

**SCHOOL DISTRICT**

**OF**

**TEWKSBURY TOWNSHIP**

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

**Annual Comprehensive Financial Report**  
**For The Fiscal Year Ended June 30, 2021**

# **Annual Comprehensive**

# **Financial Report**

**of the**

**Tewksbury Township School District**

**Board of Education**

**Califon, New Jersey**

**For the Fiscal Year Ending June 30, 2021**

**Prepared by**

**Tewksbury Township School District**

**Board of Education**

**Finance Department**

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## **Introductory Section**



# Tewksbury Township Board of Education

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

January 26, 2022

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, 2021, 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 Uniform Guidance, "Audits of State, Local Governments, and Non-Profit Organizations", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Tewksbury Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the district are included in this report. The Tewksbury Board of Education and all its schools constitute the district's reporting entity.

The district provided 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 2020-2021 fiscal year with an enrollment of 478 students, which is a decrease of 36 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>
2016-2017	569	-6.1%
2017-2018	554	-2.6%
2018-2019	531	-4.15%
2019-2020	514	-3.3%
2020-2021	478	-7.5%

**2) ECONOMIC CONDITION AND OUTLOOK:** Tewksbury is predominantly 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 educated 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. In the fall of 2016, the district implemented a full day program for the preschool. The Old Turnpike School housed a Pre-K disabled class as well as grades 6-8. The Pre-K disabled class included a program for three and four year old disabled students along with an inclusionary program. Students in grades 5-8 received instruction using a departmentalized structure. Our middle school has an eight-period day.

Across the district there is a strong emphasis on the use of instructional technology and the development of 21st century skills. Inquiry-based learning and individualized instruction are valued in the district. The District maintained a 1:1 laptop ratio for grades 2 through 8 for the 2020-2021 school year. Students in grades 2-8 were permitted to use their devices outside of the school building. Tewksbury students are offered a complement of academic offerings including the visual and Performing Arts, World Language, Technology and STEM. Tewksbury students consistently perform well on standardized assessments.

A social-emotional learning is also valued by our school community. Programs for students promote positive social behaviors and assists in improving relationships and attitudes toward school. Educators have many opportunities to learn more about how to support social-emotional learning.

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

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

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.



**6) ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements".

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

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

**9) OTHER INFORMATION:**

**Independent Audit** - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito and Company, LLC 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 Uniform Guidance and State Treasury Circular 15-08) OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

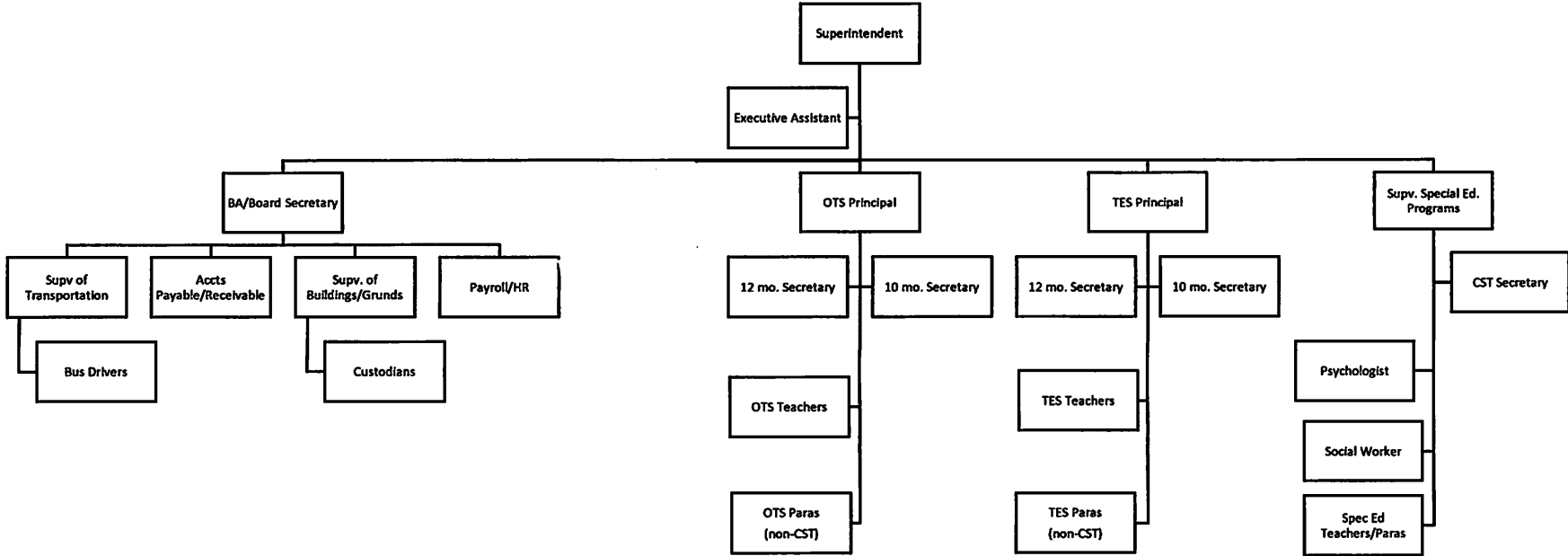
**10) ACKNOWLEDGMENTS:** I would like to express my appreciation to the members of the Tewksbury Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully yours,



Dr. Jennifer Shouffler  
Superintendent

# Tewksbury Twp. School District Organizational Structure



**TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Michael Deo, <i>President</i>	2022
Angela Deeney, <i>Vice-President</i>	2021
Greg Davidson	2023
Suleyka Munoz	2023
Lori Larsen	2021
William Simon	2023
Susanne Jardinella	2022
Jillian Carrino	2021
Andrea Stein	2022
<b><u>Other Officials</u></b>	
Dr. Jennifer Shouffler, <i>Superintendent</i>	
Heather Goguen, <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 & Company LLC**  
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 & COMPANY LLC**

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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

## **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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

-Continued-

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Tewksbury Township School District Board of Education, as of June 30, 2021, 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.

-Continued-



The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's 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 January 26, 2022, 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 & Company LLC*

ARDITO & COMPANY LLC  
January 26, 2022

***Anthony Ardito***

Anthony Ardito  
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, 2021  
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, 2021. 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 2021 are as follows:

- ◆ In total, Net Position increased \$1,003,987 which represents a 6.3% increase from 2020.
- ◆ General revenues accounted for \$13,356,064 in revenue or 71.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,455,886 or 29.0% of total revenues of \$18,811,950.
- ◆ Total assets of governmental activities increased by \$283,771, as cash and cash equivalents decreased by \$69,724, receivables increased by \$275,665, and capital assets increased by \$83,361.
- ◆ The School District had \$17,807,963 in expenses; only \$5,455,886 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,356,064 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$16,189,754 in revenues and \$16,130,925 in expenditures. The General Fund's surplus balance increased \$34,829 over 2020, which compares favorably to the budgeted decrease of \$1,049,450.

**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, 2021  
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 2021?” 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, 2021  
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 2021 compared to 2020.

**Table 1  
Net Position**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and Other Assets	\$ 5,084,596	\$ 4,884,186
Capital Assets	19,156,845	19,073,484
<b>Total Assets</b>	<u>24,241,441</u>	<u>23,957,670</u>
<b>Deferred Outflows of Resources</b>	<u>384,061</u>	<u>490,463</u>
<b>Liabilities</b>		
Long-Term Liabilities	3,205,262	3,908,521
Other Liabilities	3,399,477	3,469,824
<b>Total Liabilities</b>	<u>6,604,739</u>	<u>7,378,345</u>
<b>Deferred Inflows of Resources</b>	<u>1,145,270</u>	<u>1,198,282</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	15,658,845	14,940,484
Restricted	3,967,692	3,836,739
Unrestricted	<u>(2,751,044)</u>	<u>(2,905,717)</u>
<b>Total Net Position</b>	<u>\$ 16,875,493</u>	<u>\$ 15,871,506</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED

Total assets of governmental activities increased by \$283,771, as cash and cash equivalents decreased by \$69,724, receivables increased by \$275,665, and capital assets increased by \$83,361.

The cash decrease was mainly due to \$953,242 in capital expenditures, the increase in receivables was due to CRRSA COVID second round grants collected in the subsequent year, and the increase in capital assets was due to capital additions spending, net of depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2020.

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

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 77,040	\$ 167,431
Operating Grants and Contributions	5,378,846	3,718,206
General Revenues:		
Property Taxes	13,278,127	13,277,292
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	6,525	33,507
Other	<u>71,412</u>	<u>16,559</u>
<b>Total Revenues</b>	<u>18,811,950</u>	<u>17,212,995</u>
<b>Program Expenses</b>		
Instruction	9,525,536	8,929,020
Support Services:		
Tuition	185,589	174,936
Pupils and Instructional Staff	3,147,487	2,434,681
General Administration, School Administration, Business	1,287,579	1,264,398
Operations and Maintenance of Facilities	2,817,453	2,391,565
Pupil Transportation	660,928	735,500
Business-Type Activities	40,947	154,373
Interest and Fiscal Charges	<u>142,444</u>	<u>159,070</u>
<b>Total Expenses</b>	<u>17,807,963</u>	<u>16,243,543</u>
Increase in Net Position	<u>\$ 1,003,987</u>	<u>\$ 969,452</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
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 70.6% percent of revenues for governmental activities for the Tewksbury Township School District for the fiscal year 2021.

Instruction comprises 53.5% of district expenses. Support services expenses make up 45.5% 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 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 9,525,536	\$ 6,516,692	\$ 8,929,020	\$ 6,789,662
Support Services:				
Tuition	185,589	131,885	174,936	135,504
Pupils and Instructional Staff	3,147,487	2,146,801	2,434,681	1,870,876
General Admin., School Admin., Business	1,287,579	914,989	1,264,398	979,396
Operation and Maintenance of Facilities	2,817,453	2,002,160	2,391,565	1,852,492
Pupil Transportation	660,928	469,674	735,500	569,714
Business-Type Activities	40,947	27,432	154,373	1,192
Interest and Fiscal Charges	142,444	142,444	159,070	159,070
<b>Total Expenses</b>	<u>\$ 17,807,963</u>	<u>\$ 12,352,077</u>	<u>\$ 16,243,543</u>	<u>\$ 12,357,906</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, 2021  
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 68.4% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 70.0%. 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 \$17,227,995 and expenditures of \$17,172,315. The General Fund's surplus balance increased \$34,829 over 2020, which compares favorably to the budgeted decrease of \$1,049,450.

**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 2021 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 \$13,844,345, \$248,444 over original budgeted estimates of \$13,595,901. This difference was due primarily to an increase in extraordinary aid over budgeted amounts.

General fund revenues exceeded expenditures by \$35,851. Again this surplus compares to a budgeted deficit of \$1,049,450, which was due to the budgeted use of surplus, and reserve withdrawals needed to balance the 2020-2021 budget. The budgeted deficit was reduced due to cost savings in the areas of instruction, maintenance, transportation, and benefits.

Overall general fund balance (budget basis) was \$4,662,976, and amounts ear-marked and reserved for future purposes were \$3,891,339, creating a surplus in unreserved fund balance of \$771,637. 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, 2021  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2021, the School District had \$19,156,845 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2021 balances compared to 2020.

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

	<u>2021</u>	<u>2020</u>
Land	\$ 1,762,263	\$ 1,762,263
Land Improvements	41,231	47,098
Buildings and Improvements	16,280,588	16,061,094
Machinery and Equipment	565,603	608,863
Vehicles	<u>507,160</u>	<u>594,166</u>
 Totals	 <u>\$ 19,156,845</u>	 <u>\$ 19,073,484</u>

Overall capital assets increased \$83,361 from fiscal year 2020 to fiscal year 2021. The increase in capital assets was due to capital spending, net of depreciation expense.

Capital improvements of \$953,242 were purchased during fiscal year 2021. Capital items included building improvements/renovations, and technology equipment.

**Debt Administration**

At June 30, 2021, the School District had \$3,895,408 as outstanding long term debt. Of this amount, \$306,837 is for compensated absences, and \$3,498,000 is for bonds payable.

