

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, 2023

Annual Comprehensive

Financial Report

of the

Tewksbury Township School District

Board of Education

Califon, New Jersey

For the Fiscal Year Ending June 30, 2023

Prepared by

Tewksbury Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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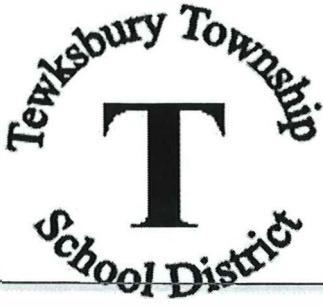
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Introductory Section



Tewksbury Township Board of Education

173 Old Turnpike Road, Califon, NJ 07830

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www.tewksburyschools.org

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

Dear Board Members:

The annual comprehensive financial report of the Tewksbury Township School district for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 2022-2023 fiscal year with an enrollment of 503 students, which is an increase of 3 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>
2018-2019	531	-4.15%
2019-2020	514	-3.3%
2020-2021	478	-7.5%
2021-2022	500	+4.6%
2022-2023	503	+6%

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. The Tewksbury Elementary School houses a Pre-K disabled class. The Pre-K disabled class includes 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. The district also has two multiple disabilities classes, one at each school.

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 maintains a 1:1 laptop ratio for grades 2 through 8. Students in grades 5-8 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.

Character skills are 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 students' social learning.

Special Education students receive instruction in predominantly inclusion settings in both schools. 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, 2023.

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:

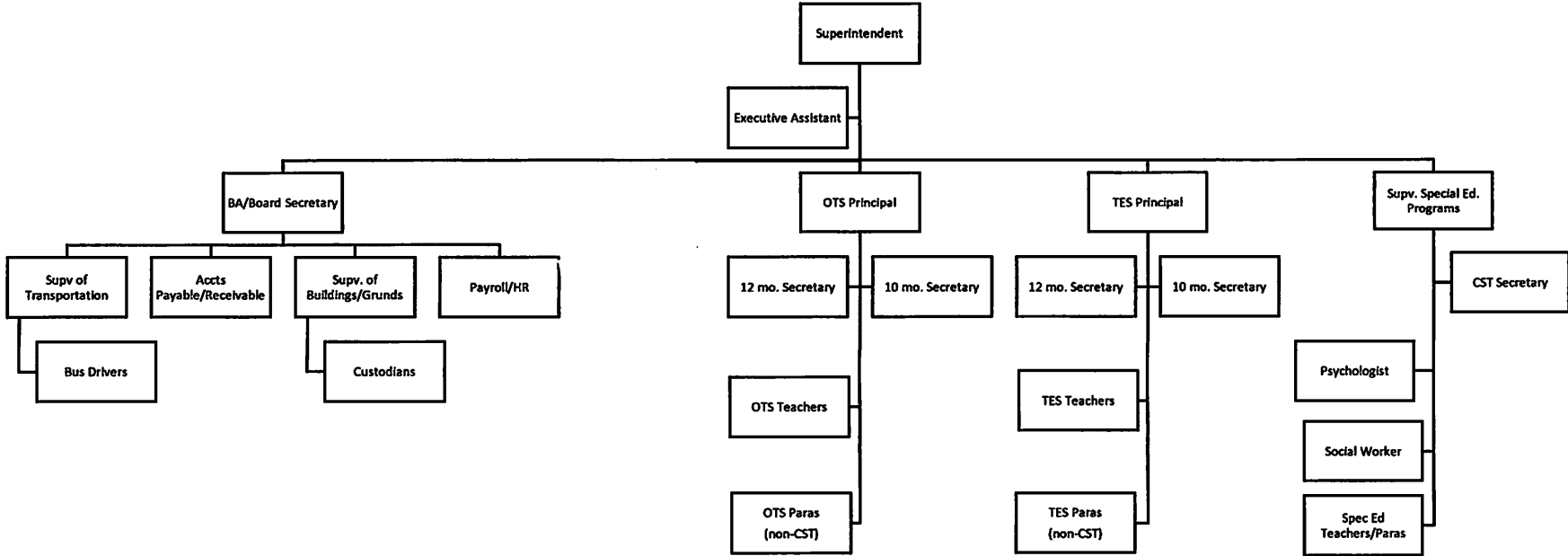
Independent Audit - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito and Company LLC was selected by the Board in May 2016. In addition to meeting the requirements set forth in state statutes, the audit 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, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Andrea Stein, <i>President</i>	2025
Jillian Carrino, <i>Vice-President</i>	2024
Greg Davidson	2023
Suleyka Munoz	2023
Khadija Niang	2024
William Simon	2023
Susanne Jardinella	2025
James Charniga	2025
Karen Fleming	2024
 <u>Other Officials</u>	
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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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 Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tewksbury Township School District Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tewksbury Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual non-

major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

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, 2023
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, 2023. 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 2023 are as follows:

- ◆ In total, Net Position increased \$1,471,427 which represents a 7.9% increase from 2022.
- ◆ General revenues accounted for \$13,923,755 in revenue or 76.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,191,675 or 23.1% of total revenues of \$18,115,430.
- ◆ Total assets of governmental activities increased by \$561,624, as cash and cash equivalents increased by \$1,017,180, receivables decreased by \$86,978, and capital assets decreased by \$366,714.
- ◆ The School District had \$16,644,003 in expenses; only \$4,191,675 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,923,755 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$17,893,058 in revenues and \$17,009,523 in expenditures. The General Fund's surplus balance increased \$857,839 over 2022, which compares favorably to the budgeted decrease of \$1,158,984.

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, 2023
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 2023?” 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, 2023
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 2023 compared to 2022.

	<u>2023</u>	<u>2022</u>
Table 1 Net Position		
Assets		
Current and Other Assets	\$ 6,933,359	\$ 6,005,021
Capital Assets	<u>18,462,265</u>	<u>18,828,979</u>
Total Assets	<u>25,395,624</u>	<u>24,834,000</u>
 Deferred Outflows of Resources	 <u>850,859</u>	 <u>553,965</u>
 Liabilities		
Long-Term Liabilities	1,773,908	2,349,536
Other Liabilities	<u>3,859,212</u>	<u>3,090,989</u>
Total Liabilities	<u>5,633,120</u>	<u>5,440,525</u>
 Deferred Inflows of Resources	 <u>461,423</u>	 <u>1,266,927</u>
 Net Position		
Invested in Capital Assets, Net of Debt	16,299,265	15,990,979
Restricted	5,996,980	4,819,888
Unrestricted	<u>(2,144,305)</u>	<u>(2,130,354)</u>
Total Net Position	<u>\$ 20,151,940</u>	<u>\$ 18,680,513</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Total assets of governmental activities increased by \$561,624, as cash and cash equivalents increased by \$1,017,180, receivables decreased by \$86,978, and capital assets decreased by \$366,714.

The cash increase was mainly due to budgetary efficiencies, the decrease in receivables was due to federal grants collected in the current year, and the decrease in capital assets was due to depreciation expense, net of capital additions spending.

Table 2 shows the changes in Net Position from fiscal year 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 666,477	\$ 355,993
Operating Grants and Contributions	3,525,198	4,047,364
General Revenues:		
Property Taxes	13,793,898	13,538,819
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	77,071	4,687
Other	<u>52,786</u>	<u>199,269</u>
Total Revenues	<u>18,115,430</u>	<u>18,146,132</u>
Program Expenses		
Instruction	8,446,764	8,479,258
Support Services:		
Tuition	201,997	239,639
Pupils and Instructional Staff	3,202,400	2,926,272
General Administration, School Administration, Business	1,108,933	1,151,481
Operations and Maintenance of Facilities	2,514,330	2,410,302
Pupil Transportation	750,531	731,687
Business-Type Activities	306,043	273,599
Interest and Fiscal Charges	<u>113,005</u>	<u>128,874</u>
Total Expenses	<u>16,644,003</u>	<u>16,341,112</u>
Increase in Net Position	<u>\$ 1,471,427</u>	<u>\$ 1,805,020</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 76.1% percent of revenues for governmental activities for the Tewksbury Township School District for the fiscal year 2023.

Instruction comprises 50.7% of district expenses. Support services expenses make up 46.7% 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 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 8,446,764	\$ 6,494,936	\$ 8,479,258	\$ 6,268,273
Support Services:				
Tuition	201,997	162,914	239,639	184,446
Pupils and Instructional Staff	3,202,400	2,134,077	2,926,272	1,975,381
General Admin., School Admin., Business	1,108,933	894,375	1,151,481	886,276
Operation and Maintenance of Facilities	2,514,330	2,027,854	2,410,302	1,855,171
Pupil Transportation	750,531	595,003	731,687	563,168
Business-Type Activities	306,043	30,164	273,599	76,166
Interest and Fiscal Charges	<u>113,005</u>	<u>113,005</u>	<u>128,874</u>	<u>128,874</u>
Total Expenses	<u>\$ 16,644,003</u>	<u>\$ 12,452,328</u>	<u>\$ 16,341,112</u>	<u>\$ 11,937,755</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, 2023
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 76.9% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 74.8%. 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 \$19,222,937 and expenditures of \$18,326,837. The General Fund's surplus balance increased \$857,839 over 2022, which compares favorably to the budgeted decrease of \$1,158,984.

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 2023 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 \$14,831,974, \$438,629 over original budgeted estimates of \$14,393,345. This difference was due primarily to an increase in extraordinary aid over budgeted amounts.

General fund revenues exceeded expenditures by \$875,165. Again this surplus compares to a budgeted deficit of \$1,158,984, which was due to the budgeted use of surplus, and reserve withdrawals needed to balance the 2022-2023 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 \$6,458,194, and amounts ear-marked and reserved for future purposes were \$5,924,567, creating a surplus in unreserved fund balance of \$533,627. 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, 2023
UNAUDITED

Capital Assets

At the end of the fiscal year 2023, the School District had \$18,462,265 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 1,762,263	\$ 1,762,263
Land Improvements	29,497	35,364
Buildings and Improvements	15,619,280	15,935,748
Machinery and Equipment	433,499	498,452
Vehicles	<u>617,726</u>	<u>597,152</u>
 Totals	 <u>\$ 18,462,265</u>	 <u>\$ 18,828,979</u>

Overall capital assets decreased \$366,714 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets was due to capital spending, net of depreciation expense.

Capital improvements of \$595,210 were purchased during fiscal year 2023. Capital items included purchase of school buses and the parking lot project.

