TEWKSBURY TOWNSHIP

BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

TEWKSBURY TOWNSHIP BOARD OF EDUCATION

TEWKSBURY TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

TEWKSBURY TOWNSHIP BOARD OF EDUCATION

DEPARTMENT OF ADMINISTRATION

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INTRODUCTORY SECTION

TEWKSBURY TOWNSHIP **BOARD OF EDUCATION**
ADMINISTRATIVE OFFICES – 173 Old Turnpike Road, Califon, New Jersey 07830

William Petrick
Superintendent of Schools
908-439-2010 ext. 224
FAX: 908-439-2655

October 12, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Tewksbury School district for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (amended 1996) and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The district provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for handicapped youngsters. The district completed the 2009-2010 fiscal year with an enrollment of 782 students, which is an increase of 1 student from the previous year's enrollment. The following details the changes in the student enrollment of the district over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percentage Change
2005-2006	757	4.7%
2006-2007	776	2.5%
2007-2008	784	1.0%
2008-2009	781	-0.3%
2009-2010	782	0.1%

2) ECONOMIC CONDITION AND OUTLOOK: Tewksbury is predominately a residential community. There are minimal businesses that operate in the township. Only one corporation, AM Best & Company, is located within the District and there appears to be no plans for other companies to establish a base in Tewksbury. The tax base continues to be shouldered by the homeowner with no relief in sight.

3) MAJOR INITIATIVES: The Tewksbury School District educates students in grades Pre-K through 8. There are two school buildings in the district. The Tewksbury Elementary School opened in September 2005. Students in K-4 are heterogeneously grouped and taught in a self-contained classroom environment. The Tewksbury Elementary School also houses the Primary autistic program that began in September 2009. The Old Turnpike School houses a Pre-K autistic class, which began in September 2009, a Pre-K disabled class, as well as grades 5-8. The Pre-K disabled class includes a program for three and four year old disabled students along with an inclusionary program. Grades 5-8 are considered the middle school and remain in a departmentalized structure. All grades, 5-6-7-8, are configured into teams of 4 or 5 teachers with block scheduling. Special education students predominately receive in-class support.

Test scores have continued at high levels.

NJ ASK	Language Arts	Mathematics	Science
3rd	80.2	94.8	
4th	82.4	96.7	100
5th	83.9	90.3	
6th	91.0	91.0	
7th	89.8	86.7	
8th	96.4	96.5	97.6

The district continues to have a high student attendance rate of 96% for the 2009-2010 school year.

The district continues to advance technology opportunities for both students and staff. Internet, e-mail, and video streaming, Smart Board utilization, and the synergistic lab are among those available to all students and staff.

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, 2010.

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

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

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

9) OTHER INFORMATION:

Independent Audit - State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., was selected by the Board in April 2009. In addition to meeting the requirements set fort in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 (amended 1996) and the related OMB circular A-133 and state Treasury Circular 04-04 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 submitted,

William Petrick

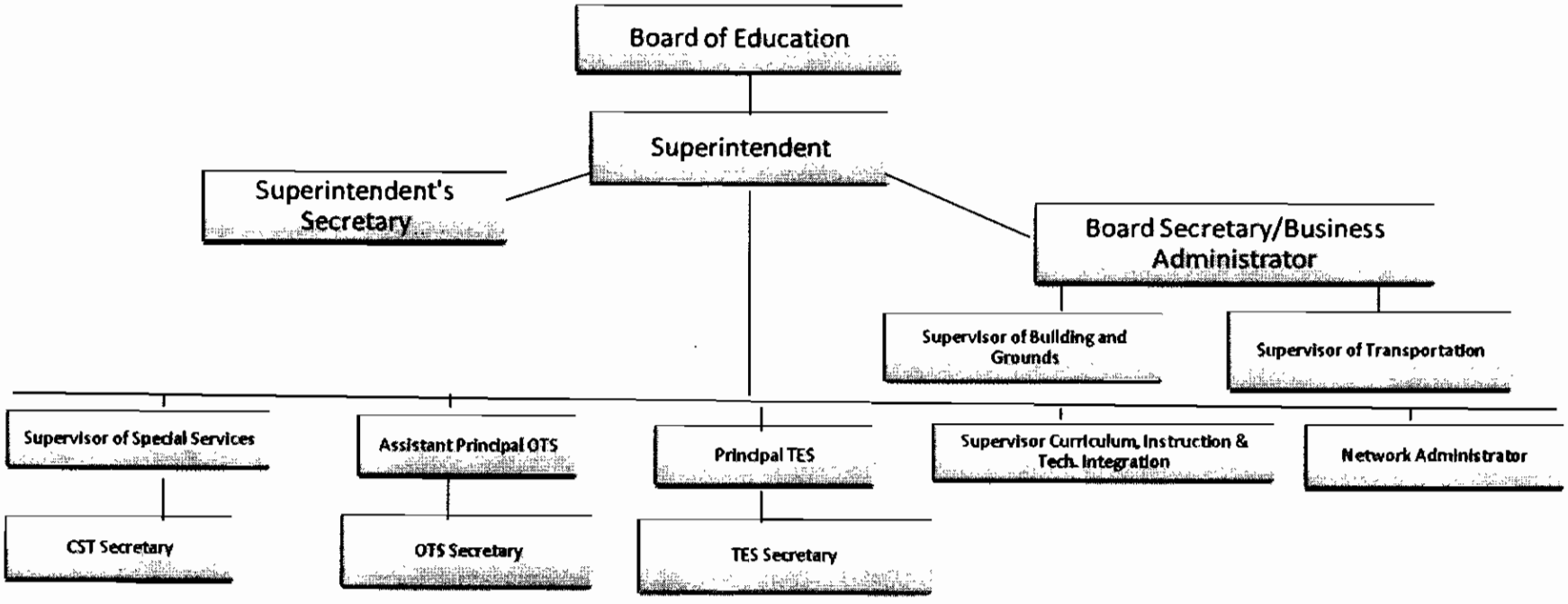
William Petrick
Superintendent

TEWKSBURY TOWNSHIP SCHOOLS

BOARD OF EDUCATION &

ADMINISTRATIVE LINE OF AUTHORITY

UNIT CONTROL



TEWKSBURY BOARD OF EDUCATION
CALIFON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education:		Term Expires
President:	Mr. John Santoro	2013
Vice President:	Mr. Michael Stefkovich	2011
	Mrs. Kelly Brakewood	2012
	Mr. Robert Delia	2013
	Mr. Brian Nelson	2011
	Mr. Brian Regan	2013
	Mrs. Debbie Sernas	2012
	Mrs. Sonia Thorp	2012

Other Officials:

William Petrick, Superintendent of Schools/Principal Old Turnpike School
Karin Laraway, Business Administrator/Board Secretary
Beverly Kszak, Treasurer of School Monies
Marc Zitomer, Esq., Board Attorney

TEWKSBURY BOARD OF EDUCATION

Consultants and Advisors

ARCHITECT

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

AUDIT FIRM

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

ATTORNEY

Marc Zitomer, Esq.
44 Whippany Road
Morristown, NJ 07962

OFFICIAL DEPOSITORY

TD Bank
350 State Highway 22 West
Whitehouse Station, New Jersey 08889

FINANCIAL SECTION

William M. Colantano, Jr.
A Professional Corporation

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
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INDEPENDENT AUDITOR'S REPORT

October 12, 2010

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Tewksbury Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tewksbury Township Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Tewksbury Township Board of Education in the County of Hunterdon, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 12, 2010 on our consideration of the Tewksbury Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Tewksbury Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

TEWKSBURY TOWNSHIP PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

The discussion and analysis of Tewksbury Township Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets increased $187,375 which represents a 1.47 percent increase from fiscal year 2009. The increase was a result of aggressive cost cutting measures implemented by the district.

- General revenues accounted for $13,323,414 in revenue or 95.58 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for $616,528 or 4.42 percent to total revenues of $13,939,942.

- Total assets of governmental activities decreased by $2,371,526 as cash and cash equivalents decreased by $2,088,681, receivables and other assets increased by $167,293 and capital assets decreased by $450,138.

- The School District had $13,743,136 in expenses; only $616,528 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $13,323,414 were adequate to provide for these programs.

- Among major funds, the General Fund had $12,532,034 in revenues and $12,386,631 in expenditures. After factoring in other financing uses of $808,954, the General Fund's balance decreased $663,551 from fiscal year 2009.

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 Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of

Tewksbury Township Public School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all of the funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 16. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Table 1 provides a summary of the District's net assets at June 30, 2010 with comparisons to June 30, 2009.

Table 1
Net Assets

	6/30/2010	6/30/2009	Variance Dollars	Variance %
Assets				
Current and Other Assets	3,152,733	5,071,659	(1,918,926)	(37.84)
Capital Assets	18,236,466	18,690,431	(453,965)	(2.43)
Total Assets	**21,389,199**	**23,762,090**	**(2,372,891)**	(9.99)
Liabilities				
Long-Term Liabilities	8,045,321	8,628,406	(583,085)	(6.76)
Other Liabilities	371,437	2,348,618	(1,977,181)	(84.18)
Total Liabilities	**8,416,758**	**10,977,024**	**(2,560,266)**	(23.32)
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,475,142	10,412,718	62,424	0.60
Restricted	1,785,745	1,276,063	509,682	39.94
Unrestricted	711,554	1,096,285	(384,731)	(35.09)
Total Net Assets	**12,972,441**	**12,785,066**	**187,375**	1.47

Total assets decreased $2,372,891. Cash and cash equivalents decreased by $2,087,372; receivables and other assets increased by $168,446 and capital assets decreased by $453,965. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the District decreased by $384,731 due to the transfer of $550,000 of unrestricted net assets to capital reserve to fund future capital projects within the District.

Table 2 provides a summary of the district's change in net assets in fiscal year ending June 30, 2010 with comparisons to June 30, 2009.

Table 2
Changes in Net Assets

	6/30/2010	6/30/2009	Variance Dollars	Variance %
Revenues				
Program Revenues:				
• Charges for Services	266,013	232,284	33,189	14.25
• Operating Grants	320,562	212,287	108,275	51.00
• Capital Grants	29,953		29,953	*
General Revenues:				
• Property Taxes	11,807,121	11,651,995	155,126	1.33
• Unrestricted Grants	1,435,223	1,691,508	(256,285)	(15.15)
• Other	81,070	126,001	(44,931)	(35.66)
Total Revenues	**13,939,942**	**13,914,615**	**25,327**	**0.18**
Program Expenses				
Instruction				
• Regular	5,764,872	5,686,581	78,291	1.38
• Special	1,384,533	1,160,591	223,942	19.30
• Other	503,105	533,263	(30,158)	(5.66)
Support Services				
• Tuition	387,052	583,128	(196,076)	(33.62)
• Student & Instructional Staff	1,628,255	1,616,456	11,799	0.73
• General & Business Administration	1,009,789	740,036	269,753	36.45
• School Administration	482,134	677,240	(195,106)	(28.81)
• Maintenance	1,134,811	1,291,012	(156,201)	(12.10)
• Transportation	866,871	939,372	(72,501)	(7.72)
• Charter School	10,361		10,361	*
• Food Services	244,532	220,422	24,110	10.94
Interest on Long Term Debt	326,821	346,239	(19,418)	(5.61)
Total Expenses	**13,743,136**	**13,794,340**	**(51,204)**	**(0.37)**
Increases (Decreases) Before Special Items	196,806	120,275	76,531	63.63
Special Items:				
• Gain/(Loss) on Disposals of Capital Assets	3,100	8,200	(5,100)	(62.20)
• Refund of Prior Year Revenue	(462)		(462)	*
• Transfers	(12,069)	-	(12,069)	*
Total Special Items	(9,431)	8,200	(17,631)	(215.01)
Increase(Decrease) in Net Assets	**187,375**	**128,475**	**58,900**	**45.85**

*** = Undefined**

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the District operations. Property taxes made up 86.17 percent of revenues for governmental activities for the Tewksbury Township Public School District for fiscal year 2010.

Instruction comprises 56.59 percent of district expenses. Support services expenses make up 40.81 percent of the expenses, while interest expense made up 2.50 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the District's cost of governmental services in fiscal year ending June 30, 2010 with comparisons to June 30, 2009.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/2010	6/30/2009	6/30/2010	6/30/2009
Instruction	7,652,510	7,380,435	7,542,624	7,339,264
Support Services:				
• Tuition	387,052	583,128	206,891	431,419
• Student and Instructional Staff	1,628,255	1,616,456	1,579,360	1,613,121
• General & Business Administration	1,009,789	740,036	1,004,731	737,755
• School Administration	482,134	677,240	480,817	677,240
• Plant Operations and Maintenance	1,134,811	1,291,012	1,131,956	1,287,682
• Pupil Transportation	866,871	939,372	835,733	910,412
• Charter School	10,361		10,361	
Interest on Long Term Debt	326,821	346,239	326,821	346,239
Total Expenses	**13,498,604**	**13,573,918**	**13,119,294**	**13,343,132**

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

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

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

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

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 84.70 percent. The community, as a whole, is the primary support for the Tewksbury Township Public School District.

