

SCHOOL DISTRICT
OF
EGG HARBOR
TOWNSHIP

Egg Harbor Township Board of Education
Egg Harbor Township, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

Comprehensive Annual Financial Report

of the

Egg Harbor Township Board of Education

Egg Harbor Township, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

Egg Harbor Township Board of Education

Business Administration

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Introductory Section

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December 3, 2013

Citizens, Honorable President and
Members of the Board of Education
Egg Harbor Township School District
Atlantic County, NJ

The comprehensive annual financial report of the Egg Harbor Township School District (District) for the fiscal year ended June 30, 2013 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 operation of the various funds 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 Management's Discussion and Analysis, basic 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 Amendment of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04, *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:** The Egg Harbor Township School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Egg Harbor Township Board of Education and all its schools constitute the District's reporting entity.

For the 2012-2013 school year, the District's schools were organized as follows:

H. R. Swift School – This school houses a portion of the pre-kindergarten and the kindergarten through third grade classes. The pre-kindergarten classes are for handicapped children and are subsidized through a Federal Grant. Centralized registration offices, the Kids Klub (latchkey) coordinator and a child study team are located here in modular buildings. The school was built in 1956, and has undergone several renovations and additions in 1967, 1970 and 2003.

E. H. Slaybaugh School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District's pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District's second and third grade classes. The elementary school building was built in 1970 and was renovated in 1989 and 2003. The primary school building was constructed in 2007.

C. J. Davenport School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District's pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District's second and third grade classes, as well as the elementary autistic special education program. The elementary school building was built in 1976 and renovated in 2003. The primary school was constructed in 2007.

Dr. Joyanne D. Miller School – This school houses the District's entire fourth and fifth grade population. This building was constructed in 2003.

Alder Avenue Middle School – This school houses a portion of the District's sixth through eighth grade classes. The Board of Education public meeting room is also at this location. The building was constructed in 1992, and was renovated in 2007.

Fernwood Avenue Middle School – The District's remaining sixth, seventh and eighth grade classes are housed in this school. This school also has a large auditorium that is used by the community.

EHT High School – The ninth, tenth, eleventh and twelfth grade classes are housed in this school. The Arthur O. Marinelli Athletic Field House is on this site also. This structure contains locker rooms for home and away teams, athletic trainer treatment room, boys' and girls' coaches' offices, a concession stand and public rest rooms for sporting events. The athletic complex contains an artificial turf field that is used by a majority of the varsity school athletic programs. The building was constructed in 1983 and was renovated in 2003 and 2012.

Eagle Academy – This school is an alternative school for grades 7-12. The District is leasing this building from the Egg Harbor Township. The school building is almost 100 years old. The district plans to upgrade the HVAC and electrical systems, and replace all the windows in 2014.

In addition to the basic elementary curriculum emphasizing English Language Arts and Mathematics, each District school provides:

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Occupational and physical therapy services
- Enrichment classes
- Computer instruction
- Art and music instruction
- STEM and media instruction
- Library programs
- Health and physical education

- Guidance and child study team services
- Full time nurses
- Before and after school child care (grades 1-5)

The District provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational, as well as special education for handicapped children. The District completed the 2012-2013 fiscal year with an enrollment of 7,749 students. The average daily enrollment for 2012-2013 was 7,685 students, which is 46 students below the previous year's average daily enrollment. The following details the changes in the student enrollment in the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012/2013	7,685	-0.59%
2011/2012	7,731	-2.44%
2010/2011	7,924	2.71%
2009/2010	7,715	1.07%
2008/2009	7,633	0.71%
2007/2008	7,579	1.17%
2006/2007	7,491	2.80%
2005/2006	7,287	3.70%
2004/2005	7,027	4.28%
2003/2004	6,742	5.31%

2) **ECONOMIC CONDITION AND OUTLOOK**: The severe economic down-turn has continued to have an impact on our school district. The past explosive growth in residential real estate development from 2000 through 2010 has seen a marked decrease and the area's economic engine, the Atlantic City Casino industry, has not been immune to the recession. The unemployment rate in Atlantic County was 11.5% in July 2013 while the unemployment rate in New Jersey was 8.6% and that national rate was 7.3%.

The NextGen Aviation and Technology Park, located at the Federal Aviation Administration's William J. Hughes Technical Center in Egg Harbor Township, was expected to add 2,000 new, stable, high-paying engineering and technical jobs to start, with more to follow. However, the park has faced continued difficulties, ranging from attracting tenants to alleged financial mismanagement by a top development official. Earlier this year, the park and Richard Stockton College signed a memorandum of understanding that marks the end of one of the park's major hurdles and provides it with an established development partner. The college is supplementing the park's expenses for three to five years, and in exchange, the college would benefit from research opportunities and student internships.

In September 2013, the number of properties that received a foreclosure filing in Atlantic County, New Jersey was 35% higher than the previous month and 73% higher than the same time last year. Home sales for August 2013 were up 19% compared with the previous month, and up 14% compared with a year ago. The foreclosure rate for Egg Harbor Township is 1 in 286 housing units. The Atlantic County median sales price of a non-distressed home was \$195,000. The median sales price of a foreclosure home was \$154,315 or 21 % lower than non-distressed home sales.

Egg Harbor Township continues to be underfunded under the New Jersey state aid funding formula. Because of revenue caps that have been in existence under every funding formula since 2000, our district's state aid has not kept pace with the student population growth. During the 2012-13 school year, our calculated state aid was reduced by \$19,076,505 due to revenue caps and state aid freezes. This

on-going state aid gap was financed through higher property taxes during this period. According to the funding formula, Egg Harbor Township's local fair share is for the 2012-13 school year was \$49,064,769 but the actual school property tax levy was \$67,204,500. The Governor's two percent tax levy cap coupled with current real estate market conditions are presenting challenges to maintaining student programs and current staffing levels.

This slow-down presents both opportunities and challenges for the district. The decrease in the rate of growth allows time to assess our long-term growth projections against actual figures and to adjust future initiatives accordingly. As a designated growth zone of the State of New Jersey's Pinelands region, the challenge will be to continue to manage growth as the economy rebounds.

3) **MAJOR INITIATIVES:** During the 2012-2013 school year the Egg Harbor Township School District successfully sustained and implemented four major objectives as follows:

- A. The alignment of the district curricula in Mathematics and Language Arts to the new Common Core Standards (CCS).
- B. To implement the new teacher/administrator evaluation process and instrument as per state mandate for greater accountability and student achievement.
- C. To explore, develop and implement a comprehensive plan for the expansion of Science, Technology, Engineering and Mathematics (STEM) across grades K-12.
- D. To maintain the quality of our district facilities and plan for future needs.

In addition to these goals, we have sustained a theme, "Proud to Be an EHT HERO!" Under that initiative we have showcased the many proud moments our student body, our faculty, staff and community have engaged in to make Egg Harbor Township successful. We have partnered with the HERO Campaign and more than 700 of our educational community have participated in the HERO Walk and worked to raise over \$17,000 to raise awareness of the dangers of drinking and driving as well as to impart the character components of the HERO program to our students.

We have also continued to focus on our energy conservation initiative and continue to save millions of dollars for our community while teaching our faculty, staff, and students the benefits of conservation. The district has been recognized on the local, state and national level for our successes in these initiatives including state and national Green Ribbon Awards and Regional EPA Awards. The district has also applied for Energy Star status as we continue to showcase excellence in the field of energy conservation.

To meet our goals as listed above, specifically the academic components, we have utilized various committees of stakeholders to develop the initiatives. We have STEM Committees helping to audit our current practice and develop our pilot programs, create curriculum, units of study, lesson plans, and web resources to be disseminated to our entire staff and support the initiative. We have established a District Evaluation Advisory Committee (DEAC) to identify criteria and build the tools to develop our teacher evaluation instruments. We have utilized district Pacing Guide and Curriculum Committees to align to the Common Core Standards and to begin the process of understanding the elements of the Partnership for Assessment of Readiness in College and Careers (PARCC) slated for implementation in 2014.

In every case we are proud to show our community how the resources they provide the Egg Harbor Township Schools are being focused on developing quality facilities, quality instruction, and providing a quality product for our community. We are "Proud to be EHT!"

Curriculum and professional development activities:

1. The professional development structures and designs offered included:
 - a. District wide in-services
 - b. In service days which are building and/or district directed.
 - c. Professional days – teacher choice
 - d. School Business days – District generated
 - e. Monthly staff meetings
 - f. Weekly Professional Learning Communities
 - g. Before, during, and after school building based opportunities
 - h. Summer workshops
 - i. NJEA convention attendance

Grade levels and/or departments were partnered. Teams utilized Professional Learning Community (PLC) time to review student work and collaborate about successful strategies. In addition, the District adopted the **Charlotte Danielson Framework for Teaching and Learning**. Teachers were trained in the framework to prepare for the new evaluation system mandated by the New Jersey Department of Education.

Partnerships have been developed with Atlantic Cape Community College, Richard Stockton College and Rowan University for teacher preparation. Additional partnerships include Southern Regional Institute & Educational Technology Training Center (SRI & ETTC) and online and on-site professional development course offerings from New Jersey Education Association.

Common assessments (i.e. quarterly and trimester benchmark tests) were developed by teachers across the grade levels, inclusive of special education staff, during summer curriculum workshops/institutes sponsored by the District.

PLC's, staff meetings, School Leadership Team and I & RS play a major role in providing additional feedback to supplement professional development needs assessment results in developing school professional development opportunities.

2. We continue to work on the alignment of curriculum to the **Common Core State Standards**, creating pacing guides and assessment tools to create learning experiences that allow students to integrate knowledge, skills, and methods of inquiry in all academic areas.

3. The District supports professional development needs by providing job-embedded opportunities to assist teachers in developing an expanding range of strategies to accommodate a wide array of student learners.

4. The District continues to address professional learning gaps not addressed in schools by sustaining learning communities through team, department, and grade level meetings regarding the different buildings' needs and concerns with a focus on data analysis..

5. The Egg Harbor School Township School District has implemented Professional Learning Communities throughout all schools. Through this the District is able to support the development of productive team structures for teachers and administration to analyze data results to drive instruction.

6. The District plan is communicated to staff through school-based staff meetings and then posted on the District's common network server; which is accessible to all staff members. Furthermore, the plan is communicated to the community via www.eht.k12.nj.us.

7. The connection between student goals and professional development opportunities includes the establishment of Professional Learning Communities which analyze data in order to guide future instruction and offer new professional development opportunities.

8. Three (3) in-service days in February 2013 were dedicated to the Danielson Framework Training. Trainers from the Danielson Group spent three (3) days with the teaching staff and administrators, further extending the learning regarding the framework in practice.

Information Technology Services

During the 2012-2013 year, the Information Technology Services Department dedicated itself in the following areas:

HARDWARE:

- A district wide inventory of hardware with the focus of maintaining the minimum 5/1 student computer ratios across the district was performed. The current student computer ratio is 2.94 students for each computer. Repairs tickets documented in the IT Direct application total 957. The number of Help Desk calls during the 2012-2013 school year totaled 3,580.
- Increasing our district WIFI availability with the addition of access points. We increased WIFI coverage from 20% to 90% over the year with expected totals of 100% coverage for the 2013-2014 school year. This is all in support of the District Bring Your Own Device Policy.
- Continued replacement of aging district equipment including 21 of the 142 district network switches.

COMMUNICATIONS:

- Working with Comcast, our internet service provider, we restructured our agreement to increase our internet bandwidth from 70Mb to 100Mb due to increased demand. We expect to double this amount in the 2014-2015 school year in anticipation of PARCC testing.
- Investigated and received phone system proposals to update and add phones to classrooms that do not have communications (Davenport Elementary, Swift Elementary, and Slaybaugh Elementary). Multiple presentations were made to support this need.
- Upgrade to Blackboard Connect, the district Emergency Notification system. This upgrade provided us with various features such as; text abilities, direct posts to District Facebook page, parent and staff portal, etc.
- Responded to 2 natural disasters that affected communications and technology in the District. The "Derecho" and "Superstorm Sandy". This required immediate response to power outages and returning equipment to operational status when power was restored. For those systems on emergency generator power, we vigilantly updated those systems to keep the public informed using the district web page and district email.

TRAINING:

- The district regularly conducts building level and district level technology training and coordination with the assistance of the Director of Human Resources and the cooperation from the Southern Regional Institute & Educational Technology Training Center (ETTC). Our district hosts and facilitates any requests from the ETTC in order to have our faculty and staff be able to participate in technology training within our own district facilities. During the 2012-2013 school year, we fully utilized the hours attributed to our district. In fact, we were able to utilize additional funds from the State and Federal Programs department to purchase additional credits to meet District and Staff professional development needs and wants.

EHT TV2:

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming as well as increase coverage of District events during the 2012-2013 school year due to the addition of a Part Time TV studio assistant. This additional person allowed us the ability to provide more coverage to both school day and after school events. With the addition of new High Definition equipment, provided by the EHT Community Partnership, the production and picture quality have greatly improved. These productions range from various High School sports and performing arts productions, informative sessions such as the “Superintendent’s Round Table”, and township productions such as the “Mayor’s Forum” and the filming of town hall meetings.
- The department utilizes the Telvue Video Message Board System and digital video servers for video programming. This also includes PEGTV video archives for distribution on the internet, live internet distribution of the EHTTV2 video channels and other emergency management features through the new interface. During the 2012-2013 school year, EHT TV2 was responsible for announcing various public emergency events such as updates and school closings due to both the “Derecho” and “Hurricane Sandy”.

SOFTWARE:

- Focused on District Support Software setup and configuration. This ranged from the staff evaluation system to the replacement of the District HR and Finance package.
- Provided continued evaluation services for educational software proposals such as Study Island, ST Math, etc.

SECURITY:

- Focus in security projects has dealt with the maintenance and replacement of aging cameras and DVRs.
- Participation in crisis teams and changing of emergency announcement terminology was also provided by the ITS Department Security Coordinator.

NJSMART (NJ Standards Measurement and Resource for Teaching (NJ SMART))

- NJ Smart continues to evolve and have more requirements. Student ID (SID) management, Staff Member ID (SMID) management, pre-ID labels for state testing, etc. 2012-2013 school year required another NJ Smart submission, that of course roster. This report is the link between the teacher and student related to student progress. ASSA will be directly tied into NJ Smart for the 2013-2014 School Year.

STUDENT INFORMATION SYSTEM:

- Standard support and upgrades of Infinite Campus were conducted throughout the 2012-2013 school year. The only major upgrade included a beta (test) new grade book. We assigned the beta grade book to teacher trainers for evaluation before the official launch in either the 2013-2014 or 2014-2015 school year.

ESEA-NCLB
FY 2013
2012-2013
Title I, II-A, III, III-Immigrant
Grant Implementation

An **ESEA-NCLB** program management team facilitated the grant application development as well as program articulation, implementation, and supervision under Title I, II-A, III and III-Immigrant. Student achievement goals focused on the improvement of learning for the identified at-risk population in the

areas of English Language Arts and Mathematics. The district identified the Davenport Elementary and Miller Elementary Schools as **Targeted assistance** Title I schools.

Pro-active academic and professional initiatives were implemented including:

1. An academic summer 2013 program for 191 identified Title I students grades K through 5;
2. An after-school program for 141 Miller Elementary School Title I students to enhance academic achievement. This program ran for 2 hours per week from 11/13/12 to 5/2/2013;
3. Title I parent coordinators were hired at Davenport Elementary School (2) and Miller Elementary School (2) to educate Title I parents regarding the reading and math curricula in each grade level. They also instructed parents in the helping children with homework and how to meaningfully participate in parent-teacher conferences. A total of 532 parents and children attended these trainings during 12-13;
4. The Egg Harbor Township ESEA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESEA/NCLB. The English Language Arts and Math Pacing Guides for 12-13 were added and other academic websites were added to increase parent participation and knowledge of ESEA/NCLB as well as various resources. During 12-13, the ESEA-NCLB district website received a total of 11, 896 hits!
5. Math pacing guides for grades K through 8 were revised during the 12-13 school year and aligned with the Common Core Standards.
6. English Language Arts (ELA) pacing guides were revised throughout the 12-13 school year. Egg Harbor Township teachers have attended the EHT ESEA/ NCLB Title I Summer Institute, which focused on two topic areas: Empowering Writers, PARCC and STEM to Improve the Performance of Title I Students - attended by 34 Miller Elementary School teachers and 21 Davenport Elementary School teachers.

Program objectives were consistent with Egg Harbor Township district goals established by the Board of Education and the New Jersey Department of Education **Quality Single Accountability Continuum** (QSAC) regulations. The educational needs of the Non-Public schools, i.e. Trocki Hebrew Academy, Atlantic Christian and English Creek Academy, were also met via multiple consultations with the non-public officials.

English Language Learners: Egg Harbor Township had already completed its 2011-2014 Three Year Program Plan. 221 English Language Learner (ELL) students district-wide received ELL services consistent with Title III. We have completed the development of a four year “cycle” for coursework with ELL high school students. This is designed to help ELL students meet required HSPA standards as well as the revised WIDA standards which are assessed by the ACCESS testing, additional state testing for ELL students.

Focus School Status for Fernwood Avenue Middle School and Egg Harbor Township High School: Due to the New Jersey Department of Education receiving a waiver from the United States Department of Education, there is no longer the concept of Adequate Yearly Progress (AYP), nor Schools in Need of Improvement. Based on state test data for three years (Spring 2009, 2010 and 2011), Egg Harbor Township High School and Fernwood Avenue Middle School continued to be designated as **Focus Schools** during 12-13. They received this designation as a result of having large achievement gaps within subgroups.

Title I programs were implemented in the Targeted Assistance Title I Schools, i.e. Davenport Elementary School and Miller Elementary School. Multiple assessment measures were used to determine eligibility for program services. Examples of other assessments used for eligibility and/or

progress measurement were: Story-Town tests, Math End of Book tests and teacher recommendations. Title I funds paid for 17 split-funded remedial teachers. The programs were as follows:

Davenport Elementary School (K-3) and Miller Elementary School (4-5)

Eligible students were serviced in an in-class support or pull-out structure from 2 to 5 times per week for 30 to 40 minute sessions. Title I teachers reinforced the reading and math skills introduced by way of the newly revised pacing guides in ELA and Math. The revised pacing guides are aligned with the Common Core Standards and teaching the necessary skills prior to state testing dates. A Phonics First Morning Program for Title I students was conducted with a total of 63 second and third grade Title I students attending. An after-school program was provided for fourth and fifth grade Title I students during 12-13. A summer 2013 program for Title I students in Davenport and Miller was completed with 191 Title I students in grades K-5 attending.