Debt Administration

At June 30, 2023, the School District had \$2,463,908 as outstanding long term debt. Of this amount, \$300,908 is for compensated absences, and \$2,163,000 is for bonds payable.

At June 30, 2023, the School District's overall legal debt margin was \$50,250,751 and the unvoted debt margin was \$48,087,751.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,517,111	\$ 3,600	\$ 6,520,711
Receivables from Other Governments	347,576		347,576
Other Receivables	5,880		5,880
Interfund Receivables	49,258		49,258
Inventory		9,934	9,934
Capital Assets, Net (Note 6):	18,462,265		18,462,265
Total Assets	<u>25,382,090</u>	<u>13,534</u>	<u>25,395,624</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>850,859</u>		<u>850,859</u>
LIABILITIES			
Accounts Payable	149,361		149,361
Payroll Deductions and Withholdings Payable	317,495		317,495
Unemployment Compensation Claims Payable	11,625		11,625
Interfund Payables		49,258	49,258
Unearned Revenue	26,190		26,190
Accrued Interest	19,426		19,426
Net Pension Liability (Note 8)	2,595,857		2,595,857
Noncurrent Liabilities (Note 7):			
Due Within One Year	690,000		690,000
Due Beyond One Year	1,773,908		1,773,908
Total Liabilities	<u>5,583,862</u>	<u>49,258</u>	<u>5,633,120</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>461,423</u>		<u>461,423</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	16,299,265		16,299,265
Reserved for:			
Other Purposes	5,996,980		5,996,980
Unrestricted	(2,108,581)	(35,724)	(2,144,305)
Total Net Position	<u>\$ 20,187,664</u>	<u>\$ (35,724)</u>	<u>\$ 20,151,940</u>

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, 2023

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	\$ 6,218,071	\$ 186,317	\$ 1,334,301		\$ (4,697,453)		\$ (4,697,453)
Special Education	1,778,174		344,043		(1,434,131)		(1,434,131)
Other Special Instruction	269,101		52,066		(217,035)		(217,035)
School Sponsored Cocurricular	181,418		35,101		(146,317)		(146,317)
Support Services:							
Tuition	201,997		39,083		(162,914)		(162,914)
Student & Instruction Related Serv.	3,202,400	193,967	874,356		(2,134,077)		(2,134,077)
School Administrative Services	394,900		76,406		(318,494)		(318,494)
General and Business Admin. Serv.	714,033		138,152		(575,881)		(575,881)
Plant Operations and Maintenance	2,514,330		486,476		(2,027,854)		(2,027,854)
Pupil Transportation	750,531	10,314	145,214		(595,003)		(595,003)
Interest and Other Fiscal Charges	113,005		-		(113,005)		(113,005)
Unallocated Depreciation	-				-		-
Total Governmental Activities	16,337,960	390,598	3,525,198		(12,422,164)		(12,422,164)
Business-Type Activities:							
Food Service	306,043	275,879				\$ (30,164)	(30,164)
Preschool Program	-	-				-	-
Total Business-Type Activities	306,043	275,879	-	-	-	(30,164)	(30,164)
Total Primary Government	\$ 16,644,003	\$ 666,477	\$ 3,525,198		\$ (12,422,164)	\$ (30,164)	\$ (12,452,328)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 13,052,724		\$ 13,052,724
Taxes Levied for Debt Service					741,174		741,174
Investment Earnings					76,738	\$ 333	77,071
Miscellaneous Income					52,786		52,786
Operating Transfers					(25,696)	25,696	-
Total General Revenues, Special Items, Extraor. Items and Transfers					13,897,726	26,029	13,923,755
Change in Net Position					1,475,562	(4,135)	1,471,427
Net Position—Beginning					18,712,102	(31,589)	18,680,513
Prior Period Adjustments							
Net Position—Beginning (Restated)					18,712,102	(31,589)	18,680,513
Net Position—Ending					\$ 20,187,664	\$ (35,724)	\$ 20,151,940

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, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 6,444,698	\$ 72,315	\$ 98	\$ 6,517,111
Interfund Receivables	71,082			71,082
Other Receivables	5,880			5,880
Receivables from Other Governments	298,168	49,408		347,576
TOTAL ASSETS	\$ 6,819,828	\$ 121,723	\$ 98	\$ 6,941,649
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 145,917	\$ 3,444		\$ 149,361
Payroll Deductions and Withholdings Payable	317,495			317,495
Unemployment Compensation Claims Payable	11,625			11,625
Interfund Payable	-	21,824		21,824
Unearned Revenue	2,050	24,140		26,190
Total Liabilities	477,087	49,408	-	526,495
Fund Balances:				
<u>Restricted for:</u>				
Capital Reserve Account	3,345,440			3,345,440
Maintenance Reserve Account	322,222			322,222
Emergency Reserve Account	250,000			250,000
Excess Surplus	1,351,370			1,351,370
Excess Surplus - Designated for Subsequent Year's Expenditures	561,671			561,671
Unemployment Claims	93,864			93,864
Scholarships		17,239		17,239
Student Activities		55,076		55,076
<u>Assigned to:</u>				
Debt Service Fund			\$ 98	98
<u>Unassigned:</u>				
General Fund	418,174			418,174
Total Fund Balances	6,342,741	72,315	98	6,415,154
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,819,828	\$ 121,723	\$ 98	\$ 6,941,649

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 \$34,325,008 and the accumulated depreciation is \$15,862,743.	18,462,265
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)	850,859
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)	(461,423)
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)	(2,595,857)
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)	(19,426)
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)	(2,463,908)
Net Position of governmental activities	<u>\$ 20,187,664</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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local Tax Levy	\$ 13,052,724		\$ 741,174	\$ 13,793,898
Tuition	186,317			186,317
Transportation	10,314			10,314
Interest on Capital Reserve	20,663			20,663
Miscellaneous	100,094	\$ 202,734		302,828
Total - Local Sources	13,370,112	202,734	741,174	14,314,020
State Sources	4,522,946	11,540		4,534,486
Federal Sources		374,431		374,431
Total Revenues	17,893,058	588,705	741,174	19,222,937
EXPENDITURES				
Current:				
Regular Instruction	3,606,934	309,817		3,916,751
Special Education Instruction	1,264,967			1,264,967
Other Special Instruction	191,434			191,434
School Sponsored Activities	129,058			129,058
Support services and undistributed costs:				
Tuition	201,997			201,997
Student and Instruction Related Services	2,001,771	254,751		2,256,522
School Administrative Services	270,152			270,152
Other Administrative Services	497,143		-	497,143
Plant Operations and Maintenance	1,374,152			1,374,152
Pupil Transportation	699,064			699,064
Unallocated Benefits	6,136,335			6,136,335
Transfer to Charter School				-
Debt Service:				
Principal			675,000	675,000
Interest and Other Charges			66,206	66,206
Capital Outlay	636,516	11,540		648,056
Total Expenditures	17,009,523	576,108	741,206	18,326,837
Excess (Deficiency) of Revenues Over Expenditures	883,535	12,597	(32)	896,100
OTHER FINANCING SOURCES (USES)				
Transfers - Enterprise Fund	(25,696)			(25,696)
Transfers - Capital Projects Fund	-			-
Total Other Financing Sources and Uses	(25,696)	-	-	(25,696)
Net Change in Fund Balances	857,839	12,597	(32)	870,404
Fund Balance—July 1	5,484,902	59,718	130	5,544,750
Prior Period Adjustment		-		-
Fund Balance—July 1 (Restated)	5,484,902	59,718	130	5,544,750
Fund Balance—June 30	\$ 6,342,741	\$ 72,315	\$ 98	\$ 6,415,154

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 870,404**

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	\$ (961,924)	
Capital Outlays	<u>595,210</u>	(366,714)

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.

344,771

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.

675,000

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.

60,426

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.

(114,372)

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.

6,047

Change in Net Position of Governmental Activities

\$1,475,562

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, 2023

	Business-Type Activities- Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 3,600	\$ 3,600
Inventories	9,934	9,934
Total Current Assets	<u>13,534</u>	<u>13,534</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	59,548	59,548
Less Accumulated Depreciation	<u>(59,548)</u>	<u>(59,548)</u>
Total Noncurrent Assets		
	<u>13,534</u>	<u>13,534</u>
LIABILITIES		
Current liabilities:		
Interfund Payable	49,258	49,258
Total Current Liabilities	<u>49,258</u>	<u>49,258</u>
	<u>49,258</u>	<u>49,258</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt Unrestricted	(35,724)	(35,724)
Total Net Position	<u>\$ (35,724)</u>	<u>\$ (35,724)</u>

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, 2023

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimb. Programs	\$ 275,879	\$ 275,879
Total Operating Revenues	<u>275,879</u>	<u>275,879</u>
 Operating Expenses:		
Cost of Sales	122,497	122,497
Salaries	114,872	114,872
Employee Benefits	31,369	31,369
Supplies	20,890	20,890
Miscellaneous	1,415	1,415
Other Purchased Professional Services	15,000	15,000
Total Operating Expenses	<u>306,043</u>	<u>306,043</u>
 Operating Income (Loss)	<u>(30,164)</u>	<u>(30,164)</u>
 Nonoperating Revenues (Expenses):		
Interest Income	333	333
Total Nonoperating Revenues (Expenses)	<u>333</u>	<u>333</u>
 Income (Loss) Before Contributions and Transfers	(29,831)	(29,831)
 Transfers In (Out)	25,696	25,696
Change in Net Position	<u>(4,135)</u>	<u>(4,135)</u>
 Total Net Position—Beginning	(31,589)	(31,589)
Total Net Position—Ending	<u>\$ (35,724)</u>	<u>\$ (35,724)</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, 2023

	Business-Type Activities- Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 275,879	\$ 275,879
Payments to Employees and Benefits	(146,241)	(146,241)
Payments to Suppliers	(203,196)	(203,196)
Net Cash Provided by (used for) Operating Activities	(73,558)	(73,558)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Subsidies and Transfers from Other Funds	70,954	70,954
Net Cash Provided by (used for) Non-Capital Financing Activities	70,954	70,954
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Income	333	333
Net Cash Provided by (used for) Non-Capital Financing Activities	333	333
Net Increase (Decrease) in Cash and Cash Equivalents	(2,271)	(2,271)
Balances—Beginning of Year	5,871	5,871
Balances—End of Year	\$ 3,600	\$ 3,600
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (30,164)	\$ (30,164)
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	1,864	1,864
Increase (Decrease) in Accounts Payable	(45,258)	(45,258)
Total Adjustments	(43,394)	(43,394)
Net Cash Provided by (used for) Operating Activities	\$ (73,558)	\$ (73,558)

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, 2023

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, 2022.

