</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (12,822,102)
Business-type activities	26,629	(6,097)	(7,314)	4,986	394	(5,965)	(344)	11,325	(22,062)	(30,280)
Total district-wide net expense	<u>\$ (12,715,461)</u>	<u>\$ (13,349,229)</u>	<u>\$ (13,126,608)</u>	<u>\$ (12,343,410)</u>	<u>\$ (12,008,145)</u>	<u>\$ (13,147,734)</u>	<u>\$ (12,953,727)</u>	<u>\$ (14,693,606)</u>	<u>\$ (11,974,873)</u>	<u>\$ (12,852,382)</u>

Continued

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

**Exhibit J-2**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 11,870,336
Taxes levied for debt service	668,626	725,983	852,148	845,025	733,002	823,319	824,981	763,211	760,709	763,611
Unrestricted grants and contributions	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)	(26,525)
Investment earnings	104,510	30,383	26,769	11,404	5,305	4,516	5,921	6,371	5,539	7,204
Miscellaneous income	17,473	32,692	54,123	59,876	32,139	27,065	65,837	25,503	26,714	29,176
Transfers	(4,310)	8,200	(8,969)	(79,684)	(62,491)	(11,464)				
Total governmental activities	<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>	<u>12,643,802</u>
Business-type activities:										
Miscellaneous Income	1,795	426	178	100	84	67	155	114	5,426	3,984
Transfers			(462)							
Total business-type activities	<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>	<u>3,984</u>
Total district-wide	<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>	<u>\$ 12,647,786</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 798,726	\$ 134,146	\$ 194,973	\$ 552,190	\$ 1,221,804	\$ 296,512	\$ 671,729	\$ 613,569	\$ 205,727	\$ (178,300)
Business-type activities	28,424	(5,671)	(7,598)	5,086	478	(5,898)	(189)	11,439	(16,636)	(26,296)
Total district	<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>	<u>\$ (204,596)</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 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	\$ 3,096,627
Unreserved	267,318	373,369	345,265	328,659	319,140	253,341	277,057	238,124	213,571	246,990
Total general fund	<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>	<u>\$ 3,343,617</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 105,661	\$ 58,278	\$ 799,343	\$ 2,083,476	\$ 465,903	\$ 465,903	\$ 1,140,903	\$ 872,389	\$ 644,708	\$ 618,193
Debt service fund	6,964			1	1		2	2		
Total all other governmental funds	<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>	<u>\$ 618,193</u>

Source: CAFR Schedule B-1

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

**Exhibit J-4**

	<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>2017</u>
<b>Revenues</b>										
Tax levy	\$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	\$ 12,633,947
Tuition charges	22,381		29,387	49,189	24,942	50,500	30,525	17,400	19,095	34,757
Miscellaneous	217,180	156,744	112,466	71,542	35,570	29,675	80,419	38,595	38,949	36,380
State sources	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	2,501,235
Federal sources	175,407	178,395	282,857	167,440	263,744	145,718	142,559	152,629	153,052	167,735
<b>Total revenue</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>15,374,054</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	4,116,529
Special education instruction	674,050	798,511	932,603	935,109	1,064,568	1,135,190	1,149,470	1,125,896	1,408,360	1,631,906
Other special instruction	57,822	220,846	208,426	283,093	277,962	254,771	392,909	342,478	260,295	169,878
Other instruction	128,071	147,221	146,455	88,751	150,036	139,192	144,499	142,205	162,127	199,970
<b>Support Services:</b>										
Tuition	247,880	431,419	206,891	96,729	10,718	8,901		703	202,237	302,243
Student & instruction related services	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	1,662,865
School administrative services	403,736	476,643	338,311	335,232	431,325	420,446	433,289	433,579	412,015	355,651
Other administrative services	622,700	553,508	761,707	621,205	560,855	568,404	560,754	753,672	572,069	514,859
Plant operations and maintenance	1,124,196	1,076,730	965,667	905,007	909,610	912,680	925,952	866,223	1,042,704	1,358,481
Pupil transportation	633,904	735,972	637,215	544,787	569,722	551,238	581,067	563,265	642,418	760,254
Unallocated employee benefits	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	3,101,597
Special Revenue	175,407	178,395	282,857	167,440	237,034	145,718	142,559	152,629		
Charter Schools			10,361						-	-
Capital Outlay	250,494	420,726	174,424	957,947	2,726,919	76,885	200,132	524,623	1,221,483	274,612
<b>Debt service:</b>										
Principal	303,985	380,178	516,389	532,693	389,064	510,541	532,090	490,000	505,000	525,000
Interest and other charges	365,929	352,769	335,759	353,487	367,872	347,051	345,735	326,057	255,711	238,611
<b>Total expenditures</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>	<b>15,212,456</b>
Excess (Deficiency) of revenues over (under) expenditures	766,943	(11,770)	86,483	(215,888)	(1,155,726)	466,081	664,469	231,162	(751,330)	161,598
<b>Other Financing Sources (uses)</b>										
Capital leases (non-budgeted)										
Bond proceeds				1,657,915						
Proceeds of refunding debt										
Payment to refunded debt escrow agent										
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>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>-</b>
<b>Net change in fund balances</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>	<b>\$ 161,598</b>
Debt service as a percentage of noncapital expenditures	5.3%	5.5%	6.3%	6.9%	5.8%	6.5%	6.8%	6.1%	5.4%	5.1%