Title IIA funds were utilized to fully fund one Class Size Reduction teacher, pay for substitutes for the grades K-8 ELA and Math Pacing Guide Committees as well as pay for the following stipend positions: Grades K-5 ELA and Math Trimester Test Data Analysis professionals, Grades 6-8 and grade 11 ELA and Math Quarterly Test Data Analysis Professionals, NCLB Webmaster, and Reading Specialist Curriculum Development. Additionally, funds were utilized to provide for a Phonics First Consultant and the purchase of SRI & ETTC professional development credits.

Title III funds were utilized to pay for one-split funded bilingual teacher and for one split-funded ELL teacher as well as for instructional supplies.

Title III-Immigrant funds were utilized to pay for instructional supplies.

Non-Public School NCLB Activities

Title IIA funds were utilized to pay for professional conferences for Atlantic Christian School.

Individuals with Disabilities Education Act (IDEIA)

FY 2013

2012-2013

Grant Implementation

During FY 2013, \$264,988 of the IDEIA grant was required to be allocated to Coordinated Early Intervention Services (CEIS) due to an over-representation of minorities in the special education population. Unfortunately, because we received late notice of this requirement all but \$35,783 of the CEIS money was carried forward to FY14. The \$35,783 that spent from the CEIS allocation was used to purchase the ST Math program for the Miller Elementary School and to conduct professional development for all classroom and remedial teachers on the use of the product. This was completed in the summer of 2013. Targeted at-risk students in each classroom are now assigned to the ST Math program. We will monitor their results. Principals from the remaining schools are in the process of evaluating additional needs of the at-risk populations and determining what additional programs can be funded to address the needs using the CEIS funds.

IDEIA funds provided summer school (summer 2013) programs for disabled students preschool through age 21. This included teachers, aides, a behavior therapist, sign language interpreter, speech therapists, and school nurses for the programs. A Work Transition Summer Program was scaled back to only two offerings due to a reduction in funds available for special education.

IDEIA funding was also used for out of district tuition placements for EHT disabled students from pre-school through grade 12. Such placements included Atlantic County Special Services School District, Yale Academy, and Coastal Academy, among other private placements. As in the past, IDEIA funds

also provided for an Out of District placement case manager/consultant, independent contractors to provide physical and occupational therapy services and two Child Study Team secretaries. In addition, some funds were expended on summer 2013 curriculum development work by special education teachers to prepare for the new Common Core Standards and PARCC requirements. Funds also were used to purchase special instructional materials for the lower functioning students who require unique books, curriculum, etc.

IDEIA funds also provided home instruction services for disabled students. This permitted disabled students to continue to meet the goals of their IEPs.

Lastly, IDEIA funds were used to purchase testing supplies for the district's Child Study Teams and evaluation and instructional materials for the preschool disabled students. Funds also were used to pay for substitutes for teachers to attend annual review meetings.

STUDENT TESTING

The following tables reflect our district's student assessment results for the 2012-2013 school year:

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK3)
3TH Grade***

TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	17.3%	45.4%	37.2%
Language Arts Literacy	41.4%	56.7%	1.9%

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK4)
4TH Grade***

TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	26.8%	51.2%	22.0%
Language Arts Literacy	48.9%	47.9%	3.2%
Science	10.1%	48.9%	41.0%

***NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK5)
5TH Grade***

TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	30.0%	43.6%	26.4%
Language Arts Literacy	55.3%	41.0%	3.7%

NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK6)
6TH Grade
TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	32.5%	49.2%	18.3%
Language Arts Literacy	40.0%	57.5%	2.5%

NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK7)
7TH Grade
TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	37.1%	42.1%	20.8%
Language Arts Literacy	41.5%	53.3%	5.2%

NEW JERSEY ASSESSMENT OF SKILLS AND KNOWLEDGE (NJASK8)
8TH Grade
TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Math	26.9%	41.1%	32.0%
Language Arts Literacy	22.7%	70.4%	7.0%
Science	19.7%	47.7%	32.6%

HIGH SCHOOL PROFICIENCY ASSESSMENT (HSPA)
11TH Grade
TOTAL STUDENTS

Content	Partially Proficient	Proficient	Advanced Proficient
Mathematics	23.9%	55.7%	20.3%
Language Arts	8.5%	73.8%	17.7%

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SCHOLASTIC APTITUDE TEST

Year	Test Takers	Reading	Math	Writing	Composite
2003-2004	229	500	514	n/a	1005
2004-2005	228	507	510	n/a	1017
2005-2006	275	478	493	n/a	971
2006-2007	314	477	486	n/a	963
2007-2008	295	481	503	486	1470
2008-2009	328	477	498	470	1445
2009-2010	338	493	507	484	1484
2010-2011	403	477	497	475	1449
2011-2012	393	488	507	479	1474
2012-2013	413	490	504	485	1479

2012-2013 SCHOLASTIC APTITUDE TEST EHTHS COMPARISONS WITH NJ AND NATIONAL SCORES

	Test-Takers	WRITING	MATH	READING
EHTHS	413	485	504	490
NEW JERSEY	83,489	500	522	499
NATIONAL	1,660,047	500	514	496

2013 GRADUATES CONTINUING EDUCATION

Year	Four-Year School	Two-Year School	Voc/Tech School	Military	Work
2004	42.3%	35.4%	5.3%		
2005	39%	39%	26%		
2006	43%	41%	5%		
2007	40%	43%	5%		
2008	41%	45%	5%	2%	7%
2009	43%	42%	4%	4%	7%
2010	42%	42%	4%	4%	7%
2011	44%	42%	5%	4%	5%
2012	43%	42%	5%	4%	6%
2013	44%	43%	5%	4%	4%

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls 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 principals (GAAP). Internal control 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 awards and state financial assistance, the District also is 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 awards 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 revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013.

- 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. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
- 7) **DEBT ADMINISTRATION**: At June 30, 2013, the District's outstanding debt issues included \$69,240,000 in refunding bonds and \$28,255,000 in general obligation bonds. The proceeds of these bond issues were to provide funds for capital improvement to the District's buildings. These improvements include repairs and renovations to the High School, Davenport, Slaybaugh and Swift elementary schools, additions to the High School and Swift elementary school, the construction of two new elementary schools as well as another addition to the High School, boiler and chiller replacements, window replacements, roof replacements, solar panel installation, upgrades to the high school athletic complex, and the construction of a fueling canopy.
- 8) **OTHER INFORMATION**:

Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accounts. The accounting firm of Ford Scott & Associates, LLC, CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. 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.

- 9) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Egg Harbor Township 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



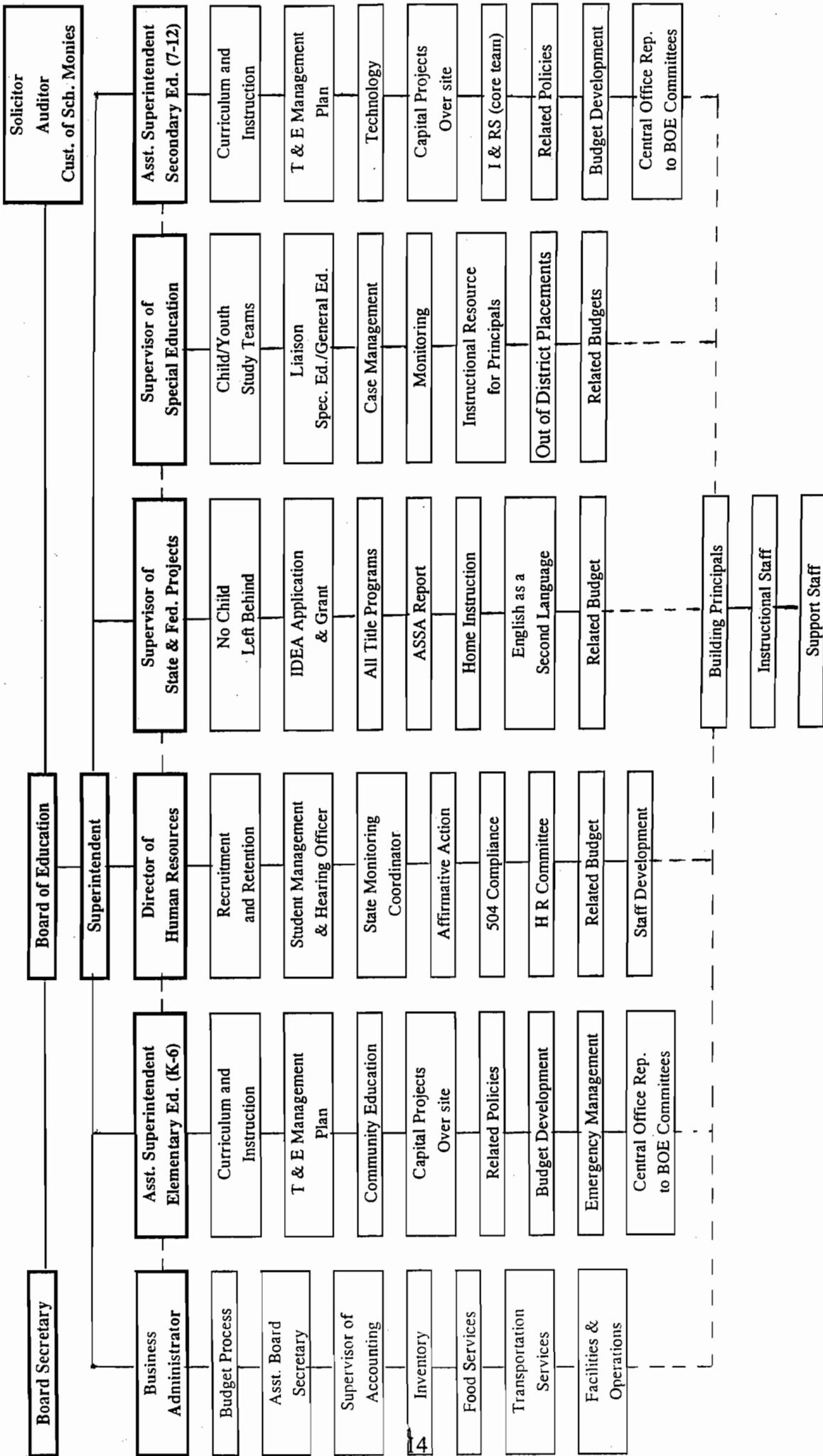
Scott P. McCartney, Ed. D.
Superintendent



Kateryna W. Bechtel, CPA
School Business Administrator/
Board Secretary

Board Policy 1110 Organizational Chart

EGG HARBOR TOWNSHIP PUBLIC SCHOOLS



Current Policy Adopted 1/15/86, Revision Introduced 8/27/02
 Revision 8/27/02, 4/27/04
 Revision Introduced May 24, 2005

EGG HARBOR TOWNSHIP BOARD OF EDUCATION

EGG HARBOR TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James W. Galvin, President	2013
Barbara A. Szilagyi, Vice President	2013
Pete Castellano	2015
Lisa Dagit	2015
Mark Deebold	2014
Louis Della Barca	2013
John "Jack" Haines	2015
Thor Himley	2014
Mary Ann Spiker	2014

Other Officials

Scott McCartney, Ed. D., Superintendent

Kateryna W. Bechtel, CPA, Board Secretary/Business Administrator

William Donio, Esq., Solicitor

**EGG HARBOR TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors**

Architect

The Spiezle Group
120 Sanhican Drive
Trenton, NJ 08618

Audit Firm

Ford Scott & Associates, LLC
Certified Public Accountants
1535 Haven Avenue
PO Box 538
Ocean City, NJ 08226

Attorney

Cooper Levenson April Neidleman Wagenheim
1125 Atlantic Avenue
Atlantic City, NJ 08401

Engineer

Polistina & Associates
6684 Washington Avenue
Egg Harbor Township, NJ 08234

Bond Counsel

McManimon & Scotland, LLC
One Riverfront Plaza, 4th Floor
Newark, NJ 07102

Official Depository

Ocean City Home Bank
1184 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Egg Harbor Township School District
County of Atlantic, New Jersey

Report on the Financial Statements

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 Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Egg Harbor Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013 on our consideration of the Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor Township School District's internal control over financial reporting and compliance.



Robert E. Swartz, CPA
Licensed Public School Accountant
No. CS00667

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

December 3, 2013

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Required Supplementary Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Egg Harbor Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- In the District's Governmental Activities, the net position of the District decreased \$175,793 due to an overall increase in expenses, in particular special education and employee benefit costs. The State of New Jersey continued to defer both June state aid payments until July 2013. The District approved fund balance transfers from Capital Reserve in the amount of \$1,406,400 to fund the renovations/expansion of the high school field house and concession stand, modular building project at the Swift Elementary School, and upgrades to the building automation system at the Swift Elementary School. During the 2012 fiscal year, \$466,600 was transferred from Capital Reserve to fund the installation of air conditioning units in the High School gymnasium.
- The State of New Jersey reimbursed the District \$3,749,853 during the fiscal year ended June 30, 2013 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$6,663,901 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in next year's budget as budgeted fund balance. As of June 30, 2013 the District had excess surplus of \$9,035,850, or approximately 8.1% of the district's general fund budget, of which \$3,222,051 was applied to the 2013-14 budget. As of June 30, 2012 the District had excess surplus of \$5,918,996, or approximately 5.5% of the district's general fund budget, of which \$2,696,945 was applied to the 2012-13 school budget.
- During the fiscal year ended June 30, 2013, the District's General Fund revenue realized was \$789,324 more than total expenses. Although the District realized more revenue in the current fiscal year, there were significant increases in expenditures, in particular special education and employee benefits. In addition, the District transferred more funds to the capital projects fund during the 2013 fiscal year. During the prior fiscal year, revenue realized was \$3,095,251 greater than total expenditures.
- In the District's business-type activities, net position decreased \$254,888 during fiscal 2013 as compared to a net increase of \$277,850 in fiscal year 2012, due to the District allocating indirect costs of approximately \$280,000 to the food service operation. During the 2013 and 2012 fiscal year, the General Fund did not transfer funds to the Food Service Fund to cover operating deficits. The Enterprise Fund also includes the Kids Klub latchkey program which operated at a loss of \$15,645 for the fiscal year ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the formation in the financial statements. The following schedule shows how the required parts of this annual report are arranged and relate to one another.

The following table summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of Egg Harbor Township Board of Education's
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and latchkey	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the Township's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. During the 2012-2013 school year, net position decreased by \$430,681. This net decrease is due to the overall increase in expenses, in particular special education and employee benefits. The District, however, continued to experience reduced utility costs due to the production of solar energy, which was coupled by a reduction in natural gas and utility costs through the continuation of an energy savings program and a mild winter. Also, the District realized \$723,162 in tuition that was not anticipated as a result of homeless students from other districts, as well as \$622,000 from the settlement of two lawsuits. The financial condition of the District, excluding depreciation expense, improved during the 2013 fiscal year and with the deferral of the additional state aid, \$5,813,799 in excess fund balance will be available to apply to the 2015 fiscal year budget.

The business-type activities net position decreased due to the allocation of indirect costs, including workers' compensation insurance, employer pension contribution, and custodial salaries, to the food service program. Although program revenue decreased by \$150,281, this decrease was offset with an increase in federal and state funding for the school nutrition program in the amount of \$139,742. Expenditures increased by \$522,199 primarily due to the increased cost of food and milk supplies, along with the allocation of indirect costs from the general fund.

	Governmental Activities	Business- Type Activities	Total 2013	Governmental Activities	Business- Type Activities	Total 2012
Current and other assets	\$17,981,950	1,445,001	19,426,951	18,896,399	1,753,216	20,649,615
Capital assets	204,540,290	147,741	204,688,031	210,930,564	113,406	211,043,970
Total assets	222,522,240	1,592,742	224,114,982	229,826,963	1,866,622	231,693,585
Deferred outflows of resources	1,896,182		1,896,182			
Long-term liabilities	104,060,447	106,209	104,166,656	108,699,054	90,618	108,789,672
Other liabilities	3,175,708		3,175,708	5,484,359	34,583	5,518,942
Total liabilities	107,236,155	106,209	107,342,364	114,183,413	125,201	114,308,614
Deferred inflows of resources	1,651,427		1,651,427			
Net position						
Net Investment in capital assets	106,080,616	147,741	106,228,357	107,596,509	113,406	107,709,915
Restricted	3,937,303		3,937,303	5,358,595		5,358,595
Unrestricted	5,512,921	1,338,792	6,851,713	2,688,446	1,628,015	4,316,461
Total net position	\$115,530,840	1,486,533	117,017,373	115,643,550	1,741,421	117,384,971

Changes in net position. The total governmental fund revenue of the District decreased by \$20,632,582 when compared to the prior fiscal year. During the 2012 fiscal year, the District was awarded \$27,431,004 in State funding for various capital projects. The local tax levy is 55.25% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 30% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

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Governmental Activities

	<u>2013</u> <u>Amount</u>	<u>Percentage</u>	<u>2012</u> <u>Amount</u>	<u>Percentage</u>
Property taxes	\$72,943,484	55.25%	69,682,812	45.65%
Federal and State aid				
Unrestricted	40,238,195	30.48%	39,589,730	25.93%
Restricted	3,250,869	2.46%	30,542,358	20.00%
Tuition	723,162	0.55%	503,161	0.33%
Operating grants and Contributions	13,904,322	10.53%	11,672,737	7.65%
Other	966,854	0.73%	668,670	0.44%
Totals	\$132,026,886	100.00%	152,659,468	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2013 and 2012 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2012 Total</u>
Revenues						
Program revenue						
Charges for srvs		1,696,748	1,696,748		1,847,029	1,847,029
Federal grants	\$3,520,497	1,776,303	5,296,800	4,771,168	1,634,492	6,405,660
State grants and Entitlements	50,622,020	35,405	50,657,425	32,575,830	34,759	32,610,589
General revenues						
Property taxes	72,943,484		72,943,484	69,682,812		69,682,812
Tuition	723,162		723,162	503,161		503,161
State aid						
Entitlements	3,250,869		3,250,869	44,457,826		44,457,826
Other	966,854	2,827	969,681	668,671	5,542	674,213
Total revenues	\$132,026,886	3,511,283	135,538,169	152,659,468	3,521,822	156,181,290

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	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2013 Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2012 Total</u>
Expenses						
Instruction:						
Regular	\$50,851,116		50,851,116	47,995,315		47,995,315
Special Education	11,368,892		11,368,892	10,275,050		10,275,050
Other special instr.	3,139,061		3,139,061	3,193,882		3,193,882
Other Instruction	1,925,211		1,925,211	1,795,295		1,795,295
Nonpublic school programs	89,559		89,559	228,312		228,312
Support services:						
Tuition	6,355,186		6,355,186	5,626,732		5,626,732
Student & instr related services	19,522,106		19,522,106	16,997,889		16,997,889
School admin srvs General & business	6,006,631		6,006,631	5,482,838		5,482,838
admin services	4,368,385		4,368,385	3,955,349		3,955,349
Plant operations & maintenance	13,998,124		13,998,124	13,900,726		13,900,726
Pupil transport	10,075,822		10,075,822	9,804,068		9,804,068
Capital outlay	2,000		2,000			
Interest on Long Term Debt	4,333,013		4,333,013	4,679,467		4,679,467
Business-type Activities		3,766,171	3,766,171		3,243,972	3,243,972
Total expenses	132,035,106	3,766,171	135,801,277	123,934,923	3,243,972	127,178,895
Excess/(Deficit)						
Before special Items & transfers	(8,220)	(254,888)	(263,108)	28,724,545	277,850	29,002,395
Special item	(167,573)		(167,573)	433,797		433,797
Increase/(Decrease) in net position	(\$175,793)	(254,888)	(430,681)	29,158,342	277,850	29,436,192

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Business-type Activities

Operating revenues of the District's business-type activities decreased \$10,539 from the previous year while expenses increased by \$522,191. Factors contributing to these results included:

- Decreased student enrollment and participation in the school lunch programs, partially offset by higher eligibility of families for free and reduced lunches.
- The cost of food products and related shipping costs continue to increase, while the State of New Jersey caps the school lunch rate.
- The allocation of indirect costs, such as custodial salaries and related benefits, to the food service program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2013, the governmental funds reported a combined fund balance of \$16,505,091, which is \$1,265,775 higher than the beginning of the year. This increase is due to cost saving measures put into place by the District during the past fiscal year, including a reduction in staff through attrition.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, 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, as a Type II School District that has elected to have November elections, requires approval by the voters only when statutory limits are exceeded. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the County Executive Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$1,882,343. This is a result of additional state aid, tuition received as well as the settlement of two lawsuits, in the District's favor, during the fiscal year. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by \$6,016,985. The most significant variances occurred as a result of the continued decreases in tuition costs to special services school districts, savings in energy costs, and decreases in transportation costs. Audit Exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the District had invested \$205 million in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of approximately \$6.4 million, or 3.01%, over last year. The decrease is due largely to current year depreciation expense.