The School District's Funds

Information about the District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $13,697,007 and expenditures of $13,610,524. The net positive change in fund balance for the year was most significant in the Capital Project Fund, an increase of $741,065.

General Fund Budgeting Highlights

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

During the course of the fiscal 2010 year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue was $11,786,597, $14,808 under original budgeted estimates of $11,801,405. This difference was due primarily to a large reduction in state aide due to state budget constraints.

The General Fund revenues and other financing uses of the District were under expenditures by $653,308 in fiscal year 2010. The decrease was due to the transfer of $800,000 of capital Reserve Funds to the Capital Projects Fund for improvements to the Old Turnpike School.

Capital Assets

At the end of the fiscal year 2010, the District had $18,236,466 invested in land, construction in progress, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the District's capital assets net of depreciation at June 30, 2010 with comparisons to June 30, 2009.

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

	6/30/2010	6/30/2009	Variance Dollars	%
Land	1,211,800	1,211,800	-	0.00
Construction Improvements	14,006		14,006	*
Land Improvements	101,100	109,278	(8,178)	(7.48)
Buildings and Improvements	16,026,520	16,406,499	(379,979)	(2.32)
Furniture and Equipment	413,586	485,268	(71,682)	(14.77)
Vehicles	469,454	477,586	(8,132)	(1.70)
Totals	**18,236,466**	**18,690,431**	**(453,965)**	**(2.43)**

* = undefined

Overall capital assets decreased $453,965 from fiscal year 2009 to fiscal year 2010. The District expended $74,882 for a new generator at the Tewksbury Elementary School. Construction in progress costs of $14,006 was incurred towards projects to renovate the Old Turnpike School. The District also purchased one new 49-passenger school bus in fiscal year 2010. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2010, the District had $8,045,321 as outstanding long-term liabilities. This amount is summarized in Table 5 below.

At June 30, 2010, the District's overall legal debt limit was $56,115,125 and the legal debt margin was $48,172,289.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2010 with comparisons to June 30, 2009.

Table 5
Outstanding Long-Term Liabilities at Year-end

	6/30/2010	6/30/2009	Variance Dollars	Variance %
Issue:				
• NJEDA Loans	239,388	295,777	(56,389)	(19.06)
• 2000 General Obligation Bonds		275,000	(275,000)	(100.00)
• 2006 Refunding Bonds	7,525,000	7,710,000	(185,000)	(2.4)
• Unamortized Bond Premium	56,677	60,334	(3,657)	(6.06)
• Compensated Absences	224,256	287,295	(63,039)	(21.94)
Totals	**8,045,321**	**8,628,406**	**(583,085)**	**(6.76)**

For the Future

The Tewksbury Township Public School District is in very good financial condition presently. Always a concern is enrollment and facilities needs of the district with the increased reliance on local property taxes. Tewksbury Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden. However, future finances are not without challenges as new state regulations impact future budgets.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	$ 365,976	$ 64,571	$ 430,547
Due from Other Funds	36,339		36,339
Receivables, Net	843,427	4,963	848,390
Inventory		5,162	5,162
Bond Issuance Costs, Net	50,052		50,052
Restricted Assets:			
Cash	1,782,243		1,782,243
Capital Assets (Note 4):			
Land and Construction in Progress	1,225,806		1,225,806
Other Capital Assets, Net of Depreciation	16,996,229	14,431	17,010,660
Total Assets	21,300,072	89,127	21,389,199
LIABILITIES			
Accounts Payable	128,546	18,243	146,789
Payable to Governments	1,827		1,827
Accrued Interest	118,243		118,243
Deferred Revenue	98,854	5,724	104,578
Long-Term Liabilities (Note 5):			
Due Within One Year	557,880		557,880
Due Beyond One Year	7,487,441		7,487,441
Total Liabilities	8,392,791	23,967	8,416,758
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	10,460,711	14,431	10,475,142
Restricted for:			
Capital Projects	796,279		796,279
Legal Reserves	989,466		989,466
Unrestricted	660,825	50,729	711,554
TOTAL NET ASSETS	$ 12,907,281	$ 65,160	$ 12,972,441

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contribution	Program Revenues: Capital Grants & Contribution	Net (Expenses) Revenues & Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues & Changes in Net Assets: Business-Type Activities	Net (Expenses) Revenues & Changes in Net Assets: Total
Governmental Activities:								
Instruction:								
Regular	$ 4,100,707	$ 1,664,165	$ 15,370	$ 11,050	$ 15,801	$ (5,722,651)		$ (5,722,651)
Special Education	981,052	403,481	14,017	48,449	3,818	(1,318,249)		(1,318,249)
Other Special Instruction	208,426	88,982			811	(296,597)		(296,597)
Other Instruction	146,455	59,242			570	(205,127)		(205,127)
Support Services:								
Tuition	387,052			180,161		(206,891)		(206,891)
Students & Instruction Related Services	1,202,573	425,682	1,027	43,197	4,671	(1,579,360)		(1,579,360)
General & Business Administration Services	786,767	223,022	2,093		2,965	(1,004,731)		(1,004,731)
School Administration Services	338,945	143,189			1,317	(480,817)		(480,817)
Plant Operations & Maintenance	972,595	162,216	2,855			(1,131,956)		(1,131,956)
Pupil Transportation	730,883	135,988	31,138			(835,733)		(835,733)
Charter Schools	10,361					(10,361)		(10,361)
Interest on Long-Term Debt	326,821					(326,821)		(326,821)
Total Governmental Activities	10,192,637	3,305,967	66,500	282,857	29,953	(13,119,294)	$ -	(13,119,294)
Business-Type Activities:								
Food Service	244,532		199,513	37,705			(7,314)	(7,314)
Total Business-Type Activities	244,532	-	199,513	37,705	-	-	(7,314)	(7,314)
Total Primary Government	$ 10,437,169	$ 3,305,967	$ 266,013	$ 320,562	$ 29,953	(13,119,294)	(7,314)	(13,126,608)
General Revenues, Transfers and Special Items								
Property Taxes Levied for General Purposes						10,954,973		10,954,973
Property Taxes Levied for Debt Service						852,148		852,148
Federal & State Aid Not Restricted						1,435,223		1,435,223
Investment Earnings						26,769	163	26,932
Miscellaneous Income						54,123	15	54,138
Transfers						(12,069)		(12,069)
Special Items-Refund of Prior Year Revenue							(462)	(462)
Special Items-Gain on Disposal of Capital Assets						3,100		3,100
Total General Revenues, Transfers and Special Items						13,314,267	(284)	13,313,983
Change in Net Assets						194,973	(7,598)	187,375
Net Assets-Beginning						12,712,308	72,758	12,785,066
Net Assets-Ending						$ 12,907,281	$ 65,160	$ 12,972,441

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	$ 365,976				$ 365,976
Due from Other Funds	555,732				555,732
Receivables from Other Governments:					
State	194,583		$ 373,671		568,254
Federal		$ 266,975			266,975
Local	7,874				7,874
Receivables-Other	324				324
Restricted Cash & Cash Equivalents	989,466		792,777		1,782,243
TOTAL ASSETS	$ 2,113,955	$ 266,975	$ 1,166,448	$ -	$ 3,547,378
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds		$ 166,294	$ 353,099		$ 519,393
Accounts Payable	$ 114,540		14,006		128,546
Due to Other Governments:					
Federal		1,827			1,827
Deferred Revenue		98,854			98,854
Total Liabilities	114,540	266,975	367,105	$ -	748,620
Fund Balances:					
Reserved for:					
Encumbrances	79,855		775,359		855,214
Capital Reserve Account	487,134				487,134

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Reserved Fund Balances (Cont'd):					
Maintenance Reserve	$ 252,332				$ 252,332
Emergency Reserve	250,000				250,000
Excess Surplus	16,871				16,871
Excess Surplus-Designated for Subsequent Year's Expenditures	341,530				341,530
Unreserved:					
Designated for Subsequent Year's Expenditures	226,428		$ 23,984		250,412
Undesignated	345,265				345,265
Total Fund Balances	1,999,415	$ -	799,343	$ -	2,798,758
TOTAL LIABILITIES AND FUND BALANCES	$ 2,113,955	$ 266,975	$ 1,166,448	$ -	

Amounts reported for governmental activities in the statement of Net Assets (A-1) are different because:		
Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is	$ 24,120,724	
and the accumulated depreciation is	5,898,689	
		18,222,035
Long-term liabilities, Including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds.		(8,045,321)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(118,243)
Bond issuance costs are reported as expenditures in the governmental funds. The cost is	145,027	
and the accumulated amortization is	94,975	
		50,052
Total Net Assets of Governmental Activities		$ 12,907,281

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 10,954,973			$ 852,148	$ 11,807,121
Tuition from Individuals	15,370				15,370
Tuition from Other LEAs Within the State	14,017				14,017
Transportation Fees-Other LEAs Within the State	31,138				31,138
Interest Earned on Legal Reserve Funds	18,617				18,617
Interest on Investments	8,137		$ 15		8,152
Miscellaneous	54,559				54,559
Total	11,096,811	$ -	15	852,148	11,948,974
State Sources	1,435,223		29,953		1,465,176
Federal Sources		282,857			282,857
Total Revenues	12,532,034	282,857	29,968	852,148	13,697,007
EXPENDITURES					
Current :					
Instructional:					
Regular Instruction	4,049,080	11,050			4,060,130
Special Education Instruction	932,603	48,449			981,052
Other Special Instruction	208,426				208,426
Other Instruction	146,455				146,455
Support Service & Undistributed Costs:					
Tuition	206,891	180,161			387,052
Student & Instruction Related Services	1,174,200	26,079			1,200,279
General & Business Administrative Services	761,707				761,707
School Administrative Services	338,311				338,311
Plant Operations & Maintenance	965,667				965,667

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Current (Cont'd):					
Pupil Transportation	$ 637,215				$ 637,215
Unallocated Benefits	2,870,179	$ 17,118			2,887,297
Capital Outlay	85,536		$ 88,888		174,424
Charter School	10,361				10,361
Debt Service:					
Principal				$ 516,389	516,389
Interest & Other Charges				335,759	335,759
Total Expenditures	12,386,631	282,857	88,888	852,148	13,610,524
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,403	-	(58,920)	-	86,483
Other Financing Sources (Uses):					
Transfers In	15		800,000		800,015
Transfers Out	(812,069)		(15)		(812,084)
Proceeds from Trade-in of School Buses	3,100				3,100
Total Other Financing Sources (Uses)	(808,954)	-	799,985	-	(8,969)
Net Change in Fund Balance	(663,551)	-	741,065	-	77,514
Fund Balances, July 1	2,662,966	-	58,278	-	2,721,244
Fund Balances, June 30	$ 1,999,415	$ -	$ 799,343	$ -	$ 2,798,758

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		$ 77,514
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital Outlays	$ 174,424	
Depreciation Expense	(624,562)	
		(450,138)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:		
Bond Principal Payments		516,389
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:		
Amortization of Bond Issuance Costs	(24,426)	
Amortization of Bond Premiums	3,657	
		(20,769)
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		8,938
In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		63,039
Change in Net Assets of Governmental Activities		$ 194,973

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	$ 64,571
Receivables from Other Governments:	
State	238
Federal	1,740
Accounts Receivable-Other	2,985
Inventory	5,162
Total Current Assets	74,696
Noncurrent Assets:	
Capital Assets	60,088
Less: Accumulated Depreciation	45,657
Total Noncurrent Assets	14,431
Total Assets	89,127
LIABILITIES	
Current Liabilities:	
Accounts Payable	18,243
Deferred Revenues	5,724
Total Liabilities	23,967
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	14,431
Unrestricted	50,729
TOTAL NET ASSETS	$ 65,160

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	$ 129,313
Daily Sales-Nonreimbursable Programs	64,810
Daily Sales-Other Off-Premise Locations	5,390
Total Operating Revenues	199,513
Other Expenses:	
Salaries	84,270
Employee Benefits	14,821
Purchased Property Services	7,583
Insurance	1,897
Management Fee	6,795
Other Purchased Services	2,883
Supplies and Materials	11,755
Miscellaneous	201
Depreciation	3,827
Cost of Sales	110,500
Total Operating Expenses	244,532
Operating Income (Loss)	(45,019)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,466
Federal Sources:	
National School Lunch Program	18,388
Food Donation Program	16,851
Interest Income	163
Miscellaneous	15
Total Nonoperating Revenues (Expenses)	37,883
Other Financing Sources/(Uses):	
Refund of Prior Year Subsidy Income	(462)
Change in Net Assets	(7,598)
Net Assets, Beginning	72,758
Net Assets, Ending	$ 65,160

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	$ 199,885
Payments to Food Service Management Company	(198,663)
Payments to Employees	(11,841)
Payments to Vendors (Net)	(11,068)
Net Cash Provided by (Used For) Operating Activities	(21,687)
Cash Flows from Noncapital Financing Activities:	
State Sources	2,472
Federal Sources	18,375
General Fund Interfund Activity	2,433
Refund of Prior Year Subsidy Income	(462)
Miscellaneous	15
Net Cash Provided by (Used For) Noncapital Financing Activities	22,833
Cash Flows from Investing Activities:	
Interest Earned on Investments	163
Net Cash Provided by (Used For) Investing Activities	163
Net Increase (Decrease) in Cash and Cash Equivalents	1,309
Cash and Cash Equivalents, July 1	63,262
Cash and Cash Equivalents, June 30	$ 64,571
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	$ (45,019)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	3,827
Federal Food Donation Program	16,851
(Increase) Decrease in Accounts Receivable-Other	(2,119)
(Increase) Decrease in Inventory	(1,460)
Increase (Decrease) in Accounts Payable	3,411
Increase (Decrease) in Deferred Revenue	2,822
Net Cash Provided by (Used For) Operating Activities	$ (21,687)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	$ 1,249	$ 54,613	$ 59,185
TOTAL ASSETS	1,249	$ 54,613	$ 59,185
LIABILITIES			
Due to Other Funds			$ 36,339
Accounts Payable	905		
Due to Student Groups		$ 54,613	
Payroll Deductions & Withholdings			22,846
TOTAL LIABILITIES	905	$ 54,613	$ 59,185
NET ASSETS			
Held in Trust for Unemployment Claims & Other Purposes	$ 344		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	$ 12,800
Investment Earnings-Interest	102
Total Additions	12,902
DEDUCTIONS	
Unemployment Claims	89,394
Total Deductions	89,394
Other Financing Sources (Uses):	
Transfers In from General Fund	12,069
Change in Net Assets	(64,423)
Net Assets, Beginning of the Year	64,767
Net Assets, End of the Year	$ 344

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Tewksbury Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2010 of 782 students.