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>
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
2017	7,204			34,757		29,166	71,127

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>
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	\$0.870	\$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	0.860	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	0.870	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	0.900	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	0.898	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	0.931	1,615,855,999
2017	9,945,200	1,060,442,600	232,720,110	3,418,255	48,031,500	2,804,000		1,426,111,845	\$68,750,180	0	1,357,361,665	0.931	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	
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
2017	\$0.875	\$0.056	\$0.931	\$0.636	\$0.425	\$0.443	\$2.435

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	2016			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	1.84%	\$ 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>3.95%</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	
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%	-
2013	\$11,702,219	\$11,702,219	100.00%	-
2014	\$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%	-
2017	\$12,633,947	\$12,633,947	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		
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
2017	\$ 5,998,000	-0-	-0-	-0-	-0-	\$ 5,998,000	1.27%	\$1,028.29

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		
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
2017	\$ 5,998,000	-0-	\$ 5,998,000	0.44%	\$ 1,028

**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, 2017**

**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	\$ 19,249,254	100.00%	\$ 19,249,254
<b>Other debt</b>			
North Hunterdon Regional School District	755,000	20.046%	151,350
Hunterdon County	75,793,752	7.671%	<u>5,814,162</u>
Subtotal, overlapping debt			25,214,766
<b>Tewksbury Township School District Direct Debt</b>			<u>6,333,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 31,547,766</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.

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

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

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized valuation basis
	2014 1,611,989,730
	2015 1,616,212,358
	2016 1,645,885,370
	<b>[A]</b> \$ <u>4,874,087,458</u>
Average equalized valuation of taxable property	<b>[A/3]</b> \$ 1,624,695,819
Debt limit (3 % of average equalization value)	<b>[B]</b> 48,740,875
Net bonded school debt	<b>[C]</b> 5,998,000
Legal debt margin	<b>[B-C]</b> \$ <u>42,742,875</u>

	Fiscal Year									
	<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>2017</u>
Debt limit	\$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	\$48,740,875
Total net debt applicable to limit	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	5,998,000
Legal debt margin	<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>	<u>\$42,742,875</u>
Total net debt applicable to the limit as a percentage of debt limit	16.59%	15.24%	14.15%	16.40%	16.26%	15.77%	15.17%	14.55%	13.27%	12.31%

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>
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	\$80,759 R	4.1%
2016	5,884	\$ 458,622,496	\$80,759 *	3.6%
2017	5,833	\$ 471,067,247	\$80,759 *	*

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

**Exhibit J-16**

<u>Function/Program</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>2017</u>
Instruction										
Regular	56.2	61.2	61.9	57.2	56.2	54.4	56.0	56.0	56.0	56.0
Special Education	10.0	10.0	12.0	14.0	13.0	13.0	12.2	12.2	12.2	11.2
Other Special Education	7.4	8.0	10.8	10.2	10.2	11.6	11.0	11.0	11.0	9.7
Other Instruction	6.0	5.2	4.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student & Other Related Services	8.0	8.4	8.4	12.8	13.5	14.9	15.9	16.0	15.8	15.8
General administrative services	3.0	3.0	3.0	2.4	2.4	2.4	2.4	2.4	2.4	2.4
School administrative services	1.0	1.0	1.0	1.5	2.1	2.0	2.0	2.0	2.0	2.0
Business administrative services	10.0	9.0	9.0	7.1	7.1	7.1	7.0	7.0	7.0	6.0
Plant operations and maintenance	9.5	8.5	9.0	10.0	9.0	8.0	8.0	8.0	7.0	7.0
Pupil transportation	8.3	9.6	9.5	9.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	119.4	123.9	129.5	127.2	126.5	126.4	127.5	127.6	126.4	123.1

**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					
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%
2017	580	\$14,174,233	24,438	10.45%	84	6.94		567.2	545.8	-5.21%	96.23%

**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**

	<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>2017</u>
<b><u>District Building</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	334	339	370	374	352	366	367	347	291	282
<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	439	440	416	377	356	341	322	310	307	275