	Govern- Mental Activities	Business Type Activities	2013 Total	Govern- Mental Activities	Business Type Activities	2012 Total
Land	\$1,847,000		1,847,000	1,847,000		1,847,000
Const in Progress	4,223,276		4,223,276	3,931,964		3,931,964
Buildings & Bldg improv	193,749,513		193,749,513	199,903,251		199,903,251
Machinery & equipment	794,937	147,741	942,678	1,401,053	113,406	1,514,459
Vehicles	3,925,564		3,925,564	3,847,296		3,847,296
Total	204,540,290	147,741	204,688,031	210,930,564	113,406	211,043,970

During the 2013 fiscal year the district continued to upgrade facilities and equipment for use throughout the district. In addition, the District began construction on the high school field house and concession stand renovations and expansion, as well as a modular building project at the Swift Elementary School. More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$97,495,000 and obligations under capital leases of \$1,020,639.

	Balance 6/30/12	Issued	Retired/ Adjusted	Balance 6/30/13
Bonds payable	\$101,804,000	6,805,000	11,114,000	97,495,000
Obligations under Capital leases	1,586,020		565,381	1,020,639
Compensated absences Payable	5,399,652	751,841	500,476	5,651,017
Total	\$108,789,672	7,556,841	12,179,857	104,166,656

More detailed information about the District's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The student population in the District has increased by over 1,400 students over the past 12 years, reflecting a 22% enrollment growth, second highest in the state. This enrollment growth has resulted in a significant strain on the school district and the local taxpayers and despite slight decreases in student enrollments during the past two years, the District continues to provide a thorough and efficient education with significant underfunding of state support. Under the school funding formula, the District's categorical state aid for 2012-13 was \$39,807,390, reflecting an increase from \$37,531,686 during 2011-12.

The district's 2013-14 tax levy was not required to be approved by the voters due to the district moving the annual election to November, in accordance with State statute. The statute provides districts the option to move their school elections to the general election in November, and tax levies within the 2% statutory cap in increases did not require voter approval. The 2013-14 tax levy is \$69,175,095, which is at the statutory maximum tax levy increase of 2% over the 2012-13 tax levy plus an allowable tax levy adjustment for increases in health benefits. The District received additional state aid in 2013-14 in the amount of \$70,558 for a total state aid allocation of \$39,877,948

In addition, the district's share of state aid continues to be reduced because of revenue growth caps. The 2013-14 state aid calculated and uncapped should be \$72,770,190, but the actual aid received was \$39,877,948. Under the school funding formula, the required local share to be raised by taxes for 2013-14 was \$52,339,929. The actual tax levy was \$69,175,095, which reflects an additional tax burden of \$16,835,166 resulting from many years of flat funding and state aid caps, coupled with the mandated growth as a Pinelands High Density Growth area. The housing market and economy has slowed down the rate of student growth, but many developments have been approved and can be built out as the economy recovers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 13 Swift Drive, Egg Harbor Township, New Jersey 08234.

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DISTRICT - WIDE FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$13,732,356	1,621,248	15,353,604
Receivables, net	1,248,189		1,248,189
Internal balances	353,569	(353,569)	0
Due from other governments	2,647,836	117,487	2,765,323
Inventory		59,835	59,835
Capital assets not being depreciated			
Construction in progress	4,223,276		4,223,276
Land	1,847,000		1,847,000
Capital assets, net	198,470,014	147,741	198,617,755
Total Assets	<u>222,522,240</u>	<u>1,592,742</u>	<u>224,114,982</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond issue refunding	<u>1,896,182</u>		<u>1,896,182</u>
LIABILITIES			
Accounts payable	138,611		138,611
Other liabilities	2,684,655		2,684,655
Payable to state government	107,085		107,085
Unearned revenue	245,357		245,357
Noncurrent liabilities:			
Due within one year	5,249,252	55,965	5,305,217
Due beyond one year	98,811,195	50,244	98,861,439
Total liabilities	<u>107,236,155</u>	<u>106,209</u>	<u>107,342,364</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on bond issue refunding	<u>1,651,427</u>		<u>1,651,427</u>
NET POSITION			
Net investment in capital assets	106,080,616	147,741	106,228,357
Restricted for:			
Debt service	37,743		37,743
Capital projects	3,899,560		3,899,560
Unrestricted	5,512,921	1,338,792	6,851,713
Total net position	<u>\$115,530,840</u>	<u>1,486,533</u>	<u>117,017,373</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	\$37,846,109	13,005,007	723,162	6,576,044		(43,551,910)		(43,551,910)
Special education	8,349,908	3,018,984		908,412		(10,460,480)		(10,460,480)
Other special instruction	2,256,619	882,442		265,527		(2,873,534)		(2,873,534)
Other instruction	1,520,238	404,973		121,856		(1,803,355)		(1,803,355)
Nonpublic school programs	89,559					(89,559)		(89,559)
Support services:								
Tuition	4,335,990	2,019,196		607,576		(5,747,610)		(5,747,610)
Student & instruction related services	14,457,634	5,064,472		2,351,632		(17,170,474)		(17,170,474)
School administrative services	4,009,562	1,997,069		600,918		(5,405,713)		(5,405,713)
General and business administrative services	3,124,832	1,243,553		374,185		(3,994,200)		(3,994,200)
Plant operations and maintenance	9,856,075	4,142,049		1,246,343		(12,751,781)		(12,751,781)
Pupil transportation	7,244,886	2,830,936		851,829		(9,223,993)		(9,223,993)
Unallocated benefits	34,608,681	(34,608,681)						
Capital outlay	2,000					(2,000)		(2,000)
Interest on long-term debt	4,333,013					(4,333,013)		(4,333,013)
Total governmental activities	132,035,106	0	723,162	13,904,322	0	(117,407,622)	0	(117,407,622)
Business-type activities:								
Food Service	3,423,983		1,370,924	1,811,708		(241,351)	(241,351)	(241,351)
Child Care	342,188		325,824	0		(16,364)	(16,364)	(16,364)
Total business-type activities	3,766,171	0	1,696,748	1,811,708	0	(257,715)	(257,715)	(257,715)
Total primary government	\$135,801,277	0	2,419,910	15,716,030	0	(117,407,622)	(257,715)	(117,665,337)
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net						67,204,500		67,204,500
Taxes levied for debt service						5,738,984		5,738,984
Federal and State aid not restricted						40,238,195		40,238,195
Federal and State aid restricted						3,250,869		3,250,869
Investment Earnings						40,643	2,827	43,470
Miscellaneous Income						926,211		926,211
Special items:								
(Loss) on disposal of fixed assets						(171,227)		(171,227)
Cancellation of prior year purchase orders						3,654		3,654
Total general revenues, special items, extraordinary items and transfers						117,231,829	2,827	117,234,656
Change in Net Position						(175,793)	(254,888)	(430,681)
Net Position—beginning (restated)						115,706,633	1,741,421	117,448,054
Net Position—ending						\$115,530,840	1,486,533	117,017,373

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$11,519,166		2,175,447	37,743	13,732,356
Receivables, net		1,248,189			1,248,189
Due from other funds	1,264,827				1,264,827
Receivables from other governments	879,656	11,438	1,756,742		2,647,836
Total assets	<u>13,663,649</u>	<u>1,259,627</u>	<u>3,932,189</u>	<u>37,743</u>	<u>18,893,208</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		138,611			138,611
Due to other governments		107,085			107,085
Interfund payable		878,629	32,629		911,258
Other liabilities	985,806				985,806
Unearned revenue	110,055	135,302			245,357
Total liabilities	<u>1,095,861</u>	<u>1,259,627</u>	<u>32,629</u>	<u>0</u>	<u>2,388,117</u>
Fund Balances:					
Restricted for:					
Excess Surplus	5,813,799				5,813,799
Excess Surplus - Designated for Subsequent Year's Expenditures	3,222,051				3,222,051
Capital Projects			3,149,561		3,149,561
Committed for:					
Capital Reserve Fund	3,379,001				3,379,001
Encumbrances			749,999		749,999
Assigned to:					
Designated for subsequent year's expenditures	152,937				152,937
Unreserved, reported in:					
Debt service fund				37,743	37,743
Total Fund balances	<u>12,567,788</u>	<u>0</u>	<u>3,899,560</u>	<u>37,743</u>	<u>16,505,091</u>
Total liabilities and fund balances	<u>\$13,663,649</u>	<u>1,259,627</u>	<u>3,932,189</u>	<u>37,743</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 204,540,290

Deferred inflow of resources
Gain on 10/1/04 refunding bond issue (1,651,427)

Deferred outflows of resources
Loss on 12/5/06 refunding bond issue 1,776,574
Loss on 12/1/12 refunding bond issue 119,608

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bond payable (97,495,000)
Capital leases (964,674)
Accrued interest payable (1,698,849)
Compensated absences (5,600,773)

Net position of governmental activities \$115,530,840

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$67,204,500			5,738,984	72,943,484
Tuition Charges	723,162				723,162
Interest	40,643				40,643
Miscellaneous	926,211				926,211
Local sources		80,932			80,932
State sources	50,417,791	123,297		3,250,869	53,791,957
Federal sources	234,158	3,286,339			3,520,497
Total revenues	<u>119,546,465</u>	<u>3,490,568</u>	<u>0</u>	<u>8,989,853</u>	<u>132,026,886</u>
EXPENDITURES					
Current:					
Regular instruction	32,596,317	2,505,987			35,102,304
Special education instruction	7,581,713				7,581,713
Other special instruction	2,032,077				2,032,077
Other instruction	1,417,191				1,417,191
Nonpublic school programs		89,559			89,559
Support services and undistributed costs:					
Tuition	3,822,196				3,822,196
Student & instruction related services	12,341,223	827,732			13,168,955
School administrative services	3,501,399				3,501,399
Other administrative services	2,808,404				2,808,404
Plant operations and maintenance	8,802,111				8,802,111
Pupil transportation	6,524,541				6,524,541
Unallocated Benefits	34,608,681				34,608,681
Debt service:					
Principal				4,429,226	4,429,226
Interest and other charges				4,522,886	4,522,886
Capital outlay	1,441,792	67,290	844,440		2,353,522
Total expenditures	<u>117,477,645</u>	<u>3,490,568</u>	<u>844,440</u>	<u>8,952,112</u>	<u>130,764,765</u>
Excess (Deficiency) of revenues over expenditures	<u>2,068,820</u>	<u>0</u>	<u>(844,440)</u>	<u>37,741</u>	<u>1,262,121</u>
OTHER FINANCING SOURCES (USES)					
Cancellation of prior year purchase orders	3,654				3,654
Proceeds from refunding bond issue			6,805,000		6,805,000
Repayment of 2005 bond issue			(6,805,000)		(6,805,000)
Recoveries for storm damage					
Insurance	398,700				398,700
FEMA	74,883				74,883
Expenses related to storm damage					
Insurance	(398,700)				(398,700)
FEMA	(74,883)				(74,883)
Transfers in	123,250		1,283,150		1,406,400
Transfers out	(1,406,400)				(1,406,400)
Total other financing sources and uses	<u>(1,279,496)</u>		<u>1,283,150</u>	<u>0</u>	<u>3,654</u>
Net change in fund balances	789,324	0	438,710	37,741	1,265,775
Fund balance—July 1	11,778,464	0	3,460,850	2	15,239,316
Fund balance—June 30	<u>\$12,567,788</u>	<u>0</u>	<u>3,899,560</u>	<u>37,743</u>	<u>16,505,091</u>

EGG HARBOR 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 Year Ended June 30, 2013

Total net change in fund balances - governmental funds (from B-2) \$1,265,775

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

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

	Depreciation expense	(8,570,569)	
	Loss on disposition of fixed assets	(171,227)	
	Capital outlays	<u>2,351,522</u>	(6,390,274)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 4,994,607

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 101,427

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Compensated absences	(235,774)	
Amortization of gain on 2004 refunding bond issue	97,413	
Amortization of loss on 2006 refunding bond issue	(8,349)	
Amortization of loss on 2012 refunding bond issue	(618)	

Change in net position of governmental activities (\$175,793)

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
ASSETS			
Current assets:			
Cash and cash equivalents	\$1,215,379	405,869	\$1,621,248
Accounts receivable	117,487		117,487
Inventories	59,835		59,835
Total current assets	<u>1,392,701</u>	<u>405,869</u>	<u>1,798,570</u>
Noncurrent assets:			
Furniture, machinery & equipment	279,861		279,861
Less accumulated depreciation	(132,120)		(132,120)
Total noncurrent assets	<u>147,741</u>	<u>0</u>	<u>147,741</u>
Total assets	<u>1,540,442</u>	<u>405,869</u>	<u>1,946,311</u>
LIABILITIES			
Current liabilities:			
Interfund payable	351,360	2,209	353,569
Capital lease payable	55,965		55,965
Total current liabilities	<u>407,325</u>	<u>2,209</u>	<u>409,534</u>
Noncurrent liabilities:			
Compensated absences	50,244		50,244
Total noncurrent liabilities	<u>50,244</u>	<u>0</u>	<u>50,244</u>
Total liabilities	<u>457,569</u>	<u>2,209</u>	<u>459,778</u>
NET POSITION			
Net investment in capital assets	147,741		147,741
Unrestricted	935,132	403,660	1,338,792
Total net position	<u>\$1,082,873</u>	<u>403,660</u>	<u>\$1,486,533</u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund		Total
	Food Service	Non-Major Fund Latchkey Program	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$1,276,160		\$1,276,160
Daily sales - non-reimbursable programs	55,711		55,711
Special functions	39,053		39,053
Latchkey program revenue		325,824	325,824
Total operating revenues	<u>1,370,924</u>	<u>325,824</u>	<u>1,696,748</u>
Operating expenses:			
Cost of sales	1,463,237		1,463,237
Salaries	1,331,767	266,930	1,598,697
Employee benefits	524,396	29,511	553,907
General supplies & materials	80,536	45,747	126,283
Depreciation	24,047		24,047
Total Operating Expenses	<u>3,423,983</u>	<u>342,188</u>	<u>3,766,171</u>
Operating (loss)	<u>(2,053,059)</u>	<u>(16,364)</u>	<u>(2,069,423)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	35,405		35,405
Federal sources:			
National school lunch program	1,359,776		1,359,776
National school breakfast program	182,708		182,708
Special milk program	8,020		8,020
Food distribution program	225,799		225,799
Interest and investment revenue	2,108	719	2,827
Total nonoperating revenues	<u>1,813,816</u>	<u>719</u>	<u>1,814,535</u>
Change in net position	(239,243)	(15,645)	(254,888)
Total net position—beginning	<u>1,322,116</u>	<u>419,305</u>	<u>1,741,421</u>
Total net position—ending	<u><u>\$1,082,873</u></u>	<u><u>403,660</u></u>	<u><u>\$1,486,533</u></u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,370,924	325,824	\$1,696,748
Payments to employees	(1,264,633)	(266,930)	(1,531,563)
Payments for employee benefits	(305,457)	(29,511)	(334,968)
Payments to suppliers	(68,921)	(48,375)	(117,296)
Payments to cost of sales	<u>(1,278,035)</u>		<u>(1,278,035)</u>
Net cash (used for) operating activities	<u>(1,546,122)</u>	<u>(18,992)</u>	<u>(1,565,114)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	34,794		34,794
Federal Sources	1,518,128		1,518,128
Payments from other funds	<u>69,263</u>	<u>2,209</u>	<u>71,472</u>
Net cash provided by non-capital financing activities	<u>1,622,185</u>	<u>2,209</u>	<u>1,624,394</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	<u>2,108</u>	<u>719</u>	<u>2,827</u>
Net cash provided by investing activities	<u>2,108</u>	<u>719</u>	<u>2,827</u>
Net increase/(decrease) in cash and cash equivalents	19,789	(16,064)	3,725
Balances—beginning of year	1,195,590	421,933	1,617,523
Balances—end of year	<u>\$1,215,379</u>	<u>405,869</u>	<u>1,621,248</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:			
Operating (loss)	(\$2,053,059)	(16,364)	(2,069,423)
Adjustments to reconcile (loss) to net cash (used for) operating activities			
Depreciation and net amortization	24,047		24,047
Federal commodities	225,799		225,799
(Increase) in inventories	(8,642)		(8,642)
Increase in interfund payable	282,097		282,097
(Decrease) in accounts payable	(31,955)	(2,628)	(34,583)
Increase in compensated absences	15,591		15,591
Total adjustments	<u>506,937</u>	<u>(2,628)</u>	<u>504,309</u>
Net cash (used for) operating activities	<u>(\$1,546,122)</u>	<u>(18,992)</u>	<u>(\$1,565,114)</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$1,032,097		771,193
Interfunds receivable	36,284	200,000	
Total assets	1,068,381	200,000	771,193
LIABILITIES			
Payable to student groups			408,909
Interfunds payable			236,284
Conduit activities payable			105,373
Payroll deductions and withholdings			20,627
Total liabilities	0	0	771,193
NET POSITION			
Held in trust for unemployment claims and other purposes	\$1,068,381		
Reserved for scholarships		200,000	

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan member	\$114,470	
Other		200,000
Total Contributions	<u>114,470</u>	<u>200,000</u>
Investment earnings:		
Interest	1,832	
Net investment earnings	<u>1,832</u>	<u>0</u>
Total additions	<u>116,302</u>	<u>200,000</u>
DEDUCTIONS		
Unemployment claims	168,439	
Total deductions	<u>168,439</u>	<u>0</u>
Change in net position	(52,137)	200,000
Net position—beginning of the year	<u>1,120,518</u>	<u>0</u>
Net position—end of the year	<u><u>\$1,068,381</u></u>	<u><u>200,000</u></u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Egg Harbor Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Egg Harbor Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Egg Harbor Township School District is a Type II district located in the County of Atlantic, 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-12. The Egg Harbor Township School District had an enrollment at June 30, 2013 and 2012 of 7,804 and 8,109 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service and Kids Klub (latchkey) program are classified as business-type activities.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as on-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are excluded from the government-wide financial statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School districts must report all governmental funds a major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. 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.
- d. **Debt service** funds are 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.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- **Restricted** – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- **Assigned** – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- **Unassigned** – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013

reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs.