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

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity as been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (ie expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

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

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

D. Budgets/Budgetary Control (Cont'd)

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.

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as 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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2008-2009 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

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

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	45
Building Improvements & Portable Classroom	25-45
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Vehicles	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

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

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2010 consists of the following:

Capital Projects	$ 796,279
Legal Reserves:	
Capital Reserve	487.134
Maintenance Reserve	252,332
Emergency Reserve	250,000
Total Restricted Net Assets	$ 1,785,745

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first $1,500 of the delinquency and eighteen percent per annum on any amount in excess of $1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits at June 30, 2010 appear in the financial statements as summarized below:

	Ref.	
Cash		$ 2,327,837
Cash :		
Governmental Funds, Statement of Net Assets	B-1	$ 2,148,219
Enterprise Fund, Statement of Net Assets	B-4	64,571
Fiduciary Funds, Statement of Net Assets	B-7	115,047
Total Cash		$ 2,327,837

Deposits – The District's carrying amount of bank deposits at June 30, 2010 is $2,327,837 and the bank balance is $2,632,254. Of the bank balance, $401,329 is covered by federal depositary insurance and $2,230,925 is insured by GUDPA.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.

3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.

4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.

5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2010, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	$ 1,211,800			$ 1,211,800
Construction in Progress		$ 14,006		14,006
Total	1,211,800	14,006	$ -0-	1,225,806
Capital Assets, Being Depreciated:				
Land Improvements	244,800			244,800
Building & Improvements	19,918,908	74,882		19,993,790
Furniture & Equipment	1,623,631			1,623,631
Vehicles	995,161	85,536	48,000	1,032,697
Total	22,782,500	160,418	48,000	22,894,918

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	$ 135,522	$ 8,178		$ 143,700
Building & Improvements	3,512,409	454,861		3,967,270
Furniture & Equipment	1,156,621	67,855		1,224,476
Student Transpt Vehicles	517,575	93,668	$ 48,000	563,243
Total	5,322,127	624,562	48,000	5,898,689
Total Capital Assets, Being Depreciated, Net	17,460,373	(464,144)	-0-	16,996,229
Governmental Activities Capital Assets, Net	$ 18,672,173	$ (450,138)	$ -0-	$ 18,222,035
Business-Type Activities:				
Furniture & Equipment	$ 60,088			$ 60,088
Less: Accum Depreciation	41,830	$ 3,827		45,657
Business-Type Activities Capital Assets, Net	$ 18,258	$ (3,827)	$ -0-	$ 14,431

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

Instruction:	
Regular	$ 294,697
Special Education	61,403
Other Special Instruction	13,045
Other Instruction	9,167
Support Services:	
Student & Instruction	76,391
General & Business Admin	48,309
School Administration	21,809
Plant & Maintenance	6,073
Pupil Transportation	93,668
Total Depreciation Expense, Governmental Activities	$ 624,562

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2010 is as Follows:

	Beginning Balance	Accruals	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds & NJ EDA Loans Payable	$ 8,280,777		$ 516,389	$ 7,764,388	$ 532,693
Unamortized Bond Premium	60,334		3,657	56,677	3,657
Compensated Absences Payable	287,295	$ 13,617	76,656	224,256	21,530
Total Governmental Activities Long-Term Liabilities	$ 8,628,406	$ 13,617	$ 596,702	$ 8,045,321	$ 557,880

Payments on the general obligation bonds and NJ EDA Loans are made in the debt service fund from property taxes and state aid. Bond premiums are amortized over the term of the bonds, while the other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds and loans outstanding as of June 30, 2010 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2011	$ 532,693	$ 312,332	$ 845,025
2012	389,064	288,847	677,911
2013	405,541	271,811	677,352
2014	427,090	254,021	681,111
2015	385,000	236,443	621,443
2016-2020	2,210,000	945,127	3,155,127
2021-2025	2,785,000	469,895	3,254,895
2026	630,000	25,200	655,200
Totals	$ 7,764,388	$ 2,803,676	$ 10,568,064

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

General Obligation Bonds and Loans – General obligation school building bonds and loans at June 30, 2009, with their outstanding balances are comprised of the following individual issues:

$8,500,000 -2006 refunding general obligation school building bonds, due in annual installments of $160,000 to $630,000 beginning Feb 15, 2007, through Feb 15, 2026, interest at 3.75% to 4.50%	$ 7,525,000
$490,000 - 1993 NJ Economic Development Authority small project loan, due in annual installments of $37,261 to $44,319 beginning July 15, 1994 to July 15, 2013, interest at 5.29%	136,230
$490,000 - 1993 NJ Economic Development Authority low interest loan, due in annual installments of $10,964 to $32,946, interest at 1.50%	103,158
	$ 7,764,388

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2010 is $56,115,125. General obligation debt at June 30, 2010 is $7,942,836, resulting in a legal debt margin of $48,172,289.

NOTE 6. PENSION PLANS

Description of Systems
Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System is considered a cost sharing multiple-employer plan.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

NOTE 6. PENSION PLANS (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and $1,547,688,633 and $241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2003, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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

Year Funding	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/10	$ 333,565	100%
06/30/09	333,794	100%
06/30/08	624,164	100%

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements (cont'd)

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/10	$ 117,685	100%
06/30/09	97,361	100%
06/30/08	67,315	100%

During the year ended June 30, 2010, the State of New Jersey contributed $316,702 to the TPAF for post-retirement medical benefits and $16,863 for the non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $422,115 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2009, the State paid $116.9 million toward Ch 126 benefits for 13,320 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

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

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer definer benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at http://www.state.nj.us/treasur/pension/pdf/financial/gasb-43-aug2010.pdf

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

NOTE 8. DEFERRED COMPENSATION

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

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

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of Interfund balances as of June 30, 2010 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	$ 555,732	
Capital Projects Fund		$ 353,099
Special Revenue Fund		166,294
Payroll Agency Fund		36,339
	$ 555,732	$ 555,732

The balance due from the Capital Projects Fund to the General Fund of $353,099 represents a combination of interest earnings designated to the General Fund and a loan from the General Fund due to the late receipt of state aid funding. The balance due from the Special Revenue Fund to the General Fund of $166,294 represents a temporary cash flow shortage in the Special Revenue Fund due to the late receipt of Federal grant program funding. The balance due from the Payroll Agency Fund to the General Fund of $36,339 represents payroll prior year balances and June interest earnings not yet remitted.

All of the interfund balances are to be liquated within one year except the loan to the Capital Projects Fund which will be liquidated when state aid funds are received.

During the year ended June 30, 2010, the Capital Projects Fund transferred $15 to the General Fund representing interest earnings. The General Fund transferred $800,000 to the Capital Projects Fund representing capital reserve funds designated for the local share of a State approved project.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2010 consisted of the following:

Food	$ 4,117
Supplies	1,045
	$ 5,162

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

NOTE 12. RISK MANAGEMENT

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

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

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

Fiscal Year	Board Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2009-2010	$ 12,069	$ 102	$ 12,800	$ 89,394	$ 344
2008-2009	-0-	521	12,013	26,165	64,767
2007-2008	-0-	2,103	12,872	8,620	78,398

NOTE 13. LEGAL RESERVE ACCOUNTS

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

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited $350,000 to their Capital Reserve account by board resolution in June 2010 as summarized in the following schedule. The District had previously deposited $200,000 to their Capital Reserve Account through an appropriation in their current year budget.

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Withdrawals	Ending Balance
Capital	$ 719,146	$ 550,000	$ 17,988	$ 800,000	$ 487,134
Maintenance	251,703		629		252,332
Emergency	250,000				250,000
Totals	$ 1,220,849	$ 550,000	$ 18,617	$ 800,000	$ 989,466

The June 30, 2010 LRFP balance of local support funding of uncompleted capital projects at June 30, 2010 exceeded the balance in the capital reserve account. The withdrawals from the capital reserve were for use in a Department of Education approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 P-Fund Equity (Fund Balance) may be reserved or designated. An analysis of the General Fund Balance on June 30, 2010 and 2009 is as follows:

	2010	2009
Reserved:		
Encumbrances-Represents reservation of fund balance for purchase orders which have been issued but good or services were not received as of June 30	$ 79,855	$ 188,798
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute the excess surplus is designated for utilization in succeeding years budgets	16,871	341,530
Excess Surplus- Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding years budget reduce tax requirements	341,530	338,420
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	487,134	719,146
Maintenance Reserve Account-represents funds accumulated for the required maintenance of a facility	252,332	251,703
Emergency Reserve-represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	250,000	250,000
Legally Restricted Account-represents restricted appropriations from unexpended separate proposals designated for utilization in succeeding years budgets per state statute		199,570

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

	2010	2009
Unreserved:		
Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	$ 226,428	$ 430
Undesignated-Represents fund balance which has not been reserved or designated	423,405	441,266
Total Fund Balance	$ 2,077,555	$ 2,730,863

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is $16,871.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	$ 10,954,973		$ 10,954,973	$ 10,954,973	
Tuition from Individuals	12,960		12,960	15,370	$ 2,410
Tuition from Other LEAs within the State				14,017	14,017
Transportation Fees-Other LEAs Within the State				31,138	31,138
Interest Earned on Capital Reserve	2,000		2,000	17,988	15,988
Interest Earned on Maintenance Reserve				629	629
Interest on Investments				8,137	8,137
Building Use Rent				2,000	2,000
Local Contributions				500	500
Miscellaneous	50,000		50,000	52,059	2,059
Total	11,019,933	$ -	11,019,933	11,096,811	76,878
State Sources:					
Categorical Special Education Aid	332,318		332,318	216,007	(116,311)
Categorical Security Aid	58,374		58,374	37,943	(20,431)
Categorical Transportation Aid	390,780		390,780	254,004	(136,776)
Extraordinary Special Education Costs Aid				152,028	152,028
Nonpublic Transportation Aid				21,377	21,377
Other State Aid				8,427	8,427
On-Behalf TPAF Pension Contribution				333,565	333,565
Reimbursed TPAF Social Security Contribution				422,115	422,115
Total	781,472	-	781,472	1,445,466	663,994
TOTAL REVENUES	$ 11,801,405	$ -	$ 11,801,405	$ 12,542,277	$ 740,872
EXPENDITURES					
Current:					
Instruction-Regular Program:					
Salaries of Teachers:					
Kindergarten	$ 223,604		$ 223,604	$ 210,092	$ 13,512
Grades 1-5	2,040,905	$ (58,826)	1,982,079	1,973,109	8,970
Grades 6-8	1,508,235		1,508,235	1,504,831	3,404
Home Instruction					
Salaries of Teachers	1,000		1,000	628	372
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction	132,578	6,341	138,919	137,598	1,321
Other Purchased Services	40,670	3,747	44,417	43,839	578
General Supplies	173,317	29,353	202,670	154,942	47,728
Textbooks	36,000		36,000	23,545	12,455
Other Objects	2,110		2,110	496	1,614
Total	4,158,419	(19,385)	4,139,034	4,049,080	89,954
Special Education:					
Resource Room/Center:					
Salaries of Teachers	634,720	(13,452)	621,268	586,057	35,211
Other Salaries for Instruction	139,189	(5,000)	134,189	120,983	13,206
General Supplies	2,975	296	3,271	2,833	438
Textbooks	750	(2)	748	579	169
Total	777,634	(18,158)	759,476	710,452	49,024
Autism:					
Salaries of Teachers	76,950	(2,559)	74,391	62,916	11,475
Other Salaries for Instruction	20,538	2,559	23,097	23,097	
General Supplies	5,000		5,000	4,818	182
Total	102,488	-	102,488	90,831	11,657