At June 30, 2021, the School District's overall legal debt margin was \$48,874,045 and the unvoted debt margin was \$45,376,045.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
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, 2021

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,728,372	\$ 3,179	\$ 4,731,551
Receivables from Other Governments	339,499		339,499
Other Receivables	5,332		5,332
Interfund Receivables	4,000		4,000
Inventory		4,214	4,214
Capital Assets, Net (Note 6):	19,156,845		19,156,845
<b>Total Assets</b>	<b>24,234,048</b>	<b>7,393</b>	<b>24,241,441</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	384,061		384,061
<b>LIABILITIES</b>			
Accounts Payable	140,920		140,920
Payroll Deductions and Withholdings Payable	212,208		212,208
Unemployment Compensation Claims Payable	1,699		1,699
Interfund Payables		4,000	4,000
Unearned Revenue	73,864		73,864
Accrued Interest	31,379		31,379
Net Pension Liability (Note 8)	2,245,261		2,245,261
Noncurrent Liabilities (Note 7):			
Due Within One Year	690,146		690,146
Due Beyond One Year	3,205,262		3,205,262
<b>Total Liabilities</b>	<b>6,600,739</b>	<b>4,000</b>	<b>6,604,739</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	1,145,270		1,145,270
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	15,658,845		15,658,845
Reserved for:			
Other Purposes	3,967,692		3,967,692
Unrestricted	(2,754,437)	3,393	(2,751,044)
<b>Total Net Position</b>	<b>\$ 16,872,100</b>	<b>\$ 3,393</b>	<b>\$ 16,875,493</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, 2021

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 7,254,608	\$ 45,394	\$ 2,306,306		\$ (4,902,908)		\$ (4,902,908)
Special Education	2,173,474		628,943		(1,544,531)		(1,544,531)
Other Special Instruction	27,558		7,975		(19,583)		(19,583)
School Sponsored Cocurricular	69,896		20,226		(49,670)		(49,670)
Support Services:							
Tuition	185,589		53,704		(131,885)		(131,885)
Student & Instruction Related Serv.	3,147,487	18,131	982,555		(2,146,801)		(2,146,801)
School Administrative Services	480,384		139,010		(341,374)		(341,374)
General and Business Admin. Serv.	807,195		233,580		(573,615)		(573,615)
Plant Operations and Maintenance	2,817,453		815,293		(2,002,160)		(2,002,160)
Pupil Transportation	660,928		191,254		(469,674)		(469,674)
Interest and Other Fiscal Charges	142,444		-		(142,444)		(142,444)
Unallocated Depreciation	-		-		-		-
Total Governmental Activities	17,767,016	63,525	5,378,846		(12,324,645)		(12,324,645)
Business-Type Activities:							
Food Service	40,947	13,515				\$ (27,432)	(27,432)
Preschool Program	-	-				-	-
Total Business-Type Activities	40,947	13,515	-	-	-	(27,432)	(27,432)
<b>Total Primary Government</b>	<b>\$ 17,807,963</b>	<b>\$ 77,040</b>	<b>\$ 5,378,846</b>	<b>\$ -</b>	<b>\$ (12,324,645)</b>	<b>\$ (27,432)</b>	<b>\$ (12,352,077)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 12,545,871			\$ 12,545,871
Taxes Levied for Debt Service				732,256			732,256
Investment Earnings				6,109	\$ 416		6,525
Miscellaneous Income				71,412			71,412
Operating Transfers				(24,000)	24,000		-
Total General Revenues, Special Items, Extraor. Items and Transfers				13,331,648	24,416		13,356,064
Change in Net Position				1,007,003	(3,016)		1,003,987
Net Position—Beginning				15,691,792	6,409		15,698,201
Prior Period Adjustments (See Note 21)				173,305			173,305
Net Position—Beginning (Restated)				15,865,097	6,409		15,871,506
<b>Net Position—Ending</b>				<b>\$ 16,872,100</b>	<b>\$ 3,393</b>		<b>\$ 16,875,493</b>

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.

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,643,940	\$ 84,339	\$ 61	\$ 32	\$ 4,728,372
Interfund Receivables	45,130				45,130
Other Receivables	5,332				5,332
Receivables from Other Governments	239,438	100,061			339,499
<b>TOTAL ASSETS</b>	<b>\$ 4,933,840</b>	<b>\$ 184,400</b>	<b>\$ 61</b>	<b>\$ 32</b>	<b>\$ 5,118,333</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 137,559	\$ 3,361			\$ 140,920
Payroll Deductions and Withholdings Payable	212,208				212,208
Unemployment Compensation Claims Payable	1,699				1,699
Interfund Payable	10,215	30,915			41,130
Unearned Revenue		73,864			73,864
<b>Total Liabilities</b>	<b>361,681</b>	<b>108,140</b>	<b>-</b>	<b>-</b>	<b>469,821</b>
<b>Fund Balances:</b>					
<u>Restricted for:</u>					
Capital Reserve Account	2,196,243				2,196,243
Maintenance Reserve Account	350,402				350,402
Emergency Reserve Account	250,000				250,000
Excess Surplus	407,860				407,860
Excess Surplus - Designated for					
Subsequent Year's Expenditures	566,800				566,800
Unemployment Claims	93,864				93,864
Scholarships		17,773			17,773
Student Activities		58,487			58,487
<u>Assigned to:</u>					
General Fund - Designated for					
Subsequent Year's Expenditures	26,170				26,170
Capital Projects Fund			\$ 61		61
Debt Service Fund				\$ 32	32
<u>Unassigned:</u>					
General Fund	680,820				680,820
<b>Total Fund Balances</b>	<b>4,572,159</b>	<b>76,260</b>	<b>61</b>	<b>32</b>	<b>4,648,512</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,933,840</b>	<b>\$ 184,400</b>	<b>\$ 61</b>	<b>\$ 32</b>	<b>\$ 5,118,333</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 \$33,143,482 and the accumulated depreciation is \$13,986,637.	19,156,845
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)	384,061
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)	(1,145,270)
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)	(2,245,261)
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)	(31,379)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(3,895,408)
Net Position of governmental activities	<u>\$ 16,872,100</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, 2021

	<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	\$ 12,545,871			\$ 732,256	\$ 13,278,127
Tuition	45,394				45,394
Transportation	1,277				1,277
Interest on Capital Reserve	1,219				1,219
Miscellaneous	65,956	\$ 27,200	-		93,156
<b>Total - Local Sources</b>	<u>12,659,717</u>	<u>27,200</u>	<u>-</u>	<u>732,256</u>	<u>13,419,173</u>
<b>State Sources</b>	3,530,037				3,530,037
<b>Federal Sources</b>		278,785			278,785
<b>Total Revenues</b>	<u>16,189,754</u>	<u>305,985</u>	<u>-</u>	<u>732,256</u>	<u>17,227,995</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Regular Instruction	3,828,344	222,345			4,050,689
Special Education Instruction	1,306,769				1,306,769
Other Special Instruction	16,569				16,569
School Sponsored Activities	42,024				42,024
Support services and undistributed costs:					
Tuition	185,589				185,589
Student and Instruction Related Services	1,804,427	71,760			1,876,187
School Administrative Services	280,744				280,744
Other Administrative Services	477,234			-	477,234
Plant Operations and Maintenance	1,267,579				1,267,579
Pupil Transportation	603,375				603,375
Unallocated Benefits	5,327,244				5,327,244
Transfer to Charter School					-
<b>Debt Service:</b>					
Principal				635,000	635,000
Interest and Other Charges				97,224	97,224
<b>Capital Outlay</b>	991,027	15,061			1,006,088
<b>Total Expenditures</b>	<u>16,130,925</u>	<u>309,166</u>	<u>-</u>	<u>732,224</u>	<u>17,172,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>58,829</u>	<u>(3,181)</u>	<u>-</u>	<u>32</u>	<u>55,680</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - Enterprise Fund	(24,000)		-		(24,000)
<b>Total Other Financing Sources and Uses</b>	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>
Net Change in Fund Balances	34,829	(3,181)	-	32	31,680
Fund Balance—July 1	4,443,466	-	\$ 61	-	4,443,527
Prior Period Adjustment-See Note 21	93,864	79,441			173,305
Fund Balance—July 1 (Restated)	<u>4,537,330</u>	<u>79,441</u>	<u>61</u>	<u>-</u>	<u>4,616,832</u>
<b>Fund Balance—June 30</b>	<u>\$ 4,572,159</u>	<u>\$ 76,260</u>	<u>\$ 61</u>	<u>\$ 32</u>	<u>\$ 4,648,512</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, 2021**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 31,680

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	\$ (869,881)	
Capital Outlays	<u>953,242</u>	83,361

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.

206,769

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.

635,000

Repayment of capital lease 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.

29,454

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.

13,113

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.

7,626

**Change in Net Position of Governmental Activities**

**\$1,007,003**

**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, 2021

	<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	\$ 3,179	\$ 3,179
Inventories	4,214	4,214
<b>Total Current Assets</b>	<b>7,393</b>	<b>7,393</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>7,393</b>	<b>7,393</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Interfund Payable	4,000	4,000
<b>Total Current Liabilities</b>	<b>4,000</b>	<b>4,000</b>
<b>Total Liabilities</b>	<b>4,000</b>	<b>4,000</b>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt Unrestricted	3,393	3,393
<b>Total Net Position</b>	<b>\$ 3,393</b>	<b>\$ 3,393</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, 2021

	<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	\$ 1,403	\$ 1,403
Daily Sales - Non-Reimb. Programs	12,112	12,112
<b>Total Operating Revenues</b>	<u>13,515</u>	<u>13,515</u>
<b>Operating Expenses:</b>		
Cost of Sales	18,737	18,737
Salaries	6,247	6,247
Employee Benefits	2,007	2,007
Emergency Covid Costs	2,537	2,537
Supplies	614	614
Miscellaneous	3,307	3,307
Other Purchased Professional Services	7,498	7,498
<b>Total Operating Expenses</b>	<u>40,947</u>	<u>40,947</u>
Operating Income (Loss)	<u>(27,432)</u>	<u>(27,432)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Interest Income	416	416
<b>Total Nonoperating Revenues (Expenses)</b>	<u>416</u>	<u>416</u>
Income (Loss) Before Contributions and Transfers	(27,016)	(27,016)
Transfers In (Out)	24,000	24,000
Change in Net Position	<u>(3,016)</u>	<u>(3,016)</u>
Total Net Position—Beginning	6,409	6,409
<b>Total Net Position—Ending</b>	<u>\$ 3,393</u>	<u>\$ 3,393</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, 2021

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Total Enterprise</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 14,205	\$ 14,205
Payments to Employees and Benefits	(18,254)	(18,254)
Payments to Suppliers	(19,979)	(19,979)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(24,028)</b>	<b>(24,028)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating Subsidies and Transfers from Other Funds	26,000	26,000
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>26,000</b>	<b>26,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Income	416	416
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>416</b>	<b>416</b>
Net Increase (Decrease) in Cash and Cash Equivalents	2,388	2,388
Balances—Beginning of Year	791	791
<b>Balances—End of Year</b>	<b>\$ 3,179</b>	<b>\$ 3,179</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (27,432)	\$ (27,432)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities		
(Increase) Decrease in Accounts Receivable, Net	-	-
(Increase) Decrease in Inventories	5,531	5,531
Increase (Decrease) in Accounts Payable	(2,127)	(2,127)
<b>Total Adjustments</b>	<b>3,404</b>	<b>3,404</b>
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>\$ (24,028)</b>	<b>\$ (24,028)</b>

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, 2021

**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 ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB No. 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2020.

**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, 2021, of 475 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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021, but which were levied to finance fiscal year 2021 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, 2021

**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, 2021

**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, 2021

**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, 2021, 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, 2021, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents (A-1)</u>
Checking Accounts	\$ 4,731,551
	<u>\$ 4,731,551</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$4,731,551 and the bank balance was \$4,956,810. 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 \$4,706,810 was covered by collateral pool.

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2021, 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	\$239,438	\$239,438
Federal Aid	100,061	100,061
Other Receivables	5,332	5,332
Gross Receivable	<u>344,831</u>	<u>344,831</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u>\$344,831</u>	<u>\$344,831</u>



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2021, consisted of the following:

Food	\$2,448
Supplies	<u>1,766</u>
	<u>\$4,214</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, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Construction in Progress	\$ 1,762,263			\$ 1,762,263
Total Capital Assets Not Being Depreciated	1,762,263			1,762,263
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	248,800			248,800
Buildings and Building Improvements	25,894,232	\$ 929,849		26,824,081
Furniture and Equipment	2,354,809	23,393		2,378,202
Vehicles	1,930,136			1,930,136
Total at Historical Cost	30,427,977	953,242	-	31,381,219
Less Accumulated Depreciation for:				
Land Improvements	(201,702)	(5,867)		(207,569)
Building and Improvements	(9,833,138)	(710,355)		(10,543,493)
Furniture and Equipment	(1,745,946)	(66,653)		(1,812,599)
Vehicles	(1,335,970)	(87,006)		(1,422,976)
Total Accumulated Depreciation	(13,116,756)	(869,881)	-	(13,986,637)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	17,311,221	83,361	-	17,394,582
<b>Government Activity Capital Assets, Net</b>	<b>\$ 19,073,484</b>	<b>\$ 83,361</b>	<b>-</b>	<b>\$ 19,156,845</b>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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	\$ 324,149
Support Services:	
Student & Instruction	16,193
General & Business Admin	8,080
School Administration	8,080
Plant & Maintenance	426,373
Pupil Transportation	87,006
Total	\$ 869,881

**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, 2021, are as follows:

	Balance <u>7/1/20</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/21</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 4,133,000		\$ (635,000)	\$ 3,498,000	\$ 660,000
Other Liabilities:					
Capital Lease Obligations	120,025		(29,454)	90,571	30,146
Compensated Absences Payable	319,950		(13,113)	306,837	-
<b>Total</b>	\$ 4,572,975	-	\$ (677,567)	\$ 3,895,408	\$ 690,146

Compensated absences have been liquidated in the General Fund.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2021, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>Balance</u> <u>6/30/2021</u>
2017 Refunding Bonds	4/6/17	2.25%	2/15/26	\$ 2,835,000
2010 School Bonds	9/23/10	2.0-3.1%	7/15/25	663,000
Total Bonds				\$ 3,498,000

**B. Debt Service Requirements:**

Debt Service requirements on serial bonds payable at June 30, 2021, is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 660,000	\$ 82,031	\$ 742,031
2023	675,000	66,203	741,203
2024	690,000	50,080	740,080
2025	725,000	35,493	760,493
2026	748,000	15,758	763,758
	\$ 3,498,000	\$ 249,565	\$ 3,747,565

TEWKSBURY TOWNSHIP  
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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

As of June 30, 2021, 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/annrpts.shtml>.