Food Services Fund – provides for the operation of food services in all schools within the school district.

Latchkey – accounts for the operation of an after school program for all children within the district.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at 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 et. 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 savings banks

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

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.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned in the Capital Projects Fund is recognized in the District's General Fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2013, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	52,178
Supplies		<u>7,657</u>
	\$	<u>59,835</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) 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.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the Statement of Activities.

6. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All funds internal activity is eliminated when carried to the Government-wide statements.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following material budgetary appropriation transfers during the 2013 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 6-8	(\$463,357)
Resource Room – Salaries of Teachers	123,499
Other Support Services, Students – Extra Services	
Salaries	100,395
Purchased Professional Educational Services	(106,474)
Improvement of Instructional Services	
Salaries of Other Professional Staff	372,270
Support Services – Central Services	
Purchased Technical Services	115,831
Student Transportation Services – Contracted Services	
Between Home and School - Vendors	(91,744)
Unallocated Benefits	
Other Retirement Contributions - PERS	(120,331)
Equipment – Undistributed Expenditures	
Student Transportation-Non Instructional Equipment	93,989
Transfer of Funds to Charter Schools	(100,400)
Capital Reserve Transfer to Capital Projects	123,250
	<u>\$46,928</u>

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 one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

10. 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.

11. Tuition Payable

Tuition charges for the fiscal year 2012/13 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

F. ACCOUNTING CHANGES

Changes in Accounting Principles – As a result of recently effective pronouncements by the Governmental Accounting Standards Board (GASB) the terminology for *Net Assets* has been revised to *Net Position*. This change was only a terminology change and did not have an impact on either *Fund Balance* or *Net Position* (formerly identified as Net Assets). In addition, GASB has also introduced the concept of *Deferred Inflows and Outflows* to identify categories that were previously identified as *Liabilities or Assets*, respectively.

Also, as a result of implementing Governmental Accounting Standards Board (GASB) Statement Nos. 63 and 65, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively increasing net position as of July 1, 2012 by \$63,083.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

G. RECENT ACCOUNTING PRONOUNCEMENTS

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any impact on the District's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

NOTE 2. INVESTMENTS

As of June 30, 2013, the District had no investments. Upon maturity, July 4, 2012, the District liquidated the certificate of deposit and transferred the funds, including interest, to the general fund. The total amount liquidated and transferred was \$7,028,551.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2013, \$3,449,430 of the District's bank balance of \$18,254,402 was exposed to custodial credit risk.

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2013</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$3,931,964	1,050,006	(758,694)	4,223,276
Land	1,847,000			1,847,000
Total capital assets not being depreciated	<u>5,778,964</u>	<u>1,050,006</u>	<u>(758,694)</u>	<u>6,070,276</u>
Bldg and bldg improve	280,127,596	1,464,930		281,592,526
Machinery & equipment	14,601,070	83,945		14,685,015
Vehicles	7,448,006	340,108		7,788,114
Total at historical cost	<u>302,176,672</u>	<u>1,888,983</u>		<u>304,065,655</u>
Less accum depr for:				
Bldg and bldg improve	(80,224,345)	(7,618,668)		(87,843,013)
Machinery & equipment	(13,200,017)	(690,061)		(13,890,078)
Vehicles	(3,600,710)	(261,840)		(3,862,550)
Total accum deprec	<u>(97,025,072)</u>	<u>(8,570,569)</u>		<u>(105,595,641)</u>
Total capital assets being depr, net of accum depr	<u>205,151,600</u>	<u>(6,681,586)</u>	<u>0</u>	<u>198,470,014</u>
Governmental activities capital assets, net	<u>\$210,930,564</u>	<u>(5,631,580)</u>	<u>(758,694)</u>	<u>204,540,290</u>
Business-type activities:				
Equipment	\$221,479	58,382		279,861
Less accum depr for:				
Equipment	(108,073)	(24,047)		(132,120)
Business-type activities capital assets, net	<u>\$113,406</u>	<u>34,335</u>	<u>0</u>	<u>147,741</u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	3,220,589
Special education		747,628
Other special instruction		218,530
Other instruction		100,288
Tuition		500,038
Student & instruction related services		1,254,177
School administrative expenses		494,558
General and business administration		307,956
Plant operations and maintenance		1,025,746
Student transportation services		701,059
	\$	<u>8,570,569</u>

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$4,522,886.

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Egg Harbor Township Board of Education on October 28, 1997 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. During the 2008 fiscal year, the District transferred \$2,140,725 from the unreserved fund balance in order to fund the capital reserve fund. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

The activity of the capital reserve for the 2013 fiscal year is as follows:

Beginning balance, July 1	\$	4,033,401
Interest earnings		2,000
Deposits – by Board resolution adopted 6/25/13		750,000
Withdrawals		
Board resolution 11/13/12 – Renovation/Expansion Of High School field house and Concession stand		(690,000)
Board resolution – 4/23/13 – Building automation System upgrade at Swift Elementary School		(123,250)
Board resolution – 6/11/13 – Renovation/Expansion Of High School field house and concession stand And Swift School modular building project		(593,150)
Ending balance, June 30	\$	<u>3,379,001</u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2013, the District transferred \$123,250 to the capital outlay accounts. The transfer was made from the capital reserve account to fund the upgrade to the building automation system at the Swift Elementary School.

		<u>6/30/13</u>
Building automation system upgrade at the Swift Elementary School	\$	123,250
Improvements to HVAC System, High School		
	\$	<u>123,250</u>

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 7. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Balance		Amounts		
			Balance	Due Within	
	06-30-12	Issued	6-30-13	One year	
Governmental Activities					
Bonds & loans payable:					
School bonds	\$101,804,000	6,805,000	11,114,000	97,495,000	4,620,000
Obligations under capital Leases	1,530,055		565,381	964,674	402,696
	<u>103,334,055</u>	<u>6,805,000</u>	<u>11,679,381</u>	<u>98,459,674</u>	<u>5,022,696</u>
Other liabilities:					
Compensated absences Payable	5,364,999	736,250	500,476	5,600,773	226,556
Governmental activities long-Term liabilities	<u>108,699,054</u>	<u>7,541,250</u>	<u>12,179,857</u>	<u>104,060,447</u>	<u>5,249,252</u>
Business-type Activities:					
Other liabilities:					
Capital Lease Payable	55,965			55,965	55,965
Other liabilities:					
Compensated absences Payable	34,653	15,591		50,244	0
Business-type activities long-Term-liabilities	<u>\$90,618</u>	<u>15,591</u>	<u>0</u>	<u>106,209</u>	<u>55,965</u>

A. Bonds Payable:

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

Long-term debt as of June 30, 2013 consisted of the following:

\$50,735,000 Refunding Bonds dated October 1, 2004 payable in annual installments on January 15, 2005 and each July 15 thereafter commencing in 2012 and continuing through 2025. Semi-annual interest payments are due, at rates ranging from 3.00% to 5.75%, on January 15 and July 15, commencing January 15, 2005. The total savings to the District was \$1,588,925, or 3.021% as a result of refunding the 2001 bond issue. The refunding bonds are

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2013 was \$47,575,000.

\$23,052,000 School Bonds dated 4/1/05 payable in annual installments through 4/1/30. Interest is paid semiannually at varying rates ranging from 3.75% to 4.00% per annum. On December 14, 2006 the District, through a refunding bond issue, called the bonds maturing on 4/1/22 and 4/1/25 through 4/1/30 totaling \$13,572,000. On November 15, 2012 the District, through a refunding bond issue, called the bonds maturing on 4/1/16 through 4/1/24 totaling \$6,685,000. The balance remaining as of June 30, 2013 was \$1,445,000.

\$15,410,000 Refunding Bonds dated December 14, 2006 payable in annual installments through April 1, 2030. Interest is paid semiannually at varying rates ranging from 3.50% to 4.125% per annum. The total savings to the District was \$413,095, or 3.04% as a result of refunding the 2005 bond issue. Bonds maturing on or after 4/1/17 are redeemable at the option of the Board in whole or in part, on any date on or after 4/1/16 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2013 was \$14,895,000.

\$27,924,000 School bonds dated 9/15/08 payable in annual installments beginning 9/15/12 and continuing through 9/15/28. Interest is paid semiannually at varying rates between 4.00% per annum and 4.25% per annum. Bonds maturing on or after 9/15/19 are redeemable at the option of the Board in whole or in part, on any date on or after 9/15/18 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2013 was \$26,810,000.

On November 15, 2012 the District issued \$6,805,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in September 2012 which provided for the refunding of all or a portion of the callable portion of the \$23,052,000 issue dated April 1, 2005. The total savings to the District was \$403,186, or 6.03% as a result of refunding the 2005 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2016 and annually thereafter through April 1, 2024 and total \$6,685,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 4.00%, on April 1 and October 1, commencing April 1, 2013. The bonds will mature annually on April 1, commencing in 2013 through 2024. Refunding bonds maturing on or after April 1, 2023 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2022. The balance remaining as of June 30, 2013 was \$6,770,000.

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Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013

Principal and interest due on serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2014	4,620,000	4,650,812	9,270,812
2015	4,815,000	4,477,735	9,292,735
2016	5,030,000	3,997,192	9,027,192
2017	5,260,000	3,516,079	8,776,079
2018	5,525,000	3,516,079	9,041,079
2019-2023	31,655,000	13,298,193	44,953,193
2024-2028	32,035,000	5,088,140	37,123,140
2029-2030	8,555,000	431,475	8,986,475
	<u>\$ 97,495,000</u>	<u>38,975,705</u>	<u>136,470,705</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2013 the Board had authorized but not issued bonds in the amount of \$1,357.

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$6,933,238 under capital leases. Semiannual lease payments are made to GE Capital Public Finance, Inc., Blue Bird Body Company, SunTrust Leasing Co., Banc of America, and TD Equipment Finance, and include interest at a rate of 3.75% to 5.80% per annum. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2013.

	<u>Amount</u>
Year ending June 30,	
2014	\$ 443,697
2015	391,194
2016	174,342
2017	29,168
2018	<u>0</u>
Total minimum lease payments	1,038,401
Less amount representing interest	<u>73,728</u>
Present value of lease payments	<u>\$ 964,674</u>

The following schedule lists the equipment, along with the accumulated depreciation, that has been obtained through capital leases:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Remaining Value</u>
Transportation Equipment	\$4,801,928	3,572,602	1,229,326
Operation & Maint of Plant Srvs	475,000	237,500	237,500
	<u>\$5,276,928</u>	<u>3,810,102</u>	<u>1,466,826</u>

NOTE 8. SCHOOL CONSTRUCTION PROJECTS

The District was awarded \$1,756,742 in grant funding through the New Jersey Department of Education to fund various capital maintenance projects for repairs and replacement of building systems at various district buildings. The district has also transferred \$1,657,522 from capital outlay and capital reserve to fund these projects. As of June 30, 2013, the District expended \$3,064,293 on these projects.

NOTE 9. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:

http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2013, 2012, and 2011 were \$6,663,901, \$4,487,824, and \$3,143,692, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2013, 2012, and 2011 were \$1,223,404, \$1,354,251, and \$1,350,065, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2013, 2012, and 2011 was \$67,101,735, \$65,410,587, and \$62,278,374, covered payroll was \$49,131,489, \$47,417,604, and \$45,394,722 for TPAF; and \$12,234,369, \$11,967,967, and \$11,502,273 for PERS.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60th from 1/55th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 10. LABOR CONTRACTS

As of June 30, 2013, the District's employees are organized in two collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 2013 (currently being re-negotiated for a 3 year term through 2016)
Principals' and Supervisors' Association	All certified administrative personnel, excluding the Superintendent, Asst Superintendents, Business Administrator, and all employees considered confidential by law.	June 30, 2015

In addition to the above contracts, the Board of Education has entered into individual employment agreements with the Superintendent, Assistant Superintendents, Business Administrator and Central Office employees. The expiration of these contracts will vary depending on the position.

NOTE 11. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides 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. The State paid \$146.6 million

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012. The on-behalf amount paid by the State of New Jersey in fiscal year 2013 was \$6,663,901.

NOTE 12. SPECIAL PAY DEFERRAL PLAN

Effective July 1, 2003 the District implemented a Special Pay Deferral Plan in accordance with Section 403(b) of the Internal Revenue Code. This plan will allow employees who are 50 years of age or older and have a minimum accumulated leave of \$1,000 to contribute the value of these benefits to a Tax-Sheltered Custodial Account for distribution after the participant reaches age 70 1/2. Distribution may be made in the form of a life annuity, 50% qualified joint and survivor annuity, installments, or as a lump sum distribution.

NOTE 13. DEFERRED COMPENSATION

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

Equitable	Vanguard
Lincoln Investment Planning	Retirement Annuity Consultants, Inc.
Siracusa Benefits Program	TSA Consulting Group

NOTE 14. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 15. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, there are potential legal proceedings that may have a material affect on the accompanying financial statements.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$12,567,788 General Fund fund balance at June 30, 2013, \$0 is assigned for encumbrances (actual encumbrances of \$1,035,830 less deficit in unreserved and undesignated fund balance of \$1,035,830); \$9,035,850 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$3,222,051 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$3,379,001 has been reserved in the Capital Reserve Account; \$152,937 (actual amount of \$547,002 less deficit in unreserved and undesignated fund balance of \$394,065) has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$0 is unreserved and undesignated. During the fiscal year, authorized and approved appropriations of \$1,529,649 in surplus were made on June 30, 2013.

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2013, \$0 is reserved in accordance with N.J.S.A. 7F-41c(2) and \$37,743 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$9,035,850, of which \$3,222,051 has been included in the 2013-14 budget. The excess fund balance at June 30, 2012 was \$5,918,996.

NOTE 18. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State Aid to fund the District operations and debt service. During the 2012-13 fiscal year, 96% of the Districts operations were funded through property taxes and State aid.

NOTE 19. 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 surety bonds. During the fiscal year ended June 30, 2013 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	None	116,302	168,439	1,068,381
2011-2012	189,982	112,229	194,735	1,120,518
2010-2011	None	116,658	291,521	1,013,042

Worker’s Compensation Fund – Through February 1, 1999, the District retained risk through an established self-funded workers compensation fund with Berkley Risk Managers, Inc. Premiums were paid into the fund and were available to pay claims, claim reserves and administrative costs of the program. The Board currently maintains traditional insurance for its worker’s compensation coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2013, \$0 was charged to the worker’s compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2013 and 2012 was \$38,686 and \$39,025, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker’s compensation fund.

<u>Fiscal Year Ended</u>	<u>Balance Beginning of Year</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Balance End of Year</u>
6/30/13	\$39,025		339	38,686
6/30/12	43,075		4,050	39,025
6/30/11	58,956		15,881	43,075

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 20. BLUE CROSS/BLUE SHIELD – IBNR CLAIMS RESERVE

Effective January 1, 2010 the District changed their health insurance plan to a minimum premium billing plan with Blue Cross/Blue Shield of New Jersey. This plan requires that a liability be maintained on the balance sheet of the District to cover the claims that have been incurred but not reported to the carrier. The District's insurance consultant obtains the amount to be maintained annually from reports obtained from Blue Cross/Blue Shield. The balance in the reserve fund as of June 30, 2013 was \$947,121 and \$963,270 as of June 30, 2012.

Effective September 1, 2010, the District terminated the above agreement and is now covered through the State Health Benefits Plan. The reserve fund was required to be maintained for a period of three years after termination. Based on this, the balance in the reserve will be available to the District for use in their 2015-16 fiscal year budget.

NOTE 21. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2013, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	\$878,629	
Capital Projects Fund	32,629	
Enterprise Fund	353,569	
Special Revenue Fund:		
General Fund		878,629
Capital Projects Fund:		
General Fund		32,629
Enterprise Fund:		
General Fund		353,569
	\$1,264,827	1,264,827

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. During the 2013 fiscal year, the District transferred \$123,250 from capital reserve to capital outlay to fund improvements to the building automation system upgrade at the Swift Elementary School. It is anticipated that all interfunds will be liquidated during the fiscal year.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2013**

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 3, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure or adjustment.

Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$67,204,500		67,204,500	67,204,500	0
Tuition			0	723,162	723,162
Interest	306,500		306,500	40,643	(265,857)
Miscellaneous	20,000		20,000	926,211	906,211
Total - Local Sources	67,531,000	0	67,531,000	68,894,516	1,363,516
State Sources:					
Equalization Aid	33,230,274		33,230,274	33,230,274	0
Categorical Special Education Aid	4,337,869		4,337,869	4,337,869	0
Categorical Transportation Aid	761,413		761,413	761,413	0
Categorical Security Aid	1,477,834		1,477,834	1,477,834	0
Special Education Extraordinary Aid	300,000		300,000	594,469	294,469
Nonpublic School Transportation Aid			0	89,425	89,425
On-Behalf TPAF Pension Contributions (non-budgeted)			0	6,663,901	6,663,901
Reimbursed TPAF Social Security Contributions (non-budgeted)			0	3,749,853	3,749,853
Total - State Sources	40,107,390	0	40,107,390	50,905,038	10,797,648
Federal Sources:					
Education Jobs Fund		3,477	3,477	3,477	
Medical Assistance Program	93,748		93,748	230,681	136,933
Total - Federal Sources	93,748	3,477	97,225	234,158	136,933
Total Revenues	107,732,138	3,477	107,735,615	120,033,712	12,298,097

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	332,940	8,061	341,001	341,001	0
Preschool/Kindergarten	785,091	(10,271)	774,820	762,636	12,184
Grades 1-5	11,023,278	32,065	11,055,343	10,925,388	129,955
Grades 6-8	8,059,024	(463,357)	7,595,667	7,499,595	96,072
Grades 9-12	10,355,064	30,000	10,385,064	10,384,126	938
Regular Programs - Home Instruction:					
Salaries of Teachers	199,815	0	199,815	184,668	15,147
Purchased Professional - Educational Services	31,332	0	31,332	13,814	17,518
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	258,170	0	258,170	257,961	209
Purchased Professional - Educational Services	56,567	530	57,097	32,850	24,247
Other Purchased Services	20,500	0	20,500	1,341	19,159
General Supplies	1,300,483	(20,384)	1,280,099	1,166,655	113,444
Textbooks	468,254	15,980	484,234	452,314	31,920
Total Regular Programs	32,890,518	(407,376)	32,483,142	32,022,349	460,793
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	426,028	(123,581)	302,447	299,357	3,090
Other Salaries for Instruction	0	23,813	23,813	23,813	0
General Supplies	16,012	492	16,504	10,963	5,541
Textbooks	9,245	1,867	11,112	3,095	8,017
Total Learning and/or Language Disabilities	451,285	(97,409)	353,876	337,228	16,648
Multiple Disabilities					
Salaries of Teachers	819,576	18,709	838,285	826,373	11,912
Other Salaries for Instruction	20,764	4,335	25,099	24,774	325
General Supplies	24,966	(750)	24,216	22,547	1,669
Textbooks		4,900	4,900	4,837	63
Total Multiple Disabilities	865,306	27,194	892,500	878,531	13,969

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	5,781,730	123,499	5,905,229	5,904,785	444
Other Salaries for Instruction	200,942	(13,766)	187,176	176,340	10,836
General Supplies	49,103	7,333	56,436	40,590	15,846
Textbooks	6,085	7,250	13,335	11,916	1,419
Total Resource Room/Resource Center	6,037,860	124,316	6,162,176	6,133,631	28,545
Preschool Disabilities - Part Time					
Salaries of Teachers	78,293	4,500	82,793	82,545	248
Other Salaries for Instruction	42,979	0	42,979	41,809	1,170
General Supplies	1,750	0	1,750	760	990
Total Preschool Disabilities - Part Time	123,022	4,500	127,522	125,114	2,408
Preschool Disabilities - Full Time					
Salaries of Teachers	106,800	0	106,800	106,800	0
General Supplies	2,200	0	2,200	409	1,791
Total Preschool Disabilities - Full Time	109,000	0	109,000	107,209	1,791
Total Special Education - Instruction					
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,524,913	(23,000)	1,501,913	1,305,580	196,333
General Supplies	3,360	0	3,360	3,224	136
Total Basic Skills/Remedial - Instruction	1,528,273	(23,000)	1,505,273	1,308,804	196,469
Bilingual Education - Instruction:					
Salaries of Teachers	657,778	54,000	711,778	711,063	715
Purchased Professional - Educational Services	4,000	0	4,000	36	3,964
General Supplies	13,587	0	13,587	12,174	1,413
Total Bilingual Education - Instruction	675,365	54,000	729,365	723,273	6,092

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	215,862	4,000	219,862	219,542	320
Purchased Services	5,000	70	5,070	5,070	0
Supplies and Materials	9,150	0	9,150	8,254	896
Other Objects	1,000	0	1,000	662	338
Total School Sponsored Cocurricular Activities - Instruction	231,012	4,070	235,082	233,528	1,554
School-Sponsored Athletics - Instruction					
Salaries	534,537	7,000	541,537	538,981	2,556
Purchased Services	21,130	0	21,130	15,871	5,259
Supplies and Materials	142,637	(2,999)	139,638	118,582	21,056
Other Objects	21,900	12,000	33,900	31,702	2,198
Transfers to Cover Deficit (Agency Funds)	81,740	(27,500)	54,240	54,000	240
Total School-Sponsored Athletics - Instruction	801,944	(11,499)	790,445	759,136	31,309
Alternative Education Program					
Salaries	398,965	2,000	400,965	400,385	580
Purchased Professional & Technical Services	40,905	0	40,905	17,668	23,237
General Supplies	6,167	0	6,167	4,825	1,342
Textbooks	1,836	0	1,836	1,649	187
Total Alternative Education Program	447,873	2,000	449,873	424,527	25,346
Total Instruction	44,161,458	(323,204)	43,838,254	43,053,330	784,924
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	42,039	72,918	114,957	48,798	66,159
Tuition to Other LEAs Within the State - Special	75,246	51,190	126,436	126,125	311
Tuition to County Voc. School Dist. - Regular	655,427	(10,000)	645,427	645,094	333
Tuition to CSSD & Regional Day Schools	1,551,643	43,000	1,594,643	1,325,923	268,720
Tuition to Private Schools for the Disabled - Within State	1,338,164	(45,220)	1,292,944	1,252,093	40,851
Tuition to Private Schools Disabled & Other LEAs-Special - Outside State	156,952	(15,000)	141,952	140,863	1,089
Tuition - State Facilities	283,307	0	283,307	283,300	7
Total Undistributed Expenditures - Instruction	4,102,778	96,888	4,199,666	3,822,196	377,470

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	241,984	0	241,984	224,909	17,075
Other Purchased Services	4,416	(1,160)	3,256	3,180	76
Supplies and Materials	2,000	560	2,560	2,418	142
Total Undistributed Expenditures - Attendance and Social Work	248,400	(600)	247,800	230,507	17,293
Undistributed Expenditures - Health Services:					
Salaries	926,066	252	926,318	883,127	43,191
Purchased Professional and Technical Services	53,815	2,550	56,365	39,489	16,876
Supplies and Materials	16,324	278	16,602	14,340	2,262
Total Undistributed Expenditures - Health Services	996,205	3,080	999,285	936,956	62,329
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other P Professional Staff	1,248,517	(51,152)	1,197,365	1,194,265	3,100
Purchased Professional - Educational Services	142,741	17,340	160,081	132,058	28,023
Supplies and Materials	17,975	(4,007)	13,968	13,584	384
Total Undistributed Expenditures - Other Support Services - Students - Related Services	1,409,233	(37,819)	1,371,414	1,339,907	31,507
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	1,873,886	100,395	1,974,281	1,971,567	2,714
Purchased Professional - Educational Services	149,259	(106,474)	42,785	26,597	16,188
Supplies and Materials	20,000	0	20,000	9,457	10,543
Total Undistributed Expenditures - Other Support Services - Extra Services	2,043,145	(6,079)	2,037,066	2,007,621	29,445

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,146,271	0	2,146,271	2,097,726	48,545
Salaries of Secretarial and Clerical Assistants	179,255	707	179,962	170,221	9,741
Other Purchased Professional and Technical Services	12,438	0	12,438	9,674	2,764
Other Purchased Services	10,366	0	10,366	5,288	5,078
Supplies and Materials	31,699	0	31,699	24,341	7,358
0					
Total Undistributed Expenditures - Other Support Services - Guidance	2,380,029	707	2,380,736	2,307,250	73,486
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	1,780,280	(5,140)	1,775,140	1,735,529	39,611
Salaries of Secretarial and Clerical Assistants	283,409	0	283,409	266,516	16,893
Other Purchased Professional and Technical Services	12,800	0	12,800	5,856	6,944
Residential Costs	186,190	0	186,190	174,394	11,796
Miscellaneous Purchased Services	25,471	0	25,471	20,347	5,124
Supplies and Materials	35,899	0	35,899	31,185	4,714
Total Undistributed Expenditures - Other Support Services - Child Study Teams	2,324,049	(5,140)	2,318,909	2,233,827	85,082
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	869,311	504	869,815	869,815	0
Salaries of Other Professional Staff	85,793	372,270	458,063	457,713	350
Total Undistributed Expenditures - Improv. of Instr. Services	955,104	372,774	1,327,878	1,327,528	350

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	898,503	0	898,503	882,005	16,498
Salaries of Technology Coordinators	82,194	0	82,194	82,194	0
Purchased Professional and Technical Services	349,223	0	349,223	337,824	11,399
Other Purchased Services	46,260	(14,038)	32,222	18,684	13,538
Supplies and Materials	348,810	6,557	355,367	344,375	10,992
Other Objects	15,055	0	15,055	10,408	4,647
Total Undistributed Expenditures - Educational Media Services - School Library	1,740,045	(7,481)	1,732,564	1,675,490	57,074
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	129,484	0	129,484	129,484	0
Salaries of Other Professional Staff	64,974	0	64,974	29,265	35,709
Purchased Professional - Educational Services	173,153	10,043	183,196	116,067	67,129
Other Purchased Services	20,000	0	20,000	1,500	18,500
Supplies and Materials	5,600	0	5,600	3,624	1,976
Other Objects	6,025	0	6,025	2,197	3,828
Total Undistributed Expenditures - Instructional Staff Training Srvc	399,236	10,043	409,279	282,137	127,142
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	669,347	(28,231)	641,116	633,647	7,469
Legal Services	253,748	(1,000)	252,748	197,553	55,195
Audit Fees	35,000	1,000	36,000	36,000	0
Architectural/Engineering Services	104,150	1,000	105,150	43,884	61,266
Other Purchased Professional Services	27,059	5,002	32,061	29,999	2,062
Communications/Telephone	270,239	(3,378)	266,861	182,605	84,256
Other Purchased Services	279,526	(5,000)	274,526	233,080	41,446
General Supplies	21,135	(5,000)	16,135	11,528	4,607
BOE In-House Training/Meeting Supplies	13,294	0	13,294	7,186	6,108
Miscellaneous Expenditures	24,600	0	24,600	13,378	11,222
BOE Membership Dues and Fees	36,700	0	36,700	27,563	9,137
Total Undistributed Expenditures - Support Services - Gen. Admin.	1,734,798	(35,607)	1,699,191	1,416,423	282,768

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,927,462	(20,217)	1,907,245	1,888,922	18,323
Salaries of Other Professional Staff	451,954	1,096	453,050	452,805	245
Salaries of Secretarial and Clerical Assistants	927,780	32,723	960,503	926,145	34,358
Purchased Professional and Technical Services	50,453	0	50,453	31,109	19,344
Other Purchased Services	145,885	(19,842)	126,043	110,802	15,241
Supplies and Materials	69,110	(362)	68,748	56,219	12,529
Other Objects	750	40,550	41,300	35,397	5,903
Total Undistributed Expenditures - Support Serv. - School Admin.	3,573,394	33,948	3,607,342	3,501,399	105,943
Undistributed Expenditures - Central Services					
Salaries	555,819	(6,728)	549,091	548,591	500
Purchased Technical Services	61,106	115,831	176,937	176,928	9
Miscellaneous Purchased Services (400-500 series)	289,534	(1,000)	288,534	271,483	17,051
Supplies and Materials	23,149	(1,066)	22,083	20,207	1,876
Miscellaneous Expenditures	12,000	0	12,000	8,395	3,605
Total Undistributed Expenditures - Central Services	941,608	107,037	1,048,645	1,025,604	23,041
Undistributed Expenditures - Administrative Information Technology					
Salaries	299,515	1,558	301,073	297,797	3,276
Purchased Technical Services	69,160	0	69,160	38,721	30,439
Supplies and Materials	30,024	1,000	31,024	29,859	1,165
Total Undistributed Expenditures - Admin. Information Technology	398,699	2,558	401,257	366,377	34,880
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	602,390	(4,500)	597,890	546,473	51,417
Cleaning, Repair, and Maintenance Services	365,087	(44,000)	321,087	287,491	33,596
General Supplies	136,397	43,845	180,242	173,532	6,710
Other Objects	2,502	(1,002)	1,500	1,363	137
Total Undistributed Expenditures - Required Maint for School Facilities	1,106,376	(5,657)	1,100,719	1,008,859	91,860

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,023,955	(30,779)	3,993,176	3,841,977	151,199
Cleaning, Repair and Maintenance Services	268,679	(9,278)	259,401	216,411	42,990
Rental of Land & Building Other than Lease Purch Agmt	9,950	0	9,950	9,180	770
Other Purchased Property Services	172,935	0	172,935	154,408	18,527
Insurance	462,274	0	462,274	456,420	5,854
General Supplies	377,155	33,991	411,146	396,130	15,016
Energy (Electricity)	2,643,300	0	2,643,300	1,681,615	961,685
Other Objects	2,800	(2,445)	355	355	0
Energy (Natural Gas)	728,600	0	728,600	391,621	336,979
Energy (Oil)	7,900	0	7,900	6,358	1,542
Total Undistributed Expenditures - Custodial Services	8,697,548	(8,511)	8,689,037	7,154,475	1,534,562
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	367,885	0	367,885	352,352	15,533
Cleaning, Repair and Maintenance Services	54,470	4,000	58,470	51,357	7,113
General Supplies	64,082	5,000	69,082	67,774	1,308
Total Undistributed Expenditures - Care & Upkeep of Grounds	486,437	9,000	495,437	471,483	23,954
Undistributed Expenditures - Security					
Salaries	148,927	1,000	149,927	140,793	9,134
Cleaning, Repair and Maintenance Services	50,753	(9,302)	41,451	14,961	26,490
General Supplies	12,476	0	12,476	11,540	936
Total Undistributed Expenditures - Security	212,156	(8,302)	203,854	167,294	36,560
Total Undistributed Expenditures - Oper & Main of Plant Services	10,502,517	(13,470)	10,489,047	8,802,111	1,686,936
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,294,714	(6,449)	2,288,265	2,200,741	87,524
Sal for Pupil Transp (Between Home and School)-Sp Ed	177,595	9,926	187,521	185,945	1,576
Sal for Pupil Transp (Other than Bet. Home & School)	217,187	(10,000)	207,187	155,300	51,887
Other Purchased Professional and Technical Services	52,383	0	52,383	43,847	8,536
Cleaning, Repair, and Maintenance Services	166,823	(9,304)	157,519	93,574	63,945
Lease Purchase Payments - School Buses	695,978	(64,500)	631,478	631,470	8

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	108,055	67,430	175,485	175,484	1
Contracted Services - (Between Home and School) - Vendors	478,849	(91,744)	387,105	294,617	92,488
Contracted Services - (Special Ed Students) - Vendors	50,000	0	50,000	6,942	43,058
Contracted Services - (Special Ed Students) - Joint Agree.	1,325,086	0	1,325,086	1,236,116	88,970
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	106,964	18,304	125,268	115,965	9,303
Contracted Services - Aid in Lieu of Payments - Charter School	31,824	(11,000)	20,824	19,227	1,597
Miscellaneous Purchased Services - Transportation	136,135	0	136,135	136,119	16
Supplies and Materials	8,402	0	8,402	7,321	1,081
Transportation Supplies	1,394,500	8,825	1,403,325	1,212,188	191,137
Miscellaneous Expenditures	12,890	0	12,890	9,685	3,205
Total Undistributed Expenditures - Student Transportation Serv.	7,257,385	(88,512)	7,168,873	6,524,541	644,332
Unallocated Benefits:					
Social Security Contributions	1,241,481	50,000	1,291,481	1,248,812	42,669
Other Retirement Contributions - PERS	1,452,901	(120,331)	1,332,570	1,223,404	109,166
Other Retirement Contributions - Regular	17,435	5,000	22,435	22,110	325
Workmen's Compensation	1,277,280	(50,000)	1,227,280	1,128,195	99,085
Health Benefits	20,616,350	1	20,616,351	19,989,354	626,997
Tuition Reimbursement	71,200	0	71,200	42,600	28,600
Other Employee Benefits	560,461	0	560,461	540,452	20,009
Total Unallocated Benefits	25,237,108	(115,330)	25,121,778	24,194,927	926,851
On-behalf TPAF Pension Contributions (non-budgeted)				6,663,901	(6,663,901)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,749,853	(3,749,853)
Total On-behalf Contributions	0	0	0	10,413,754	(10,413,754)
Total Undistributed Expenditures	66,243,733	316,997	66,560,730	72,408,555	(5,847,825)
Total Current Expense	110,405,191	(6,207)	110,398,984	115,461,885	(5,062,901)
Capital Outlay:					
Interest Deposit to Capital Reserve	2,000	0	2,000	2,000	0
Total Interest Deposit to Capital Reserve	2,000	0	2,000	2,000	0

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Grades 1-5	21,259	2,779	24,038	22,480	1,558
Grades 6-8	2,054	(2,054)	0	0	0
Grades 9-12	6,185	4,677	10,862	10,862	0
Support Services - Regular	35,750	0	35,750	35,750	0
Support Services - Student Transportation-Non Inst. Equip	178,542	93,989	272,531	183,716	88,815
Undist. Expend. - Central Services	137,651	10,216	10,216	10,210	6
Undist. Expend. - Admin Info Tech.	0	6,200	143,851	142,635	1,216
Undist. Expend. - Instruction	9,000	3,049	3,049	3,049	0
Undist. Expend. - Required Maint for School Fac.	31,830	(9,000)	0	0	0
Undist. Expend. - Custodial Services	2,501	(18,892)	12,938	11,830	1,108
Undist. Expend. - Care and Upkeep of Grounds	98,150	9,818	12,319	2,075	10,244
Undist. Expend. - Security		9,302	107,452	95,652	11,800
Total Equipment	522,922	110,084	633,006	518,259	114,747
Facilities Acquisition and Construction Services:					
Construction Services	458,740	123,250	581,990	448,953	133,037
Other Objects - Debt Service Assessment	472,583	0	472,583	472,580	3
Other Objects	76,701	0	76,701	0	76,701
Total Facilities Acquisition and Construction Services	1,008,024	123,250	1,131,274	921,533	209,741
Total Capital Outlay	1,532,946	233,334	1,766,280	1,441,792	324,488
Transfer to Charter Schools	1,014,012	(100,400)	913,612	573,968	339,644
Total Expenditures	112,952,149	126,727	113,078,876	117,477,645	(4,398,769)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,220,011)	(123,250)	(5,343,261)	2,556,067	7,899,328
Other Financing Sources (Uses):					
Cancellation of prior year purchase orders				3,654	3,654
Operating Transfers In:					
Transfer from Unreserved fund balance to capital reserve fund		123,250	123,250	123,250	0
Recoveries for storm damage				398,700	398,700
Insurance				74,883	74,883
FEMA					