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Preschool Disabilities-Full Time:					
Salaries of Teachers	$ 116,108	$ (6,941)	$ 109,167	$ 91,541	$ 17,626
Other Salaries for Instruction	44,425	6,941	51,366	34,636	16,730
General Supplies	5,475		5,475	5,143	332
Total	166,008	-	166,008	131,320	34,688
Home Instruction:					
Salaries of Teachers	3,000	-	3,000	-	3,000
Total Special Education	1,049,130	(18,158)	1,030,972	932,603	98,369
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	267,208	(5)	267,203	206,735	60,468
General Supplies	1,089	29	1,118	946	172
Textbooks	750	42	792	745	47
Total	269,047	66	269,113	208,426	60,687
Bilingual Education-Instruction:					
Salaries of Teachers	3,000		3,000		3,000
General Supplies	100		100		100
Total	3,100	-	3,100	-	3,100
School Sponsored Co/Extra Curricular Activities:					
Salaries	40,774	13,894	54,668	54,668	
Purchased Services	1,200	300	1,500	1,330	170
Supplies & Materials	3,580	(3,280)	300	88	212
Other Objects	3,100	(1,382)	1,718	920	798
Total	48,654	9,532	58,186	57,006	1,180
School Sponsored Athletics:					
Salaries	86,000	(9,232)	76,768	76,768	
Purchased Services	8,800		8,800	6,735	2,065
Supplies & Materials	5,200	1,416	6,616	5,946	670
Other Objects	200		200		200
Total	100,200	(7,816)	92,384	89,449	2,935
Total Instruction Regular	$ 5,628,550	$ (35,761)	$ 5,592,789	$ 5,336,564	$ 256,225
Undistributed Expenditures-Instruction Tuition:					
Other LEAs Within the State-Special	$ 178,284	$ (22,908)	$ 155,376	$ 155,376	
Private Schools for Disabled Within the State	3,952	47,563	51,515	51,515	
Total	182,236	24,655	206,891	206,891	$ -
Health Services:					
Salaries	152,155	3,881	156,036	156,036	
Purchased Professional & Technical Services	6,750	(2,450)	4,300	4,300	
Other Purchased Services	2,525	20	2,545	2,545	
Supplies & Materials	6,245	(1,451)	4,794	4,670	124
Other Objects	200		200	170	30
Total	167,875	-	167,875	167,721	154
Speech, Occp Therapy, Phys Therapy & Related Serv:					
Salaries	195,471	(4,816)	190,655	139,655	51,000
Purchased Professional Educational Services	75,000	5,266	80,266	80,266	
Supplies & Materials	1,500		1,500	1,490	10
Other Objects	3,600		3,600	344	3,256
Total	275,571	450	276,021	221,755	54,266

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries for Other Professional Staff	$ 65,433	$ 9,154	$ 74,587	$ 74,587	
Other Purchased Prof & Technical Services	4,000	2,993	6,993	3,617	$ 3,376
Supplies & Materials	3,400	(1,514)	1,886	1,886	
Total	72,833	10,633	83,466	80,090	3,376
Child Study Teams:					
Salaries of Other Professional Staff	243,452	(43,723)	199,729	182,586	17,143
Salaries of Secretarial & Clerical Assistants	31,277	3,723	35,000	35,000	
Purchased Professional Educational Services		34,800	34,800	34,800	
Miscellaneous Purchased Services	4,350	5,236	9,586	3,462	6,124
Supplies & Materials	9,000	525	9,525	6,000	3,525
Other Objects	515		515	130	385
Total	288,594	561	289,155	261,978	27,177
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	92,905		92,905	67,513	25,392
Salaries of Other Professional Staff		33,725	33,725	15,255	18,470
Other Salaries	46,125	(46,125)			
Purchased Professional Educational Services	6,000		6,000	251	5,749
Other Purchased Services	1,600		1,600	671	929
Supplies & Materials	2,000		2,000	1,577	423
Other Objects	1,000		1,000		1,000
Total	149,630	(12,400)	137,230	85,267	51,963
Educational Media Services/School Library:					
Salaries	161,746	328	162,074	161,884	190
Salaries of Technology Coordinators	129,360		129,360	75,502	53,858
Purchased Professional & Technical Services	20,000	6,892	26,892	2,640	24,252
Other Purchased Services	76,969	686	77,655	59,906	17,749
Supplies & Materials	24,655	25,704	50,359	47,016	3,343
Total	412,730	33,610	446,340	346,948	99,392
Instructional Staff Training Services:					
Other Purchased Services	18,000		18,000	9,232	8,768
Supplies & Materials	2,000		2,000	1,209	791
Other Objects	2,400		2,400		2,400
Total	22,400	-	22,400	10,441	11,959
Support Services General Administration:					
Salaries	254,344	(3,664)	250,680	248,235	2,445
Legal Services	20,000	105,748	125,748	125,748	
Audit Fees	18,600		18,600	18,600	
Architectural/Engineering Services	9,000		9,000	8,019	981
Other Purchased Professional Services	7,000	7,110	14,110	13,595	515
Communications & Telephone	44,160	4,416	48,576	48,576	
Board of Education Other Purchased Services	11,000	(10,268)	732	732	
Other Purchased Services	44,000	(5,012)	38,988	38,416	572
General Supplies	14,205	(1,391)	12,814	10,093	2,721
Judgements Against the School District		10,000	10,000	10,000	
Miscellaneous Expenditures		1,410	1,410	1,410	
Board of Education Membership Dues and Fees	14,198	(7,437)	6,761	6,761	
Total	436,507	100,912	537,419	530,185	7,234
Support Services School Administration:					
Salaries of Principals & Assistant Principals	223,822	(2,851)	220,971	204,608	16,363
Salaries of Secretarial & Clerical Assistants	114,097	2,091	116,188	102,253	13,935
Other Purchased Services	5,000	1,345	6,345	6,345	
Supplies & Materials	23,213	2,466	25,679	22,326	3,353
Other Objects	3,200		3,200	2,779	421
Total	369,332	3,051	372,383	338,311	34,072

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services Central Services:					
Salaries	$ 205,504	$ 7,175	$ 212,679	$ 212,679	
Purchased Professional Services	15,000	(9,953)	5,047	150	$ 4,897
Purchased Technical Services		8,450	8,450	8,450	
Miscellaneous Purchased Services	8,000	(5,672)	2,328	2,328	
Supplies & Materials	2,500	725	3,225	2,427	798
Miscellaneous Expenditures	1,200		1,200	1,115	85
Total	232,204	725	232,929	227,149	5,780
Administrative Information Technology:					
Salaries	4,373	-	4,373	4,373	-
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	95,000	(1,663)	93,337	55,463	37,874
General Supplies	20,000		20,000	9,965	10,035
Total	115,000	(1,663)	113,337	65,428	47,909
Custodial Services:					
Salaries	441,561		441,561	425,787	15,774
Purchased Professional & Technical Services	40,350	(2,400)	37,950	26,658	11,292
Cleaning, Repair & Maintenance Services	10,000	51,638	61,638	28,851	32,787
Insurance	60,604	5,918	66,522	62,796	3,726
Miscellaneous Purchased Services	6,000	(2,924)	3,076	2,774	302
General Supplies	75,000	(4,052)	70,948	53,044	17,904
Energy (Electricity)	218,000		218,000	210,097	7,903
Energy (Natural Gas)	128,000		128,000	87,832	40,168
Other Objects	3,000		3,000	2,400	600
Total	982,515	48,180	1,030,695	900,239	130,456
Student Transportation Services:					
Salaries of Noninstructional Aides	15,000		15,000	10,287	4,713
Salaries-Pupil Transportation (Between Home & School)-Regular	359,119	(9,320)	349,799	331,780	18,019
Salaries-Pupil Transportation (Between Home & School)-Special Education		6,000	6,000	5,359	641
Salaries-Pupil Transportation (Other Than Between Home & School)	8,000	1,517	9,517	9,517	
Management Fee-ESC Transportation Program		1,399	1,399	1,399	
Other Purchased Professional/Technical Services	1,200	78	1,278	1,278	
Cleaning, Repairs & Maintenance Services	68,000	2,810	70,810	67,253	3,557
Rental Payments School Buses	4,000		4,000	353	3,647
Lease Purchase Payments-School Buses	25,000	(18,551)	6,449		6,449
Contracted Services (Other Than Between Home & School)-Vendors	5,000		5,000		5,000
Contracted Services (Special Education Students)-Vendors		480	480	480	
Contracted Services (Special Education Students)-Joint Agreement		2,869	2,869	1,885	984
Contracted Services (Special Education Students)-ESCs & CTSAs		31,195	31,195	31,195	
Contracted Services-Aid In Lieu of Payments-Nonpublic Schools	105,110	7,462	112,572	112,572	
Miscellaneous Purchased Services	2,750		2,750	903	1,847
General Supplies	1,200		1,200	825	375
Transportation Supplies	88,800	(309)	88,491	61,204	27,287
Other Objects	965		965	925	40
Total	684,144	25,630	709,774	637,215	72,559

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Group Insurance	$ 4,800	$ (3,616)	$ 1,184	$ 1,184	
Social Security Contributions	125,970	31,403	157,373	157,373	
Other Retirement Contributions-Regular	120,728	(3,043)	117,685	117,685	
Workmen's Compensation	78,000	(4,562)	73,438	73,438	
Health Benefits	1,704,133	(85,542)	1,618,591	1,595,524	$ 23,067
Tuition Reimbursement	15,000	27,418	42,418	42,418	
Other Employee Benefits	54,700	75,675	130,375	126,877	3,498
Total	2,103,331	37,733	2,141,064	2,114,499	26,565
On-Behalf TPAF Pensions Contributions				333,565	(333,565)
Reimbursed TPAF Social Security Contributions				422,115	(422,115)
Total	-	-	-	755,680	(755,680)
Total Undistributed Expenditures	$ 6,499,275	$ 272,077	$ 6,771,352	$ 6,954,170	$ (182,818)
TOTAL CURRENT	$ 12,127,825	$ 236,316	$ 12,364,141	$ 12,290,734	$ 73,407
CAPITAL OUTLAY					
Equipment:					
Grades 6-8	$ 3,000		$ 3,000		$ 3,000
Undistributed Expenditures:					
Noninstruction Services	7,000		7,000		7,000
School Buses-Regular		$ 111,247	111,247	$ 82,436	28,811
Total	10,000	111,247	121,247	82,436	38,811
TOTAL CAPITAL OUTLAY	$ 10,000	$ 111,247	$ 121,247	$ 82,436	$ 38,811
TRANSFER OF FUNDS TO CHARTER SCHOOLS	$ -	$ 10,361	$ 10,361	$ 10,361	$ -
TOTAL EXPENDITURES	$ 12,137,825	$ 357,924	$ 12,495,749	$ 12,383,531	$ 112,218
Excess (Deficiency) of Revenues Over (Under)	$ (336,420)	$ (357,924)	$ (694,344)	$ 158,746	$ 853,090
Other Financing Sources (Uses):					
Transfers In-Capital Projects Fund				15	15
Transfers Out-Unemployment Compensation Fund		(12,069)	(12,069)	(12,069)	
Transfers Out-Capital Reserve to Capital Projects Fund		(800,000)	(800,000)	(800,000)	
Total Other Financing Sources (Uses):	-	(812,069)	(812,069)	(812,054)	15
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(336,420)	(1,169,993)	(1,506,413)	(653,308)	853,105
Fund Balances, July 1	2,730,863		2,730,863	2,730,863	
Fund Balances, June 30	$ 2,394,443	$ (1,169,993)	$ 1,224,450	$ 2,077,555	$ 853,105
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		$ (188,798)	$ (188,798)	$ (188,798)	
Increase in Capital Reserve	$ 202,000		202,000	567,988	$ 365,988
Withdrawal from Capital Reserve		(800,000)	(800,000)	(800,000)	
Increase in Maintenance Reserve				629	629
Budgeted Fund Balance	(538,420)	(181,195)	(719,615)	(233,127)	486,488
TOTAL	$ (336,420)	$ (1,169,993)	$ (1,506,413)	$ (653,308)	$ 853,105

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

RECAPITULATION OF FUND BALANCE		
Reserved for:		
Encumbrances	$ 79,855	
Capital Reserve	487,134	
Maintenance Reserve	252,332	
Emergency Reserve	250,000	
Excess Surplus:		
Prior Year-Designated for 2010-2011 Budget	341,530	
Current Year-Designated for 2011-2012 Budget	16,871	
		$ 1,427,722
Unreserved:		
Designated for Subsequent Year's Expenditures	226,428	
Undesignated-Free	423,405	
		649,833
Fund Balance Per Budgetary Basis		2,077,555
Reconciliation to Governmental Statements (GAAP):		
Last State Aid Payment not Recognized on GAAP Basis		(78,140)
Fund Balance Per Governmental Funds (GAAP)		$ 1,999,415