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, 2023, of 500 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, but which were levied to finance subsequent fiscal year 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, 2023

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, 2023

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, 2023

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, 2023, 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, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking Accounts	\$ 6,520,711
	<u>\$ 6,520,711</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$6,520,711 and the bank balance was \$6,694,063. 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 \$6,444,063 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2023, 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:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$298,168	\$298,168
Federal Aid	49,408	49,408
Other Receivables	5,880	5,880
Gross Receivable	<u>353,456</u>	<u>353,456</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u>\$353,456</u>	<u>\$353,456</u>

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food	\$5,374
Supplies	<u>4,560</u>
	<u>\$9,934</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, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<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	27,224,267	\$ 462,743		27,687,010
Furniture and Equipment	2,378,202	-		2,378,202
Vehicles	2,116,266	132,467		2,248,733
Total at Historical Cost	31,967,535	595,210	-	32,562,745
Less Accumulated Depreciation for:				
Land Improvements	(213,436)	(5,867)		(219,303)
Building and Improvements	(11,288,519)	(779,211)		(12,067,730)
Furniture and Equipment	(1,879,750)	(64,953)		(1,944,703)
Vehicles	(1,519,114)	(111,893)		(1,631,007)
Total Accumulated Depreciation	(14,900,819)	(961,924)	-	(15,862,743)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	17,066,716	(366,714)	-	16,700,002
Government Activity Capital Assets, Net	\$ 18,828,979	\$ (366,714)	-	\$ 18,462,265

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 392,322
Support Services:	
Student & Instruction	21,619
General & Business Admin	10,810
School Administration	10,774
Plant & Maintenance	414,506
Pupil Transportation	111,893
Total	\$ 961,924

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, 2023, are as follows:

	Balance <u>7/1/22</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/23</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 2,838,000		\$ (675,000)	\$ 2,163,000	\$ 690,000
Other Liabilities:					
Capital Lease Obligations	60,426		(60,426)	-	
Compensated Absences Payable	186,536	\$ 114,372		300,908	-
Total	\$ 3,084,962	\$ 114,372	\$ (735,426)	\$ 2,463,908	\$ 690,000

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, 2023

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, 2023, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			
	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Balance 6/30/2023</u>
2017 Refunding Bonds	4/6/17	2.25%	2/15/26	\$ 1,745,000
2010 School Bonds	9/23/10	2.0-3.1%	7/15/25	418,000
Total Bonds				\$ 2,163,000

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2023, is as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 690,000	\$ 50,080	\$ 740,080
2025	725,000	35,493	760,493
2026	748,000	15,758	763,758
	\$ 2,163,000	\$ 101,331	\$ 2,264,331

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

C. Bonds and Notes Authorized but not Issued:

As of June 30, 2023, the District had \$179,163 of authorized but not issued debt for the school facility capital projects authorized by the voters for the purposes of the elementary school construction and the Old Turnpike School renovation.

NOTE 8: PENSION PLANS

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

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

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

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

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 \$26,745,897 as measured on June 30, 2022 and \$23,987,480 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$719,807 and revenue of \$719,807 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, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. 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, 2021 and June 30, 2022.

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>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$23,987,480	\$26,745,897
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.049896%	0.051839%

Actuarial assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	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, 2023

NOTE 8: PENSION PLANS (Continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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-2021.

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, 2022) 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, 2022 are summarized in the following table:

<u><i>Asset Class</i></u>	<u><i>Target Allocation</i></u>	<u><i>Long-Term Expected Real Rate of Return</i></u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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 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 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, 2022, 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</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

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, 2022 was \$24,640,530,532.

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>
2023	(\$2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total ension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expens	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</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, 2023

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, 2023, the District reported a liability of \$2,595,857 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. 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, 2022 and 2021. At June 30, 2022, the District's proportion was 0.01720% which was an increase of 0.00168% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$105,659). At June 30, 2023, 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>Deferred Inflows</u>
	<u>Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 18,736	\$ 16,522
Changes of assumptions	8,043	388,703
Net difference between projected and actual earnings on pension plan investments	107,440	-
Changes in proportion and differences between District contributions and proportionate share of contributions	499,728	56,198
District contributions subsequent to the measurement date	216,912	
Total	\$ 850,859	\$ 461,423

\$216,912 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. 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>
2023	\$141,753
2024	72,218
2025	35,219
2026	(76,836)
2027	<u>169</u>
Total	<u>\$172,524</u>

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$1,838,230	\$2,595,857
District's proportion %	0.01551708%	0.01720093%

Actuarial assumptions - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% 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-2021

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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, 2022, 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	\$ 3,334,916	\$2,595,857	\$ 1,966,888

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022 are as follows:

Service cost	\$152,723
Interest on total Pension liability	612,532
Benefit changes	1,777
Member contributions	(127,363)
Administrative expens	2,735
Expected investment return net of investment expenses	(408,884)
Pension expense related to specific liabilities of individual employers	(2,194)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	7,251
Changes in assumptions	(457,871)
Difference between projected and actual investment earnings on pension plan investments	<u>(10,169)</u>
Total pension expense	<u>(\$229,462)</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, 2023

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, 2023

NOTE 8: PENSION PLANS (Continued)

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$216,912	100 %	-0-
6/30/2022	\$181,723	100	-0-
6/30/2021	\$150,619	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$2,102,436	100 %	-0-
6/30/2022	\$2,164,840	100	-0-
6/30/2021	\$1,478,784	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$2,654,567 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 \$423,843 during the year ended June 30, 2023, 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, 2023

Note 9: POST-RETIREMENT BENEFITS (Continued)

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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.

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.

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS (Continued)

Actuarial assumptions and other imputes. The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:	\$	50,646,462,966			
			TPAF/ABP	PERS	PFRS
Salary Increases			2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
			Based on service years		

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS (Continued)

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2021	\$60,007,650,970
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
The State's Total OPEB Liability Balance at 6/30/2022	<u>\$50,646,462,966</u>
 The State's total OPEB liability attributable to the District:	 \$24,422,986

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 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, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
	June 30, 2021		
	At 1% Decrease <u>1.16%</u>	At Discount Rate <u>2.16%</u>	At 1% Increase <u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS (Continued)

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, 2022	
		Health Care Cost	
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

		June 30, 2021	
		Health Care Cost	
	<u>At 1% Decrease</u>	<u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$551,041 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, 2022, 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	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

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:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023, no liability existed for compensated absences in the proprietary fund types.

NOTE 12: RISK MANAGEMENT

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

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

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12: RISK MANAGEMENT (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2022-2023	\$924	\$13,504	\$17,111	\$105,489
2021-2022	\$78	\$12,766	\$235	\$108,172
2020-2021	\$105	\$12,087	\$10,493	\$95,563

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 \$6,342,741 General Fund fund balance at June 30, 2023, \$322,222 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$3,345,440 is reserved for Capital Reserve; \$250,000 is reserved for Emergency Reserve; \$1,913,041 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$561,671 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$93,864 is reserved for unemployment compensation; and \$418,174 is unreserved and undesignated.

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 2,996,243
Budgeted Withdrawal	(451,203)
Interest	400
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/12/2023	800,000
Ending Balance, June 30, 2023	<u>\$ 3,345,440</u>

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	350,402
Budgeted Withdrawal		(28,330)
Interest		150
Ending Balance, June 30, 2023	<u>\$</u>	<u>322,222</u>

NOTE 17: EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 1, 2022	\$	<u>250,000</u>
Ending balance June 30, 2023	<u>\$</u>	<u>250,000</u>

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivable</u>	<u>Payable</u>	
General Fund	\$ 49,258	-	
Enterprise Fund	-	\$ 49,258	
	<u>\$ 49,258</u>	<u>\$ 49,258</u>	

NOTE 19: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,351,370.

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

NOTE 21: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-4) of \$35,724 in the Enterprise Fund as of June 30, 2023, as reported in the fund statements (accrual basis). The district believes this amount will be liquidated in the subsequent year.

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, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,052,724		\$ 13,052,724	\$ 13,052,724	
Tuition From Other LEAs	10,936	\$ 75,200	86,136	141,317	\$ 55,181
Tuition From Individuals	26,564		26,564	45,000	18,436
Transportation	10,000		10,000	10,314	314
Interest Earned on Capital Reserve	550		550	20,663	20,113
Miscellaneous	85,200	(75,200)	10,000	100,094	90,094
Total - Local Sources	13,185,974		13,185,974	13,370,112	184,138
State Sources:					
School Choice Aid	351,156		351,156	351,156	
Transportation Aid	294,335		294,335	294,335	
Special Education Aid	505,325		505,325	505,325	
Security Aid	56,555		56,555	56,555	
Other State Aid			-	254,491	254,491
TPAF Pension (On-Behalf - Non-Budgeted)				2,101,773	2,101,773
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				552,131	552,131
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				663	663
TPAF Social Security (Reimbursed - Non-Budgeted)				423,843	423,843
Total State Sources	1,207,371		1,207,371	4,540,272	3,332,901
TOTAL REVENUES	14,393,345	-	14,393,345	17,910,384	3,517,039

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	288,477	(125,170)	163,307	159,747	3,560
Grades 1-5 - Salaries of Teachers	1,762,536	37,067	1,799,603	1,773,302	26,301
Grades 6-8 - Salaries of Teachers	1,419,220	6,234	1,425,454	1,408,104	17,350
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000	(400)	600		600
Purch Prof Svcs- Home Inst		400	400	399	1
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	5,000	(2,984)	2,016	1,604	412
Purchased Professional - Tech Svc	93,000	(7,487)	85,513	73,102	12,411
Other Purchased Services (400-500 series)	26,070	(9,947)	16,123	15,117	1,006
General Supplies	149,480	45,485	194,965	171,503	23,462
Textbooks	27,050	(25,469)	1,581	1,581	-
Other Objects	1,160	2,188	3,348	2,475	873
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,772,993	(80,083)	3,692,910	3,606,934	85,976
SPECIAL EDUCATION - INSTRUCTION					
Special Ed - Multiply hdep					
Salaries of Teachers	144,078	11,219	155,297	153,297	2,000
Other Instructional Salaries	-	20,271	20,271	20,270	1
After School Aides	-	5,010	5,010	5,010	-
General Supplies	10,000	(4,408)	5,592	5,592	-
Total Multiply hdep	154,078	32,092	186,170	184,169	2,001
Resource Room/Resource Center:					
Salaries of Teachers	843,474	(16,958)	826,516	789,899	36,617
Other Salaries for Instruction	174,915	(4,160)	170,755	167,555	3,200
General Supplies	4,950	(3,334)	1,616	1,616	-
Total Resource Room/Resource Center	1,023,339	(24,452)	998,887	959,070	39,817