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Operating Transfers Out:					
Capital Reserve transfer to capital outlay		(123,250)	(123,250)	(123,250)	0
Capital Reserve transfer to capital projects		(1,283,150)	(1,283,150)	(1,283,150)	0
Expenses related to storm damage				(398,700)	(398,700)
Insurance				(74,883)	(74,883)
FEMA					
Excess (Deficiency) of Revenues and Other Financing Sources	(5,220,011)	(1,406,400)	(6,626,411)	1,276,571	7,902,982
Over (Under) Expenditures and Other Financing Uses	15,271,947		15,271,947	15,271,947	0
Fund Balances, July 1	\$10,051,936	(1,406,400)	8,645,536	16,548,518	7,902,982

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	5,813,799
Excess Surplus-Designated for Subsequent Year's Expenditures	3,222,051

Committed Fund Balance:

Reserve for Capital Reserve	3,379,001
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Assigned Fund Balance:

Year-end Encumbrances	1,035,830
Designated for Subsequent Year's Expenditures	547,002

Unassigned Fund Balance

	2,550,835
	16,548,518

Reconciliation to Governmental Funds Statements (GAAP)

Last State Aid Payment Not Recognized on GAAP Basis	(3,980,730)
	\$12,567,788

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Education Jobs Fund
Budget and Actual
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund		3,477	3,477	3,477	
Total Revenues	\$0	3,477	3,477	3,477	0
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Student Transportation Services: Sal for Pupil Transp (Between Home and School)-Reg.		3,477	3,477	3,477	
Total Undistributed Expenditures - Student Transportation Serv.	0	3,477	3,477	3,477	0
Total Current Expense	0	3,477	3,477	3,477	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0	0
Other Financing Sources (Uses):					
None					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0	0	0
Fund Balances, July 1	0	0	0	0	0
Fund Balances, June 30	\$0	0	0	0	0

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$109,593	2,800	112,393	80,071	(32,322)
Total - Local Sources	109,593	2,800	112,393	80,071	(32,322)
State Sources:					
Nonpublic aid	269,901	0	269,901	149,100	(120,801)
Total - State Sources	269,901	0	269,901	149,100	(120,801)
Federal Sources:					
Title I	1,068,963	0	1,068,963	913,431	(155,532)
Title II	150,389	0	150,389	139,383	(11,006)
Title III	98,122	0	98,122	92,703	(5,419)
I.D.E.A., Part B	2,541,693	22,640	2,564,333	1,873,499	(690,834)
Vocational Education	63,895	0	63,895	63,874	(21)
Other	58,956	0	58,956	58,956	0
Total - Federal Sources	3,982,018	22,640	4,004,658	3,141,846	(862,812)
Total Revenues	4,361,512	25,440	4,386,952	3,371,017	(1,015,935)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,554,860	(20,769)	1,534,091	1,077,083	457,008
Purchased Professional and Technical Services	452,372	(30,863)	421,509	241,985	179,524
Other Purchased Services (400-500 series)	1,197,529	(116,349)	1,081,180	1,080,105	1,075
General Supplies	99,123	212,657	311,780	138,952	172,828
Textbooks	19,763	0	19,763	19,727	36
Other objects	21,450	(1,670)	19,780	19,780	0
Total instruction	3,345,097	43,006	3,388,103	2,577,632	810,471

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONTD):					
Support Services					
Salaries of Program Directors	390,630	1,887	392,517	262,757	129,760
Personal Services - Employee Benefits	224,200	(638)	223,562	190,456	33,106
Purchased Professional - Educational Services	27,429	0	27,429	26,619	810
Purchased Technical Services	237,775	(9,857)	227,918	194,222	33,696
Leases/Rentals	19,000	(1,000)	18,000	17,248	752
Travel	5,315	(567)	4,748	4,748	0
Other purchased Services (400-500 series)	60,425	(442)	59,983	55,346	4,637
Supplies & Materials	32,936	(333)	32,603	30,198	2,405
Total support services	997,710	(10,950)	986,760	781,594	205,166
Facilities acquisition and construction services:					
Buildings	918	(918)	0	0	0
Instructional Equipment	11,787	(1,971)	9,816	9,518	298
Noninstructional Equipment	6,000	(3,727)	2,273	2,273	0
Total facilities acquisition and construction services	18,705	(6,616)	12,089	11,791	298
Transfers to Charter Schools		0		0	0
Total expenditures	4,361,512	25,440	4,386,952	3,371,017	1,015,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$0	0	0	0	0

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2013

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$120,033,712	3,371,017
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		242,115
Current year		(122,564)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,493,483	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,980,730)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	119,546,465	3,490,568
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	117,477,645	3,371,017
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		
Prior year		242,115
Current year		(122,564)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$117,477,645	3,490,568

SPECIAL REVENUE FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2013

	Nonpublic Textbooks	Nonpublic Compensatory Education	Nonpublic Auxiliary Aid Transportation	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Home Instruction
REVENUES:							
State Sources	\$19,727	50,076	6,942	17,843	6,562	9,852	4,360
Federal Sources							
Local Sources							
Total revenues	<u>19,727</u>	<u>50,076</u>	<u>6,942</u>	<u>17,843</u>	<u>6,562</u>	<u>9,852</u>	<u>4,360</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Purchased prof. and technical services							
Other purchased services		50,076	6,942	17,843	6,562	9,852	4,360
General supplies							
Textbooks	19,727						
Other objects							
Total instruction	<u>19,727</u>	<u>50,076</u>	<u>6,942</u>	<u>17,843</u>	<u>6,562</u>	<u>9,852</u>	<u>4,360</u>
Support services:							
Salaries of program directors							
Personal services- employee benefits							
Purchased professional-educational services							
Purchased technical services							
Leases/Rentals							
Miscellaneous purchased services							
Travel							
Supplies and materials							
Total support services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Facilities acquisition and const. serv.:							
Buildings							
Instructional equipment							
Noninstructional equipment							
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfer to charter schools							
Total expenditures	<u>\$19,727</u>	<u>50,076</u>	<u>6,942</u>	<u>17,843</u>	<u>6,562</u>	<u>9,852</u>	<u>4,360</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2013

	Nonpublic Nursing	Nonpublic Technology	Total State Funds	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Carryover I.D.E.A. Part - B Preschool
REVENUES:							
State Sources	\$26,619	7,119	149,100	1,445,344	329,698	42,464	55,993
Federal Sources			0				
Local Sources			0				
Total revenues	<u>26,619</u>	<u>7,119</u>	<u>149,100</u>	<u>1,445,344</u>	<u>329,698</u>	<u>42,464</u>	<u>55,993</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers			0	104,870	137,100		48,837
Purchased prof. and technical services			91,275	116,004	11,930		
Other purchased services		495	4,360	959,413	76,000	38,817	2,160
General supplies			495	36,158	15,066	3,227	
Textbooks			19,727				
Other objects			0				
Total instruction	<u>0</u>	<u>495</u>	<u>115,857</u>	<u>1,216,445</u>	<u>240,096</u>	<u>42,044</u>	<u>50,997</u>
Support services:							
Salaries of program directors			0	60,974	58,619		
Personal services- employee benefits			0	12,687	14,973		3,736
Purchased professional-educational services	26,619		26,619				
Purchased technical services			0	128,204	8,458		
Leases/Rentals			0	17,248			
Miscellaneous purchased services			0	2,139	2,520		
Travel			0				
Supplies and materials			0	7,647	2,759	420	1,260
Total support services	<u>26,619</u>	<u>0</u>	<u>26,619</u>	<u>228,899</u>	<u>87,329</u>	<u>420</u>	<u>4,996</u>
Facilities acquisition and const. serv.:							
Buildings		6,624	6,624				
Instructional equipment			0		2,273		
Noninstructional equipment			0				
Total facilities acquisition and construction services	<u>0</u>	<u>6,624</u>	<u>6,624</u>	<u>0</u>	<u>2,273</u>	<u>0</u>	<u>0</u>
Transfer to charter schools			0				
Total expenditures	<u>\$26,619</u>	<u>7,119</u>	<u>149,100</u>	<u>1,445,344</u>	<u>329,698</u>	<u>42,464</u>	<u>55,993</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2013

	Title I Part A	Carryover Title I Part A	Title II Part A	Carryover Title II Part A	Title III English Language Enhancement	Carryover Title III ELH	Title III Immigrant	Carryover Title III Immigrant
REVENUES:								
State Sources	\$762,473	150,958	129,779	9,604	57,452	18,520	4,742	11,989
Federal Sources								
Local Sources								
Total revenues	<u>762,473</u>	<u>150,958</u>	<u>129,779</u>	<u>9,604</u>	<u>57,452</u>	<u>18,520</u>	<u>4,742</u>	<u>11,989</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	571,763	64,803	73,410		44,371			
Purchased prof. and technical services								
Other purchased services					3,368	18,520	4,742	11,989
General supplies								
Textbooks								
Other objects								
Total instruction	<u>571,763</u>	<u>64,803</u>	<u>73,410</u>	<u>0</u>	<u>47,739</u>	<u>18,520</u>	<u>4,742</u>	<u>11,989</u>
Support services:								
Salaries of program directors	43,724	56,621	24,742	8,912				
Personal services- employee benefits	122,556	9,289	15,889	682	9,713			
Purchased professional-educational services								
Purchased technical services	4,000	4,000	4,000					
Leases/Rentals								
Miscellaneous purchased services	18,000	15,000	11,474					
Travel	2,430	1,245	264	10				
Supplies and materials								
Total support services	<u>190,710</u>	<u>86,155</u>	<u>56,369</u>	<u>9,604</u>	<u>9,713</u>	<u>0</u>	<u>0</u>	<u>0</u>
Facilities acquisition and const. serv.:								
Buildings								
Instructional equipment								
Noninstructional equipment								
Total facilities acquisition and construction services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfer to charter schools								
Total expenditures	<u>\$762,473</u>	<u>150,958</u>	<u>129,779</u>	<u>9,604</u>	<u>57,452</u>	<u>18,520</u>	<u>4,742</u>	<u>11,989</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2013

	Carl D. Perkins Vocational	Race To The Top	Total Federal Funds	Workforce Investment Board (WIB)	Carryover State Farm	Total All Other Funds	Totals
REVENUES:							
State Sources			0			0	149,100
Federal Sources	\$63,874	58,956	3,141,846	49,535	30,536	80,071	3,141,846
Local revenues	63,874	58,956	3,141,846	49,535	30,536	80,071	3,371,017
EXPENDITURES:							
Instruction:							
Salaries of teachers	3,000		1,048,154	27,829	1,100	28,929	1,077,083
Purchased prof. and technical services	2,210		130,144	20,066	500	20,566	241,985
Other purchased services			1,074,230	765	750	1,515	1,080,105
General supplies	18,915		114,145	875	23,437	24,312	138,952
Textbooks			0			0	19,727
Other objects	19,780		19,780			0	19,780
Total instruction	43,905	0	2,386,453	49,535	25,787	75,322	2,577,632
Support services:							
Salaries of program directors	9,165		262,757			0	262,757
Personal services- employee benefits	931		190,456			0	190,456
Purchased professional-educational services		45,560	194,222			0	26,619
Purchased technical services			17,248			0	194,222
Leases/Rentals			54,258		1,088	1,088	17,248
Miscellaneous purchased services	5,125		4,748			0	55,346
Travel	4,748	13,396	29,431		767	767	4,748
Supplies and materials							30,198
Total support services	19,969	58,956	753,120	0	1,855	1,855	781,594
Facilities acquisition and const. serv.:							
Buildings			0			0	0
Instructional equipment			2,273		2,894	2,894	9,518
Noninstructional equipment						0	2,273
Total facilities acquisition and construction services	0	0	2,273	0	2,894	2,894	11,791
Transfer to charter schools			0			0	0
Total expenditures	\$63,874	58,956	3,141,846	49,535	30,536	80,071	3,371,017

CAPITAL PROJECTS FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
Year Ended June 30, 2013

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
SP#200324	Construction of elementary school	3/28/00	\$21,670,374	21,433,993	0	236,381
SP#1310-033-08-1000	Various Repairs and Renovations at Davenport Elementary	4/15/08	5,226,777	4,488,651	0	738,126
SP#1310-035-08-1000	Slaybaugh Elementary		4,391,664	3,783,409	0	608,255
SP#1310-034-08-1000	Alder Avenue Middle School		2,581,224	2,556,511	6,370	18,343
SP#1310-050-08-1000	Swift Elementary School		1,903,196	1,464,452	0	438,744
SP#1310-045-08-1000	Miller Elementary School		2,287,280	1,845,791	59,388	382,101
SP#1310-005-08-1000	Egg Harbor Township High School		8,431,026	7,946,264	444,913	39,849
SP#1310-005-10-1001	Various Repairs and Renovations at Egg Harbor Township High School	8/26/10	45,800	33,816	4,185	7,799
SP#1310-039-10-1006	Fernwood Avenue Middle School		855,163	737,789	117,549	(175)
SP#1310-038-10-1004	Alder Avenue Middle School		493,040	411,363	(9,514)	91,191
SP#1310-033-10-1002	Davenport Elementary		827,525	787,897	42,655	(3,027)
SP#1310-035-10-1003	Slaybaugh Elementary		1,192,736	875,367	63,186	254,183
N/A	Renovation/Expansion of High School Field House and Concession Stand	11/13/12	799,350		87,645	711,705
N/A	Swift Elementary School Modular Building Project	6/11/13	483,800		28,063	455,737
Totals			<u>\$51,188,955</u>	<u>46,365,303</u>	<u>844,440</u>	<u>3,979,212</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2013

Revenues and other Financing Sources

State sources -	
School Facilities Grant Program	\$0
NJ Department of Treasury Grant	0
NJ Economic Development Authority	0
Bond proceeds and transfers	0
Township of Egg Harbor	0
Transfer from capital reserve	1,283,150
Transfer from capital outlay	0
Total revenues	<u>1,283,150</u>

Expenditures and other Financing Uses

Salaries	0
Purchased professional and technical services	8,118
Legal services	0
Land and improvements	0
Construction services	836,322
Equipment purchases	0
Total expenditures	<u>844,440</u>
Excess (deficiency) of revenues over (under) expenditures	438,710
Fund balance - beginning	3,540,502
Fund balance - ending	<u><u>\$3,979,212</u></u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Construction of Dr. Joyanne D. Miller Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$21,670,374		21,670,374	
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>21,670,374</u>	<u>0</u>	<u>21,670,374</u>	<u>0</u>
Expenditures and other Financing Uses				
Salaries			0	
Purchased professional and technical services	74,592		74,592	
Legal services	21,528		21,528	
Contingency	57,505		57,505	
Construction services	20,510,154		20,510,154	
Furniture & equipment purchases	770,214		770,214	
Total expenditures	<u>21,433,993</u>	<u>0</u>	<u>21,433,993</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$236,381</u>	<u>0</u>	<u>236,381</u>	<u>0</u>
Additional project information:				
Project number	SP-200324			
Grant Date	N/A			
Bond Authorization Date	3/28/00			
Bonds Authorized	21,800,000			
Bonds Issued	21,800,000			
Original Authorized Cost	21,800,000			
Additional/Reduction in Authorized Cost	(129,626)			
Revised Authorized Cost	21,670,374			
Percentage Increase over Original Authorized Cost	-0.59%			
Percentage Completion	100.00%			
Original target completion date	9/1/03			
Revised target completion date	6/30/13			

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Davenport Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$5,226,777		5,226,777	5,226,777
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>5,226,777</u>	<u>0</u>	<u>5,226,777</u>	<u>5,226,777</u>
Expenditures and other Financing Uses				
Salaries	15,898		15,898	
Purchased professional and technical services	285,962		285,962	
Legal services	111		111	
Contingency			0	
Construction services			0	
Furniture & equipment purchases	4,186,680		4,186,680	
Total expenditures	<u>4,488,651</u>	<u>0</u>	<u>4,488,651</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$738,126</u>	<u>0</u>	<u>738,126</u>	<u>5,226,777</u>
Additional project information:				
Project number	01-1310-033-08-1000			
Grant date	N/A			
Bond Authorization Date	4/15/08			
Bonds Authorized	5,226,777			
Bonds Issued	0			
Original Authorized Cost	5,226,777			
Additional Authorized Cost	0			
Revised Authorized Cost	5,226,777			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	85.88%			
Original target completion date	6/30/09			
Revised target completion date	6/30/13			

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$4,391,664		4,391,664	4,391,664
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>4,391,664</u>	<u>0</u>	<u>4,391,664</u>	<u>4,391,664</u>
Expenditures and other Financing Uses:				
Salaries	13,358		13,358	
Purchased professional and technical services	182,165		182,165	
Legal services	98		98	
Contingency			0	
Construction services	3,587,788		3,587,788	
Furniture & equipment purchases			0	
Total expenditures	<u>3,783,409</u>	<u>0</u>	<u>3,783,409</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$608,255</u>	<u>0</u>	<u>608,255</u>	<u>4,391,664</u>

Additional project information:

Project number	01-1310-035-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	4,391,664
Bonds Issued	0
Original Authorized Cost	4,391,664
Additional Authorized Cost	0
Revised Authorized Cost	4,391,664
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	86.15%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Alder Avenue Middle School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$2,581,224		2,581,224	2,581,224
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>2,581,224</u>	<u>0</u>	<u>2,581,224</u>	<u>2,581,224</u>
Expenditures and other Financing Uses:				
Salaries	7,851		7,851	
Purchased professional and technical services	146,960	6,370	153,330	
Legal services	52		52	
Contingency			0	
Construction services	2,401,648		2,401,648	
Furniture & equipment purchases			0	
Total expenditures	<u>2,556,511</u>	<u>6,370</u>	<u>2,562,881</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$24,713</u>	<u>(6,370)</u>	<u>18,343</u>	<u>2,581,224</u>

Additional project information:

Project number	01-1310-034-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	2,581,224
Bonds Issued	0
Original Authorized Cost	2,581,224
Additional Authorized Cost	0
Revised Authorized Cost	2,581,224
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	99.29%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Swift Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$1,903,196		1,903,196	1,903,196
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>1,903,196</u>	<u>0</u>	<u>1,903,196</u>	<u>1,903,196</u>
Expenditures and other Financing Uses:				
Salaries	5,789		5,789	
Purchased professional and technical services	108,972		108,972	
Legal services	60		60	
Contingency			0	
Construction services	1,349,631		1,349,631	
Furniture & equipment purchases			0	
Total expenditures	<u>1,464,452</u>	<u>0</u>	<u>1,464,452</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$438,744</u>	<u>0</u>	<u>438,744</u>	<u>1,903,196</u>

Additional project information:

Project number	01-1310-050-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	1,903,196
Bonds Issued	0
Original Authorized Cost	1,903,196
Additional Authorized Cost	0
Revised Authorized Cost	1,903,196
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	76.95%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Miller Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$2,287,280		2,287,280	2,287,280
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay			0	
Total revenues	<u>2,287,280</u>	<u>0</u>	<u>2,287,280</u>	<u>2,287,280</u>
Expenditures and other Financing Uses:				
Salaries	6,957		6,957	
Purchased professional and technical services	130,709	1,748	132,457	
Legal services	69		69	
Contingency			0	
Construction services	1,708,056	57,640	1,765,696	
Furniture & equipment purchases			0	
Total expenditures	<u>1,845,791</u>	<u>59,388</u>	<u>1,905,179</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$441,489</u>	<u>(59,388)</u>	<u>382,101</u>	<u>2,287,280</u>

Additional project information:

Project number	01-1310-045-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	2,287,280
Bonds Issued	0
Original Authorized Cost	2,287,280
Additional Authorized Cost	0
Revised Authorized Cost	2,287,280
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	83.29%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers	\$6,425,900		6,425,900	6,425,900
Township of Egg Harbor			0	
Transfer from capital reserve	2,005,126		2,005,126	2,005,126
Transfer from capital outlay			0	
Total revenues	<u>8,431,026</u>	<u>0</u>	<u>8,431,026</u>	<u>8,431,026</u>
Expenditures and other Financing Uses:				
Salaries	19,545		19,545	
Purchased professional and technical services	329,980		329,980	
Legal services	169		169	
Contingency	68,729		68,729	
Construction services	7,527,841	444,913	7,972,754	
Furniture & equipment purchases			0	
Total expenditures	<u>7,946,264</u>	<u>444,913</u>	<u>8,391,177</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$484,762</u>	<u>(444,913)</u>	<u>39,849</u>	<u>8,431,026</u>

Additional project information:

Project number	01-1310-005-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	6,425,900
Bonds Issued	0
Original Authorized Cost	6,425,900
Additional Authorized Cost	1,538,526
Revised Authorized Cost	7,964,426
Percentage Increase over Original Authorized Cost	23.94%
Percentage Completion	99.53%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program	\$24,203		24,203	24,203
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve	24,203		24,203	24,203
Transfer from capital outlay			0	
Total revenues	<u>48,406</u>	<u>0</u>	<u>48,406</u>	<u>48,406</u>
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services	5,186		5,186	
Legal services			0	
Contingency			0	
Construction services	31,236	4,185	35,421	
Furniture & equipment purchases			0	
Total expenditures	<u>36,422</u>	<u>4,185</u>	<u>40,607</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$11,984</u>	<u>(4,185)</u>	<u>7,799</u>	<u>48,406</u>

Additional project information:

Project number	01-1310-005-10-1001
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	45,800
Additional Authorized Cost	0
Revised Authorized Cost	45,800
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	83.89%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Fernwood Middle School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program	\$439,853		439,853	439,853
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve	51,596		51,596	51,596
Transfer from capital outlay	361,108		361,108	361,108
Total revenues	<u>852,557</u>	<u>0</u>	<u>852,557</u>	<u>852,557</u>
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services	49,178		49,178	
Legal services			0	
Contingency			0	
Construction services	686,005	117,549	803,554	
Furniture & equipment purchases			0	
Total expenditures	<u>735,183</u>	<u>117,549</u>	<u>852,732</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$117,374</u>	<u>(117,549)</u>	<u>(175)</u>	<u>852,557</u>

Additional project information:

Project number	01-1310-039-10-1006
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	929,985
Additional Authorized Cost	0
Revised Authorized Cost	929,985
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.02%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Alder Middle School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program	\$259,014		259,014	259,014
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve	30,525		30,525	30,525
Transfer from capital outlay	203,501		203,501	203,501
Total revenues	<u>493,040</u>	<u>0</u>	<u>493,040</u>	<u>493,040</u>
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services	28,079		28,079	
Legal services			0	
Contingency			0	
Construction services	383,284	(9,514)	373,770	
Furniture & equipment purchases			0	
Total expenditures	<u>411,363</u>	<u>(9,514)</u>	<u>401,849</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$81,677</u>	<u>9,514</u>	<u>91,191</u>	<u>493,040</u>

Additional project information:

Project number	01-1310-038-10-1004
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	1,272,725
Additional Authorized Cost	0
Revised Authorized Cost	1,272,725
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	81.50%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Davenport Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program	\$437,304		437,304	437,304
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay	390,221		390,221	390,221
Total revenues	<u>827,525</u>	<u>0</u>	<u>827,525</u>	<u>827,525</u>
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services	43,344		43,344	
Legal services			0	
Contingency			0	
Construction services	744,553	42,655	787,208	
Furniture & equipment purchases			0	
Total expenditures	<u>787,897</u>	<u>42,655</u>	<u>830,552</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$39,628</u>	<u>(42,655)</u>	<u>(3,027)</u>	<u>827,525</u>

Additional project information:

Project number	01-1310-033-10-1002
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	827,525
Additional Authorized Cost	0
Revised Authorized Cost	827,525
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.37%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program	\$596,368		596,368	596,368
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve			0	
Transfer from capital outlay	596,368		596,368	596,368
Total revenues	<u>1,192,736</u>	<u>0</u>	<u>1,192,736</u>	<u>1,192,736</u>
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services	69,879		69,879	
Legal services			0	
Contingency			0	
Construction services	805,488	63,186	868,674	
Furniture & equipment purchases			0	
Total expenditures	<u>875,367</u>	<u>63,186</u>	<u>938,553</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$317,369</u>	<u>(63,186)</u>	<u>254,183</u>	<u>1,192,736</u>

Additional project information:

Project number	01-1310-035-10-1003
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	1,307,425
Additional Authorized Cost	0
Revised Authorized Cost	1,307,425
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	78.69%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Renovation/Expansion of High School Field House and Concession Stand
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve		799,350	799,350	799,350
Transfer from capital outlay			0	
Total revenues	0	799,350	799,350	799,350
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services			0	
Legal services			0	
Contingency			0	
Construction services		87,645	87,645	799,350
Furniture & equipment purchases			0	
Total expenditures	0	87,645	87,645	799,350
Excess (deficiency) of revenues over (under) expenditures	\$0	711,705	711,705	0

Additional project information:

Project number	N/A
Grant date	N/A
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	799,350
Additional Authorized Cost	0
Revised Authorized Cost	799,350
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	10.96%
Original target completion date	6/30/14
Revised target completion date	6/30/14

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Swift School Modular Building Project
From Inception and for the Year Ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			0	
NJ Department of Treasury Grant			0	
NJ Economic Development Authority			0	
Bond proceeds and transfers			0	
Township of Egg Harbor			0	
Transfer from capital reserve		483,800	483,800	483,800
Transfer from capital outlay			0	
Total revenues	0	483,800	483,800	483,800
Expenditures and other Financing Uses:				
Salaries			0	
Purchased professional and technical services			0	
Legal services			0	
Contingency			0	
Construction services		28,063	28,063	483,800
Furniture & equipment purchases			0	
Total expenditures	0	28,063	28,063	483,800
Excess (deficiency) of revenues over (under) expenditures	\$0	455,737	455,737	0

Additional project information:

Project number	N/A
Grant date	N/A
Bond Authorization Date	N/A
Bonds Authorized	0
Bonds Issued	0
Original Authorized Cost	483,800
Additional Authorized Cost	0
Revised Authorized Cost	483,800
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	5.80%
Original target completion date	6/30/14
Revised target completion date	6/30/14

FIDUCIARY FUNDS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2013

H-1

	Trust		Total Trusts	Student Activity	Agency			Total Agency
	Unemployment Compensation	Private Purpose			Conduit	Payroll		
ASSETS:								
Cash and cash equivalents	\$1,032,097		1,032,097	408,909	305,373	56,911	771,193	
Interfunds receivable	36,284	200,000	236,284				0	
Total Assets	<u>1,068,381</u>	<u>200,000</u>	<u>1,268,381</u>	<u>408,909</u>	<u>305,373</u>	<u>56,911</u>	<u>771,193</u>	
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Payroll deductions and withholdings						20,627	20,627	
Interfunds payable					200,000	36,284	236,284	
Due to student groups				408,909			408,909	
Conduit activities payable					105,373		105,373	
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>408,909</u>	<u>305,373</u>	<u>56,911</u>	<u>771,193</u>	
Net Position								
Reserved - Trust			1,068,381					
Unemployment		200,000	200,000					
Scholarship								
Total net position	<u>1,068,381</u>	<u>200,000</u>	<u>1,268,381</u>					
Total net position	<u>\$1,068,381</u>	<u>200,000</u>	<u>1,268,381</u>					

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2013

H-3

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2013	Balance June 30, 2013
Elementary and Middle Schools	\$137,601	83,718	83,134		138,185
Graduated Classes	29,124	48	2,449		26,723
Athletic Fund	14,076	88,205	76,179		26,102
High School Students	169,345	481,373	433,949		216,769
Alternative School (Grades 7-12)	1,871	2,153	2,894		1,130
Total all schools	\$352,017	655,497	598,605	0	408,909

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2013

H-4a

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and cash equivalents	\$752,500	43,253,978	43,949,567	56,911
Total assets	<u>752,500</u>	<u>43,253,978</u>	<u>43,949,567</u>	<u>56,911</u>
LIABILITIES:				
Payroll deductions and withholdings	717,625	43,217,694	43,914,692	20,627
Due to unemployment trust	34,875	36,284	34,875	36,284
Total liabilities	<u>\$752,500</u>	<u>43,253,978</u>	<u>43,949,567</u>	<u>56,911</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Agency Fund - Conduit
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2013

H-4b

OPERATING REVENUES:

Local sources:

Contributions

\$55,199

Total operating revenues

55,199

OPERATING EXPENSES:

Purchased professional services

24,521

Total operating expenses

24,521

Operating Income

30,678

Net position, July 1

74,695

Net position, June 30

\$105,373

LONG-TERM DEBT

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2013

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
General Obligation - Refunding Bonds	10/1/04	50,735,000	7/15/13	1,000,000	3.500%				
			7/15/13	1,650,000	3.375%				
			7/15/14	2,750,000	3.500%				
			7/15/15	1,375,000	3.550%				
			7/15/15	1,490,000	3.500%				
			7/15/16	3,020,000	5.500%				
			7/15/17	3,195,000	5.500%				
			7/15/18	3,375,000	5.500%				
			7/15/19	3,570,000	5.500%				
			7/15/20	3,775,000	5.500%				
			7/15/21	3,995,000	5.500%				
			7/15/22	4,220,000	5.500%				
			7/15/23	4,460,000	5.500%				
		7/15/24	4,715,000	5.750%					
		7/15/25	4,985,000	5.750%		50,135,000		2,560,000	47,575,000
School Bonds	4/1/05	23,052,000	4/1/14	705,000	3.750%				
			4/1/15	740,000	4.000%	8,780,000		7,335,000	1,445,000

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2013

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013	
General Obligation - Refunding Bonds	12/5/06	15,410,000	4/1/14	70,000	3.500%					
			4/1/15	75,000	3.500%					
			4/1/16	75,000	3.750%					
			4/1/17	80,000	4.000%					
			4/1/18-19	85,000	4.000%					
			4/1/20	90,000	4.000%					
			4/1/21	95,000	4.000%					
			4/1/22	955,000	4.000%					
			4/1/23	95,000	3.500%					
			4/1/24	100,000	3.500%					
			4/1/25	1,035,000	3.500%					
			4/1/26	980,000	3.500%					
			4/1/27	2,315,000	3.500%					
			4/1/28	2,515,000	3.500%					
			4/1/29	3,220,000	4.125%					
			4/1/30	3,025,000	4.125%	14,965,000			70,000	14,895,000
	School Bonds	9/15/08	27,924,000	9/15/13	1,165,000	4.000%				
			9/15/14	1,220,000	4.000%					
			9/15/15	1,275,000	4.000%					
			9/15/16	1,335,000	4.000%					
			9/15/17	1,400,000	4.000%					
			9/15/18	1,465,000	4.000%					
			9/15/19	1,530,000	4.000%					
			9/15/20	1,605,000	4.000%					
			9/15/21	1,675,000	4.000%					
			9/15/22	1,755,000	4.000%					
			9/15/23	1,835,000	4.000%					
			9/15/24	1,920,000	4.000%					
			9/15/25	2,010,000	4.125%					
		9/15/26	2,105,000	4.200%						
		9/15/27	2,205,000	4.250%						
		9/15/28	2,310,000	4.250%						
						27,924,000		1,114,000	26,810,000	

EGG HARBOR TOWNSHIP SCHOOL DISTRICT

I-1

Long-Term Debt
Schedule of Serial Bonds
June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
General Obligation - Refunding Bonds	12/5/12	6,805,000	4/1/14-15	30,000	2.000%				
			4/1/16	815,000	3.000%				
			4/1/17	825,000	3.000%				
			4/1/18	845,000	3.000%				
			4/1/19	835,000	3.000%				
			4/1/20-21	850,000	3.000%				
			4/1/23	835,000	4.000%				
			4/1/24	855,000	3.500%		6,805,000	35,000	6,770,000
						<u>\$101,804,000</u>	<u>6,805,000</u>	<u>11,114,000</u>	<u>97,495,000</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2013

I-2

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2012	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2013
Ford E-350 Type D - 54 passenger buses (15)	10/1/03	4.880%	1,033,279	137,869		137,869	0
Type D 24 passenger buses (5)	9/1/04	5.800%	378,844	93,326		45,348	47,978
Blue Bird Type D (refinance) 54 passenger buses (22)	8/15/06	4.155%	1,438,805	595,095		190,347	404,748
Blue Bird 54 passenger buses (14)	8/15/06	4.155%	941,000	373,765		87,817	285,948
Blue Bird 54 passenger buses (3) 29 passenger buses (3) 25 passenger bus (1) with wheelchair lift	8/15/07	4.170%	530,000	130,000		24,000	106,000
Blue Bird - 29 passenger buses (3) & various technology equipment	8/7/08	3.750%	700,000	45,000		45,000	0
International 54 passenger buses (2) 29 passenger buses (1)	9/9/09	4.250%	255,000	155,000		35,000	120,000
				<u>\$1,530,055</u>	<u>0</u>	<u>565,381</u>	<u>964,674</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$5,738,984	0	5,738,984	5,738,984	0
	<u>5,738,984</u>	<u>0</u>	<u>5,738,984</u>	<u>5,738,984</u>	<u>0</u>
State Sources:					
Debt Service Aid Type II	3,250,869	0	3,250,869	3,250,869	0
Total - State Sources	<u>3,250,869</u>	<u>0</u>	<u>3,250,869</u>	<u>3,250,869</u>	<u>0</u>
Total Revenues	8,989,853	0	8,989,853	8,989,853	0
EXPENDITURES:					
Regular Debt Service:					
Interest	4,595,853	(39,800)	4,556,053	4,522,886	33,167
Redemption of Principal	4,394,000	39,800	4,433,800	4,429,226	4,574
Total Regular Debt Service	<u>8,989,853</u>	<u>0</u>	<u>8,989,853</u>	<u>8,952,112</u>	<u>37,741</u>
Total expenditures	8,989,853	0	8,989,853	8,952,112	37,741
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	37,741	37,741
Fund Balance, July 1	2	0	2	2	0
Fund Balance, June 30	<u>\$2</u>	<u>0</u>	<u>2</u>	<u>37,743</u>	<u>37,741</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures	0
Unrestricted Fund Balance	<u>37,743</u>
	<u>\$37,743</u>

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Statistical Section

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TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	59,399,940	41,208,035	39,306,247	38,524,993	65,409,682	68,517,439	78,925,882	80,245,144	107,596,509	106,080,616
Restricted	5,371,242	31,878,493	34,697,055	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303
Unrestricted	(8,427,250)	(11,021,150)	(9,456,186)	(9,020,267)	(7,336,108)	(18,155,056)	(12,189,021)	(2,941,253)	3,448,528	5,512,921
Total governmental activities net position	56,343,932	62,065,378	64,547,116	64,639,265	92,314,235	89,672,104	83,977,734	86,485,210	115,706,633	115,530,840
Business-type activities										
Net investment in capital assets	41,340	23,875	8,247	59,631	64,568	154,785	139,764	124,316	113,406	147,741
Unrestricted	(62,785)	63,506	77,192	262,480	291,589	511,873	912,539	1,339,255	1,628,015	1,338,792
Total business-type activities net position	(21,445)	87,381	85,439	322,111	356,157	666,658	1,052,303	1,463,571	1,741,421	1,486,533
District-wide										
Net investment in capital assets	59,441,280	41,231,910	39,314,494	38,584,624	65,474,250	68,672,224	79,065,646	80,369,460	107,709,915	106,228,357
Restricted	5,371,242	31,878,493	34,697,055	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303
Unrestricted	(8,490,035)	(10,957,644)	(9,378,994)	(8,757,787)	(7,044,519)	(17,643,183)	(11,276,482)	(1,601,998)	5,013,461	6,851,713
Total district net position	56,322,487	62,152,759	64,632,555	64,961,376	92,670,392	90,338,762	85,030,037	87,948,781	117,384,972	117,017,373

Note:
 As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 63 and 65, the District has restated the June 30, 2012 Governmental Activities Unrestricted net position. The restatement resulted in an increase of \$68,083 to net position.