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	$ 381,711		$ 381,711	$ 283,017	$ (98,694)
TOTAL REVENUES	$ 381,711	$ -	$ 381,711	$ 283,017	$ (98,694)
EXPENDITURES					
Instruction:					
Purchased Professional & Technical Services	$ 20,679		$ 20,679	$ 20,522	$ 157
Other Purchased Services	183,400	$ 3,653	187,053	187,053	
General Supplies	63,455	(3,653)	59,802	32,085	27,717
Totals	267,534	-	267,534	239,660	27,874
Support Services:					
Salaries	19,509		19,509	19,509	
Personal Services Employee Benefits	17,118		17,118	17,118	
Purchased Professional & Technical Services	39,300		39,300	5,250	34,050
Other Purchased Services	16,000		16,000	160	15,840
General Supplies	2,250		2,250	1,320	930
Total	94,177	-	94,177	43,357	50,820
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	20,000	-	20,000	-	20,000
TOTAL EXPENDITURES	$ 381,711	$ -	$ 381,711	$ 283,017	$ 98,694

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	$ 12,542,277	$ 283,017
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Current Year Outstanding Encumbrances		(160)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	67,897	
State Aid Receivable Current Year	(78,140)	
Total Revenues (GAAP Basis)	$ 12,532,034	$ 282,857
Uses/Outflows of Resources		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 12,383,531	$ 283,017
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current Year Outstanding Encumbrances		(160)
Vehicle trade-in values and donations are not recognized for budgetary basis purposes but treated as revenues and other financing sources and additional expenditures for GAAP purposes	3,100	
Total Expenditures (GAAP Basis)	$ 12,386,631	$ 282,857

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	NCLB Title IIA	NCLB Title IV	IDEA Basic	IDEA Preschool	ARRA IDEA Basic	ARRA IDEA Preschool	Total
REVENUES							
Federal Sources	$ 8,949	$ 2,261	$ 184,411	$ 12,547	$ 72,971	$ 1,878	$ 283,017
TOTAL REVENUES	$ 8,949	$ 2,261	$ 184,411	$ 12,547	$ 72,971	$ 1,878	$ 283,017
EXPENDITURES							
Instruction:							
Purchased Professional & Technical Services			$ 10,504		$ 10,018		$ 20,522
Other Purchased Services	$ 5,784	$ 1,108	119,614	$ 12,547	48,000		187,053
General Supplies	3,005	1,153	17,416		9,703	$ 808	32,085
Totals	8,789	2,261	147,534	12,547	67,721	808	239,660
Support Services:							
Salaries			19,509				19,509
Personal Services Employee Benefits			17,118				17,118
Purchased Professional & Technical Services					5,250		5,250
Other Purchased Services	160						160
General Supplies			250			1,070	1,320
Total	160	-	36,877	-	5,250	1,070	43,357
TOTAL EXPENDITURES	$ 8,949	$ 2,261	$ 184,411	$ 12,547	$ 72,971	$ 1,878	$ 283,017

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Year	Unexpended Appropriations 6/30/2010
Construction of a new Elementary School	07/19/00	$ 14,520,000	$ 14,515,055		$ 4,945
Acquisition of a Generator	06/30/09	83,286		$ 74,882	8,404
Roof and Boiler Replacements and Various Improvements to Old Turnpike School	06/30/10	2,986,203		14,006	2,972,197
Air Conditioner Upgrades at Old Turnpike School	06/30/10	1,069,988			1,069,988
		$ 18,659,477	$ 14,515,055	$ 88,888	$ 4,055,534

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources:		
Local Sources:		
Interest Earnings	$	15
Transfers In from General Fund Capital Reserve		800,000
State Sources-NJ SCC Aid		(5,602)
Total Revenues and Other Financing Sources		794,413
Expenditures and Other Financing Uses:		
Transfer out to General Fund 10		15
Purchased Professional & Technical Services		18,342
Construction Services		70,546
Total Expenditures and Other Financing Uses		88,903
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		705,510
Fund Balance-Beginning		93,833
Fund Balance-Ending	$	799,343
Reconciliation of Fund Balance Difference for GAAP Purposes		
Fund Balance-Budgetary Basis (Schedule F-2)	$	799,343
Receivables from Other Governments-State:		
GAAP Basis (Schedule B-1)		373,671
Budgetary Basis (Schedule K-4)		(373,671)
Fund Balance-GAAP Basis (Schedule B-1)	$	799,343
Reconciliation of Financial Assistance Difference for GAAP Purposes		
State Financial Assistance-Budgetary Basis (Schedule F-2)	$	(5,602)
Adjustment to GAAP Basis		35,555
State Financial Assistance-GAAP Basis (Schedule B-2)	$	29,953

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
CONSTRUCTION OF A NEW K-4 MIDDLE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SCC Grant	$ 3,974,000		$ 3,974,000	$ 3,974,000
Local Sources:				
Bond Proceeds	8,996,000		8,996,000	8,996,000
Other Financing	1,550,000		1,550,000	1,550,000
Total Revenues	14,520,000	$ -	14,520,000	14,520,000
Expenditures and Other Financing Uses:				
Architect	720,875		720,875	720,875
Legal Fees	356,362		356,362	356,362
Financing Fees	70,798		70,798	70,798
Other Professional Services	13,992		13,992	13,992
Construction Manager	458,963		458,963	458,963
Fees & Permits	28,482		28,482	28,482
Miscellaneous	9,525		9,525	9,525
Materials Testing	27,754		27,754	27,754
Access Road	17,513		17,513	17,513
Construction:				
General	8,997,521		8,997,521	9,002,466
Electrical	959,309		959,309	959,309
HVAC	1,466,129		1,466,129	1,466,129
Plumbing, Heating & Air Conditioning	600,766		600,766	600,766
Structural Steel	784,590		784,590	784,590
Asbestos Abatement	2,476		2,476	2,476
Total Expenditures	14,515,055	-	14,515,055	14,520,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 4,945	$ -	$ 4,945	$ -

Additional Project Information	
Project Number	SP#201134
Bond Authorized Date	07/19/00
Bonds Authorized	$ 12,970,000
Bonds Issued	$ 8,996,000
Original Authorized Cost	$ 12,970,000
Additional Authorized Cost	$ 1,550,000
Revised Authorized Cost	$ 14,520,000
Percentage Complete	99.97%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
ACQUISITION OF A GENERATOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In of Capital Outlay	$ 53,333		$ 53,333	$ 53,333
State Sources-NJ SCC Aid	35,555	$ (5,602)	29,953	29,953
Total Revenues	88,888	(5,602)	83,286	83,286
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		4,336	4,336	12,740
Construction Services		70,546	70,546	70,546
Total Expenditures	-	74,882	74,882	83,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 88,888	$ (80,484)	$ 8,404	$ -

Additional Project Information	
Project Number	#5180-055-09-1002
Grant Date	6/30/2009
Bond Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 188,152
Reduced Authorized Cost	$ (104,866)
Revised Authorized Cost	$ 83,286
Percentage Complete	89.91%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT
BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
ROOF & BOILER REPLACEMENT AND OTHER IMPROVEMENTS TO THE OLD TURNPIKE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds				$ 991,722
Transfer In of Capital Reserve		$ 800,000	$ 800,000	800,000
State Sources-NJ SDA Aid				1,194,481
Total Revenues	$ -	800,000	800,000	2,986,203
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		14,006	14,006	468,844
Construction Services				2,517,359
Total Expenditures	-	14,006	14,006	2,986,203
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 785,994	$ 785,994	$ -

Additional Project Information	
Project Number	#5180-030-09-1003
Grant Date	7/9/2010
Bond Authorized Date	7/9/2010
Bonds Authorized	$ 991,722
Bonds Issued	$ -
Original Authorized Cost	$ 2,986,203
Reduced Authorized Cost	
Revised Authorized Cost	$ 2,986,203
Percentage Complete	0.47%

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-BUDGETARY BASIS
AIR CONDITIONING UPGRADES AT OLD TURNPIKE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds				$ 641,993
State Sources-NJ SCC Aid				427,995
Total Revenues	$ -	$ -	$ -	1,069,988
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services				168,138
Construction Services				901,850
Total Expenditures	-	-	-	1,069,988
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ -

Additional Project Information	
Project Number	#5180-030-09-1001
Grant Date	7/9/2010
Bond Authorized Date	7/9/2010
Bonds Authorized	$ 641,993
Bonds Issued	$ -
Original Authorized Cost	$ 1,069,988
Reduced Authorized Cost	$ -
Revised Authorized Cost	$ 1,069,988
Percentage Complete	0.00%

PROPRIETARY FUND

DETAIL STATEMENTS

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2010

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	$ 64,571
Receivables from Other Governments:	
State	238
Federal	1,740
Accounts Receivable-Other	2,985
Inventory	5,162
Total Current Assets	74,696
Noncurrent Assets:	
Capital Assets	60,088
Less: Accumulated Depreciation	45,657
Total Noncurrent Assets	14,431
Total Assets	89,127
LIABILITIES	
Current Liabilities:	
Accounts Payable	18,243
Deferred Revenues	5,724
Total Liabilities	23,967
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	14,431
Unrestricted	50,729
TOTAL NET ASSETS	$ 65,160

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	$ 129,313
Daily Sales-Nonreimbursable Programs	64,810
Daily Sales-Other Off-Premise Locations	5,390
Total Operating Revenues	199,513
Other Expenses:	
Salaries	84,270
Employee Benefits	14,821
Purchased Property Services	7,583
Insurance	1,897
Management Fee	6,795
Other Purchased Services	2,883
Supplies and Materials	11,755
Miscellaneous	201
Depreciation	3,827
Cost of Sales	110,500
Total Operating Expenses	244,532
Operating Income (Loss)	(45,019)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,466
Federal Sources:	
National School Lunch Program	18,388
Food Donation Program	16,851
Interest Income	163
Miscellaneous	15
Total Nonoperating Revenues (Expenses)	37,883
Other Financing Sources/(Uses):	
Refund of Prior Year Subsidy Income	(462)
Change in Net Assets	(7,598)
Net Assets, Beginning	72,758
Net Assets, Ending	$ 65,160

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		Food Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers	$	199,885
Payments to Food Service Management Company		(198,663)
Payments to Employees		(11,841)
Payments to Vendors (Net)		(11,068)
Net Cash Provided by (Used For) Operating Activities		(21,687)
Cash Flows from Noncapital Financing Activities:		
State Sources		2,472
Federal Sources		18,375
General Fund Interfund Activity		2,433
Refund of Prior Year Subsidy Income		(462)
Miscellaneous		15
Net Cash Provided by (Used For) Noncapital Financing Activities		22,833
Cash Flows from Investing Activities:		
Interest Earned on Investments		163
Net Cash Provided by (Used For) Investing Activities		163
Net Increase (Decrease) in Cash and Cash Equivalents		1,309
Cash and Cash Equivalents, July 1		63,262
Cash and Cash Equivalents, June 30	$	64,571
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:		
Operating Income (Loss)	$	(45,019)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:		
Depreciation		3,827
Federal Food Donation Program		16,851
(Increase) Decrease in Accounts Receivable-Other		(2,119)
(Increase) Decrease in Inventory		(1,460)
Increase (Decrease) in Accounts Payable		3,411
Increase (Decrease) in Deferred Revenue		2,822
Net Cash Provided by (Used For) Operating Activities	$	(21,687)

FIDUCIARY FUND

DETAIL STATEMENTS

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	$ 1,249	$ 54,613	$ 59,185	$ 115,047
Total Assets	1,249	54,613	59,185	115,047
LIABILITIES				
Due to Other Funds			36,339	36,339
Accounts Payable	905			905
Due to Student Groups		54,613		54,613
Payroll Deductions & Withholdings			22,846	22,846
Total Liabilities	905	54,613	59,185	114,703
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	$ 344	$ -	$ -	$ 344

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	$ 12,800
Investment Earnings-Interest	102
Total Additions	12,902
DEDUCTIONS	
Unemployment Claims	89,394
Total Deductions	89,394
Other Financing Sources (Uses):	
Transfers In from General Fund	12,069
Change in Net Assets	(64,423)
Net Assets, Beginning of the Year	64,767
Net Assets, End of the Year	$ 344

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance 07/01/09	Additions	Deletions	Balance 06/30/10
ASSETS				
Cash & Cash Equivalents	$ 62,907	$ 209,268	$ 217,562	$ 54,613
TOTAL ASSETS	$ 62,907	$ 209,268	$ 217,562	$ 54,613
LIABILITIES				
Old Turnpike School	$ 32,216	$ 183,630	$ 193,456	$ 22,390
Tewksbury Elementary School	383	8,979	8,960	402
Mini Grant Account	25,779	8,123	8,672	25,230
Library Account	4,505	8,536	6,474	6,567
Night Out for the Arts	24			24
TOTAL LIABILITIES	$ 62,907	$ 209,268	$ 217,562	$ 54,613

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance 07/01/09	Additions	Deletions	Balance 06/30/10
ASSETS				
Cash & Cash Equivalents	$ 75,814	$ 8,376,457	$ 8,393,086	$ 59,185
TOTAL ASSETS	$ 75,814	$ 8,376,457	$ 8,393,086	$ 59,185
LIABILITIES				
Payroll Deductions & Withholdings	$ 35,600	$ 3,248,838	$ 3,263,135	$ 21,303
Net Payroll	3,281	5,114,705	5,116,443	1,543
Due to Other Funds	36,933	12,914	13,508	36,339
TOTAL LIABILITIES	$ 75,814	$ 8,376,457	$ 8,393,086	$ 59,185