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Full-Time:					
Salaries of Teachers	103,867	(7,400)	96,467	96,467	-
Other Salaries for Instruction	43,719	(19,720)	23,999	23,999	-
General Supplies	1,400	(138)	1,262	1,262	-
Total Preschool Disabilities - Full-Time	148,986	(27,258)	121,728	121,728	-
Home Instruction:					
Salaries of Teachers	5,000	-	5,000	-	5,000
Purchased Professional - Educational Services	4,000	-	4,000	-	4,000
Total Home Instruction	9,000	-	9,000	-	9,000
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,335,403	(19,618)	1,315,785	1,264,967	50,818
Basic Skills/Remedial - Instruction					
Salaries of Teachers	193,322	-	193,322	191,434	1,888
General Supplies	500	-	500	-	500
Total Basic Skills/Remedial - Instruction	193,822	-	193,822	191,434	2,388
TOTAL INSTRUCTION	5,302,218	(99,701)	5,202,517	5,063,335	139,182
UNDISTRIBUTED EXPENDITURES					
School-Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	40,793	-	40,793	40,424	369
Supplies and Materials	1,440	(726)	714	238	476
Other Objects	360	910	1,270	1,220	50
Total School-Spon.Co/Extra Curric. Activities - Instruc.	42,593	184	42,777	41,882	895
School-Sponsored Athletics - Instruction:					
Salaries	85,000	-	85,000	77,671	7,329
Other Purchased Services (400-500 series)	15,000	-	15,000	7,900	7,100
Supplies and Materials	2,000	-	2,000	1,605	395
Total School-Spon. Athletics - Instruction	102,000	-	102,000	87,176	14,824

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Instruction:					
Tuition to Other LEAs within the State-Special		-		(10,000)	10,000
Tuition to Private Schools for the Disabled - Within State	445,084	(44,501)	400,583	211,997	188,586
Total Instruction	445,084	(44,501)	400,583	201,997	198,586
Attendance & Social Work:					
Salaries	135,101	4,526	139,627	138,386	1,241
Total Attendance & Social Work	135,101	4,526	139,627	138,386	1,241
Health Services:					
Salaries	192,139	18,863	211,002	208,046	2,956
Purchased Professional and Technical Services	4,610	(270)	4,340	4,340	-
Other Purchased Services (400-500 series)	300	(300)	-	-	-
Supplies and Materials	9,540	(2,604)	6,936	6,936	-
Other Objects	610	(305)	305	148	157
Total Health Services	207,199	15,384	222,583	219,470	3,113
Other Supp. Services Students-Speech/OT/PT Related Services:					
Salaries	137,278	1,334	138,612	138,612	-
Purchased Professional - Educational Services	140,400	37,241	177,641	176,651	990
Supplies and Materials	3,000	(1,500)	1,500	769	731
Total Other Supp. Svcs Students-Spech/OT/PT Rel. Services	280,678	37,075	317,753	316,032	1,721
Other Supp. Services - Related Svcs					
Purchased Professional - Educational Services	15,200	68,600	83,800	68,784	15,016
Total Other Supp. - Extra Svcs	15,200	68,600	83,800	68,784	15,016
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	186,984	3,700	190,684	190,684	-
Purchased Professional - Educational Services	1,000	(1,000)	-	-	-
Other Purchased Services (400-500 series)	1,050	(525)	525	-	525
Supplies and Materials	4,150	(3,955)	195	195	-
Other Objects	300	-	300		300
Total Other Supp. Services Students-Regular	193,484	(1,780)	191,704	190,879	825

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Child Study Teams:					
Salaries of Other Professional Staff	292,910	(18,501)	274,409	274,409	-
Salaries of Secretarial and Clerical Assistants	48,004	1,865	49,869	49,869	-
Purchased Professional - Educational Services	9,485	59	9,544	9,544	-
Other Purchased Prof. and Tech. Services	56,575	(56,410)	165	165	-
Misc. Purchased Services (400-500 series O/than Resid.Costs)	8,500	(6,444)	2,056	2,026	30
Supplies and Materials	13,100	(5,484)	7,616	6,855	761
Other Objects	1,984	3,595	5,579	5,340	239
Total Other Supp. Services Students-Child Study Teams	430,558	(81,320)	349,238	348,208	1,030
Improvement of Instruction Services :					
Salaries of Supervisor of Instruction	90,000	28,750	118,750	116,392	2,358
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	15,450	-	15,450	14,209	1,241
Other Salaries	25,800	-	25,800	16,273	9,527
Purchased Professional - Educational Services	-	1,200	1,200	1,200	-
Other Purchased Services (400-500 series)	6,000	(1,200)	4,800	1,900	2,900
Supplies and Materials	10,000	(580)	9,420	5,918	3,502
Total Improvement of Instruction Services	147,250	28,170	175,420	155,892	19,528
Educational Media Services/School Library:					
Salaries	168,700	(12,696)	156,004	153,977	2,027
Salaries of Technology Coordinators	74,075	96,717	170,792	170,792	-
Purchased Professional and Ed Services	162,000	(68,618)	93,382	72,016	21,366
Technology Services	61,900	3,940	65,840	65,840	-
Other Purchased Services (400-500 series)	70,000	(9,341)	60,659	57,906	2,753
Supplies and Materials	19,650	-	19,650	16,251	3,399
Other Objects	305	-	305	140	165
Total Educational Media Services/School Library	556,630	10,002	566,632	536,922	29,710

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Instructional Staff Training Services:					
Purchased Professional - Educational Services	26,000	(2,700)	23,300	23,300	-
Other Purchased Services (400-500 series)	20,000	(7,300)	12,700	3,774	8,926
Supplies and Materials	800	-	800	-	800
Other Objects	3,000	-	3,000	124	2,876
Total Instructional Staff Training Services	49,800	(10,000)	39,800	27,198	12,602
Supp. Services - General Administration:					
Salaries	185,825	(23,340)	162,485	161,481	1,004
Legal Services	25,000	(1,749)	23,251	18,129	5,122
Audit Fees	17,500	(77)	17,423	17,057	366
Architectural/Engineering Fees	4,000	18,000	22,000	10,000	12,000
Other Purchased Professional Services	-	1,942	1,942	1,942	-
Communications/Telephone	28,600	-	28,600	20,901	7,699
BOE Other Purchased Services	-	-	-	-	-
Other Purchased Services (400-500 series)	39,500	-	39,500	35,799	3,701
General Supplies	2,900	-	2,900	1,642	1,258
BOE In-House Train/Meet Supplies	100	22	122	122	-
Judgments Against the School District	11,000	880	11,880	11,880	-
Miscellaneous Expenditures	5,175	(22)	5,153	5,065	88
BOE Membership Dues & Fees	7,500	(116)	7,384	6,503	881
Total Supp. Services - General Administration	327,100	(4,460)	322,640	290,521	32,119
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	199,704	23,340	223,044	222,971	73
Salaries of Secretarial and Clerical Assistants	33,990	1,292	35,282	35,282	-
Other Purchased Services (400-500 series)	9,600	(1,020)	8,580	4,217	4,363
Supplies and Materials	7,100	1,596	8,696	5,794	2,902
Other Objects	2,744	44	2,788	1,888	900
Total Support Services - School Administration	253,138	25,252	278,390	270,152	8,238

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Central Services:					
Salaries	186,225	4,733	190,958	186,108	4,850
Purchased Professional Services	13,000	-	13,000	12,231	769
Purchased Technical Services	1,100	-	1,100	1,100	-
Misc. Purchased Services (400-500 series)	4,500	-	4,500	2,040	2,460
Supplies and Materials	3,250	800	4,050	3,923	127
Other Objects	2,500	(800)	1,700	1,220	480
Total Central Services	210,575	-	215,308	206,622	8,686
Required Maintenance for School Facilities:					
Salaries	162,500	80,000	242,500	223,536	18,964
Cleaning, Repair and Maintenance Services	121,300	90,792	212,092	207,758	4,334
Lead Testing Of Drinking Water	-	-	-	-	-
General Supplies	40,000	33,145	73,145	67,692	5,453
Other Objects	1,000	(461)	539	-	539
Total Required Maintenance for School Facilities	324,800	203,476	528,276	498,986	29,290
Other Operations and Maintenance of Plant:					
Salaries	432,733	(35,646)	397,087	347,060	50,027
Purchased Professional and Technical Services	54,900	(8,145)	46,755	31,459	15,296
Cleaning, Repair and Maintenance Services	50,750	-	50,750	43,713	7,037
Rental of Land & Buildings other Than Lease Agree	2,020	-	2,020	1,740	280
Other Purch Property Services	2,000	-	2,000	-	2,000
Insurance	120,000	(15,440)	104,560	104,112	448
Misc. Purchased Services	250	-	250	-	250
General Supplies	104,000	(35,607)	68,393	44,496	23,897
Energy (Natural Gas)	106,000	-	106,000	85,585	20,415
Energy (Electricity)	170,000	-	170,000	142,786	27,214
Energy (Gasoline)	1,500	33,145	34,645	34,645	-
Other Objects	2,000	901	2,901	2,901	-
Total Other Operations and Maintenance of Plant	1,046,153	(60,792)	985,361	838,497	146,864