Number of Schools at June 30, 2017

**Source:** District records, ASSA

Elementary = 1  
Middle School = 1

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, 2017

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>2017</u>	<u>Total</u>
Old Turnpike School	N/A	107,021	\$96,412	\$36,299	\$24,605	\$49,262	\$56,271	\$73,520	\$31,865	\$54,848	\$176,897	\$706,999
Tewksbury Township Elementary School	N/A	89,793	49,894	29,129	40,014	37,349	47,029	49,818	41,306	48,638	156,870	589,841
Total School Facilities		196,814	146,306	65,428	64,619	86,611	103,300	123,338	73,171	103,486	333,767	1,296,840
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>Grand Total</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>\$333,767</b>	<b>\$1,296,840</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE  
JUNE 30, 2017  
UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY - NJ School Boards Insurance Group:</b>		
Property-Blanket Building and Contents	\$ 14,632,000	
Comprehensive General Liability	16,000,000	
Comprehensive Automotive Liability	16,000,000	\$ 1,000
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, 2017, 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, 2017.

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

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

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

-Continued-

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Ardito & Co., LLP*

ARDITO & CO., LLP  
September 30, 2017

*Cynthia Corder*

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, 2017. 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, 2017.

**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, 2017

*Cumy Ceder*

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, 2017

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2016	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2017			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	17-495-034-5120-068	7/1/16-6/30/17	\$ 296,585			\$ 296,585	\$ (296,585)							\$ 26,416	\$ 296,585
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	101,537			101,537	(101,537)							9,044	101,537
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	345,703			345,703	(345,703)							30,791	345,703
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	56,555			56,555	(56,555)							5,037	56,555
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	38,685			38,685	(38,685)							3,445	38,685
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	6,530			6,530	(6,530)							582	6,530
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	6,530			6,530	(6,530)							582	6,530
Prof. Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	5,760			5,760	(5,760)							512	5,760
Non-Public Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	19,461				(19,461)			\$ (19,461)					19,461
Non-Public Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	18,095	\$ (18,656)		18,656									18,095
Extraordinary Aid	16-495-034-5120-057	7/1/15-6/30/16	43,290	(18,276)		18,276									43,290
Extraordinary Aid	17-495-034-5120-057	7/1/16-6/30/17	50,330				(50,330)			(50,330)					50,330
On-Behalf TPAF Pension	17-495-034-5094-002	7/1/16-6/30/17	628,727			628,727	(628,727)								628,727
On-Behalf TPAF Pension PMR	17-495-034-5094-001	7/1/16-6/30/17	523,872			523,872	(523,872)								523,872
On-Behalf TPAF Pension LTD Ins	17-495-034-5094-004	7/1/16-6/30/17	1,424			1,424	(1,424)								1,424
Reimbursed TPAF Soc.Secur.Contrib.	17-495-034-5094-003	7/1/16-6/30/17	446,678			446,678	(446,678)								446,678
<b>Total General Fund</b>				(36,932)		2,495,518	(2,528,377)	-		(69,791)				76,409	2,589,762
<b>Capital Projects Fund:</b>															
New Elementary School	SP#201134	2000	3,973,790	(178,848)		178,848									-
Air Conditioner Upgrades Old Turnpike	5180-030-09-1001	2010	329,477	(355,981)		329,477		\$ 26,504							-
Generator Intall at Old Turnpike School	5180-030-14-2004	2014	178,453	(178,453)		178,453									-
Security Upgrades at Tewksbury Elem.	5180-055-14-1008	2014	88,338	(88,359)		88,338		21							-
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	(10,831)		10,831									-
<b>Total General Fund</b>				(910,472)		883,947	-	26,525		-				-	-
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	16-100-010-3350-023	7/1/15-6/30/16		(207)		207									-
<b>Total Enterprise Fund</b>				(207)		207	-			-					-
<b>Total State Financial Assistance</b>				\$ (947,611)		\$ 3,379,672	\$ (2,528,377)	\$ 26,525		\$ (69,791)				\$ 76,409	\$ 2,589,762

Less: On-behalf TPAF Pension Amounts 1,154,023

Total State Expenditures Subject to Major Program Determination \$ (1,374,354)

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, 2017

**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 (\$617) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TEWKSBURY TOWNSHIP  
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NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,527,760	\$ 2,527,760
Special Revenue Fund	\$ 167,735	-	167,735
Capital Projects Fund		(26,525)	(26,525)
Food Service Fund	<u>1,950</u>	<u>-</u>	<u>1,950</u>
Total Financial Assistance	<u>\$ 169,685</u>	<u>\$ 2,501,235</u>	<u>\$ 2,670,920</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, 2017. 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, 2017.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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, 2017

**Section I - Summary of Auditor's Results-(Continued)**

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x yes    no

Internal Control over major programs:

1) Material weakness(es) identified?    yes x no

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

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

17-495-034-5120-068

School Choice Aid

17-495-034-5120-089

Special Education Aid

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Section II-Financial Statement Findings**

N/A

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

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

N/A

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

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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, 2017

**STATUS OF PRIOR YEAR FINDINGS**

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. All prior year state financial assistance findings were corrected in the current year.