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$35,178,296 as measured on June 30, 2020 and \$33,139,589 measured on June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,187,536 and revenue of \$2,187,536 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, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2019 through June 30, 2020. 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, 2019 and June 30, 2020.

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>6/30/2019</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$10,077,460,797	\$9,589,140,982
Collective deferred inflows of resources	\$17,525,379,167	\$14,409,361,877
Collective net pension liability (Nonemployer-State of New Jersey)	\$61,370,943,870	\$65,848,796,740
State's portion of the net pension liability that was associated with the district	\$33,139,589	\$35,178,296
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.053999%	0.053423%

*Actuarial assumptions* - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-US devel.markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yeild	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk mitigation	3.00%	3.40%

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

*Discount rate* - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 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 based on 78% of the actuarially determined contributions for the State. 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 2062.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2020, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.40%)</u>	<u>(5.40%)</u>	<u>(6.40%)</u>
State's Collective Net Pension Liability	\$ 77,517,093,055	\$ 65,993,498,688	\$ 56,425,087,777

*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>. The plan fiduciary net position as of June 30, 2020 was \$21,529,179,998.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2021	(\$262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
Total	<u>(\$4,965,440,613)</u>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2020 are as follows:

Service cost	\$1,643,902,335
Interest on total ension liability	4,680,942,056
Benefit Changes	(16,738,469)
Member contributions	(867,037,595)
Administrative expens	13,511,148
Expected investment return net of investment expenses	(1,525,370,804)
Pension expense related to specific liabilities of individual employers	4,749,837
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	177,152,462
Changes in assumptions	(394,786,992)
Difference between projected and actual investment earnings on pension plan investments	<u>387,432,792</u>
Total pension expense	<u>\$4,103,756,770</u>

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

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



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2021, the District reported a liability of \$2,245,261 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. 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, 2020 and 2019. At June 30, 2020, the District's proportion was 0.01377% which was a decrease of 0.00014% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$41,533). At June 30, 2021, 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	\$ 40,883	\$ 7,940
Changes of assumptions	72,839	940,112
Net difference between projected and actual earnings on pension plan investments	76,745	-
Changes in proportion and differences between District contributions and proportionate share of contributions	42,975	197,218
District contributions subsequent to the measurement date	150,619	
Total	\$ 384,061	\$ 1,145,270

\$150,619 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, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability measured as of June 30, 2021. 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>
2021	(\$339,100)
2022	(309,156)
2023	(176,675)
2024	(71,444)
2025	(15,452)
Total	(\$911,828)

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>6/30/2019</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$3,149,522,616	\$2,347,583,337
Collective deferred inflows of resources	7,645,087,574	7,849,949,467
Collective net pension liability (Non State - Local Group)	\$18,018,482,972	\$16,307,384,832
District's portion of net pension liability	\$2,505,420	\$2,245,261
District's proportion %	0.01390472%	0.01376837%

*Actuarial assumptions* - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00% based on years of service
Therafter	3.00%-7.00% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*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, 2020 are summarized in the following table:

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-US devel.markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yeild	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk mitigation	3.00%	3.40%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 2,826,409	\$2,245,261	\$ 1,752,141

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2020 are as follows:

Service cost	(\$82,114)
Interest on total Pension liability	(267,553)
Benefit Changes	1,834
Member contributions	58,367
Administrative expens	(1,396)
Expected investment return net of investment expenses	157,504
Pension expense related to specific liabilities of individual employers	731
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	(18,864)
Changes in assumptions	138,955
Difference between projected and actual investment earnings on pension plan investments	<u>(28,997)</u>
Total pension expense	<u>(\$41,533)</u>

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

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

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

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

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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  $\frac{1}{4}$  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).

**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.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

<u>Three-Year Trend Information for PERS</u>			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2021	\$150,619	100 %	-0-
6/30/2020	\$136,003	100	-0-
6/30/2019	\$147,375	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2021	\$1,478,784	100 %	-0-
6/30/2020	\$1,193,554	100	-0-
6/30/2019	\$1,085,131	100	-0-

During the fiscal year ended June 30, 2021, the State of New Jersey did contribute \$1,941,968 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 \$404,463 during the year ended June 30, 2021, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**Note 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

**Actuarial assumptions and other imputes** The June 30, 2021 GASB 75 reporting is based on a measurement date of June 30, 2020. The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	1.55-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2020)	2.21%
Discount rate (2019)	3.50%
Healthcare cost trend rates (PPO Plans)	5.6% decreasing to 4.5% after seven years
Healthcare cost trend rates (Self-insured post 65 PPO Plans)	4.50%
Healthcare cost trend rates (HMO Plans)	5.6% decreasing to 4.5% after seven years
Healthcare cost trend rates (Prescription Drug Benefits)	7.0% decreasing to 4.5% after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	4.50%

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality-table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2019</b>	<b>\$41,729,081,045</b>
<u>Changes for the year:</u>	
Service Cost	1,790,973,822
Interest on the Total OPEB Liability	1,503,341,357
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Gross Benefit Payments	(1,180,515,618)
Contributions from Members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
<b>The State's Total OPEB Liability Balance at 6/30/2020</b>	<b><u>\$67,809,962,608</u></b>
<b>The State's total OPEB liability attributable to the District:</b>	<b>\$31,830,571</b>

There were no changes of benefit terms.

Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2020		
	<u>At 1% Decrease 1.21%</u>	<u>At Discount Rate 2.21%</u>	<u>At 1% Increase 3.21%</u>
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160



TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	June 30, 2019		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Total OPEB Liability (School Retirees)	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2020		
	At 1% Decrease	Health Care Cost	At 1% Increase
		Trend Rate	
Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975

	June 30, 2019		
	At 1% Decrease	Health Care Cost	At 1% Increase
		Trend Rate	
Total OPEB Liability (School Retirees)	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the board of education recognized OPEB expense and related revenue of \$1,324,456 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$10,295,318,750	(\$9,170,703,615)
Changes of assumptions or other inputs	<u>11,534,251,250</u>	<u>(7,737,500,827)</u>
Total	<u>\$21,829,570,000</u>	<u>(\$16,908,204,442)</u>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
	<u>\$4,921,365,558</u>

**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, 2021, 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, 2021

**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 Annual Comprehensive 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 Cash Balance</u>
2020-2021	\$105	\$12,087	\$10,493	\$95,563
2019-2020	\$529	\$8,529	\$0	\$93,864
2018-2019	\$615	\$5,848	\$4,024	\$84,806

**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 \$4,572,159 General Fund fund balance at June 30, 2021, \$350,402 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$2,196,243 is reserved for Capital Reserve; \$250,000 is reserved for Emergency Reserve; \$974,660 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$566,800 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$26,170 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$93,864 is reserved for unemployment compensation; and \$680,820 is unreserved and undesignated.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 2,146,243
Budgeted Withdrawal	(700,000)
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/16/2021	750,000
Ending Balance, June 30, 2021	<u>\$ 2,196,243</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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 350,402
Ending Balance, June 30, 2021	<u>\$ 350,402</u>

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$ 250,000
Ending balance June 30, 2021	\$ 250,000

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

The general fund interfund receivable is due from the food service fund for cash advances.

	Receivable	Payable
General Fund	\$ 4,000	\$ -
Enterprise Fund	-	4,000
	\$ 4,000	\$ 4,000

**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, 2021 is \$470,860.

**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.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 21: PRIOR PERIOD ADJUSTMENT**

**Restatement of Prior Period:**

As the Unemployment Fund does not meet the definition of a fiduciary activity prescribed in GASB No. 84 paragraph 11, the Unemployment Fund is to be reported in the general fund. However, these funds are restricted pursuant to N.J.S.A. 43:21-7.3(g). Accordingly, as use of these funds are restricted by statute, any unemployment net position at 7/1/2020 should be classified as restricted fund balance in the *general fund*.

As the Student Activities Fund does not meet the definition of a fiduciary activity prescribed in GASB No. 84 paragraph 11, the Student Activities Fund is to be reported in the *special revenue fund*. N.J.A.C. 6A:23A-16.12 governs the establishment and operation of the Student Activity Fund restricting expenditures within the fund and prohibiting the transfer of any unspent balances to any other fund.

The use of scholarship funds is restricted by the contributors. GASB No. 54 paragraph 30 provides that Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. Therefore, the Scholarship Fund is to be accounted for and reported in the *Special Revenue Fund*.

Governmental Activities Net Position:

Net Position (per A-2), June 30, 2020	\$ 15,691,792
Restricted fund balance for Student Activities per GASB No. 84	61,188
Restricted fund balance for Scholarship Funds per GASB No. 84	18,253
Restricted fund balance for Unemployment Claims per GASB No. 84	<u>93,864</u>
Net Position (per A-2), June 30, 2020, as Restated	<u>\$ 15,865,097</u>

Governmental Funds:

Net Position (per B-2), June 30, 2020	\$ 4,443,527
Restricted fund balance for Student Activities per GASB No. 84	61,188
Restricted fund balance for Scholarship Funds per GASB No. 84	18,253
Restricted fund balance for Unemployment Claims per GASB No. 84	<u>93,864</u>
Net Position (per B-2), June 30, 2020, as Restated	<u>\$ 4,616,832</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<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	\$ 12,545,871		\$ 12,545,871	\$ 12,545,871	
Tuition	-		-	7,801	\$ 7,801
Tuition From Individuals	42,000		42,000	37,593	(4,407)
Transportation	8,000		8,000	1,277	(6,723)
Interest Earned on Capital Reserve	250		250	1,219	969
Miscellaneous	3,750		3,750	65,956	62,206
<b>Total - Local Sources</b>	<b>12,599,871</b>		<b>12,599,871</b>	<b>12,659,717</b>	<b>59,846</b>
<b>State Sources:</b>					
School Choice Aid	324,254		324,254	324,254	
Transportation Aid	173,355		173,355	173,355	
Special Education Aid	441,866	\$ (35,023)	406,843	406,843	
Security Aid	56,555		56,555	56,555	
Other State Aid			-	223,621	223,621
TPAF Pension (On-Behalf - Non-Budgeted)				1,478,005	1,478,005
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				463,184	463,184
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				779	779
TPAF Social Security (Reimbursed - Non-Budgeted)				404,463	404,463
<b>Total State Sources</b>	<b>996,030</b>	<b>(35,023)</b>	<b>961,007</b>	<b>3,531,059</b>	<b>2,570,052</b>
<b>TOTAL REVENUES</b>	<b>13,595,901</b>	<b>(35,023)</b>	<b>13,560,878</b>	<b>16,190,776</b>	<b>2,629,898</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	273,809	95,562	369,371	361,354	8,017
Grades 1-5 - Salaries of Teachers	1,553,569	348,687	1,902,256	1,898,034	4,222
Grades 6-8 - Salaries of Teachers	1,637,934	(178,390)	1,459,544	1,365,964	93,580
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000	745	1,745	1,745	
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction		-			
Purchased Professional - Tech Svc	73,602	-	73,602	44,929	28,673
Other Purchased Services (400-500 series)	25,600	(4,823)	20,777	7,865	12,912
General Supplies	156,902	39,457	196,359	146,384	49,975
Textbooks	6,990	(6,990)		-	
Other Objects		2,070	2,070	2,069	1
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>3,729,406</b>	<b>296,318</b>	<b>4,025,724</b>	<b>3,828,344</b>	<b>197,380</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Special Ed - Multiply hdep</b>					
MH Sal Teh	78,563	924	79,487	78,983	504
MH General Supplies	4,864	(1,652)	3,212	3,212	-
<b>Total Multiply hdep</b>	<b>83,427</b>	<b>(728)</b>	<b>82,699</b>	<b>82,195</b>	<b>504</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	906,482	33,993	940,475	940,285	190
Other Salaries for Instruction	177,884	(25,625)	152,259	152,256	3
General Supplies	5,475	26	5,501	5,432	69
Textbooks		-		-	
<b>Total Resource Room/Resource Center</b>	<b>1,089,841</b>	<b>8,394</b>	<b>1,098,235</b>	<b>1,097,973</b>	<b>262</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	93,853	9,063	102,916	92,312	10,604
Other Salaries for Instruction	38,378	(14,685)	23,693	19,905	3,788
General Supplies	850	(142)	708	204	504
Textbooks		-		-	
<b>Total Preschool Disabilities - Full-Time</b>	<b>133,081</b>	<b>(5,764)</b>	<b>127,317</b>	<b>112,421</b>	<b>14,896</b>
<b>Home Instruction:</b>					
Salaries of Teachers	8,000	-	8,000		8,000
<b>Total Home Instruction</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,314,349</b>	<b>1,902</b>	<b>1,316,251</b>	<b>1,292,589</b>	<b>23,662</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	329,981	(266,604)	63,377	16,213	47,164
General Supplies	1,000	-	1,000	356	644
<b>Total Basic Skills/Remedial - Instruction</b>	<b>330,981</b>	<b>(266,604)</b>	<b>64,377</b>	<b>16,569</b>	<b>47,808</b>
<b>TOTAL INSTRUCTION</b>	<b>5,374,736</b>	<b>31,616</b>	<b>5,406,352</b>	<b>5,137,502</b>	<b>268,850</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>School-Sponsored Co/Extra Curricular Activities - Instruction:</b>					
Salaries	38,863	1,996	40,859	34,327	6,532
Purchased Services (300-500 series)	500	(474)	26		26
Supplies and Materials	500	(474)	26	-	26
Teen CTR Supplies		948	948	948	
Other Objects	300	-	300		300
<b>Total School-Spon.Co/Extra Curric. Activities - Instruc.</b>	<b>40,163</b>	<b>1,996</b>	<b>42,159</b>	<b>35,275</b>	<b>6,884</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	81,535	-	81,535	5,967	75,568
Purchased Services (300-500 series)	15,000	(11,995)	3,005	60	2,945
Supplies and Materials	750	-	750	722	28
Other Objects	-	-			
<b>Total School-Spon. Athletics - Instruction</b>	<b>97,285</b>	<b>(11,995)</b>	<b>85,290</b>	<b>6,749</b>	<b>78,541</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Instruction:</b>					
Tuition to Other LEAs within the State-Special		-			
Tuition to Private Schools for the Disabled - Within State	250,220	(25,000)	225,220	185,589	39,631
<b>Total Instruction</b>	<u>250,220</u>	<u>(25,000)</u>	<u>225,220</u>	<u>185,589</u>	<u>39,631</u>
<b>Attendance &amp; Social Work:</b>					
Salaries	120,681	25,461	146,142	137,757	8,385
<b>Total Attendance &amp; Social Work</b>	<u>120,681</u>	<u>25,461</u>	<u>146,142</u>	<u>137,757</u>	<u>8,385</u>
<b>Health Services:</b>					
Salaries	191,206	-	191,206	189,082	2,124
Purchased Professional and Technical Services	220	4,340	4,560	4,340	220
Other Purchased Services (400-500 series)		-			
Supplies and Materials	9,370	-	9,370	8,818	552
Other Objects	230	-	230	35	195
<b>Total Health Services</b>	<u>201,026</u>	<u>4,340</u>	<u>205,366</u>	<u>202,275</u>	<u>3,091</u>
<b>Other Supp. Services Students-Speech/OT/PT Related Services:</b>					
Salaries	118,899	-	118,899	118,620	279
Purchased Professional - Educational Services	127,500	6,832	134,332	134,332	
Supplies and Materials	2,400	-	2,400	2,385	15
Other Objects		225	225		225
<b>Total Other Supp. Svcs Students-Speech/OT/PT Rel. Services</b>	<u>248,799</u>	<u>7,057</u>	<u>255,856</u>	<u>255,337</u>	<u>519</u>
<b>Other Supp. Services - Related Svcs</b>					
Purchased Prof - Educational Svcs	8,000	(900)	7,100	1,114	5,986
<b>Total Other Supp. - Extra Svcs</b>	<u>8,000</u>	<u>(900)</u>	<u>7,100</u>	<u>1,114</u>	<u>5,986</u>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	182,956	3,315	186,271	185,655	616
RSUP PCH P/E SV	3,500	(2,950)	550	550	
Other Purchased Services (400-500 series)	1,550	(365)	1,185		1,185
Supplies and Materials	4,302	(807)	3,495	604	2,891
RSUP PCH P/E SV	300	-	300		300
<b>Total Other Supp. Services Students-Regular</b>	<u>192,608</u>	<u>(807)</u>	<u>191,801</u>	<u>186,809</u>	<u>4,992</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Child Study Teams:</b>					
Salaries of Other Professional Staff	248,385	-	248,385	241,851	6,534
Salaries of Secretarial and Clerical Assistants	46,614	3	46,617	46,613	4
OSUP PCH P/E SV	7,200	1,428	8,628	6,110	2,518
OSUP OTH PCH SV	15,150	(1,684)	13,466	11,267	2,199
Misc. Purchased Services (400-500 series O/than Resid.Costs)		390	390	390	
Supplies and Materials	14,200	1,195	15,395	13,338	2,057
Other Objects	1,494	(3)	1,491	1,359	132
<b>Total Other Supp. Services Students-Child Study Teams</b>	<b>333,043</b>	<b>1,329</b>	<b>334,372</b>	<b>320,928</b>	<b>13,444</b>
<b>Improvement of Instruction Services :</b>					
Salaries of Supervisor of Instruction	78,688	18,906	97,594	78,689	18,905
Salaries of Other Professional Staff		600	600	600	
Salaries of Secretarial and Clerical Assistants	29,230	(25,461)	3,769	3,769	
OSUP OTH SAL	17,000	(3)	16,997	4,190	12,807
Purchased Professional - Educational Services	31,000	(16,138)	14,862	13,940	922
Other Purchased Services (400-500 series)	6,000	(84)	5,916		5,916
Supplies and Materials	78,500	4,375	82,875	82,874	1
Other Objects		-		-	
<b>Total Improvement of Instruction Services</b>	<b>240,418</b>	<b>(17,805)</b>	<b>222,613</b>	<b>184,062</b>	<b>38,551</b>
<b>Educational Media Services/School Library:</b>					
Salaries	142,306	-	142,306	132,846	9,460
Salaries of Technology Coordinators	86,950	-	86,950	74,075	12,875
Purchased Professional and Ed Services	165,700	-	165,700	165,344	356
Technology Services	64,600	-	64,600	47,127	17,473
Other Purchased Services (400-500 series)	65,841	20,011	85,852	74,466	11,386
Supplies and Materials	31,347	(13,884)	17,463	10,466	6,997
<b>Total Educational Media Services/School Library</b>	<b>556,744</b>	<b>6,127</b>	<b>562,871</b>	<b>504,324</b>	<b>58,547</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Instructional Staff Training Services:</b>					
Purch Prof Educ	12,000	-	12,000	49	11,951
Other Purchased Services (400-500 series)	41,000	(4,968)	36,032	2,310	33,722
Supplies and Materials	1,600	-	1,600	-	1,600
Other Objects	3,000	-	3,000	2,666	334
<b>Total Instructional Staff Training Services</b>	<b>57,600</b>	<b>(4,968)</b>	<b>52,632</b>	<b>5,025</b>	<b>47,607</b>
<b>Supp. Services - General Administration:</b>					
Salaries	145,565	11,696	157,261	151,486	5,775
Legal Services	18,000	7,089	25,089	25,089	
Audit Fees	17,500	(1,500)	16,000	16,000	
Architectural/Engineering Fees		3,540	3,540	3,540	
Other Purchased Professional Services	4,750	(4,750)		-	
Communications/Telephone	50,176	(15,722)	34,454	24,666	9,788
BOE Other Purchased Services	5,200	(5,200)			
Other Purchased Services (400-500 series)	22,971	9,116	32,087	30,030	2,057
General Supplies	500	478	978	956	22
BOE In-House Train/Meet Supply	100	5	105	105	
Adm Judgments	22,000	-	22,000	22,000	
Miscellaneous Expenditures	5,600	(3,027)	2,573	2,573	
BOE Membership Dues & Fees	7,500	(997)	6,503	6,503	
<b>Total Supp. Services - General Administration</b>	<b>299,862</b>	<b>728</b>	<b>300,590</b>	<b>282,948</b>	<b>17,642</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	248,658	(4,250)	244,408	235,554	8,854
Salaries of Secretarial and Clerical Assistants	34,657	4,250	38,907	33,129	5,778
Other Purchased Services (400-500 series)	9,600	(276)	9,324	5,322	4,002
Supplies and Materials	7,252	276	7,528	6,739	789
Other Objects		-			
<b>Total Support Services - School Administration</b>	<b>300,167</b>	<b>-</b>	<b>300,167</b>	<b>280,744</b>	<b>19,423</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Central Services:</b>					
Salaries	183,298	-	183,298	175,918	7,380
Purchased Professional Services	12,000	-	12,000	10,100	1,900
Purchased Technical Services	5,500	-	5,500	1,100	4,400
Misc. Purchased Services (400-500 series)	6,600	(510)	6,090	1,023	5,067
Supplies and Materials	3,025	478	3,503	3,395	108
Other Objects	2,240	510	2,750	2,750	
<b>Total Central Services</b>	<b>212,663</b>	<b>478</b>	<b>213,141</b>	<b>194,286</b>	<b>18,855</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	120,153	30,260	150,413	142,307	8,106
Cleaning, Repair and Maintenance Services	120,954	40,923	161,877	143,409	18,468
Lead Testing Of Drinking Water	27,587	(27,264)	323		323
General Supplies	28,500	15,716	44,216	41,884	2,332
<b>Total Required Maintenance for School Facilities</b>	<b>297,194</b>	<b>59,635</b>	<b>356,829</b>	<b>327,600</b>	<b>29,229</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	376,888	12,002	388,890	374,079	14,811
Purchased Professional and Technical Services	54,425	(22,755)	31,670	30,741	929
Prof Tech Svcs		2,000	2,000		2,000
Cleaning, Repair and Maintenance Services	46,831	(5,734)	41,097	40,524	573
Rental of Land & Buildings other Than Lease Agree		1,920	1,920	1,920	
Other Purch Propert Services		51	51	51	
Insurance	91,566	(6,880)	84,686	84,686	
Misc. Purchased Services		255	255	255	
General Supplies	64,000	69,859	133,859	115,910	17,949
Energy (Natural Gas)	84,000	-	84,000	71,580	12,420
Energy (Electricity)	156,000	(3,658)	152,342	126,272	26,070
Energy (Gasoline)	1,000	-	1,000	205	795
Other Objects	4,635	(3,553)	1,082	1,082	
<b>Total Other Operations and Maintenance of Plant</b>	<b>879,345</b>	<b>43,507</b>	<b>922,852</b>	<b>847,305</b>	<b>75,547</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Undist. Expend. -Care and Upkeep of Grounds:</b>					
Salaries Ground	30,000	(21,000)	9,000	8,127	873
Cleaning Repair & Maint Svcs	5,500	16,958	22,458	22,247	211
General Supplies	17,000	194	17,194	17,189	5
<b>Total Undist. Expend. -Care and Upkeep of Grounds</b>	<b>52,500</b>	<b>(3,848)</b>	<b>48,652</b>	<b>47,563</b>	<b>1,089</b>
<b>Security</b>					
Purch Prof & Tech Services	1,000	(1,000)			-
General Supplies	4,000	(4,000)			-
<b>Total Security</b>	<b>5,000</b>	<b>(5,000)</b>	-	-	-
<b>Student Transportation Services:</b>					
Salaries	-	-			
Salaries for Pupil Trans.(Bet.Home & Sch.)-Regular	301,452	(11,210)	290,242	268,622	21,620
Salaries for Pupil Trans.(Bet.Home & Sch.)-Sp.Ed.	8,000	-	8,000		8,000
Salaries for Pupil Trans.(Other Than Bet.Home & Sch.)	15,000	(10,000)	5,000		5,000
Management Fee - ESC & CTSA Trans. Program	2,500	5,050	7,550	7,550	
Other Purchased Prof. and Tech. Services	1,500	(10)	1,490	1,248	242
Cleaning, Repair and Maintenance Services	85,000	(35,111)	49,889	39,229	10,660
Rental Payments - School Buses	1,000	-	1,000	-	1,000
Lease Purchase Payments - School Buses	35,000	-	35,000	32,274	2,726
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	80,000	48,824	128,824	47,837	80,987
Contract Services (Other than Between Home & School)-Vendors	1,000	-	1,000	-	1,000
Contract Services (Other than Between Home & School)- Trans Joint	10,000	-	10,000	2,595	7,405
Contracted Services (Special Education Students)-Joint Agrmnts.		1,298	1,298	1,223	75
Contracted Services (Special Education Students)-ESCs & CTSA	75,000	62,282	137,282	137,282	
Miscellaneous Purchased Services-Transportation	7,500	801	8,301	8,069	232
General Supplies	1,000	-	1,000	857	143
Transportation Supplies	55,000	(30,475)	24,525	20,976	3,549
Other Objects	1,500	875	2,375	2,375	
<b>Total Student Transportation Services</b>	<b>680,452</b>	<b>32,324</b>	<b>712,776</b>	<b>570,137</b>	<b>142,639</b>



## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>ALLOCATED BENEFITS</b>					
<b>Special Programs - Instruction:</b>					
Social Security Contributions		-			
Health Benefits		14,180	14,180	14,180	
<b>Total Special Programs - Instruction</b>	-	14,180	14,180	14,180	
<b>Other Supp Services-Speech/OT/PT &amp; Related Svcs:</b>					
Health Benefits		875	875	875	
<b>Total Other Supp Services-Speech/OT/PT &amp; Related Svcs</b>	-	875	875	875	
<b>Other Supp Services-CST</b>					
Social Security Contributions		-			
Health Benefits		5,921	5,921	5,921	
<b>Total Other Supp Services-CST</b>	-	5,921	5,921	5,921	
<b>Operations and Maintenance of Plant:</b>					
Social Security Contributions		-			
Health Benefits		45,111	45,111	45,111	
<b>Total Operations and Maintenance of Plant</b>	-	45,111	45,111	45,111	
<b>Student Transportation Services:</b>					
Social Security Contributions		-			
Health Benefits		33,238	33,238	33,238	
<b>Total Student Transportation Services</b>	-	33,238	33,238	33,238	
<b>TOTAL ALLOCATED BENEFITS</b>	-	<b>99,325</b>	<b>99,325</b>	<b>99,325</b>	-
<b>UNALLOCATED BENEFITS:</b>					
Group Insurance	8,000	(5,200)	2,800	-	2,800
Social Security Contributions	159,886	5,200	165,086	162,563	2,523
Other Retirement Contributions - PERS	203,458	-	203,458	153,829	49,629
Other Retirement Contributions - Regular	4,000	-	4,000	-	4,000
Unemploy Compensation	25,000	-	25,000	-	25,000
Workman's Compensation	84,469	-	84,469	70,795	13,674
Health Benefits	2,576,766	41,826	2,618,592	2,279,673	338,919
Tuition Reimbursement	55,000	-	55,000	9,609	45,391
Other Employee Benefits	327,420	-	327,420	304,344	23,076
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>3,443,999</b>	<b>41,826</b>	<b>3,485,825</b>	<b>2,980,813</b>	<b>505,012</b>

## TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
On-behalf TPAF pension Contrib. (non-budgeted)				1,478,005	(1,478,005)
On-behalf TPAF PRM Contrib. (non-budgeted)				463,184	(463,184)
On-behalf TPAF pension LTD Ins. (non-budgeted)				779	(779)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				404,463	(404,463)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>2,346,431</u>	<u>(2,346,431)</u>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<u>3,443,999</u>	<u>141,151</u>	<u>3,585,150</u>	<u>5,426,569</u>	<u>505,012</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>8,517,769</u>	<u>253,810</u>	<u>8,771,579</u>	<u>10,002,396</u>	<u>1,115,614</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>13,892,505</u>	<u>285,426</u>	<u>14,177,931</u>	<u>15,139,898</u>	<u>1,384,464</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Equip GR 1-5		8,900	8,900	8,900	
Equip GR 6-8		7,336	7,336	2,493	4,843
Undistributed Expenditures - School Administration		2,147	2,147	2,147	
Undistributed Expenditures - Operations Plant Equipment		16,857	16,857	9,853	7,004
<b>Total Equipment</b>	<u>-</u>	<u>35,240</u>	<u>35,240</u>	<u>23,393</u>	<u>11,847</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services		59,622	59,622	59,622	
Construction Services	700,000	148,009	848,009	826,609	21,400
Infrastructure		28,557	28,557	28,557	
Assessment for Debt Service on SDA Funding	52,846	-	52,846	52,846	
<b>Total Facilities Acquisition and Construction Services</b>	<u>752,846</u>	<u>236,188</u>	<u>989,034</u>	<u>967,634</u>	<u>21,400</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>752,846</u>	<u>271,428</u>	<u>1,024,274</u>	<u>991,027</u>	<u>33,247</u>
<b>TOTAL EXPENDITURES</b>	<u>14,645,351</u>	<u>556,854</u>	<u>15,202,205</u>	<u>16,130,925</u>	<u>1,417,711</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,049,450)</u>	<u>(591,877)</u>	<u>(1,641,327)</u>	<u>59,851</u>	<u>1,701,178</u>
<b>Other Financing Sources (Uses):</b>					
<b>Operating Transfer In/(Out):</b>					
Transfer to Food Service Fund		(24,000)	(24,000)	(24,000)	
<b>Total Transfer In/(Out)</b>		<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(1,049,450)	(615,877)	(1,665,327)	35,851	1,701,178
<b>Fund Balance, July 1</b>	4,533,261		4,533,261	4,533,261	
<b>Prior Period Adjustment-Unemployment Fund Net Position as of June 30, 2020</b>	93,864		93,864	93,864	
<b>Fund Balance, July 1 (Restated)</b>	4,627,125		4,627,125	4,627,125	
<b>Fund Balance, June 30</b>	<u>\$ 3,577,675</u>	<u>\$ (615,877)</u>	<u>\$ 2,961,798</u>	<u>\$ 4,662,976</u>	<u>\$ 1,701,178</u>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 2,196,243	
Emergency Reserve				250,000	
Maintenance Reserve				350,402	
Excess Surplus				407,860	
Excess Surplus - Designated for Subsequent Year's Expenditures				566,800	
Unemployment Compensation				93,864	
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures				26,170	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>771,637</u>	
<b>Fund Balance, June 30</b>				<u>\$ 4,662,976</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				\$ 4,662,976	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(90,817)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ 4,572,159</u>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2021

	<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>					
Local Sources Sources		\$ 29,345	\$ 29,345	\$ 26,700	\$ (2,645)
Federal Sources	\$ 110,000	240,003	350,003	278,785	(71,218)
<b>Total Revenues</b>	<b>110,000</b>	<b>269,348</b>	<b>379,348</b>	<b>305,485</b>	<b>(73,863)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries & Wages		42,279	42,279		42,279
Tuition	100,000	13,564	113,564	113,564	-
General Supplies	-	124,730	124,730	108,281	16,449
<b>Total Instruction</b>	<b>100,000</b>	<b>180,573</b>	<b>280,573</b>	<b>221,845</b>	<b>58,728</b>
<b>Support Services</b>					
Purchased Ed. Services	-	29,311	29,311	19,311	10,000
Other Purchased Professional Services	10,000	(4,865)	5,135	-	5,135
Supplies and Materials	-	31,117	31,117	31,117	-
Student Activities	-	20,832	20,832	20,832	-
Scholarships	-	500	500	500	-
<b>Total Support Services</b>	<b>10,000</b>	<b>76,895</b>	<b>86,895</b>	<b>71,760</b>	<b>15,135</b>
<b>Facilities Acq. and Const. Services:</b>					
Buildings		15,061	15,061	15,061	
<b>Total Facilities Acq. and Const. Svs</b>	<b>-</b>	<b>15,061</b>	<b>15,061</b>	<b>15,061</b>	<b>-</b>
Total Expenditures	110,000	272,529	382,529	308,666	73,863
<b>Total Outflows</b>	<b>\$ 110,000</b>	<b>\$ 272,529</b>	<b>\$ 382,529</b>	<b>\$ 308,666</b>	<b>73,863</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>(3,181)</b>	<b>(3,181)</b>	<b>(3,181)</b>	<b>-</b>
<b>Fund Balance Beginning</b>					-
<b>Prior Period Adjustment *</b>				79,441	
<b>Fund Balance Beginning (Restated)</b>				79,441	
<b>Fund Balance Ending</b>				<u>\$ 76,260</u>	
<u>Recapitulation:</u>					
Restricted:					
Scholarships				\$ 17,773	
Student Activities				58,487	
<b>Total Fund Balance</b>				<u>\$ 76,260</u>	

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

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

For the Fiscal Year Ended June 30, 2021

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 16,190,776	\$ 305,485
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	500
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	89,795	-
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(90,817)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	\$ 16,189,754	\$ 305,985
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 16,130,925	\$ 308,666
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	500
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		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	\$ 16,130,925	\$ 309,166

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
State's proportionate share of the net pension liability (asset) associated with the District	\$ 35,178,296	\$ 33,139,589	\$ 36,174,604	\$ 37,687,478	\$ 43,887,355	\$ 35,791,233	\$ 27,940,510	\$ 28,345,958		
Total	\$ 35,178,296	\$ 33,139,589	\$ 36,174,604	\$ 37,687,478	\$ 43,887,355	\$ 35,791,233	\$ 27,940,510	\$ 28,345,958		
District's covered employee payroll	\$ 5,664,467	\$ 5,832,213	\$ 5,517,246	\$ 5,693,322	\$ 5,819,343	\$ 6,068,529	\$ 5,738,347	\$ 5,546,980		
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%		

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

**Exhibit L-1**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.01376837%	0.01390472%	0.01472870%	0.01432081%	0.015218052%	0.015446329%	0.0157610715%	0.0171614473%		
District's proportionate share of the net pension liability (asset)	\$ 2,245,261	\$ 2,505,420	\$ 2,900,008	\$ 3,333,655	\$ 4,507,151	\$ 3,467,391	\$ 2,950,904	\$ 3,279,894		
District's covered employee payroll	\$ 1,190,615	\$ 1,089,035	\$ 955,783	\$ 1,015,919	\$ 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	188.58%	230.06%	303.42%	328.14%	441.16%	211.11%	278.27%	312.75%		
Plan fiduciary net position as a percentage of the total pension liability (Local)	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%		

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

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution **	1,478,784	1,193,554	1,085,131	858,870	630,151	446,671	306,151	221,155	362,411	180,836
Contributions in relation to the contractually required contribution **	(1,478,784)	(1,193,554)	(1,085,131)	(858,870)	(630,151)	(446,671)	(306,151)	(221,155)	(362,411)	(180,836)
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	\$ 5,664,467	\$ 5,832,213	\$ 5,517,246	\$ 5,693,322	\$ 5,819,343	\$ 6,068,529	\$ 5,738,347	\$ 5,546,980	\$ 5,448,222	\$ 5,192,758
Contributions as a percentage of covered-employee payroll	26.11%	20.46%	19.67%	15.09%	10.83%	7.36%	5.34%	3.99%	6.65%	3.48%

\*\* 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 150,619	\$ 136,003	\$ 147,375	\$ 134,605	\$ 136,033	\$ 132,797	\$ 129,932	129,308	140,211	142,938
Contributions in relation to the contractually required contribution	<u>(150,619)</u>	<u>(136,003)</u>	<u>(147,375)</u>	<u>(134,605)</u>	<u>(136,033)</u>	<u>(132,797)</u>	<u>(129,932)</u>	<u>(129,308)</u>	<u>(140,211)</u>	<u>(142,938)</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	\$ 1,190,615	\$ 1,089,035	\$ 1,015,919	\$ 1,015,919	\$ 1,021,654	\$ 1,642,459	\$ 1,083,477	\$ 1,060,433	\$ 1,048,742	\$ 1,179,412
Contributions as a percentage of covered-employee payroll	12.65%	12.49%	14.51%	13.25%	13.31%	8.09%	11.99%	12.19%	13.37%	12.12%

Tewksbury Township School District  
Required Supplementary Information - Part III  
Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years \*