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. -Care and Upkeep of Grounds:					
Salaries Ground	10,000	(10,000)	-	-	-
Cleaning Repair & Maint Svcs	24,000	3,563	27,563	20,977	6,586
General Supplies	29,000	(10,000)	19,000	14,822	4,178
Total Undist. Expend. -Care and Upkeep of Grounds	63,000	(16,437)	46,563	35,799	10,764
Security					
Purchased Prof. & Tech. Services	1,000	-	1,000	870	130
General Supplies	2,000	-	2,000		2,000
Total Security	3,000	-	3,000	870	2,130
Student Transportation Services:					
Salaries	-	-	-	-	-
Salaries for Pupil Trans.(Bet.Home & Sch.)-Regular	306,043	15,486	321,529	301,296	20,233
Salaries for Pupil Trans.(Bet.Home & Sch.)-Sp.Ed.	8,000	(2,675)	5,325	4,024	1,301
Salaries for Pupil Trans.(Other Than Bet.Home & Sch.)	5,000	2,675	7,675	7,675	-
Management Fee - ESC & CTSA Trans. Program	9,000	4,044	13,044	6,326	6,718
Other Purchased Prof. and Tech. Services	1,500	15,029	16,529	16,315	214
Cleaning, Repair and Maintenance Services	50,000	3,296	53,296	51,001	2,295
Rental Payments - School Buses	1,000	(800)	200	-	200
Lease Purchase Payments - School Buses	35,000	(15,731)	19,269	10,731	8,538
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	80,000	(22,000)	58,000	47,000	11,000
Contract Services (Other than Between Home & School)-Vendors	5,000	(2,293)	2,707	-	2,707
Contract Services (Other than Between Home & School)- Trans Joint	5,000	(5,000)	-	-	-
Contract Services (Other than Between Home & School)- Trans SP ED Joint	1,500	(89)	1,411	-	1,411
Contracted Services (Special Education Students)-ESCs & CTSA's	192,000	68,885	260,885	212,107	48,778
Miscellaneous Purchased Services-Transportation	5,000	2,086	7,086	7,078	8
General Supplies	1,000	-	1,000	807	193
Transportation Supplies	35,000	10,414	45,414	32,115	13,299
Other Objects	2,500	89	2,589	2,589	-
Total Student Transportation Services	742,543	73,416	815,959	699,064	116,895

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS:					
Group Insurance	8,000	(8,000)	-	-	-
Social Security Contributions	165,877	6,192	172,069	172,069	-
Other Retirement Contributions - PERS	218,355	-	218,355	216,912	1,443
Other Retirement Contributions - Regular	4,000	136	4,136	4,136	-
Unemploy Compensation	32,000	(7,000)	25,000	-	25,000
Workman's Compensation	100,500	-	100,500	64,666	35,834
Health Benefits	2,862,371	(110,224)	2,752,147	2,253,986	498,161
Tuition Reimbursement	55,000	-	55,000	15,469	39,531
Other Employee Benefits	383,491	(73,189)	310,302	287,416	22,886
Unused Sick Pay-Term/Ret Staff	-	50,000	50,000	43,271	6,729
TOTAL UNALLOCATED BENEFITS	3,829,594	(142,085)	3,687,509	3,057,925	629,584
On-behalf TPAF pension Contrib. (non-budgeted)				2,101,773	(2,101,773)
On-behalf TPAF PRM Contrib. (non-budgeted)				552,131	(552,131)
On-behalf TPAF pension LTD Ins. (non-budgeted)				663	(663)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				423,843	(423,843)
TOTAL ON-BEHALF CONTRIBUTIONS				3,078,410	(3,078,410)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	3,829,594	(142,085)	3,687,509	6,136,335	629,584
TOTAL UNDISTRIBUTED EXPENDITURES	9,405,480	104,710	9,514,923	11,309,672	1,283,661
TOTAL GENERAL CURRENT EXPENSE	14,707,698	5,009	14,717,440	16,373,007	1,422,843

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment:					
School Buses - Regular	130,111	2,892	133,003	132,467	536
Total Equipment	130,111	2,892	133,003	132,467	536
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	79,330	-	79,330	29,109	50,221
Construction Services	43,000	-	43,000	-	43,000
Land and Improvements	515,344	-	515,344	410,271	105,073
Infrastructure	14,000	41,735	14,000	11,823	2,177
Assessment for Debt Service on SDA Funding	52,846	-	52,846	52,846	-
Total Facilities Acquisition and Construction Services	704,520	41,735	704,520	504,049	200,471
TOTAL CAPITAL OUTLAY	834,631	44,627	837,523	636,516	201,007
TOTAL EXPENDITURES	15,542,329	49,636	15,554,963	17,009,523	1,623,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,148,984)	(49,636)	(1,161,618)	900,861	2,062,479
Other Financing Sources (Uses):					
Operating Transfer In/(Out):					
Transfer to Food Service Fund	(10,000)	(15,696)	(25,696)	(25,696)	-
Total Transfer In/(Out)	(10,000)	(15,696)	(25,696)	(25,696)	-

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,158,984)	(65,332)	(1,187,314)	875,165	2,062,479
Fund Balance, July 1	5,583,029		5,583,029	5,583,029	-
Prior Period Adjustment	-		-	-	-
Fund Balance, July 1 (Restated)	5,583,029		5,583,029	5,583,029	-
Fund Balance, June 30	<u>\$ 4,424,045</u>	<u>\$ (65,332)</u>	<u>\$ 4,395,715</u>	<u>\$ 6,458,194</u>	<u>2,062,479</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 3,345,440	
Emergency Reserve				250,000	
Maintenance Reserve				322,222	
Excess Surplus				1,351,370	
Excess Surplus - Designated for Subsequent Year's Expenditures				561,671	
Unemployment Compensation				93,864	
Unassigned:					
Unrestricted Fund Balance				<u>533,627</u>	
Fund Balance, June 30				<u>\$ 6,458,194</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				\$ 6,458,194	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(115,453)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 6,342,741</u>	

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 208,344	\$ 208,344	\$ 202,734	\$ (5,610)
State Sources		11,540	11,540	11,540	-
Federal Sources	\$ 305,015	87,946	392,961	374,431	(18,530)
Total Revenues	305,015	307,830	612,845	588,705	(24,140)
EXPENDITURES:					
Instruction					
Salaries & Wages	48,202	31	48,233	47,392	841
Purchased Professional & Tech. Svcs	15,000	(2,236)	12,764	8,764	4,000
Tuition	92,945	21,401	114,346	114,346	-
General Supplies	79,000	78,464	157,464	139,315	18,149
Total Instruction	235,147	97,660	332,807	309,817	22,990
Support Services					
Support Salaries & Wages	5,368	(5,368)		-	-
Purchased Ed. Services	-	8,249	8,249	8,249	-
Other Purchased Professional Services	44,500	4,130	48,630	47,480	1,150
Supplies and Materials	20,000	(2,348)	17,652	17,652	-
Student Activities	-	181,070	181,070	181,070	-
Scholarships	-	300	300	300	-
Total Support Services	69,868	186,033	255,901	254,751	1,150
Facilities Acq. and Const. Services:					
Buildings		11,540	11,540	11,540	
Total Facilities Acq. and Const. Svcs	-	11,540	11,540	11,540	-
Total Expenditures	305,015	295,233	600,248	576,108	24,140
Total Outflows	\$ 305,015	\$ 295,233	\$ 600,248	\$ 576,108	24,140
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	12,597	12,597	12,597	-
Fund Balance Beginning				59,718	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				59,718	
Fund Balance Ending				<u>\$ 72,315</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 17,239	
Student Activities				55,076	
Total Fund Balance				<u>\$ 72,315</u>	

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

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 17,910,384	\$ 588,705
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	-
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	98,127	-
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(115,453)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 17,893,058</u>	<u>\$ 588,705</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 17,009,523	\$ 576,108
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 17,009,523</u>	<u>\$ 576,108</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</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	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	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 26,745,897	\$ 23,987,480	\$ 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	\$ 26,745,897	\$ 23,987,480	\$ 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	\$ 5,830,654	\$ 5,742,278	\$ 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 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	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01720093%	0.01551708%	0.01376837%	0.01390472%	0.01472870%	0.01432081%	0.015218052%	0.015446329%	0.0157610715%	#####
District's proportionate share of the net pension liability (asset)	\$ 2,595,857	\$ 1,838,230	\$ 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	\$ 1,323,647	\$ 1,125,697	\$ 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	196.11%	163.30%	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)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution **	2,102,436	2,164,840	1,478,784	1,193,554	1,085,131	858,870	630,151	446,671	306,151	221,155
Contributions in relation to the contractually required contribution **	(2,102,436)	(2,164,840)	(1,478,784)	(1,193,554)	(1,085,131)	(858,870)	(630,151)	(446,671)	(306,151)	(221,155)
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	\$ 5,830,654	\$ 5,742,278	\$ 5,664,467	\$ 5,832,213	\$ 5,517,246	\$ 5,693,322	\$ 5,819,343	\$ 6,068,529	\$ 5,738,347	\$ 5,546,980
Contributions as a percentage of covered-employee payroll	36.06%	37.70%	26.11%	20.46%	19.67%	15.09%	10.83%	7.36%	5.34%	3.99%

** 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 216,912	\$ 181,723	\$ 150,619	\$ 136,003	\$ 147,375	\$ 134,605	\$ 136,033	\$ 132,797	129,932	129,308
Contributions in relation to the contractually required contribution	<u>(216,912)</u>	<u>(181,723)</u>	<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>
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	\$ 1,323,647	\$ 1,125,697	\$ 1,190,615	\$ 1,089,035	\$ 1,015,919	\$ 1,015,919	\$ 1,021,654	\$ 1,642,459	\$ 1,083,477	\$ 1,060,433
Contributions as a percentage of covered-employee payroll	16.39%	16.14%	12.65%	12.49%	14.51%	13.25%	13.31%	8.09%	11.99%	12.19%

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)

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-500,206,574					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
Net change in total OPEB liability	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360			
Total OPEB Liability - Beginning	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824			
Total OPEB Liability - Ending	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's total OPEB liability **	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's OPEB liability attributable to the District **	\$ 24,422,986	\$ 28,743,627	\$ 31,830,571	\$ 19,546,493	\$ 21,476,975	\$ 27,086,117	\$ 29,199,802			
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
District's covered employee payroll	\$ 7,154,301	\$ 6,867,975	\$ 6,855,082	\$ 6,921,248	\$ 6,473,029	\$ 6,709,241	\$ 6,840,997			
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
District's contribution	None	None	None	None	None	None	None			
State's covered employee payroll ***	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
Total State's OPEB liability as a percentage of its covered-employee payroll	343.29%	415.98%	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, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 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, 2023

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-2021.

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

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 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-2021.