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS AND LOANS
JUNE 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance 07/01/09	Issued	Retired	Balance 06/30/10
NJ EDA-									
Low Interest Loan	08/18/93	$ 490,000	07/15/10	$ 25,790					
			07/15/11	25,789					
			07/15/12	25,790					
			07/15/13	25,789	1.50%	$ 128,947		$ 25,789	$ 103,158
NJ EDA-									
Small Projects Loan	08/18/93	490,000	07/15/10	31,903					
			07/15/11	33,275					
			07/15/12	34,751					
			07/15/13	36,301	5.29%	166,830		30,600	136,230
School Facilities Projects	07/19/00	8,996,000			4.75%	275,000		275,000	
2006 Refunding Issue	12/21/06	8,500,000	02/15/11	475,000	4.50%				
			02/15/12	330,000					
			02/15/13	345,000					
			02/15/14	365,000					
			02/15/15	385,000	4.00%				
			02/15/06	400,000	3.75%				
			02/15/17	420,000	3.80%				
			02/15/18	445,000	3.85%				
			02/15/19	460,000	3.90%				
			02/15/20	485,000					
			02/15/21	505,000					
			02/15/22	535,000	4.00%				
			02/15/23	555,000					
			02/15/24	580,000					
			02/15/05	610,000					
			02/15/26	630,000		7,710,000		185,000	7,525,000
						$ 8,280,777	$ -	$ 516,389	$ 7,764,388

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	$ 852,148		$ 852,148	$ 852,148	
Total Revenues	852,148	$ -	852,148	852,148	$ -
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	335,760	(1)	335,759	335,759	
Redemption of Principal	516,388	1	516,389	516,389	
Total Expenditures	852,148	-	852,148	852,148	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	$ -	$ -	$ -	$ -	$ -

STATISTICAL SECTION

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time. J-1 to J-5

REVENUE CAPACITY

These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax. J-6 to J-9

DEBT CAPACITY

These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. J-10 to J-13

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. J-14 to J-15

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
GOVERNMENT ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	$ (688,154)	$ 9,289,292	$ 10,198,630	$ 10,230,258	$ 10,265,095	$ 10,394,460	$ 10,460,711
Restricted	4,615,852	24,003	171,120	139,034	873,959	1,276,063	1,785,745
Unrestricted	572,043	684,048	1,023,808	1,410,144	1,439,108	1,041,785	660,825
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	$ 4,499,741	$ 9,997,343	$ 11,393,558	$ 11,779,436	$ 12,578,162	$ 12,712,308	$ 12,907,281
BUSINESS-TYPE ACTIVITIES							
Invested in Capital Assets, Net of Related Debt	$ 28,140	$ 25,000	$ 29,735	$ 25,910	$ 22,084	$ 18,258	$ 14,431
Unrestricted	12,341	13,279	11,162	24,095	56,345	54,500	50,729
TOTAL BUSINESS-TYPE ACTIVITIES	$ 40,481	$ 38,279	$ 40,897	$ 50,005	$ 78,429	$ 72,758	$ 65,160
DISTRICT-WIDE							
Invested in Capital Assets, Net of Related Debt	$ (660,014)	$ 9,314,292	$ 10,228,365	$ 10,256,168	$ 10,287,179	$ 10,412,718	$ 10,475,142
Restricted	4,615,852	24,003	171,120	139,034	873,959	1,276,063	1,785,745
Unrestricted	584,384	697,327	1,034,970	1,434,239	1,495,453	1,096,285	711,554
TOTAL DISTRICT-WIDE	$ 4,540,222	$ 10,035,622	$ 11,434,455	$ 11,829,441	$ 12,656,591	$ 12,785,066	$ 12,972,441

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
EXPENSES							
Governmental Activities:							
Instruction:							
Regular	$ 4,648,178	$ 4,431,115	$ 5,073,668	$ 5,754,173	$ 5,835,731	$ 5,686,581	$ 5,764,872
Special Education	922,795	989,987	1,128,032	1,024,047	1,071,046	1,160,591	1,384,533
Other Instruction	150,215	166,056	131,326	153,626	266,722	533,263	503,105
Support Services:							
Tuition	140,368	185,619	210,397	259,949	285,418	583,128	387,052
Student & Instruction Related Services	1,000,989	1,151,328	1,284,852	1,505,765	1,693,470	1,616,456	1,628,255
General & Business Administrative Services	581,896	574,643	693,989	778,436	873,683	740,036	1,009,789
School Administration	491,374	488,172	469,160	604,329	551,931	677,240	482,134
Plant Operations & Maintenance	786,550	823,654	1,145,008	1,065,853	1,270,045	1,291,012	1,134,811
Pupil Transportation	616,406	749,380	721,511	759,800	808,045	939,372	866,871
Transfer of Funds to Charter Schools							10,361
Interest on Long-Term Debt	483,186	482,701	449,684	301,164	337,210	346,239	326,821
Total Governmental Activities Expenses	9,821,957	10,042,655	11,307,627	12,207,142	12,993,301	13,573,918	13,498,604
Business-Type Activities:							
Food Services	136,285	141,570	150,195	167,509	190,116	220,422	244,532
Total Business-Type Activities	136,285	141,570	150,195	167,509	190,116	220,422	244,532
TOTAL DISTRICT EXPENSES	$ 9,958,242	$ 10,184,225	$ 11,457,822	$ 12,374,651	$ 13,183,417	$ 13,794,340	$ 13,743,136

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
PROGRAM REVENUES							
Governmental Activities:							
Charges for Services	$ 4,180	$ 18,475	$ 15,383	$ 17,688	$ 44,642	$ 52,391	$ 66,500
Operating Grants & Contributions	194,684	139,727	142,828	73,167	175,407	178,395	282,857
Capital Grants & Contributions	6,082	2,782,080	908,716		31,162		29,953
Total Governmental Activities Program Revenues	204,946	2,940,282	1,066,927	90,855	251,211	230,786	379,310
Business-Type Activities:							
Charges for Services:							
Food Service	114,381	119,372	124,687	151,773	185,659	180,433	199,513
Operating Grants & Contributions	21,549	19,996	19,907	24,064	31,086	33,892	37,705
Total Business-Type Activities Program Revenues	135,930	139,368	144,594	175,837	216,745	214,325	237,218
TOTAL DISTRICT-PROGRAM REVENUES	$ 340,876	$ 3,079,650	$ 1,211,521	$ 266,692	$ 467,956	$ 445,111	$ 616,528
NET (EXPENSE) REVENUES							
Governmental Activities	$ (9,617,011)	$ (7,102,373)	$ (10,240,700)	$ (12,116,287)	$ (12,742,090)	$ (13,343,132)	$ (13,119,294)
Business-Type Activities	(355)	(2,202)	(5,601)	8,328	26,629	(6,097)	(7,314)
TOTAL DISTRICT-WIDE NET EXPENSES	$ (9,617,366)	$ (7,104,575)	$ (10,246,301)	$ (12,107,959)	$ (12,715,461)	$ (13,349,229)	$ (13,126,608)
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	$ 8,171,557	$ 8,809,855	$ 9,285,237	$ 10,176,892	$ 10,887,889	$ 10,926,012	$ 10,954,973
Property Taxes Levied for Debt Service	835,561	871,839	842,012	863,116	668,626	725,983	852,148
Unrestricted Grants & Contributions	1,255,086	1,289,745	1,364,372	1,685,341	1,774,628	1,691,508	1,435,223
Investment Earnings	59,654	45,702	65,619	139,244	104,510	30,383	26,769
Local Contributions	40,000	40,000	40,000		92,000	62,500	
Miscellaneous Income	7,174	22,452	47,894	15,692	17,473	32,692	54,123
Transfers In/(Out)			(8,219)				(12,069)
Special Item-Gain/(Loss) on Sale/Disposal of Capital Assets		980,734			(4,310)	8,200	3,100
Special Item-Payments to Refunding Bond Agent				(378,120)			
Special Item-NJ Refinancing Adjustment		11,248					
Total Governmental Activities	10,369,032	12,071,575	11,636,915	12,502,165	13,540,816	13,477,278	13,314,267

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)							
Business-Type Activities:							
Investment Earnings				$ 780	$ 944	$ 426	$ 163
Miscellaneous					851		15
Transfers In/(Out)			$ 8,219				
Special Item-Refund of Prior Year Revenue							(462)
Total Business-Type Activities	$ -	$ -	-	780	1,795	426	(284)
TOTAL DISTRICT-WIDE	$ 10,369,032	$ 12,071,575	$ 11,636,915	$ 12,502,945	$ 13,542,611	$ 13,477,704	$ 13,313,983
CHANGE IN NET ASSETS							
Governmental Activities	$ 752,021	$ 4,969,202	$ 1,396,215	$ 385,878	$ 798,726	$ 134,146	$ 194,973
Business-Type Activities	(355)	(2,202)	(5,601)	9,108	28,424	(5,671)	(7,598)
TOTAL DISTRICT	$ 751,666	$ 4,967,000	$ 1,390,614	$ 394,986	$ 827,150	$ 128,475	$ 187,375

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund:							
Reserved	$ 242,353	$ 746,959	$ 767,516	$ 750,821	$ 2,316,634	$ 2,089,597	$ 1,427,722
Unreserved	322,239	517,347	615,402	1,068,017	295,555	573,369	571,693
Total General Fund	$ 564,592	$ 1,264,306	$ 1,382,918	$ 1,818,838	$ 2,612,189	$ 2,662,966	$ 1,999,415
All Other Governmental Funds:							
Reserved, Reported In:							
Capital Projects Fund	$ 9,047,925	$ 449,092	$ 21,794	$ 4,760		$ 88,888	$ 775,359
Unreserved, Reported In:							
Capital Projects Fund	(4,033,624)	(674,237)	149,323	126,021	$ 105,661	(30,610)	23,984
Debt Service Fund	1	24,002	2	8,252	6,964		
Total All Other Governmental Funds	$ 5,014,302	$ (201,143)	$ 171,119	$ 139,033	$ 112,625	$ 58,278	$ 799,343