Exhibit M-1

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

<b>The State of New Jersey's Total OPEB Liability</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service Cost	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319					
Interest	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792					
Change in Benefit Terms										
Differences Between Expected and Actual Experience	11,544,750,637	(7,323,140,818)	-5002065740							
Benefit Payments	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)					
Contributions from Members	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747					
Changes of Assumptions or other inputs	<u>12,386,549,981</u>	<u>622,184,027</u>	<u>(5,291,448,855)</u>	<u>(7,086,599,129)</u>	8,611,513,521					
<b>Net change in total OPEB liability</b>	<u>26,080,881,563</u>	<u>(4,381,751,937)</u>	<u>(7,529,008,876)</u>	<u>(4,191,942,326)</u>	10,982,132,360					
<b>Total OPEB Liability - Beginning</b>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>	<u>\$ 46,849,651,824</u>					
<b>Total OPEB Liability - Ending</b>	<u>\$ 67,809,962,608</u>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>					
<b>The State of New Jersey's total OPEB liability **</b>	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184					
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	\$ 31,830,571	\$ 19,546,493	\$ 21,476,975	\$ 27,086,117	\$ 29,199,802					
<b>The District's proportionate share of the total OPEB liability</b>	Zero	Zero	Zero	Zero	Zero					
<b>District's covered employee payroll</b>	\$ 6,855,082	\$ 6,921,248	\$ 6,473,029	\$ 6,709,241	\$ 6,840,997					
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%					
<b>District's contribution</b>	None	None	None	None	None					
<b>State's covered employee payroll ***</b>	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208					
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	475.27%	299.58%	338.05%	397.53%	428.59%					

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2019 and June 30, 2020 is based on the payroll on the June 30, 2018 and June 30, 2019 census data, respectively

\* - 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 and OPEB Schedules**

For the Fiscal Year Ended June 30, 2021

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

**Pension Schedules**

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

*Changes of assumptions.* Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions.* Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

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

**Pension Schedules**

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

*Changes of assumptions.* Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020

**OPEB Schedules**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions.* Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

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, 2021

	Title I	Title II Part A	REAP	Non-Title I CARES	CRF	CRRSA ESSER II	CRRSA Learning	CRRSA Mental H.	IDEA Basic	IDEA Pre-School	Local Grants	Student Activity	Scholarships	Totals
<b>REVENUES</b>														
Local Sources											\$ 8,549	\$ 18,131	\$ 20	\$ 26,700
Federal Sources	\$ 9,460	\$ 6,707	\$ 85,368	\$ 13,230	\$ 13,874	\$ 15,061	\$ 7,374	\$ 6,408	\$ 113,564	\$ 7,739	-	-	-	278,785
<b>TOTAL REVENUES</b>	<b>9,460</b>	<b>6,707</b>	<b>85,368</b>	<b>13,230</b>	<b>13,874</b>	<b>15,061</b>	<b>7,374</b>	<b>6,408</b>	<b>113,564</b>	<b>7,739</b>	<b>8,549</b>	<b>18,131</b>	<b>20</b>	<b>305,485</b>
<b>EXPENDITURES:</b>														
<b>Instruction:</b>														
Tuition									113,564					113,564
General Supplies	9,460		85,368				3,361	1,543			8,549			108,281
<b>Total Instruction</b>	<b>9,460</b>	<b>-</b>	<b>85,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,361</b>	<b>1,543</b>	<b>113,564</b>	<b>-</b>	<b>8,549</b>	<b>-</b>	<b>-</b>	<b>221,845</b>
<b>Support Services:</b>														
Purchased Professional Educ. Serv.		6,707						4,865		7,739				19,311
Supplies and Materials				13,230	13,874		4,013							31,117
Student Activities												20,832		20,832
Scholarships													500	500
<b>Total Support Services</b>	<b>-</b>	<b>6,707</b>	<b>-</b>	<b>13,230</b>	<b>13,874</b>	<b>-</b>	<b>4,013</b>	<b>4,865</b>	<b>-</b>	<b>7,739</b>	<b>-</b>	<b>20,832</b>	<b>500</b>	<b>71,760</b>
<b>Facilities Acq. and Const. Services:</b>														
Buildings						15,061								15,061
<b>Total Facilities Acq. and Const. Svs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,061</b>
<b>TOTAL EXPENDITURES</b>	<b>9,460</b>	<b>6,707</b>	<b>85,368</b>	<b>13,230</b>	<b>13,874</b>	<b>15,061</b>	<b>7,374</b>	<b>6,408</b>	<b>113,564</b>	<b>7,739</b>	<b>8,549</b>	<b>20,832</b>	<b>500</b>	<b>308,666</b>
<b>Total Outflows</b>	<b>9,460</b>	<b>6,707</b>	<b>85,368</b>	<b>13,230</b>	<b>13,874</b>	<b>15,061</b>	<b>7,374</b>	<b>6,408</b>	<b>113,564</b>	<b>7,739</b>	<b>8,549</b>	<b>20,832</b>	<b>500</b>	<b>308,666</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,701)</b>	<b>(480)</b>	<b>(3,181)</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,188</b>	<b>18,253</b>	<b>79,441</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,188</b>	<b>18,253</b>	<b>79,441</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 58,487</b>	<b>\$ 17,773</b>	<b>\$ 76,260</b>

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**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, 2021

<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, 2021</u>
					<u>Prior Years</u>	<u>Current Year</u>	
N/A	N/A	N/A					
Totals			-	-	-	-	-
						Accumulated Interest Earned	\$ 61
						Fund Balance	<u>\$ 61</u>

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, 2021

Fund Balance - beginning	\$ <u>61</u>
Fund Balance - ending	\$ <u><u>61</u></u>

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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



**FIDUCIARY FUND  
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

## **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, 2021**

<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, 2020</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>				
2017 Refunding Issue	4/6/17	\$ 4,890,000	2/15/22	\$ 540,000	2.25%	\$ 3,355,000	\$ 520,000	\$ 2,835,000
			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	7/15/21	120,000	3.00%	778,000	115,000	663,000
			7/15/22	125,000	3.00%			
			7/15/23	125,000	3.00%			
			7/15/24	140,000	3.00%			
			7/15/25	153,000	3.10%			
Total						<u>\$ 4,133,000</u>	<u>\$ 635,000</u>	<u>\$ 3,498,000</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>LEASE TERM</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING 7/1/2020</u>	<u>ADDITIONAL OBLIGATIONS INCURRED</u>	<u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u>	<u>AMOUNT OUTSTANDING 6/30/2021</u>
Two Thomas School Buses	2.35%	6 Years	\$ 206,166	\$ 120,025		\$ 29,454	\$ 90,571
<b>Total</b>				<b>120,025</b>	<b>-</b>	<b>\$ 29,454</b>	<b>\$ 90,571</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Positive/ (Negative) Final to Actual</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 732,256		\$ 732,256	\$ 732,256	
<b>TOTAL REVENUES</b>	<b>732,256</b>	<b>-</b>	<b>732,256</b>	<b>732,256</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	97,256		97,256	97,224	\$ (32)
Redemption of Principal	635,000		635,000	635,000	
Fiduciary Fees			-	-	
Total Regular Debt Service	732,256	-	732,256	732,224	(32)
<b>TOTAL EXPENDITURES</b>	<b>732,256</b>	<b>-</b>	<b>732,256</b>	<b>732,224</b>	<b>(32)</b>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	32	32
Fund Balance, July 1				-	
Fund Balance, June 30	-		-	\$ 32	
<b>Recapitulation of Excess (Deficiency) of <u>Revenues Over (Under) Expenditures</u> Budgeted Fund Balance</b>					

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.	95-100
<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.	101-104
<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.	105-108
<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.	109-110
<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.	111-115

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

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

**Exhibit J-1**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 12,236,055	\$ 12,077,141	\$ 12,090,136	\$ 12,410,474	\$ 13,224,291	\$ 13,318,038	\$ 13,531,275	\$ 13,940,079	\$ 14,940,484	\$ 15,658,845
Restricted	1,898,553	2,328,637	2,427,315	2,309,830	2,678,463	2,712,957	3,843,743	3,400,140	3,836,739	3,967,692
Unrestricted	546,667	474,941	(2,115,589)	(1,704,873)	(2,424,386)	(2,730,927)	(3,310,675)	(2,618,923)	(2,912,126)	(2,754,437)
Total governmental activities net position	<u>\$ 14,681,275</u>	<u>\$ 14,880,719</u>	<u>\$ 12,401,862</u>	<u>\$ 13,015,431</u>	<u>\$ 13,478,368</u>	<u>\$ 13,300,068</u>	<u>\$ 14,064,343</u>	<u>\$ 14,721,296</u>	<u>\$ 15,865,097</u>	<u>\$ 16,872,100</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 7,472	\$ 9,118	\$ 6,982	\$ 5,334						-
Restricted										-
Unrestricted	63,252	55,708	57,655	70,742	59,440	33,144	13,263	7,453	6,409	3,393
Total business-type activities net position	<u>\$ 70,724</u>	<u>\$ 64,826</u>	<u>\$ 64,637</u>	<u>\$ 76,076</u>	<u>\$ 59,440</u>	<u>\$ 33,144</u>	<u>\$ 13,263</u>	<u>\$ 7,453</u>	<u>\$ 6,409</u>	<u>\$ 3,393</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 12,243,527	\$ 12,086,259	\$ 12,097,118	\$ 12,415,808	\$ 13,224,291	\$ 13,318,038	\$ 13,531,275	\$ 13,940,079	\$ 14,940,484	\$ 15,658,845
Restricted	1,898,553	2,328,637	2,427,315	2,309,830	2,678,463	2,712,957	3,843,743	3,400,140	3,836,739	3,967,692
Unrestricted	609,919	530,649	(2,057,934)	(1,634,131)	(2,364,946)	(2,697,783)	(3,297,412)	(2,611,470)	(2,905,717)	(2,751,044)
Total district net position	<u>\$ 14,751,999</u>	<u>\$ 14,945,545</u>	<u>\$ 12,466,499</u>	<u>\$ 13,091,507</u>	<u>\$ 13,537,808</u>	<u>\$ 13,333,212</u>	<u>\$ 14,077,606</u>	<u>\$ 14,728,749</u>	<u>\$ 15,871,506</u>	<u>\$ 16,875,493</u>

Source: ACFR Schedule A-1

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

**Exhibit J-2**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 5,421,709	\$ 5,509,200	\$ 5,208,687	\$ 6,288,589	\$ 6,317,192	\$ 7,116,437	\$ 6,946,058	\$ 5,883,680	\$ 5,893,438	\$ 7,254,608
Special education	1,657,788	1,698,692	1,666,344	1,898,621	2,126,108	2,543,732	2,628,622	2,511,359	2,388,242	2,173,474
Other special education	644,158	596,262	788,157	811,099	407,502	264,797	452,891	460,453	436,908	27,558
School sponsored cocurricular					242,819	311,703	329,795	244,188	210,432	69,896
Support Services:										
Tuition	151,613	61,001	54,144	60,721	202,237	302,243	404,160	506,058	174,936	185,589
Student & instruction related services	1,884,620	1,964,923	1,916,059	2,250,981	2,394,126	2,608,190	2,732,717	2,649,753	2,434,681	3,147,487
School administrative services	628,104	611,783	619,103	707,278	633,721	562,444	552,591	531,691	485,863	480,384
General and business administrative services	785,879	780,275	761,789	1,036,806	903,428	810,637	859,070	933,915	778,535	807,195
Plant operations and maintenance	1,064,814	1,061,216	1,059,730	1,003,379	1,503,023	2,521,901	2,403,237	2,486,657	2,391,565	2,817,453
Pupil transportation	781,217	733,875	742,663	717,707	701,490	835,345	787,394	902,226	735,500	660,928
Interest on long-term debt					186,820	342,298	173,383	176,702	159,070	142,444
Unallocated depreciation	348,229	339,247	337,556	319,320	-	-	-	-	-	-
Total governmental activities expenses	<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>	<u>18,269,918</u>	<u>17,286,682</u>	<u>16,089,170</u>	<u>17,767,016</u>
Business-type activities:										
Food service	254,170	236,561	239,282	212,725	205,520	195,728	208,713	210,735	154,373	40,947
Preschool Program					-	-	-	-	-	-
Total business-type activities expense	<u>254,170</u>	<u>236,561</u>	<u>239,282</u>	<u>212,725</u>	<u>205,520</u>	<u>195,728</u>	<u>208,713</u>	<u>210,735</u>	<u>154,373</u>	<u>40,947</u>
Total district expenses	<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>	<u>\$ 18,478,631</u>	<u>\$ 17,497,417</u>	<u>\$ 16,243,543</u>	<u>\$ 17,807,963</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction-regular	\$ 44,176	\$ 68,987	\$ 58,290	\$ 44,152	\$ 25,791	\$ 34,757	\$ 40,345	\$ 28,850	\$ 14,250	\$ 45,394
Student & Instruction Related Serv.										\$ 18,131
Operating grants and contributions	237,034	145,718	142,559	152,629	3,639,864	5,362,868	5,839,163	4,538,283	3,718,206	5,378,846
Capital grants and contributions	1,078,382		-	192,789	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>5,879,508</u>	<u>4,567,133</u>	<u>3,732,456</u>	<u>5,442,371</u>
Business-type activities:										
Charges for services										
Food service	214,442	193,565	200,713	191,805	159,071	163,415	187,883	204,704	153,181	13,515
Preschool Program					-	-	-	-	-	-
Operating grants and contributions	40,122	37,031	38,225	32,245	24,387	2,033	117	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>254,564</u>	<u>230,596</u>	<u>238,938</u>	<u>224,050</u>	<u>183,458</u>	<u>165,448</u>	<u>188,000</u>	<u>204,704</u>	<u>153,181</u>	<u>13,515</u>
Total district program revenues	<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>	<u>\$ 6,067,508</u>	<u>\$ 4,771,837</u>	<u>\$ 3,885,637</u>	<u>\$ 5,455,886</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (12,008,539)	\$ (13,141,769)	\$ (12,953,383)	\$ (14,704,931)	\$ (11,952,811)	\$ (12,822,102)	\$ (12,390,410)	\$ (12,719,549)	\$ (12,356,714)	\$ (12,324,645)
Business-type activities	394	(5,965)	(344)	11,325	(22,062)	(30,280)	(20,713)	(6,031)	(1,192)	(27,432)
Total district-wide net expense	<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>	<u>\$ (12,411,123)</u>	<u>\$ (12,725,580)</u>	<u>\$ (12,357,906)</u>	<u>\$ (12,352,077)</u>