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

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

Page 1 of 2

**SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2023

	Title I	Title II Part A	Title IV	REAP	IDEA Basic	IDEA Pre-School	ARP Accel Learn	ARP Summer	ARP Beyond Sch Day
REVENUES									
Local Sources									
State Sources									
Federal Sources	\$ 14,924	\$ 8,585	\$ 10,000	\$ 62,284	\$ 114,346	\$ 8,249	\$ 41,409	\$ 39,674	\$ 31,147
TOTAL REVENUES	14,924	8,585	10,000	62,284	114,346	8,249	41,409	39,674	31,147
EXPENDITURES:									
Instruction:									
Other Salaries								19,674	19,485
Purchased Professional & Tech. Svcs									
Tuition					114,346				
General Supplies	14,924		9,000	62,284				20,000	11,662
Total Instruction	14,924	-	9,000	62,284	114,346	-	-	39,674	31,147
Support Services:									
Purchased Professional Educ. Serv.						8,249			
Other Purchased Services		8,585	1,000				24,100		
Supplies and Materials							17,309		
Student Activities									
Scholarships									
Total Support Services	-	8,585	1,000	-	-	8,249	41,409	-	-
Facilities Acq. and Const. Services:									
Building Maintenance									
Total Facilities Acq. and Const. Svcs	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	14,924	8,585	10,000	62,284	114,346	8,249	41,409	39,674	31,147
Total Outflows	14,924	8,585	10,000	62,284	114,346	8,249	41,409	39,674	31,147
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Fund Balance Beginning	-	-	-	-	-	-	-	-	-
Prior Period Adjustment *	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-
Fund Balance Ending	-	-	-	-	-	-	-	-	-

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

Page 2 of 2

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2023

	ARP Mental	CRRSA ESSER II	CRRSA Learning	CRRSA Mental H.	SDA Emerg. & Capital	Local Grants	Student Activity	Scholarships	Totals
REVENUES									
Local Sources						\$ 8,767	\$ 193,815	\$ 152	\$ 202,734
State Sources					\$ 11,540				11,540
Federal Sources	\$ 30,282	\$ 1,579	\$ 6,664	\$ 5,288		-			374,431
TOTAL REVENUES	30,282	1,579	6,664	5,288	11,540	8,767	193,815	152	588,705
EXPENDITURES:									
Instruction:									
Other Salaries		1,579	6,654						47,392
Purchased Professional & Tech. Svcs	8,764								8,764
Tuition									114,346
General Supplies	12,668		10			8,767			139,315
Total Instruction	21,432	1,579	6,664	-	-	8,767	-	-	309,817
Support Services:									
Purchased Professional Educ. Serv.									8,249
Other Purchased Services	8,850			4,945					47,480
Supplies and Materials				343					17,652
Student Activities							181,070		181,070
Scholarships								300	300
Total Support Services	8,850	-	-	5,288	-	-	181,070	300	254,751
Facilities Acq. and Const. Services:									
Building Maintenance					11,540				11,540
Total Facilities Acq. and Const. Svcs	-	-	-	-	11,540	-	-	-	11,540
TOTAL EXPENDITURES	30,282	1,579	6,664	5,288	11,540	8,767	181,070	300	576,108
Total Outflows	30,282	1,579	6,664	5,288	11,540	8,767	181,070	300	576,108
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	12,745	(148)	12,597
Fund Balance Beginning	-	-	-	-	-	-	42,331	17,387	59,718
Prior Period Adjustment *	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	42,331	17,387	59,718
Fund Balance Ending	-	-	-	-	-	-	\$ 55,076	\$ 17,239	\$ 72,315

**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.

N/A

**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, 2023**

<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, 2022</u>	<u>RETIRE</u>	<u>BALANCE JUNE 30, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
2017 Refunding Issue	4/6/17	\$ 4,890,000	2/15/24	\$ 565,000	2.25%	\$ 2,295,000	\$ 550,000	\$ 1,745,000
			2/15/25	585,000	2.25%			
			2/15/26	595,000	2.25%			
2010 School Bonds	9/23/10	1,633,000	7/15/23	125,000	3.00%	543,000	125,000	418,000
			7/15/24	140,000	3.00%			
			7/15/25	153,000	3.10%			
Total						<u>\$ 2,838,000</u>	<u>\$ 675,000</u>	<u>\$ 2,163,000</u>

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>LEASE TERM</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING 7/1/2022</u>	<u>ADDITIONAL OBLIGATIONS INCURRED</u>	<u>RETIRED CURRENT YEAR PRINCIPAL PAYMENTS</u>	<u>AMOUNT OUTSTANDING 6/30/2023</u>
Two Thomas School Buses	2.35%	6 Years	\$ 206,166	\$ 60,426		\$ 60,426	-
Total				\$ 60,426	-	\$ 60,426	-

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 741,174		\$ 741,174	\$ 741,174	
TOTAL REVENUES	741,174	-	741,174	741,174	-
EXPENDITURES:					
Regular Debt Service:					
Interest	66,206		66,206	66,206	
Redemption of Principal	675,000		675,000	675,000	
Fiduciary Fees			-	-	
Total Regular Debt Service	741,206	-	741,206	741,206	-
TOTAL EXPENDITURES	741,206	-	741,206	741,206	
Excess (Deficiency) of Revenues Over Expenditures	(32)	-	(32)	(32)	-
Fund Balance, July 1	130		130	130	
Fund Balance, June 30	\$ 98		\$ 98	\$ 98	
Recapitulation of Excess (Deficiency) of <u>Revenues Over (Under) Expenditures</u>					
Budgeted Fund Balance					

Tewksbury Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	94-99
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	100-103
Debt Capacity (J-10 thru J-13) 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.	104-107
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	108-109
Operating Information (J-16 thru J-20) 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.	110-114

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,090,136	\$ 12,410,474	\$ 13,224,291	\$ 13,318,038	\$ 13,531,275	\$ 13,940,079	\$ 14,940,484	\$ 15,658,845	\$ 15,990,979	\$ 16,299,265
Restricted	2,427,315	2,309,830	2,678,463	2,712,957	3,843,743	3,400,140	3,836,739	3,967,692	4,819,888	5,996,980
Unrestricted	(2,115,589)	(1,704,873)	(2,424,386)	(2,730,927)	(3,310,675)	(2,618,923)	(2,912,126)	(2,754,437)	(2,098,765)	(2,108,581)
Total governmental activities net position	<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>	<u>\$ 18,712,102</u>	<u>\$ 20,187,664</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 6,982	\$ 5,334								
Restricted										
Unrestricted	57,655	70,742	59,440	33,144	13,263	7,453	6,409	3,393	(31,589)	(35,724)
Total business-type activities net position	<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>	<u>\$ (31,589)</u>	<u>\$ (35,724)</u>
District-wide										
Invested in capital assets, net of related debt	\$ 12,097,118	\$ 12,415,808	\$ 13,224,291	\$ 13,318,038	\$ 13,531,275	\$ 13,940,079	\$ 14,940,484	\$ 15,658,845	\$ 15,990,979	\$ 16,299,265
Restricted	2,427,315	2,309,830	2,678,463	2,712,957	3,843,743	3,400,140	3,836,739	3,967,692	4,819,888	5,996,980
Unrestricted	(2,057,934)	(1,634,131)	(2,364,946)	(2,697,783)	(3,297,412)	(2,611,470)	(2,905,717)	(2,751,044)	(2,130,354)	(2,144,305)
Total district net position	<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>	<u>\$ 18,680,513</u>	<u>\$ 20,151,940</u>

Source: ACFR Seehdule A-1

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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,208,687	\$ 6,288,589	\$ 6,317,192	\$ 7,116,437	\$ 6,946,058	\$ 5,883,680	\$ 5,893,438	\$ 7,254,608	\$ 6,301,858	\$ 6,218,071
Special education	1,666,344	1,898,621	2,126,108	2,543,732	2,628,622	2,511,359	2,388,242	2,173,474	1,714,550	1,778,174
Other special education	788,157	811,099	407,502	264,797	452,891	460,453	436,908	27,558	270,140	269,101
School sponsored cocurricular			242,819	311,703	329,795	244,188	210,432	69,896	192,710	181,418
Support Services:										
Tuition	54,144	60,721	202,337	302,243	404,160	506,058	174,936	185,589	239,639	201,997
Student & instruction related services	1,916,059	2,250,981	2,394,126	2,608,190	2,732,717	2,649,753	2,434,681	3,147,487	2,926,272	3,202,400
School administrative services	619,103	707,278	633,721	562,444	552,591	531,691	485,863	480,384	372,630	394,900
General and business administrative services	761,789	1,036,806	903,428	810,637	859,070	933,915	778,535	807,195	778,851	714,033
Plant operations and maintenance	1,059,730	1,003,379	1,503,023	2,521,901	2,403,237	2,486,657	2,391,565	2,817,453	2,410,302	2,514,330
Pupil transportation	742,663	717,707	701,490	835,345	787,394	902,226	735,500	660,928	731,687	750,531
Interest on long-term debt			186,820	342,298	173,383	176,702	159,070	142,444	128,874	113,005
Unallocated depreciation	337,556	319,320	-	-	-	-	-	-	-	-
Total governmental activities expenses	<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>	<u>16,067,513</u>	<u>16,337,960</u>
Business-type activities:										
Food service	239,282	212,725	205,520	195,728	208,713	210,735	154,373	40,947	273,599	306,043
Preschool Program			-	-	-	-	-	-	-	-
Total business-type activities expense	<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>	<u>273,599</u>	<u>306,043</u>
Total district expenses	<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>	<u>\$ 16,341,112</u>	<u>\$ 16,644,003</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction-regular	\$ 58,290	\$ 44,152	\$ 25,791	\$ 34,757	\$ 40,345	\$ 28,850	\$ 14,250	\$ 45,394	\$ 54,343	\$ 186,317
Student & Instruction Related Serv.								18,131	104,217	193,967
Transportation										10,314
Operating grants and contributions	142,559	152,629	3,639,864	5,362,868	5,839,163	4,538,283	3,718,206	5,378,846	4,047,364	3,525,198
Capital grants and contributions	-	192,789	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>4,205,924</u>	<u>3,915,796</u>
Business-type activities:										
Charges for services										
Food service	200,713	191,805	159,071	163,415	187,883	204,704	153,181	13,515	197,433	275,879
Preschool Program			-	-	-	-	-	-	-	-
Operating grants and contributions	38,225	32,245	24,387	2,033	117	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<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>	<u>197,433</u>	<u>275,879</u>
Total district program revenues	<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>	<u>\$ 4,403,357</u>	<u>\$ 4,191,675</u>
Net (Expense)/Revenue										
Governmental activities	\$ (12,953,383)	\$ (14,704,931)	\$ (11,952,811)	\$ (12,822,102)	\$ (12,390,410)	\$ (12,719,549)	\$ (12,356,714)	\$ (12,324,645)	\$ (11,861,589)	\$ (12,422,164)
Business-type activities	(344)	11,325	(22,062)	(30,280)	(20,713)	(6,031)	(1,192)	(27,432)	(76,166)	(30,164)
Total district-wide net expense	<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>	<u>\$ (11,937,755)</u>	<u>\$ (12,452,328)</u>