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Tax Levy	$ 6,556,366	$ 7,482,510	$ 8,201,950	$ 9,007,118	$ 9,681,694	$ 10,127,249	$ 11,040,008	$ 11,556,515	$ 11,651,995	$ 11,807,121
Tuition Charges	8,652	29,129	750	750	15,619	10,334	14,863	22,381		29,387
Transportation Fees									28,960	31,138
Interest Earnings	158,018	242,185	141,859	59,654	45,702	65,619	139,244	104,510	30,383	26,769
Miscellaneous	6,174	40,235	11,489	50,804	51,928	92,943	24,137	112,670	97,401	54,559
State Sources	1,042,448	951,509	1,135,283	1,261,472	1,293,293	1,365,853	1,689,036	1,774,628	1,691,508	1,435,223
State Sources-Capital Projects			417,312	674	2,782,080	908,716		31,162		29,953
Federal Sources	62,080	88,770	303,778	188,298	136,179	141,347	63,852	175,407	178,395	282,857
Total Revenues	7,833,736	8,834,338	10,212,401	10,568,570	14,006,495	12,712,061	12,971,140	13,777,273	13,678,642	13,897,007
Expenditures:										
Instruction:										
Regular Instruction	2,775,866	2,846,522	3,051,969	3,373,586	3,278,640	3,541,273	3,821,816	3,982,137	3,981,814	4,049,080
Special Education Instruction	350,493	465,646	477,929	523,485	575,959	627,410	614,019	674,050	798,511	932,603
Other Special Instruction	55,595	25,728	81,289	100,014	79,535	55,014	58,507	57,822	220,846	208,426
Other Instruction	113,874	119,732	108,979	121,303	127,832	122,559	142,395	128,071	147,221	146,455
Support Services:										
Tuition	224,384	187,174	106,316	90,368	126,286	138,740	234,493	247,880	431,419	206,891
Student & Instruction Related Services	521,734	670,220	630,135	746,707	857,322	915,686	1,102,562	1,220,235	1,195,561	1,174,200
General Administration	298,442	279,335	322,575	343,770	337,452	380,752	422,779	424,354	335,527	530,185
School Administration Services	436,249	410,523	362,603	361,140	398,094	350,735	406,744	403,736	476,643	338,311
Central Services / Business	119,045	112,727	107,563	121,879	138,788	147,716	180,467	193,787	213,881	227,149
Administrative Information Technology						7,116	4,374	4,559	4,100	4,373
Plant Operations & Maintenance	581,865	584,204	635,856	881,400	723,222	1,039,050	932,326	1,124,196	1,076,730	965,667
Pupil Transportation	566,326	557,018	453,717	572,752	586,685	682,457	670,213	633,904	735,972	637,215
Employee Benefits	878,487	1,069,510	1,187,637	1,416,933	1,540,525	1,739,465	1,788,825	1,834,894	1,982,537	2,114,499
On-Behalf TPAF Pension/Social Security Contributions	364,460	286,588	457,017	526,482	551,179	617,720	939,767	984,890	757,582	755,680
Capital Outlay	287,718	118,611	320,838	545,151	187,500	488,815	269,891	235,085	320,010	85,536
Transfer of Funds to Charter School										10,361
Special Revenue Funds	95,142	124,329	346,813	193,074	139,727	142,828	73,167	175,407	178,395	282,857
Capital Projects	977,806	163,508	519,370	3,632,023	9,139,278	465,444	43,130	15,409	100,716	88,888
Debt Service:										
Principal	152,291	348,087	363,911	374,838	379,542	406,776	567,859	303,985	380,178	518,389
Interest & Other Charges	97,909	493,335	511,429	494,645	468,298	459,236	293,970	365,929	352,769	335,759
Total Expenditures	8,897,686	8,864,797	10,045,946	14,219,550	19,636,062	12,328,772	12,567,306	13,010,330	13,690,412	13,610,524
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,063,950)	(30,459)	166,455	(3,650,980)	(5,629,567)	383,289	403,834	766,943	(11,770)	86,483
Other Financing Sources (Uses):										
Capital Leases (Non-Budgeted)	278,439	57,974	110,408	217,447	113,836	115,804				
Proceeds from Bond Issue	8,996,000									
Proceeds from Refunding Bond Issue							8,500,000			
Payments to Refunding Bond Escrow Agent							(8,569,478)			
Proceeds from Bond Issue Premium							69,476			
Proceeds from Sale/Disposition of Capital Assets					1,000,000				8,200	3,100
Transfers In/(Out)	(957)					(8,219)				(12,069)
Total Other Financing Sources (Uses)	9,273,482	57,974	110,406	217,447	1,113,836	107,585	-	-	8,200	(8,969)
Net Change in Fund Balances	$ 8,209,532	$ 27,515	$ 276,863	$ (3,433,533)	$ (4,515,731)	$ 490,674	$ 403,834	$ 766,943	$ (3,570)	$ 77,514
Debt Service as a Percentage of Non-Capital Expenditures	3.39%	10.87%	10.51%	9.48%	8.98%	8.24%	7.56%	5.54%	5.85%	6.77%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005
Prior to June 30; 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Description	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Interest Income	$ 40,871	$ 24,139	$ 17,712	$ 9,065	$ 20,422	$ 58,701	$ 136,450	$ 103,245	$ 30,289	$ 26,754
Tuition Charges	8,652	29,129	750	750	15,619	10,334	14,863	22,381		29,387
Transportation Fees	945	30,811	538	510	1,856	1,859			28,960	31,138
Old Outstanding Checks Canceled		428				400		1,265		20,619
Miscellaneous	25	118	291	702	108	122	397	808	290	79
Prior Year Refunds	1,484	3,276	2,139	4,561	3,650		1,476	217	1,415	3,957
Miscellaneous Refunds	1,632			600	565		60	323	135	47
Miscellaneous Account Balances Canceled	535				3,051			846		
Payroll Agency & Net Payroll Excess Balances	1,553									
Building Use Rental Fees		2,000	1,000	337	1,000	3,190	2,825	6,097	3,330	2,000
Prior Year Accounts Payable Canceled		42	350				460	1,079		7,382
Book Fines		909	600	104	1,698	89		185	251	516
Sale of Surplus Materials/Textbooks				2,479		230			2,280	
Lawsuit Settlement Proceeds								4,199		
Yearbook Photography Commission/Rebates			748	811		3,626	6,215	3,651	5,510	3,622
Insurance Dividends/Rebates									20,999	6,287
Insurance Claim Recovery			5,723							
Local Contributions/Donations			100	40,500	40,000	40,182	121	92,000	62,500	500
Vendor Rebates									691	
Author Fees						1,500				
Testing Fees						1,000				
Prior Year Contractor Settlement										7,500
Bid Spec Fees										2,050
Annual Totals	$ 55,697	$ 90,852	$ 29,951	$ 60,419	$ 87,969	$ 121,233	$ 162,867	$ 236,296	$ 156,650	$ 141,838

Source: District Records

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Vacant Land	$ 24,208,100	$ 28,022,800	$ 29,825,700	$ 29,773,600	$ 20,666,000	$ 16,816,500	$ 14,425,900	$ 14,265,900	$ 14,950,500	$ 14,589,200
Residential	654,049,900	922,671,100	936,653,000	968,247,300	1,007,121,800	1,026,395,900	1,040,803,400	1,049,742,100	1,052,627,411	1,050,951,800
Farms-Regular	133,215,000	189,718,000	195,456,400	202,269,700	204,405,100	212,762,000	220,772,700	222,657,400	222,849,200	229,161,300
Farms-"Q"	3,455,911	4,272,300	4,113,910	3,720,510	3,582,700	3,611,800	3,638,400	3,611,000	3,621,236	3,590,586
Commercial	45,480,900	57,472,300	57,634,900	58,109,800	58,315,200	58,355,800	58,749,700	58,491,300	58,503,500	59,231,800
Industrial	2,154,000	2,842,600	2,862,100	2,862,100	2,862,100	2,862,100	2,733,000	5,304,000	5,304,000	5,304,000
Total Assessed Value	862,563,811	1,204,999,100	1,226,546,010	1,264,983,010	1,296,952,700	1,320,803,900	1,341,123,100	1,354,071,700	1,357,855,847	1,362,828,686
Public Utilities (a)	2,579,937	3,041,741	2,943,920	2,536,488	2,410,141	2,145,099	1,947,786	1,805,183	1,615,868	1,860,933
Net Valuation Taxable	$ 865,143,748	$ 1,208,040,841	$ 1,229,489,930	$ 1,267,521,498	$ 1,299,362,841	$ 1,322,948,999	$ 1,343,070,886	$ 1,355,876,883	$ 1,359,471,715	$ 1,364,689,619
Estimated Actual County Equalized) Value	$ 1,116,346,978	$ 1,202,403,839 *	$ 1,323,801,338	$ 1,420,775,423	$ 1,632,570,879	$ 1,800,226,545	$ 1,977,083,704	$ 1,935,800,747	$ 1,870,561,756	$ 1,826,649,202
Percentage of Net Valuation to Est. Actual County Equal. Value	77.50%	100.47%	92.88%	89.21%	79.59%	73.49%	67.93%	70.04%	72.68%	74.71%
Total Direct School Tax Rate (b)	$ 0.86	$ 0.68 *	$ 0.73	$ 0.76	$ 0.78	$ 0.83	$ 0.86	$ 0.86	$ 0.87	$ 0.86

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
(b) Tax rates are per $100

* Revalued/Reassessed

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER $100 OF ASSESSED VALUE)

	School District Direct Rate			Overlapping Rates			
Assessment Year	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Debt	Municipality	County	Total Direct & Overlapping Tax Rate
2001	$ 0.76	$ 0.10	$ 0.86	$ 0.49	$ 0.42	$ 0.59	$ 2.36
* 2002	0.61	0.07	0.68	0.42	0.33	0.45	1.88
2003	0.66	0.07	0.73	0.43	0.33	0.47	1.96
2004	0.69	0.07	0.76	0.54	0.34	0.46	2.10
2005	0.72	0.06	0.78	0.58	0.36	0.48	2.20
2006	0.77	0.07	0.84	0.54	0.36	0.48	2.22
2007	0.80	0.06	0.86	0.52	0.37	0.49	2.24
2008	0.81	0.05	0.86	0.49	0.36	0.48	2.19
2009	0.81	0.06	0.87	0.52	0.36	0.47	2.22
2010	0.80	0.06	0.86	0.47	0.38	0.46	2.17

Sources: Municipal Tax Collector

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
(b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

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

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
AM Best Co	$ 37,058,000	1	2.72%	$ 31,647,000	1	3.66%
Individual Property Owner	6,573,900	2	0.48%	1,722,300	6	0.20%
Stavola Quarries LLC	5,778,200	3	0.42%			
Individual Property Owner	4,008,200	4	0.29%			
Individual Property Owner	2,986,700	5	0.22%	1,256,500	9	0.14%
Individual Property Owner	2,302,210	6	0.17%			
Individual Property Owner	2,231,000	7	0.16%			
Individual Property Owner	2,201,600	8	0.16%			
Seven Fieldview Lane C/O M. Kamens, Esq.	2,115,400	9	0.16%			
United Telephone Co of NJ	2,074,933	10	0.15%	2,274,780	3	0.26%
Whitehouse Partners #1				4,390,000	2	0.51%
Oldwick Materials Inc				2,154,000	4	0.25%
Individual Property Owner				1,867,400	5	0.22%
Individual Property Owner				1,357,000	7	0.16%
Individual Property Owner				1,351,900	8	0.15%
Individual Property Owner				1,223,200	10	0.14%
	$ 67,330,143		4.93%	$ 49,244,080		5.69%

Source: Municipal Tax Assessor

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Calendar Year of the Levy (a)	
		Amount	Percentage of Levy
2000	$ 18,784,220	$ 18,441,671	98.18%
2001	20,790,800	20,244,955	97.37%
2002	23,046,876	22,522,359	97.72%
2003	24,416,266	24,023,438	98.39%
2004	26,990,808	26,515,384	98.24%
2005	28,948,185	28,494,458	98.43%
2006	29,682,817	29,195,258	98.36%
2007	30,335,422	29,847,094	98.39%
2008	29,795,288	29,372,007	98.57%
2009	30,336,059	29,860,845	98.43%

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

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities			
Fiscal Year Ending June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	% of Personal Income (a)	Per Capita (a)
2001	$ 11,047,201		$ 309,425			$ 11,356,626	3.75%	$ 2,001
2002	10,699,114		233,933			10,933,047	3.42%	1,898
2003	10,335,202		243,398			10,578,600	3.19%	1,821
2004	9,960,364		304,725			10,265,089	2.95%	1,733
2005	9,569,574		261,255			9,830,829	2.75%	1,646
2006	9,162,799		149,249			9,312,048	2.60%	1,547
2007	8,964,940		11,291			8,976,231	2.30%	1,480
2008	8,660,955					8,660,955	2.09%	1,427
2009	8,280,777					8,280,777	1.98%	1,363
2010	7,764,388					7,764,388	N/A	1,278

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

(a) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (a)
2001	$ 11,047,201		$ 11,047,201	1.28%	$ 1,946
2002 *	10,699,114		10,699,114	0.89%	1,858
2003	10,335,202		10,335,202	0.84%	1,779
2004	9,960,364		9,960,364	0.79%	1,682
2005	9,569,574		9,569,574	0.74%	1,603
2006	9,162,799		9,162,799	0.69%	1,523
2007	8,964,940		8,964,940	0.67%	1,479
2008	8,660,955		8,660,955	0.64%	1,427
2009	8,280,777		8,280,777	0.61%	1,363
2010	7,764,388		7,764,388	0.57%	1,278

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

(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.
* Revalued/Reassessed

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	$ 24,139,341	100.00	$ 24,139,341
Regional High School	5,245,000	19.67	1,031,928
County General Obligation Debt	115,572,465	7.69	8,883,168
Subtotal, Overlapping Debt			34,054,437
School District Direct Debt			8,402,836
Total Direct and Overlapping Debt			$ 42,457,273

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis			
	2009	$ 1,817,502,138	
	2008	1,923,670,550	
	2007	1,870,339,841	
		$ 5,611,512,529	
Average Equalized Valuation of Taxable Property		$ 1,870,504,176	
Debt Limit (3.0% of Average Equalization Value)		$ 56,115,125	(a)
Total Net Debt Applicable to Limit		7,942,836	
Legal Debt Margin		$ 48,172,289	

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	$ 25,798,688	$ 28,690,040	$ 32,240,254	$ 36,277,097	$ 40,371,151	$ 44,789,122	$ 49,389,461	$ 53,271,735	$ 55,497,523	$ 56,115,125
Total Net Debt Applicable	15,021,201	14,673,114	13,891,890	14,717,052	10,544,182	9,341,247	9,143,388	8,839,403	8,459,225	7,942,836
Legal Debt Margin	$ 10,777,487	$ 14,016,926	$ 18,348,364	$ 21,560,045	$ 29,826,969	$ 35,447,875	$ 40,246,073	$ 44,432,332	$ 47,038,298	$ 48,172,289
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	58.22%	51.14%	43.09%	40.57%	26.12%	20.86%	18.51%	16.59%	15.24%	14.15%

Source: Equalized Valuation Bases were obtained from the Annual Report of the State of New Jersey. Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2001	5,676	$ 309,627,724	$ 55,430	2.1%
2002	5,759	321,339,395	57,110	3.7%
2003	5,808	331,261,296	58,666	4.0%
2004	5,923	347,196,932	59,917	3.3%
2005	5,971	364,133,781	59,592	2.1%
2006	6,018	387,113,868	64,326	2.4%
2007	6,063	413,217,702	68,154	2.1%
2008	6,071	417,593,735	68,785	2.7%
2009	6,076	N/A	N/A	5.0%
2010	6,076	N/A	N/A	N/A

Sources:

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

(b) Personal income has been estimated based upon the municipal population and per capita personal income presented