Continued



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

**Exhibit J-2**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 11,074,000	\$ 10,878,900	\$ 10,888,900	\$ 10,973,900	\$ 11,412,856	\$ 11,870,336	\$ 12,336,797	\$ 12,545,871	\$ 12,545,871	\$ 12,545,871
Taxes levied for debt service	733,002	823,319	824,981	763,211	760,709	763,611	770,552	726,055	731,421	732,256
Unrestricted grants and contributions	1,448,388	1,715,945	1,839,473	3,549,515						
Federal and State Capital Grants					(47,280)	(26,525)	-	-	-	-
Investment earnings	5,305	4,516	5,921	6,371	5,539	7,204	14,330	43,579	33,359	6,109
Miscellaneous income	32,139	27,065	65,837	25,503	26,714	29,176	33,006	60,997	16,559	71,412
Transfers	(62,491)	(11,464)								(24,000)
Total governmental activities	<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>	<u>13,154,685</u>	<u>13,376,502</u>	<u>13,327,210</u>	<u>13,331,648</u>
Business-type activities:										
Miscellaneous Income	84	67	155	114	5,426	3,984	832	-	148	416
Transfers										24,000
Total business-type activities	<u>84</u>	<u>67</u>	<u>155</u>	<u>114</u>	<u>5,426</u>	<u>3,984</u>	<u>832</u>	<u>-</u>	<u>148</u>	<u>24,416</u>
Total district-wide	<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>	<u>\$ 13,155,517</u>	<u>\$ 13,376,502</u>	<u>\$ 13,327,358</u>	<u>\$ 13,356,064</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,221,804	\$ 296,512	\$ 671,729	\$ 613,569	\$ 205,727	\$ (178,300)	\$ 764,275	\$ 656,953	\$ 970,496	\$ 1,007,003
Business-type activities	478	(5,898)	(189)	11,439	(16,636)	(26,296)	(19,881)	(6,031)	(1,044)	(3,016)
Total district	<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>	<u>\$ 744,394</u>	<u>\$ 650,922</u>	<u>\$ 969,452</u>	<u>\$ 1,003,987</u>

Source: ACFR Schedule A-2

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

**Exhibit J-3**

	2012	2013	2014	2015	Fiscal Year Ending June 30,		2018	2019	2020	2021
					2016	2017				
General Fund										
Reserved	\$ 2,159,040	\$ 2,679,457	\$ 2,645,208	\$ 3,183,817	\$ 2,941,933	\$ 3,096,627	\$ 4,182,926	\$ 4,289,569	\$ 4,309,673	\$ 3,891,339
Unreserved	319,140	253,341	277,057	238,124	213,571	246,990	260,484	274,762	227,657	680,820
Total general fund	<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>	<u>\$ 4,443,410</u>	<u>\$ 4,564,331</u>	<u>\$ 4,537,330</u>	<u>\$ 4,572,159</u>
All Other Governmental Funds										
Reserved									\$ 79,441	\$ 76,260
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 465,903	\$ 465,903	\$ 1,140,903	\$ 872,389	\$ 644,708	\$ 618,193	\$ 646	\$ 646		32
Debt service fund	1		2	2				46	61	61
Total all other governmental funds	<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>	<u>\$ 646</u>	<u>\$ 692</u>	<u>\$ 79,502</u>	<u>\$ 76,353</u>

Source: ACFR Schedule B-1

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

**Exhibit J-4**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues</b>										
Tax levy	\$ 11,807,002	\$ 11,702,219	\$ 11,713,881	\$ 11,737,111	\$ 12,173,565	\$ 12,633,947	\$ 13,107,349	\$ 13,271,926	\$ 13,277,292	\$ 13,278,127
Tuition charges	24,942	50,500	30,525	17,400	19,095	34,757	40,345	28,850	14,250	45,394
Miscellaneous	35,570	29,675	80,419	38,595	38,949	36,380	47,336	104,576	49,918	95,652
State sources	2,500,060	1,715,945	1,839,473	2,238,842	2,232,688	2,501,235	2,802,831	3,015,187	3,041,484	3,530,037
Federal sources	263,744	145,718	142,559	152,629	153,052	167,735	207,775	216,592	127,469	278,785
<b>Total revenue</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>16,205,636</b>	<b>16,637,131</b>	<b>16,510,413</b>	<b>17,227,995</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,665,610	3,697,506	3,616,335	3,704,448	4,045,502	4,116,529	4,038,481	3,739,665	3,802,369	4,050,689
Special education instruction	1,064,568	1,135,190	1,149,470	1,125,896	1,408,360	1,631,906	1,647,520	1,725,597	1,708,886	1,306,769
Other special instruction	277,962	254,771	392,909	342,478	260,295	169,878	283,855	316,385	312,626	16,569
Other instruction	150,036	139,192	144,499	142,205	162,127	199,970	206,703	167,786	150,573	42,024
<b>Support Services:</b>										
Tuition	10,718	8,901		703	202,237	302,243	404,160	506,058	174,936	185,589
Student & instruction related services	1,350,626	1,297,328	1,333,152	1,403,097	1,568,086	1,662,865	1,701,383	1,807,589	1,730,043	1,876,187
School administrative services	431,325	420,446	433,289	433,579	412,015	355,651	340,653	358,783	341,613	280,744
Other administrative services	560,855	568,404	560,754	753,672	572,069	514,859	532,761	635,181	551,032	477,234
Plant operations and maintenance	909,610	912,680	925,952	866,223	1,042,704	1,358,481	1,220,647	1,381,681	1,360,636	1,267,579
Pupil transportation	569,722	551,238	581,067	563,265	642,418	760,254	736,393	842,977	677,805	603,375
Unallocated employee benefits	3,075,123	3,112,125	2,784,445	3,124,540	3,070,672	3,101,597	3,467,803	3,684,449	3,846,413	5,327,244
Special Revenue	237,034	145,718	142,559	152,629						
Charter Schools					-	-	-	-	-	-
Capital Outlay	2,726,919	76,885	200,132	524,623	1,221,483	274,612	373,125	623,958	1,242,920	1,006,088
<b>Debt service:</b>										
Principal	389,064	510,541	532,090	490,000	505,000	525,000	645,000	600,000	620,000	635,000
Interest and other charges	367,872	347,051	345,735	326,057	255,711	238,611	124,906	126,055	112,067	97,224
<b>Total expenditures</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>	<b>15,723,390</b>	<b>16,516,164</b>	<b>16,631,919</b>	<b>17,172,315</b>
Excess (Deficiency) of revenues over (under) expenditures	(1,155,726)	466,081	664,469	231,162	(751,330)	161,598	482,246	120,967	(121,506)	55,680
<b>Other Financing Sources (uses)</b>										
Capital leases (non-budgeted)										
Bond proceeds										
Proceeds of refunding debt										
Payment to refunded debt escrow agent										
Transfers in					525,027	-	(618,210)	-	-	-
Transfers out	(61,291)	(11,464)	-	-	(525,027)	-	618,210	-	-	(24,000)
<b>Total other financing sources (uses)</b>	<b>(61,291)</b>	<b>(11,464)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,000)</b>
<b>Net change in fund balances</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>	<b>\$ 482,246</b>	<b>\$ 120,967</b>	<b>\$ (121,506)</b>	<b>\$ 31,680</b>
Debt service as a percentage of noncapital expenditures	5.8%	6.5%	6.8%	6.1%	5.4%	5.1%	5.0%	4.6%	4.8%	4.5%

Source: ACFR 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>
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
2018	14,330			40,345		32,989	87,664
2019	43,579	20,651		28,850		40,300	133,380
2020	33,359			14,250		11,285	58,894
2021	6,109	50,359		45,394		11,984	113,846

SOURCE: District Records

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

**Exhibit J-6**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
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	-	1,357,361,665	0.965	1,615,855,999
2018	8,995,200	1,064,521,600	230,415,610	3,473,255	47,719,400	2,804,000	1,426,679,245	68,750,180	-	1,357,929,065	0.978	1,650,741,983
2019	8,161,900	1,063,201,100	232,607,910	3,506,555	47,659,500	2,522,000	1,426,630,145	68,971,180	-	1,357,658,965	0.000	1,642,788,624
2020	8,701,600	1,063,307,400	231,284,010	3,456,955	47,434,200	2,522,000	1,426,079,945	69,373,780	-	1,356,706,165	0.841	1,669,515,805
2021	10,246,500	1,232,497,700	277,072,600	3,674,200	51,639,000	2,812,900	1,657,944,900	80,002,000	-	1,577,942,900	0.841	1,629,607,336

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	
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
2018	\$0.908	\$0.057	\$0.965	\$0.662	\$0.441	\$0.449	\$2.517
2019	\$0.925	\$0.053	\$0.978	\$0.652	\$0.462	\$0.454	\$2.546
2020	\$0.925	\$0.054	\$0.979	\$0.668	\$0.476	\$0.461	\$2.584
2021	\$0.795	\$0.046	\$0.841	\$0.561	\$0.428	\$0.388	\$2.218

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	2020			2010		
	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	1.58%	\$ 37,058,000	1	2.80%
JLJ/GWL LLC	6,612,055	2	0.42%	5,605,300	2	0.42%
Individual Taxpayer #1	4,164,500	3	0.26%	4,119,800	3	0.31%
Stavola Quarries LLC	3,275,100	4	0.21%	2,888,400	4	0.22%
Individual Taxpayer #2	2,984,300	5	0.19%			
United Telephone Co of NJ	2,580,473	6	0.16%	2,359,100	7	0.18%
Individual Taxpayer #3	2,361,600	7	0.15%			
Individual Taxpayer #4	2,302,410	8	0.15%			
Individual Taxpayer #5	2,229,800	9	0.14%	2,237,300	8	0.17%
Individual Taxpayer #6	2,057,000	10	0.13%			
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%
Total	<u>\$ 53,567,238</u>		<u>3.39%</u>	<u>\$ 63,597,100</u>		<u>4.81%</u>

Source: District ACFR & 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	
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%	-
2018	\$13,107,349	\$13,107,349	100.00%	-
2019	\$13,271,926	\$13,271,926	100.00%	-
2020	\$13,277,292	\$13,277,292	100.00%	-
2021	\$13,278,127	\$13,278,127	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		Total District	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				
2012	\$ 8,475,631	-0-	-0-	-0-	-0-	\$ 8,475,631	1.90%	\$1,433.15	
2013	\$ 7,965,090	-0-	-0-	-0-	-0-	\$ 7,965,090	1.72%	\$1,348.19	
2014	\$ 7,433,000	-0-	-0-	-0-	-0-	\$ 7,433,000	1.56%	\$1,259.19	
2015	\$ 6,943,000	-0-	-0-	-0-	-0-	\$ 6,943,000	1.44%	\$1,181.39	
2016	\$ 6,438,000	-0-	-0-	-0-	-0-	\$ 6,438,000	1.34%	\$1,100.14	
2017	\$ 5,998,000	-0-	-0-	-0-	-0-	\$ 5,998,000	1.25%	\$1,026.35	
2018	\$ 5,353,000	-0-	-0-	-0-	-0-	\$ 5,353,000	1.07%	\$924.84	
2019	\$ 4,753,000	-0-	-0-	-0-	-0-	\$ 4,753,000	0.95%	\$821.18	
2020	\$ 4,133,000	-0-	-0-	-0-	-0-	\$ 4,133,000	0.80%	\$715.55	
2021	\$ 3,498,000	-0-	-0-	-0-	-0-	\$ 3,498,000	0.66%	\$608.88	