Continued

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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,888,900	\$ 10,973,900	\$ 11,412,856	\$ 11,870,336	\$ 12,336,797	\$ 12,545,871	\$ 12,545,871	\$ 12,545,871	\$ 12,796,788	\$ 13,052,724
Taxes levied for debt service	824,981	763,211	760,709	763,611	770,552	726,055	731,421	732,256	742,031	741,174
Unrestricted grants and contributions	1,839,473	3,549,515								
Federal and State Capital Grants			(47,280)	(26,525)	-	-	-	-	-	-
Investment earnings	5,921	6,371	5,539	7,204	14,330	43,579	33,359	6,109	4,668	76,738
Miscellaneous income	65,837	25,503	26,714	29,176	33,006	60,997	16,559	71,412	199,269	52,786
Transfers								(24,000)	(41,165)	(25,696)
Total governmental activities	<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>	<u>13,701,591</u>	<u>13,897,726</u>
Business-type activities:										
Miscellaneous Income	155	114	5,426	3,984	832	-	148	416	19	333
Transfers								24,000	41,165	25,696
Total business-type activities	<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>	<u>41,184</u>	<u>26,029</u>
Total district-wide	<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>	<u>\$ 13,742,775</u>	<u>\$ 13,923,755</u>
Change in Net Position										
Governmental activities	\$ 671,729	\$ 613,569	\$ 205,727	\$ (178,300)	\$ 764,275	\$ 656,953	\$ 970,496	\$ 1,007,003	\$ 1,840,002	\$ 1,475,562
Business-type activities	(189)	11,439	(16,636)	(26,296)	(19,881)	(6,031)	(1,044)	(3,016)	(34,982)	(4,135)
Total district	<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>	<u>\$ 1,805,020</u>	<u>\$ 1,471,427</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

	2014	2015	2016	2017	Fiscal Year Ending June 30,		2020	2021	2022	2023
					2018	2019				
General Fund										
Reserved	\$ 2,645,208	\$ 3,183,817	\$ 2,941,933	\$ 3,096,627	\$ 4,182,926	\$ 4,289,569	\$ 4,309,673	\$ 3,891,339	\$ 4,760,040	\$ 5,924,567
Unreserved	277,057	238,124	213,571	246,990	260,484	274,762	227,657	680,820	724,862	418,174
Total general fund	<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>	<u>\$ 5,484,902</u>	<u>\$ 6,342,741</u>
All Other Governmental Funds										
Reserved							\$ 79,441	\$ 76,260	\$ 59,718	\$ 72,315
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 1,140,903	\$ 872,389	\$ 644,708	\$ 618,193		\$ 46	61	61	-	-
Debt service fund	2	2			\$ 646	646		32	130	98
Total all other governmental funds	<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>	<u>\$ 59,848</u>	<u>\$ 72,413</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<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>2022</u>	<u>2023</u>
Revenues										
Tax levy	\$ 11,713,881	\$ 11,737,111	\$ 12,173,565	\$ 12,633,947	\$ 13,107,349	\$ 13,271,926	\$ 13,277,292	\$ 13,278,127	\$ 13,538,819	\$ 13,793,898
Tuition charges	30,525	17,400	19,095	34,757	40,345	28,850	14,250	45,394	54,343	186,317
Miscellaneous	80,419	38,595	38,949	36,380	47,336	104,576	49,918	95,652	308,154	333,805
State sources	1,839,473	2,238,842	2,232,688	2,501,235	2,802,831	3,015,187	3,041,484	3,530,037	4,411,390	4,534,486
Federal sources	142,559	152,629	153,052	167,735	207,775	216,592	127,469	278,785	364,215	374,431
Total revenue	<u>13,806,857</u>	<u>14,184,577</u>	<u>14,617,349</u>	<u>15,374,054</u>	<u>16,205,636</u>	<u>16,637,131</u>	<u>16,510,413</u>	<u>17,227,995</u>	<u>18,676,921</u>	<u>19,222,937</u>
Expenditures										
Instruction										
Regular Instruction	3,616,335	3,704,448	4,045,502	4,116,529	4,038,481	3,739,665	3,802,369	4,050,689	4,037,455	3,916,751
Special education instruction	1,149,470	1,125,896	1,408,360	1,631,906	1,647,520	1,725,597	1,708,886	1,306,769	1,164,363	1,264,967
Other special instruction	392,909	342,478	260,295	169,878	283,855	316,385	312,626	16,569	183,454	191,434
Other instruction	144,499	142,205	162,127	199,970	206,703	167,786	150,573	42,024	130,871	129,058
Support Services:										
Tuition		703	202,337	302,243	404,160	506,058	174,936	185,589	239,639	201,997
Student & instruction related services	1,333,152	1,403,097	1,568,086	1,662,865	1,701,383	1,807,589	1,730,043	1,876,187	1,967,404	2,256,522
School administrative services	433,289	433,579	412,015	355,651	340,653	358,783	341,613	280,744	243,165	270,152
Other administrative services	560,754	753,672	572,069	514,859	532,761	635,181	551,032	477,234	518,999	497,143
Plant operations and maintenance	925,952	866,223	1,042,704	1,358,481	1,220,647	1,381,681	1,360,636	1,267,579	1,152,641	1,374,152
Pupil transportation	581,067	563,265	642,418	760,254	736,393	842,977	677,805	603,375	665,694	699,064
Unallocated employee benefits	2,784,445	3,124,540	3,070,672	3,101,597	3,467,803	3,684,449	3,846,413	5,327,244	5,986,424	6,136,335
Special Revenue	142,559	152,629								
Charter Schools			-	-	-	-	-	-	-	-
Capital Outlay	200,132	524,623	1,221,483	274,612	373,125	623,958	1,242,920	1,006,088	707,476	648,056
Debt service:										
Principal	532,090	490,000	505,000	525,000	645,000	600,000	620,000	635,000	660,000	675,000
Interest and other charges	345,735	326,057	255,711	238,611	124,906	126,055	112,067	97,224	81,933	66,206
Total expenditures	<u>13,142,388</u>	<u>13,953,415</u>	<u>15,368,679</u>	<u>15,212,456</u>	<u>15,723,390</u>	<u>16,516,164</u>	<u>16,631,919</u>	<u>17,172,315</u>	<u>17,739,518</u>	<u>18,326,837</u>
Excess (Deficiency) of revenues over (under) expenditures	664,469	231,162	(751,330)	161,598	482,246	120,967	(121,506)	55,680	937,403	896,100
Other Financing Sources (uses)										
Capital leases (non-budgeted)										
Bond proceeds										
Proceeds of refunding debt										
Payment to refunded debt escrow agent										
Transfers in			525,027	-	(618,210)	-	-	-	(61)	
Transfers out	-	-	(525,027)	-	618,210	-	-	(24,000)	(41,104)	(25,696)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>(41,165)</u>	<u>(25,696)</u>
Net change in fund balances	\$ 664,469	\$ 231,162	\$ (751,330)	\$ 161,598	\$ 482,246	\$ 120,967	\$ (121,506)	\$ 31,680	\$ 896,238	\$ 870,404
Debt service as a percentage of noncapital expenditures										
	6.8%	6.1%	5.4%	5.1%	5.0%	4.6%	4.8%	4.5%	4.4%	4.2%

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>Transportation</u>	<u>Prior Year</u> <u>A/P cancelled</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2022	4,668	116,167		54,343			64,248	239,426
2023	76,738	1,596	8,000	186,317	\$ 10,314		34,423	317,388

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
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	0.861	1,629,607,336
2022	9,050,000	1,228,471,800	276,675,800	3,939,600	51,615,500	2,812,900	1,652,987,300	80,421,700	-	1,572,565,600	0.875	1,593,681,311
2023	9,248,700	1,227,488,600	281,557,100	3,943,600	51,791,300	2,812,900	1,656,884,500	80,042,300	-	1,576,842,200	0.875	1,650,967,364

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 ^a	General Obligation Debt Service ^b	Total Direct	Regional School District	Tewksbury Township	Hunterdon County	
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
2022	\$0.814	\$0.047	\$0.861	\$0.592	\$0.438	\$0.380	\$2.271
2023	\$0.828	\$0.047	\$0.875	\$0.557	\$0.447	\$0.394	\$2.273

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	2022			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	1.59%	\$ 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	\$ 53,567,238		3.40%	\$ 63,597,100		4.81%

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	
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%	-
2022	\$13,538,819	\$13,538,819	100.00%	-
2023	\$13,793,898	\$13,793,898	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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	
2022	\$ 2,838,000	-0-	-0-	-0-	-0-	\$ 2,838,000	0.51%	\$482.57	
2023	\$ 2,163,000	-0-	-0-	-0-	-0-	\$ 2,163,000	0.36%	\$366.67	

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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
2022	\$ 2,838,000	-0-	\$ 2,838,000	0.18%	\$ 483
2023	\$ 2,163,000	-0-	\$ 2,163,000	0.14%	\$ 367

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, 2023**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Tewksbury Township	\$ 6,872,863	100.00%	\$ 6,872,863
Other debt			
North Hunterdon Regional School District	6,960,000	19.274%	1,341,495
Hunterdon County	74,164,045	7.115%	<u>5,276,756</u>
Subtotal, overlapping debt			13,491,114
Tewksbury Township School District Direct Debt			<u>2,288,000</u>
Total direct and overlapping debt			<u><u>\$ 15,779,114</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2020 \$ 1,595,170,744
	2021 1,642,709,287
	2022 1,787,195,058
	[A] <u>\$ 5,025,075,089</u>
Average equalized valuation of taxable property	[A/3] \$ 1,675,025,030
Debt limit (3 % of average equalization value)	[B] 50,250,751
Net bonded school debt	[C] <u>2,163,000</u>
Legal debt margin	[B-C] <u>\$ 48,087,751</u>