(c) Per capita personal income by county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Employer	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction:										
Regular		49.9	53.5	53.6	55.2	56.0	56.2	56.2	81.2	61.9
Special Education		10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.0
Other Special Education		2.6	2.6	3.8	3.6	3.6	5.3	7.4	8.0	10.8
Other Instruction		8.7	1.7	4.1	5.8	5.8	5.0	6.0	5.2	4.9
Support Services:										
Student & Other Related Services		4.2	5.8	4.8	6.5	6.4	10.0	8.0	8.4	8.4
General Administration		4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services		2.0		2.2	1.0	1.0	1.0	1.0	1.0	1.0
Other Administrative Services		1.8	4.9	4.3	5.6	4.8	4.4	5.0	5.0	5.0
Central Services		3.0	2.1	2.2	2.2	2.2	2.6	3.0	3.0	3.0
Administrative Information Technology		3.3	3.8	3.3	3.0	3.8	3.0	2.0	1.0	1.0
Plant Operations and Maintenance		7.0	7.5	9.0	9.0	10.5	9.5	9.5	8.5	9.0
Pupil Transportation		5.7	6.9	7.1	7.1	7.4	7.7	8.3	9.6	9.5
Total	N/A	102.2	101.8	107.4	112.0	114.5	117.7	119.4	123.9	129.5

Sources: District Personnel Records

N/A Information prior to 2002 is not available

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	727	$ 7,381,962	$ 10,154	5.59%	76.0	1 to 9.57	722.5	693.9	2.05%	96.04%
2002	737	7,741,256	10,504	3.44%	76.0	1 to 9.70	733.0	701.7	1.45%	95.73%
2003	730	8,330,398	11,412	8.64%	76.0	1 to 9.61	736.0	694.3	0.41%	94.33%
2004	710	9,172,893	12,920	13.22%	75.0	1 to 9.47	701.6	674.0	-4.67%	96.07%
2005	723	9,461,446	13,086	1.29%	79.0	1 to 9.15	716.2	687.1	2.06%	95.94%
2006	757	10,508,501	13,882	6.08%	79.0	1 to 9.58	754.5	725.4	5.35%	96.14%
2007	776	11,392,456	14,681	5.78%	81.0	1 to 9.58	772.0	740.8	2.32%	95.96%
2008	784	12,089,922	15,421	5.04%	82.0	1 to 9.56	778.5	744.0	0.84%	95.57%
2009	781	12,536,739	16,052	4.09%	85.0	1 to 9.19	772.1	742.3	-0.82%	96.14%
2010	782	12,583,952	16,092	0.25%	84.0	1 to 9.37	776.9	748.4	0.62%	96.33%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

DISTRICT BUILDING	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sawmill School (1951)										
Square Feet	25,800	25,800	25,800	25,800	25,800	CLOSED 2005	CLOSED 2005	CLOSED 2005	CLOSED 2005	CLOSED 2005
Enrollment	N/A	220	241	241	251	-	-	-	-	-
Old Turnpike School (1968)										
Square Feet	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384	67,384
Enrollment	N/A	513	495	458	461	321	299	334	339	370
Tewksbury Elementary School (2006)										
Square Feet						73,289	73,289	73,289	73,289	73,289
Enrollment						432	442	439	440	416

Number of Schools at June 30, 2010:

Elementary	1
Middle School	1

Source: District Facilities Office
N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

Note: Enrollment prior to 2002 is not available

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

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities Fiscal Year	Old Turnpike School	Tewksbury Elementary School	Total
2001	$ 38,707		$ 38,707
2002	81,658		81,658
2003	65,931		65,931
2004	124,661		124,661
2005	99,869		99,869
2006 **			264,095
2007 **			175,547
2008	107,021	$ 89,793	196,814
2009	96,412	49,894	146,306
2010	36,299	29,129	65,428
Total School Facilities	$ 650,558	$ 168,816	$ 1,259,016

* School Facilities as Defined Under EFCFA. (NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

** Detail by school not available.

Source: District Records

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2010
(UNAUDITED)

	Coverage	Deductible
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Group Policy Maximum)	$ 250,000,000	$ 1,000
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Environmental Impairment Liability	1,000,000	5,000
Employee Benefit Liability	5,000,000	1,000
Blanket Employee Dishonesty (Per Person)	100,000	1,000
Umbrella Liability-School Alliance Insurance Fund:		
Umbrella Policy	5,000,000	
School Board Legal Liability-School Alliance Insurance Fund:		
Directors and Officers Policy	5,000,000	25,000
Workmen's Compensation-School Alliance Insurance Fund	5,000,000	
Catastrophic Student Accident Insurance-Bollinger Insurance Co	1,500,000	
Volunteer Accident Insurance-AIG Ins. Co:		
Maximum Benefit Amount	250,000	
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer's Bond	190,000	
Business Administrator Bond	190,000	

Source: District Records

SINGLE AUDIT SECTION

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A Professional Corporation

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITORS' 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

October 12, 2010

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

We have audited the financial statements of the Board of Education of the Tewksbury School District in the County of Hunterdon as of and for the year ended June 30, 2010, and have issued our report thereon dated October 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education'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 these 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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

October 12, 2010

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

Compliance

We have audited the compliance of the Board of Education of the Tewksbury School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2010. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

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

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2010 Accounts Receivable	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title II A	84.367A	NCLB-518009	$ 12,677	9/01/2008-8/31/2009	$ (1,248)	$ (6,655)	$ 1,248				$ (6,655)		
NCLB Title II A Carryover	84.367A	NCLB-518009	12,677	9/01/2008-8/31/2009		6,655		$ 6,655					
NCLB Title II A	84.367A	NCLB-518010	13,134	9/01/2009-8/31/2010				2,294			(13,134)	$ 10,840	
NCLB Title IV	84.184	NCLB-518009	1,153	9/01/2008-8/31/2009		(1,153)					(1,153)		
NCLB Title IV Carryover	84.184	NCLB-518009	1,153	9/01/2008-8/31/2009		1,153		1,153					
NCLB Title IV	84.184	NCLB-518010	1,108	9/01/2009-8/31/2010				1,108			(1,108)		
ARRA IDEA Basic	84.391	ARRA-518010	157,020	9/01/2009-08/31/2011			66,660	72,971			(90,360)	84,049	
ARRA IDEA Preschool	84.392	ARRA-518010	5,683	9/01/2009-08/31/2011			1,878	1,878			(3,805)	3,805	
IDEA Basic	84.027	IDEA-518009	133,256	9/01/2008-8/31/2009	(14,431)	(7,992)	55,992	41,561			(7,992)		
IDEA Basic Carryover	84.027	IDEA-518009	133,256	9/01/2008-8/31/2009		7,992		7,992					
IDEA Basic	84.027	IDEA-518010	134,858	9/01/2009-8/31/2010				134,858			(134,858)		
IDEA Preschool	84.173	IDEA-518009	7,887	9/01/2008-8/31/2009	(3,250)		7,887	4,637					
IDEA Preschool	84.173	IDEA-518010	7,910	9/01/2009-8/31/2010				7,910			(7,910)		
Total Special Revenue Fund					(18,929)	-	133,665	283,017	$ -	$ -	(266,975)	98,694	$ -
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Donation Program	10.550	N/A	18,075	7/01/2009-6/30/2010			18,075	14,849				3,226	
Food Donation Program	10.550	N/A	12,037	7/01/2008-6/30/2009	2,002			2,002					
National School Lunch Program	10.555	N/A	18,388	7/01/2009-6/30/2010			18,648	18,388			(1,740)		
National School Lunch Program	10.555	N/A	19,158	7/01/2008-6/30/2009	(1,727)		1,323			404			
Total Enterprise Fund					275	-	36,046	35,239	-	404	(1,740)	3,226	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					$ (18,654)	$ -	$ 169,711	$ 318,256	$ -	$ 404	$ (268,715)	$ 101,920	$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Grantor/Program Title	Project Number	Program or Award Amount	Grent Period From To	Balance June 30, 2009	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2010 Accounts Receivable	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Expenditures
State Department of Education													
General Fund:													
Categorical Special Education Aid	10-495-034 -5120-089	$ 216,007	7/01/2009- 6/30/2010		$ 216,007	$ 216,007						$ 39,035	$ 216,007
Categorical Security Aid	10-495-034 -5120-084	37,943	7/01/2009- 6/30/2010		37,943	37,943						1,316	37,943
Categorical Transportation Aid	10-495-034 -5120-014	254,004	7/01/2009- 6/30/2010		254,004	254,004						27,546	254,004
Extraordinary Special Education Costs Aid	10-100-034 -5120-473	152,028	7/01/2009- 6/30/2010			152,028			$ (152,028)				152,028
Extraordinary Special Education Costs Aid	09-100-034 -5120-473	203,019	7/01/2008- 6/30/2009	$ (203,019)	203,019								203,019
Nonpublic Transportation Aid	N/A	21,377	7/01/2009- 6/30/2010			21,377			(21,377)				21,377
Nonpublic Transportation Aid	N/A	23,257	7/01/2008- 6/30/2009	(23,257)	23,257								23,257
Other State Aid	N/A	8,427	7/01/2009- 6/30/2010		8,427	8,427							8,427
On-Behalf TPAF Pension Contribution- Post Retirement Medical	10-495-034 -5095-001	316,702	7/01/2008- 6/30/2009		316,702	316,702							316,702
On-Behalf TPAF Pension Contribution- Non Contributory Group Insurance	10-495-034 -5095-007	16,863	7/01/2008- 6/30/2009		18,863	16,863							18,863
Reimbursed TPAF Social Security Contribution	10-495-034 -5095-002	422,115	7/01/2009- 6/30/2010		400,937	422,115					$ (21,178)		422,115
Reimbursed TPAF Social Security Contribution	09-495-034 -5095-002	423,896	7/01/2008- 6/30/2009	108				$ 108					423,896
Total General Fund				(228,168)	1,477,159	1,445,466	$ -	108	(173,405)	$ -	(21,178)	67,897	2,095,638
Educational Facilities Construction Financing Act													
Capital Projects Fund:													
New Elementary School	SP# 201134	3,974,000	N/A	(178,448)					(178,448)				3,974,000
Middle School Roof Project	5180-030 -03-1178	100,603	N/A	(99,929)					(99,929)				100,603
Middle School Roof Project	5180-030 -04-00PJ	65,341	N/A	(65,341)					(65,341)				65,341
Acquisition of a Back Up Generator	5180-055 -09-1002	29,953	7/01/2008- 6/30/2012	(35,555)		(5,602)			(29,953)				29,953
				(379,273)	-	(5,602)	-	-	(373,871)	-	-	-	4,139,944
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	10-100-010 -3350-023	2,466	7/01/2009- 6/30/2010		2,228	2,466			(238)				2,466
State School Lunch Program	09-100-010 -3350-023	2,670	7/01/2008- 6/30/2009	(244)	186			58					2,670
Total Enterprise Fund				(244)	2,414	2,466	-	58	(238)	-	-	-	5,138
TOTAL STATE FINANCIAL ASSISTANCE				$ (605,685)	$ 1,479,573	$ 1,442,330	$ -	$ 166	$ (547,314)	$ -	$ (21,178)	$ 67,897	$ 6,240,718

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Tewksbury Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $10,243 for the general fund, $160 for the special revenue fund and $35,555 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund		$ 1,435,223	$ 1,435,223
Special Revenue Fund	$ 282,857		282,857
Capital Projects Fund		29,953	29,953
Food Service Fund	35,239	2,466	37,705
	$ 318,096	$ 1,467,642	$ 1,785,738

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unqualified	
Internal Control Over Financial Reporting:		
1. Material weakness(es) identified?	____ Yes	X No
2. Reportable conditions identified that are not considered to be material weaknesses?	____ Yes	X No
Noncompliance Material to Financial Statements Noted?	____ Yes	X No
Federal Awards	NOT APPLICABLE	
Internal Control Over Major Programs:		
1. Material weakness(es) identified?	____ Yes	____ No
2. Reportable conditions identified that are not considered to be material weaknesses?	____ Yes	____ No
Type of Auditor's Report Issued on Compliance for Major Programs?	____	
Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133	____ Yes	____ No

Identification of Major Programs:

CFDA Numbers	Amount	Name of Federal Program

(NOT APPLICABLE)

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)	NOT APPLICABLE
Dollar Threshold used to Distinguish Between Type A and Type B Programs:	
Auditee qualified as a low-risk auditee	____ Yes ____ No
State Awards	
Dollar Threshold used to Distinguish Between Type A and Type B Programs:	$300,000
Auditee Qualified as low-risk auditee	X Yes ____ No
Type of Auditor's Report Issued on Compliance for Major Programs:	Unqualified
Internal Control Over Major Programs:	
1. Material weakness(es) identified?	____ Yes X No
2. Reportable conditions identified that are not considered to be material weaknesses?	____ Yes X No
Any Audit Findings Disclosed That are Required to be Reported in Accordance with NJ OMB Circular Letter 04-04?	____ Yes X No

Identification of Major Programs:

GMIS Numbers	Amount	Name of State Program
10-495-034-5095-002	$ 422,115	Reimbursed TPAF Social Security Contrib
10-495-034-5120-473	152,028	Extraordinary Special Education Costs Aid

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2010.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2010.

TEWKSBURY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

There were no prior year findings or questioned costs.