Source: District ACFR 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**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2012	\$ 8,475,631	-0-	\$ 8,475,631	0.63%	\$ 1,433
2013	\$ 7,965,090	-0-	\$ 7,965,090	0.59%	\$ 1,348
2014	\$ 7,433,000	-0-	\$ 7,433,000	0.55%	\$ 1,259
2015	\$ 6,943,000	-0-	\$ 6,943,000	0.51%	\$ 1,181
2016	\$ 6,438,000	-0-	\$ 6,438,000	0.48%	\$ 1,100
2017	\$ 5,998,000	-0-	\$ 5,998,000	0.44%	\$ 1,026
2018	\$ 5,353,000	-0-	\$ 5,353,000	0.39%	\$ 925
2019	\$ 4,753,000	-0-	\$ 4,753,000	0.35%	\$ 821
2020	\$ 4,133,000	-0-	\$ 4,133,000	0.30%	\$ 716
2021	\$ 3,498,000	-0-	\$ 3,498,000	0.22%	\$ 609

**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, 2021**

**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	\$ 16,077,481	100.00%	\$ 16,077,481
<b>Other debt</b>			
North Hunterdon Regional School District	7,545,000	19.813%	1,494,891
Hunterdon County	90,647,955	7.413%	6,719,824
Subtotal, overlapping debt			24,292,196
<b>Tewksbury Township School District Direct Debt</b>			3,498,000
<b>Total direct and overlapping debt</b>			<u>\$ 27,790,196</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 2021**

	Equalized valuation basis
	2018 \$ 1,666,657,212
	2019 1,625,576,522
	2020 1,595,170,744
	<b>[A]</b> <u>\$ 4,887,404,478</u>
Average equalized valuation of taxable property	<b>[A/3]</b> \$ 1,629,134,826
Debt limit (3 % of average equalization value)	<b>[B]</b> 48,874,045
Net bonded school debt	<b>[C]</b> 3,498,000
Legal debt margin	<b>[B-C]</b> <u>\$ 45,376,045</u>

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 53,229,985	\$ 51,640,617	\$ 50,166,497	\$ 48,953,520	\$ 48,529,991	\$ 48,740,875	\$ 49,011,189	\$ 49,515,638	\$ 49,312,549	\$ 48,874,045
Total net debt applicable to limit	8,654,794	8,144,253	7,612,163	7,122,163	6,438,000	5,998,000	5,353,000	4,753,000	4,133,000	3,498,000
Legal debt margin	<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>	<u>\$ 43,658,189</u>	<u>\$ 44,762,638</u>	<u>\$ 45,179,549</u>	<u>\$ 45,376,045</u>
Total net debt applicable to the limit as a percentage of debt limit	16.26%	15.77%	15.17%	14.55%	13.27%	12.31%	10.92%	9.60%	8.38%	7.16%

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

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

**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>
2012	5,948	\$ 446,808,365	\$75,239 R	5.2%
2013	5,908	\$ 442,402,600	\$75,055 R	5.1%
2014	5,898	\$ 462,397,905	\$78,575 R	4.5%
2015	5,889	\$ 475,747,722	\$81,022 R	4.1%
2016	5,863	\$ 487,191,117	\$83,741 R	3.6%
2017	5,840	\$ 504,900,459	\$85,032 R	3.4%
2018	5,834	\$ 503,947,980	\$88,565 R	3.1%
2019	5,810	\$ 501,177,132	\$92,291 R	2.6%
2020	5,789	\$ 517,587,360	\$92,291 *	6.0%
2021	5,745	\$ 530,211,795	\$92,291 *	*

**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**

<b><u>Function/Program</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Instruction										
Regular	56.2	54.4	56.0	56.0	56.0	56.0	50.0	48.0	49.0	48.0
Special Education	13.0	13.0	12.2	12.2	12.2	11.2	6.0	12.0	13.0	12.0
Other Special Education	10.2	11.6	11.0	11.0	11.0	9.7	6.2	10.0	11.0	7.8
Other Instruction	3.0	3.0	3.0	3.0	3.0	3.0	1.0	2.0	2.0	2.8
Support Services:										
Student & Other Related Services	13.5	14.9	15.9	16.0	15.8	15.8	16.0	13.0	9.0	11.7
General administrative services	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.0	2.0	2.8
School administrative services	2.1	2.0	2.0	2.0	2.0	2.0	2.0	4.0	6.0	4.9
Business administrative services	7.1	7.1	7.0	7.0	7.0	6.0	6.0	4.0	4.0	3.7
Plant operations and maintenance	9.0	8.0	8.0	8.0	7.0	7.0	8.0	9.0	9.0	10.8
Pupil transportation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	126.5	126.4	127.5	127.6	126.4	123.1	107.6	114.0	115.0	114.5

**Source:** District Personnel Records

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

**Exhibit J-17**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio 1:</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
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%
2018	568	\$14,580,359	25,670	5.04%	79	7.19	557.1	533.7	-1.78%	95.80%
2019	534	\$15,166,151	28,401	10.64%	72	7.42	532.4	508.4	-4.44%	95.50%
2020	520	\$14,656,932	28,186	-0.76%	75	6.93	518.2	498.4	-2.66%	96.18%
2021	475	\$15,434,003	32,493	15.28%	73	6.51	483.3	464.2	-6.73%	96.05%

**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-1
- 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	352	366	367	347	291	282	278	320	220	184
<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	356	341	322	310	307	275	276	214	300	291

Number of Schools at June 30, 2021

**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, 2021

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Old Turnpike School	N/A	\$49,262	\$56,271	\$73,520	\$31,865	\$54,848	\$176,897	\$96,569	\$152,830	\$198,521	\$173,628	\$1,064,209
Tewksbury Township Elementary School	N/A	37,349	47,029	49,818	41,306	48,638	156,870	85,636	135,528	176,046	153,972	932,194
Total School Facilities		86,611	103,300	123,338	73,171	103,486	333,767	182,205	288,358	374,567	327,600	1,996,403
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>Grand Total</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>\$182,205</b>	<b>\$288,358</b>	<b>\$374,567</b>	<b>\$327,600</b>	<b>\$1,996,403</b>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2021

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY - School Alliance Insurance Fund:</b>		
Property-Blanket Building and Contents	\$ 14,632,000	
Comprehensive General Liability	5,000,000	
Comprehensive Automotive Liability	5,000,000	\$ 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	5,000,000	5,000
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND - Selective Insurance Company</b>		
Board Secretary/School Business Administrator Position	197,000	
<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**



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, 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, 2021, 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 January 26, 2022.

#### **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 & Company LLC*

ARDITO & COMPANY LLC  
January 26, 2022

*Anthony Ardito*

Anthony Ardito  
Licensed Public School Accountant No. 2369



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

### **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, 2021. 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, 2021.

**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 & Company LLC*

ARDITO & COMPANY LLC  
January 26, 2022

***Anthony Ardito***

Anthony Ardito  
Licensed Public School Accountant No. 2369



TEWKSBURY TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2021

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2020	Carryover/Walkover Amount	Cash Received	Budget Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2021			Cumulative Total Expenditures
					From	To							Accounts Receiv.	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Treasury Passed-Through State Dept. of Education: Department of Education: Special Revenue Fund:</b>																
Coronavirus Relief Fund Grant	21.019	TBD	N/A	\$ 13,874	3/1/20	12/31/21			\$ 13,874	\$ (13,874)						\$ 13,874
Total Coronavirus Relief Fund							-	-	13,874	(13,874)	-	-	-	-	-	13,874
<b>U.S. Department of Education Passed-Through State Dept. of Education: Special Revenue Fund:</b>																
Title I	84.010	S010A200030	N/A	9,460	7/1/20	6/30/21			9,460	(9,460)						9,460
Title II Part A	84.367A	S367B200027	N/A	6,707	7/1/20	6/30/21			6,707	(6,707)						6,707
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	N/A	113,564	7/1/20	6/30/21			113,564	(113,564)						113,564
I.D.E.A. Part B, Preschool Special Education Cluster	84.173A	H173A200114	N/A	7,739	7/1/20	6/30/21			7,739	(7,739)						7,739
									121,303	(121,303)						121,303
Rural Education Achievement Program	84.358A	S358B200030	S358A202505	39,456	7/1/20	6/30/21			39,456	(39,456)						39,456
Rural Education Achievement Program Total REAP	84.358A	S358B190030	S358A192709	45,912	7/1/19	6/30/20			45,912	(45,912)						45,912
									85,368	(85,368)						85,368
CARES Non-Title I	84.425D	S425D200027	CARES	13,230	3/13/20	9/30/22			13,230	(13,230)						13,230
CRRSA ESSER II	84.425D	S425D200027	CRRSA	30,061	3/13/20	9/30/23				(15,061)		\$ (30,061)	\$ 15,000			15,061
CRRSA Learning Accel.	84.425D	S425D200027	CRRSA	25,000	3/13/20	9/30/23				(7,374)		(25,000)	17,626			7,374
CRRSA Mental Health	84.425D	S425D200027	CRRSA	45,000	3/13/20	9/30/23				(6,408)		(45,000)	38,592			6,408
Total Coronavirus Aid Relief, and Economic Security Act – Elementary and Secondary School Emergency Relief Funds							-	-	13,230	(42,073)	-	-	(100,061)	71,218	-	42,073
<b>Total Special Revenue Fund</b>									<b>249,942</b>	<b>(278,785)</b>			<b>(100,061)</b>	<b>71,218</b>		<b>278,785</b>
<b>TOTAL FEDERAL ASSISTANCE</b>							-	\$	<b>249,942</b>	<b>\$ (278,785)</b>			<b>\$ (100,061)</b>	<b>\$ 71,218</b>		<b>\$ 278,785</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.  
Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2021

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2020	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2021			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	21-495-034-5121-068	7/1/20-6/30/21	\$ 324,254			\$ 324,254	\$ (324,254)							\$ 30,643	\$ 324,254
Transportation Aid	21-495-034-5121-014	7/1/20-6/30/21	173,355			173,355	(173,355)							16,382	173,355
Special Education Aid	21-495-034-5121-089	7/1/20-6/30/21	406,843			406,843	(406,843)							38,447	406,843
Security Aid	21-495-034-5121-084	7/1/20-6/30/21	56,555			56,555	(56,555)							5,345	56,555
Non-Public Transportation Aid	21-100-034-5121-068	7/1/20-6/30/21	15,370			-	(15,370)		\$	(15,370)					15,370
Extraordinary Aid	20-495-034-5121-057	7/1/19-6/30/20	47,488	\$ (43,164)		47,488	(4,324)								47,488
Extraordinary Aid	21-495-034-5121-057	7/1/20-6/30/21	203,927				(203,927)			(203,927)					203,927
On-Behalf TPAF Pension	21-495-034-5094-002	7/1/20-6/30/21	1,478,005			1,478,005	(1,478,005)								1,478,005
On-Behalf TPAF Pension PMR	21-495-034-5094-001	7/1/20-6/30/21	463,184			463,184	(463,184)								463,184
On-Behalf TPAF Pension LTD Ins	21-495-034-5094-004	7/1/20-6/30/21	779			779	(779)								779
Reimbursed TPAF Soc.Secur.Contrib.	21-495-034-5094-003	7/1/20-6/30/21	404,463	(20,873)		405,195	(404,463)			(20,141)					404,463
<b>Total General Fund</b>				(64,037)		3,355,658	(3,531,059)	-		(239,438)				90,817	3,574,223
<b>Total State Financial Assistance</b>				\$ (64,037)	-	\$ 3,355,658	\$ (3,531,059)	-	-	\$ (239,438)	-	-		\$ 90,817	\$ 3,574,223

Less On-behalf TPAF Pension Amounts:  
 On-Behalf TPAF Pension 1,478,005  
 On-Behalf TPAF Pension PMR 463,184  
 On-Behalf TPAF Pension LTD Ins 779  
 Total State Expenditures Subject to Major Program Determination \$ (1,589,091)

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, 2021

**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 (\$1,022) for the general fund and \$500 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  
SCHOOL DISTRICT

K-5

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,530,037	\$ 3,530,037
Special Revenue Fund	<u>\$ 278,785</u>	<u>-</u>	<u>278,785</u>
Total Financial Assistance	<u>\$ 278,785</u>	<u>\$ 3,530,037</u>	<u>\$ 3,808,822</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, 2021. 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, 2021.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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** **Not Applicable**

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, 2021

**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**

21-495-034-5121-057

Extraordinary Aid

21-495-034-5120-089

State Aid Cluster

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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 are no state financial assistance findings or questioned costs are required to be reported in accordance with NJOMB Circular 15-08.

TEWKSBURY TOWNSHIP  
SCHOOL DISTRICT

K-7

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**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.