	Fiscal Year									
	<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>2022</u>	<u>2023</u>
Debt limit	\$ 50,166,497	\$ 48,953,520	\$ 48,529,991	\$ 48,740,875	\$ 49,011,189	\$ 49,515,638	\$ 49,312,549	\$ 48,874,045	\$ 48,634,566	\$ 50,250,751
Total net debt applicable to limit	<u>7,612,163</u>	<u>7,122,163</u>	<u>6,438,000</u>	<u>5,998,000</u>	<u>5,353,000</u>	<u>4,753,000</u>	<u>4,133,000</u>	<u>3,498,000</u>	<u>2,838,000</u>	<u>2,163,000</u>
Legal debt margin	<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>	<u>\$ 45,796,566</u>	<u>\$ 48,087,751</u>
Total net debt applicable to the limit as a percentage of debt limit	15.17%	14.55%	13.27%	12.31%	10.92%	9.60%	8.38%	7.16%	5.84%	4.30%

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 ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	5,898	\$ 462,397,905	\$78,862 R	4.5%
2015	5,889	\$ 475,747,722	\$80,981 R	4.1%
2016	5,863	\$ 487,191,117	\$83,763 R	3.6%
2017	5,840	\$ 504,900,459	\$84,912 R	3.4%
2018	5,834	\$ 503,947,980	\$87,934 R	3.1%
2019	5,810	\$ 501,177,132	\$91,946 R	2.6%
2020	5,789	\$ 517,587,360	\$95,088 R	6.0%
2021	5,745	\$ 530,211,795	\$102,227 R	4.2%
2022	5,881	\$ 559,212,528	\$102,227 *	2.8%
2023	5,899	\$ 603,037,073	\$102,227 *	*

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

P =Projected

R =Revised

* Current data unavailable

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

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	56.0	56.0	56.0	56.0	50.0	48.0	49.0	48.0	44.0	41.0
Special Education	12.2	12.2	12.2	11.2	6.0	12.0	13.0	12.0	12.0	11.0
Other Special Education	11.0	11.0	11.0	9.7	6.2	10.0	11.0	7.8	8.1	11.4
Other Instruction	3.0	3.0	3.0	3.0	1.0	2.0	2.0	2.8	4.5	4.5
Support Services:										
Student & Other Related Services	15.9	16.0	15.8	15.8	16.0	13.0	9.0	11.7	7.7	7.7
General administrative services	2.4	2.4	2.4	2.4	2.4	2.0	2.0	2.8	3.0	5.0
School administrative services	2.0	2.0	2.0	2.0	2.0	4.0	6.0	4.9	4.0	4.3
Business administrative services	7.0	7.0	7.0	6.0	6.0	4.0	4.0	3.7	2.7	2.7
Plant operations and maintenance	8.0	8.0	7.0	7.0	8.0	9.0	9.0	10.8	9.8	9.8
Pupil transportation	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	127.5	127.6	126.4	123.1	107.6	114.0	115.0	114.5	105.8	107.4

Source: District Personnel Records

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

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio 1:	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2022	500	\$16,290,109	32,580	0.27%	68	7.35	497.3	466.6	2.90%	93.83%
2023	503	\$16,937,575	33,673	3.35%	67	7.51	504.7	476.0	1.49%	94.31%

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>District Building</u>										
<u>Old Turnpike School (1968)</u>										
Square Feet	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384
Capacity (students)										
Enrollment	367	347	291	282	278	320	220	184	184	214
<u>Tewksbury Elementary School (2006)</u>										
Square Feet	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289	73,289
Capacity (students)										
Enrollment	322	310	307	275	276	214	300	291	316	298

Number of Schools at June 30, 2023

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, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>2022</u>	<u>2023</u>	<u>Total</u>
Old Turnpike School	N/A	\$73,520	\$31,865	\$54,848	\$176,897	\$96,569	\$152,830	\$198,521	\$173,628	\$142,450	\$264,463	\$1,365,588
Tewksbury Township Elementary School	N/A	49,818	41,306	48,638	156,870	85,636	135,528	176,046	153,972	126,323	234,523	1,208,663
Total School Facilities		123,338	73,171	103,486	333,767	182,205	288,358	374,567	327,600	268,773	498,986	2,574,251
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		\$123,338	\$73,171	\$103,486	\$333,767	\$182,205	\$288,358	\$374,567	\$327,600	\$268,773	\$498,986	\$2,574,251

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY - School Alliance Insurance Fund:		
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
Extra Expense	50,000,000	1,000
Equipment Breakdown	100,000,000	1,000
School Leaders Errors and Omissions Liability	5,000,000	5,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance Company		
Board Secretary/School Business Administrator Position	197,000	
Environmental Impairment Liability	1,000,000	25,000
WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY -	Statutory	

SOURCE: District Records

Single Audit Section



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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, 2023, 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 October 26, 2023.

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

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023



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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

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

Opinion on 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 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major State Program

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 Office of School 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***. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Tewksbury Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Tewksbury Township School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

-Continued-

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

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

TEWKSBURY TOWNSHIP SCHOOL DISTRICT

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Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

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, 2022	Carryover/ Walkover Amount	Cash Received	Budget Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receiv.	Deferred Revenue	Due to Grantor	
U.S. Department of Education Passed- Through State Dept. of Education: Special Revenue Fund:																
Title I	84.010	S010A220030	N/A	14,924	7/1/22	6/30/23			\$ 14,924	\$ (14,924)						\$ 14,924
Title II Part A	84.367A	S367B220027	N/A	8,585	7/1/22	6/30/23			8,585	(8,585)						8,585
Title IV	84.424	S424A220031	N/A	10,000	7/1/22	6/30/23			10,000	(10,000)						10,000
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	N/A	114,346	7/1/22	6/30/23			114,346	(114,346)						114,346
I.D.E.A. Part B, Preschool Special Education Cluster	84.173A	H173A220114	N/A	8,249	7/1/22	6/30/23			7,249	(8,249)			\$ (1,000)			8,249
									121,595	(122,595)			(1,000)			122,595
Rural Education Achievement Program Total REAP	84.358A	S358B220030	S358A222747	62,284	7/1/22	9/30/23			62,284	(62,284)						62,284
									62,284	(62,284)						62,284
American Rescue Plan-Accel. Learn. Coaching & Ed. Suppo	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24	-		39,109	(41,409)			(4,024)	\$ 1,724		48,276
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	-		21,702	(39,674)			(18,298)	326		39,674
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	\$ (1)		21,481	(31,147)	\$ 1		(18,211)	8,545		31,456
American Rescue Plan-NJTSS Mental Health Support Staffin	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24	(799)		31,142	(30,282)			(7,875)	7,936		37,064
CRRSA ESSER II	84.425D	S425D220027	CRRSA	30,061	3/13/20	9/30/23	(1,565)		3,144	(1,579)						30,061
CRRSA Learning Accel.	84.425D	S425D220027	CRRSA	25,000	3/13/20	9/30/23	(1)		6,665	(6,664)						25,000
CRRSA Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(66)		5,355	(5,288)	(1)					45,000
Total Coronavirus Aid Relief, and Economic Security Act – Elementary and Secondary School Emergency Relief Funds							(2,432)	-	128,598	(156,043)	-	-	(48,408)	18,531	-	256,531
Total Special Revenue Fund							(2,432)		345,986	(374,431)			(49,408)	18,531		474,919
TOTAL FEDERAL ASSISTANCE							\$ (2,432)		\$ 345,986	\$ (374,431)			\$ (49,408)	\$ 18,531		\$ 474,919

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

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Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
													*		
													*		
													*		
State Department of Education															
General Fund:															
School Choice Aid	23-495-034-5123-068	7/1/22-6/30/23	\$ 351,156			\$ 351,156	\$ (351,156)						\$	33,579	\$ 351,156
Transportation Aid	23-495-034-5123-014	7/1/22-6/30/23	294,335			294,335	(294,335)						*	28,145	294,335
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	505,325			505,325	(505,325)						*	48,321	505,325
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	56,555			56,555	(56,555)						*	5,408	56,555
Non-Public Transportation Aid	22-100-034-5123-068	7/1/21-6/30/22	16,530	\$ (16,530)		16,530	-						*		16,530
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	17,472			-	(17,472)			\$ (17,472)			*		17,472
Extraordinary Aid	22-495-034-5123-057	7/1/21-6/30/22	269,023	(269,023)		269,023	-						*		269,023
Extraordinary Aid	23-495-034-5123-057	7/1/22-6/30/23	237,019				(237,019)			(237,019)			*		237,019
On-Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	2,101,773			2,101,773	(2,101,773)						*		2,101,773
On-Behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	552,131			552,131	(552,131)						*		552,131
On-Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	663			663	(663)						*		663
Reimbursed TPAF Soc. Secur. Contrib.	23-495-034-5094-003	7/1/22-6/30/23	423,843	(20,224)		400,390	(423,843)			(43,677)			*		423,843
Total General Fund				<u>(305,777)</u>		<u>4,547,881</u>	<u>(4,540,272)</u>			<u>(298,168)</u>			*	<u>115,453</u>	<u>4,825,825</u>
													*		
Special Revenue Fund:															
SDA Grant - Emergency and Capital Aid	Not Available	7/1/22-6/30/23	11,540			11,540	(11,540)						*		11,540
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>11,540</u>	<u>(11,540)</u>			<u>-</u>	<u>-</u>	<u>-</u>	*	<u>-</u>	<u>11,540</u>
													*		
Total State Financial Assistance				<u>\$ (305,777)</u>		<u>\$ 4,559,421</u>	<u>\$ (4,551,812)</u>			<u>\$ (298,168)</u>			*	<u>\$ 115,453</u>	<u>\$ 4,837,365</u>
													*		
Less On-behalf TPAF Pension Amounts:															
On-Behalf TPAF Pension	23-495-034-5094-002						2,101,773								
On-Behalf TPAF Pension PMR	23-495-034-5094-001						552,131								
On-Behalf TPAF Pension LTD Ins	23-495-034-5094-004						663								
Total State Expenditures Subject to Major Program Determination							<u>\$ (1,897,245)</u>								

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, 2023

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 (\$17,326) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

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NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,522,946	\$ 4,522,946
Special Revenue Fund	<u>\$ 374,431</u>	<u>11,540</u>	<u>385,971</u>
Total Financial Assistance	<u>\$ 374,431</u>	<u>\$ 4,534,486</u>	<u>\$ 4,908,917</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, 2023. 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, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 No

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

Noncompliance material to financial statements noted? ___ Yes 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:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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, 2023

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

23-495-034-5123-014

Transportation Aid

23-495-034-5122-068

State Aid Cluster:

School Choice Aid

23-495-034-5122-089

Special Education Aid

23-495-034-5122-084

Security Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

TEWKSBURY TOWNSHIP
SCHOOL DISTRICT

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SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATUS OF PRIOR YEAR FINDINGS

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

N/A