Source: CAFR Schedule A-1

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	27,931,280	29,800,740	32,856,171	35,755,679	44,610,760	45,612,915	49,702,067	46,770,376	48,007,801	50,851,116
Special education	6,255,442	7,127,997	8,041,863	9,243,100	10,447,761	10,359,391	10,975,613	9,832,790	10,277,868	11,368,892
Other special education	1,093,920	1,199,459	1,581,791	1,833,470	2,022,923	2,845,120	2,857,779	2,388,646	3,194,760	3,139,061
Other instruction	1,044,545	992,905	1,182,748	1,341,128	1,592,984	1,627,343	2,305,275	1,610,354	1,795,683	1,925,211
Nonpublic school programs	125,122	310,826	331,811	247,722	326,339	271,036	327,404	233,225	228,312	89,559
Support Services:										
Tuition	3,772,420	3,357,383	4,669,094	4,326,100	4,617,756	5,339,044	4,539,129	4,110,824	5,595,481	6,355,186
Student & instruction related services	10,202,869	9,370,872	10,675,035	11,211,589	13,284,517	14,216,429	15,927,155	15,643,313	17,002,463	19,522,106
General administrative services	4,377,442	3,178,383	3,497,578	3,824,605	3,984,247	4,064,643	4,208,735	3,867,251	3,956,528	4,368,385
School administrative services	2,981,281	3,159,827	3,507,991	3,874,447	4,100,130	4,312,650	5,093,246	5,118,734	5,484,702	6,006,631
Plant operations and maintenance	12,642,476	12,670,828	10,994,484	12,201,742	14,110,569	15,299,962	15,135,986	13,928,061	13,904,927	13,998,124
Pupil transportation	5,198,189	5,993,442	9,106,023	9,445,930	8,821,333	9,113,711	9,696,290	9,371,628	9,806,929	10,075,822
Special Schools	86,556	64,819	182,844	198,060	246,120	251,555	-	-	4,679,467	4,333,013
Interest on long-term debt	3,777,923	3,258,006	4,577,714	4,385,934	4,245,200	4,411,123	5,606,697	4,942,981	4,679,467	2,000
Capital Outlay				309,664						
Total governmental activities expenses	79,489,465	80,485,487	91,205,147	98,199,170	112,410,639	117,724,922	126,375,376	117,818,183	123,934,921	132,035,106
Business-type activities:										
Food service	2,296,649	2,569,631	2,901,381	2,904,526	3,316,662	3,367,972	3,282,613	2,770,324	2,924,766	3,423,983
Child Care	230,911	284,686	308,349	333,692	379,271	395,166	354,299	312,264	319,206	342,188
Total business-type activities expense	2,527,560	2,854,317	3,209,730	3,238,218	3,695,933	3,763,138	3,636,912	3,082,588	3,243,972	3,766,171
Total district expenses	82,017,025	83,339,804	94,414,877	101,437,388	116,106,572	121,488,060	130,012,288	120,900,771	127,178,893	135,801,277
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools				4,695	4,205	-	-	-	503,161	723,162
Tuition	4,580	10,514	5,725	54,619	86,606	117,355	68,362	322,020	11,672,736	13,904,322
Operating grants and contributions	22,432	52,002	77,136	10,608,785	11,423,527	9,126,728	10,533,002	10,733,173	11,672,736	13,904,322
Total governmental activities program revenues	5,830,166	6,742,191	7,860,730	10,668,099	11,514,338	9,244,083	10,601,364	11,055,193	12,175,897	14,627,484

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Food service	1,221,618	1,354,105	1,448,147	1,519,027	1,613,890	1,762,188	1,713,237	1,624,960	1,508,441	1,370,924
Child care	234,542	314,645	379,599	418,344	416,505	402,202	376,114	363,521	338,588	325,824
Operating grants and contributions	701,649	862,330	982,246	1,109,599	1,281,265	1,460,900	1,566,779	1,494,938	1,669,251	1,811,708
Total business type activities program revenues	2,157,809	2,531,080	2,809,992	3,046,970	3,311,660	3,625,270	3,656,130	3,483,439	3,516,280	3,508,456
Total district program revenues	7,987,987	9,335,787	10,753,583	13,715,069	14,825,998	12,869,353	14,257,494	14,538,632	15,692,177	18,135,940
Net (Expense)/Revenue										
Governmental activities	(73,659,287)	(73,680,780)	(83,251,556)	(87,531,071)	(100,896,301)	(108,480,839)	(115,774,012)	(106,762,990)	(111,759,024)	(117,407,622)
Business-type activities	(369,751)	(323,237)	(399,738)	(191,248)	(384,273)	(137,868)	19,218	400,851	272,308	(257,715)
Total district-wide net expense	(74,029,038)	(74,004,017)	(83,651,294)	(87,722,319)	(101,280,574)	(108,618,707)	(115,754,794)	(106,362,139)	(111,486,716)	(117,665,337)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	39,816,846	43,235,321	48,685,023	50,843,214	63,222,982	59,739,242	63,470,098	63,300,938	64,566,957	67,204,500
Taxes levied for debt service	3,018,583	3,008,039	4,269,318	4,222,368	4,139,846	4,178,493	4,892,610	5,208,360	5,115,855	5,736,984
Unrestricted grants and contributions	27,947,437	29,449,451	29,749,540	29,933,028	30,931,744	37,998,580	37,396,131	36,430,511	39,589,730	40,238,195
Federal and state aid restricted	3,368,871	3,500,938	3,196,421	3,929,213	3,152,322	3,297,657	4,051,939	3,176,748	30,542,358	3,250,869
Transportation charges	23,860									
Investment earnings	134,050	316,686	1,332,186	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643
Miscellaneous income	48,173	165,529	242,731	301,994	131,731	280,371	29,240	1,048,988	573,821	926,211
Special items	146,667	146,667	(72,053)	(2,091,837)	25,067,305	157,653	203,043	(323,687)	433,797	(167,573)
Transfers	(435,000)	(420,405)	(380,000)	(393,401)	(393,401)	(385,033)	(357,161)	-	-	-
Total governmental activities	74,069,487	79,402,226	87,023,166	87,623,220	128,571,271	105,838,708	110,079,642	109,270,466	140,917,367	117,231,829
Business-type activities:										
Investment earnings	3,651	11,658	17,796	34,920	24,918	7,917	9,266	10,417	5,542	2,827
Special items										
Transfers	435,000	420,405	380,000	393,000	393,401	385,033	357,161	-	-	-
Total business-type activities	438,651	432,063	397,796	427,920	418,319	448,369	366,427	10,417	5,542	2,827
Total district-wide	74,508,138	79,834,289	87,420,962	88,051,140	128,989,590	106,287,077	110,446,069	109,280,883	140,922,909	117,234,656

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Change in Net Position										
Governmental activities	410,200	5,721,446	3,761,610	92,149	27,674,970	(2,642,131)	(5,694,370)	2,507,476	29,158,343	(175,793)
Business-type activities	68,900	108,826	(1,942)	236,672	34,046	310,501	385,645	411,268	277,850	(254,888)
Total district	<u>479,100</u>	<u>5,830,272</u>	<u>3,759,668</u>	<u>328,821</u>	<u>27,709,016</u>	<u>(2,331,630)</u>	<u>(5,308,725)</u>	<u>2,918,744</u>	<u>29,436,193</u>	<u>(430,681)</u>

Change in Net Position
 Governmental activities
 Business-type activities
 Total district

Source: CAFR Schedule A-2

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	3,188,935	7,416,626	9,510,351	7,524,256	10,497,827	10,924,049	7,164,472	3,288,889	5,918,996	9,035,850
Unreserved	852,275	54,480	942,136	1,124,179	1,340,851	(1,002,958)	(1,187,551)	5,092,461	5,388,432	3,379,001
Total general fund	<u>4,041,210</u>	<u>7,471,106</u>	<u>10,452,487</u>	<u>8,648,435</u>	<u>11,838,678</u>	<u>9,921,091</u>	<u>5,976,921</u>	<u>8,683,213</u>	<u>11,778,464</u>	<u>12,567,788</u>
All Other Governmental Funds										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	1,175,181	648,949	331,726	2,248,195	924,018	9,141,444	3,193,406	2,225,921	2,731,142	3,149,561
Unreserved, reported in:										
Special revenue fund	(28,577)	(28,577)	(28,577)	(28,577)	(28,577)	-	-	-	-	-
Capital projects fund	(168,055)	23,164,628	24,458,882	23,090,766	21,886,172	10,102,784	3,689,589	2,876,357	729,708	749,999
Debt service fund		(659)	64,370	23,127	8,626	-	-	-	2	-
Total all other governmental funds	<u>978,549</u>	<u>23,784,341</u>	<u>24,826,401</u>	<u>25,333,511</u>	<u>22,790,239</u>	<u>19,244,228</u>	<u>6,882,995</u>	<u>5,102,278</u>	<u>3,460,852</u>	<u>3,937,303</u>

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	42,835,429	46,243,360	52,954,341	55,065,582	67,362,828	63,917,735	68,362,708	68,509,298	69,682,812	72,943,484
Tuition charges	22,432	52,002	77,136	54,619	86,606	117,355	68,362	322,020	503,161	723,162
Transportation charges	23,860									
Interest earnings	134,050	316,686	1,332,186	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643
Miscellaneous	63,196	180,460	148,456	306,689	135,936	280,371	29,240	1,048,988	573,821	926,211
Local sources			134,730	16,129	17,232	121,697	89,726	70,201	83,696	80,932
State sources	35,343,888	37,602,799	38,424,801	42,079,421	43,014,597	47,695,428	42,424,817	46,333,813	76,949,960	53,791,957
Federal sources	1,765,142	2,085,364	2,347,160	2,375,476	2,475,764	2,605,840	9,466,529	3,936,418	4,771,168	3,520,497
Total revenue	80,187,997	86,480,671	95,418,810	100,776,156	115,411,705	115,310,171	120,835,124	120,649,346	152,659,467	132,026,886
Expenditures										
Instruction										
Regular Instruction	23,038,379	25,378,858	26,400,956	28,151,621	33,128,570	33,559,452	35,679,871	34,419,675	34,587,035	35,102,304
Special education instruction	4,611,468	5,380,544	6,094,441	6,603,506	7,399,402	7,360,619	7,600,335	6,794,254	7,076,809	7,581,713
Other special instruction	807,090	897,798	1,177,353	1,290,177	1,411,857	2,017,871	1,926,862	1,648,521	2,197,648	2,032,077
Other instruction	740,207	735,146	888,535	955,992	1,127,189	1,155,686	1,757,760	1,243,611	1,355,886	1,417,191
Nonpublic school programs	125,122	310,826	331,811	247,722	326,339	271,036	327,404	233,225	228,312	89,559
Support Services:										
Tuition	2,561,948	2,213,257	3,275,263	2,689,298	2,950,776	3,364,205	2,773,305	2,276,121	3,204,415	3,822,196
Student & instruction related services	6,608,228	7,172,961	8,215,775	8,407,953	9,765,885	10,418,560	11,068,011	10,847,890	11,809,563	13,168,955
General administrative services	1,899,956	2,315,763	2,524,363	2,682,231	2,716,949	2,775,962	2,806,420	2,554,836	2,618,284	2,808,404
School Administrative services	2,185,551	2,367,237	2,583,967	2,776,309	2,883,757	3,061,745	3,073,874	3,125,619	3,367,287	3,501,399
Plant operations and maintenance	9,245,603	9,471,788	8,201,148	8,599,212	9,872,178	10,704,263	10,310,439	9,356,191	9,136,762	8,802,111
Pupil transportation	3,780,558	4,460,189	7,199,273	7,140,085	6,091,422	6,286,850	6,573,305	6,471,752	6,558,242	6,524,541
Unallocated employee benefits	14,008,922	14,937,251	15,466,418	20,602,086	25,430,478	26,248,423	31,065,098	28,222,108	30,220,266	34,608,681
Special Schools	59,429	48,737	136,657	140,268	174,998	179,675	-	3,745,614	30,696,942	2,353,522
Capital outlay	7,258,641	1,246,016	2,832,868	5,728,646	4,264,995	11,211,686	13,137,361			
Debt service:										
Principal	2,600,000	3,245,000	2,800,000	2,980,000	3,035,000	3,185,000	3,265,000	3,400,000	3,410,000	4,429,226
Interest and other charges	3,843,258	3,178,276	4,656,069	4,362,454	4,321,538	4,172,324	5,688,175	4,985,108	4,817,207	4,522,886
Total expenditures	83,374,360	83,359,647	92,784,897	103,357,560	114,901,333	125,973,357	137,053,220	119,324,525	151,284,658	130,764,765
Excess (Deficiency) of revenues over (under) expenditures	(3,186,363)	3,121,024	2,633,913	(2,581,404)	510,372	(10,663,186)	(16,218,096)	1,324,821	1,374,809	1,262,121

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses)										
Capital leases (non-budgeted)	1,737,153	483,069	1,769,528	1,645,382	530,000	700,000	255,000	(400,347)	-	-
Debt service assessment				32,080		13,137	14,854	1,101	79,016	3,654
Cancellation of prior year payables		73,787,000				27,924,000				
Bond proceeds										
Proceeds of refunding debt	10,715,000			13,572,000						6,805,000
Payment to refunded debt escrow agent	(10,715,000)	(50,735,000)		(13,572,000)						(6,805,000)
Recoveries for storm damage										398,700
Insurance										74,883
FEMA										(398,700)
Expenses related to storm damage										(74,883)
Insurance										1,406,400
FEMA										(1,406,400)
Transfers in		103,711	1,322,563	3,057,611	60,000	1,431,704	106,822	1,657,522	466,600	
Transfers out	(435,000)	(524,116)	(1,702,563)	(3,450,611)	(453,401)	(1,816,737)	(463,983)	(1,657,522)	(466,600)	
Total other financing sources (uses)	1,302,153	23,114,664	1,389,528	1,284,462	136,599	28,252,104	(87,307)	(399,246)	79,016	3,654
Net change in fund balances	(1,884,210)	26,235,688	4,023,441	(1,296,942)	646,971	17,588,918	(16,305,403)	925,575	1,453,825	1,265,775
Debt service as a percentage of noncapital expenditures	8.47%	7.82%	8.29%	7.52%	6.65%	6.41%	7.23%	7.25%	6.82%	6.97%

Source: CAFR Schedule B-2

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Adult Evening School Tuition	Refund of Prior Year Expenditures	Lawsuit Settlements	Use of Facilities	Gain/Loss on Sale of Capital Assets	Easement Fees	Sale of SRECS	Misc.	Total
2004	4,580			14,211				33,961	52,752
2005	10,514	47,974		11,474	24,691			81,390	176,043
2006	5,725	62,804		21,736				58,191	148,456
2007	4,695	74,997		32,839		170,000		24,158	306,689
2008	4,205	83,476		7,975				40,280	135,936
2009	-	259,784		11,587				9,000	280,371
2010	919	26,492		350				395,221	422,982
2011	1,845	20,054		26,358			998,538	430,802	1,477,597
2012	2,032	17,455		44,143			475,378	34,813	573,821
2013	2,025	10,964	621,319	44,328			196,135	51,440	926,211

Source: District Records

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qlarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Exempt Property	Class I Railroad	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	170,624,325	1,395,556,600	3,392,900	467,900	423,454,900	-	8,452,000	2,001,948,625		15,300	10,349,696	2,012,313,621	2.21	2,654,767,310
2005	174,390,925	1,550,498,400	3,732,900	477,300	427,746,000	-	8,452,000	2,165,297,625		15,300	8,831,180	2,174,144,005	2.28	3,186,492,752
2006	161,498,900	1,675,678,100	3,272,800	430,100	432,335,600	-	8,452,000	2,281,667,500		15,300	7,006,905	2,288,689,705	2.36	3,994,920,065
2007	159,294,300	1,800,348,500	2,783,000	399,800	444,702,400	-	8,452,000	2,415,980,000		15,300	6,354,500	2,422,349,800	2.53	4,752,501,079
2008	137,144,000	1,911,350,500	3,363,500	508,400	426,413,900	27,295,200	8,210,400	2,514,285,900		15,300	6,382,200	2,520,683,400	2.60	5,294,441,084
2009	125,401,800	1,971,682,300	3,875,800	527,000	423,293,700	28,633,700	8,210,400	2,561,624,700		15,300	7,020,900	2,568,660,900	2.58	5,340,251,351
2010	118,169,900	1,988,870,600	3,888,200	527,000	422,623,800	28,633,700	8,210,400	2,570,923,600		15,300	6,851,800	2,577,790,700	2.65	5,048,552,096
2011	113,010,400	1,989,216,200	3,707,300	529,100	427,410,800	28,633,700	8,210,400	2,570,717,900		15,300	6,202,900	2,576,936,100	2.68	4,757,127,746
2012	108,161,300	1,980,745,900	3,730,300	439,800	430,765,500	28,633,700	8,210,400	2,560,686,900		15,300	6,465,890	2,567,168,090	2.52	4,436,094,851
2013	177,625,200	3,022,057,300	5,717,200	535,300	797,608,100	47,398,600	16,192,000	4,067,133,700		15,300	10,299,734	4,077,448,734	1.79	4,181,141,032

Source: District records Tax list summary & Municipal Tax Assessor

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

* Reassessment occurs when ordered by the County Board of Taxator

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Company

b Tax rates are per \$100

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
2004	2.029	0.182	2.211	0.363	0.610	3.184
2005	2.114	0.163	2.277	0.360	0.610	3.247
2006	2.174	0.182	2.357	0.363	0.639	3.359
2007	2.354	0.172	2.526	0.448	0.605	3.579
2008	2.439	0.163	2.602	0.518	0.605	3.725
2009	2.398	0.182	2.580	0.606	0.624	3.810
2010	2.459	0.189	2.648	0.706	0.619	3.973
2011	2.481	0.201	2.682	0.755	0.664	4.101
2012	2.609	0.224	2.832	0.754	0.641	4.227
* 2013	1.646	0.167	1.813	0.519	0.481	2.813

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

* A revaluation of properties was performed in order to bring the property values in line with their true value. This revaluation was effective for the 2013 tax year.

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.

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Shore Mall Associates	51,596,800	1	1.27%	34,083,600	1	1.28%
English Creek LLC	18,077,300	2	0.44%	10,242,600	3	0.39%
Lowe's Home Centers, Inc.	15,624,500	3	0.38%			
Atlantic City Electric Co.	15,038,400	4	0.37%	11,172,900	2	0.42%
Verizon-New Jersey				9,961,073	4	0.38%
Atlanticare Health Services, Inc.	13,682,100	5	0.34%			
Cardiff Center LLC	11,362,500	6	0.28%	9,200,000	5	0.35%
Hidden Creek Golf Club, LLC	11,309,000	7	0.28%	5,847,500	9	0.22%
Home Depot Development Co of MD	10,831,200	8	0.27%	7,397,100	6	0.28%
Margate Bridge Company	9,710,900	9	0.24%	5,914,000	8	0.22%
Trocki Hotels LP	9,561,800	10	0.23%			
Spencer Gifts, Inc.				5,699,000	10	0.21%
Par-Ruffo Realty Co.				6,294,200	7	0.24%
Total	166,794,500		4.09%	105,811,973		3.99%

Source: District CAFR & Municipal Tax Assessor
 District Total Taxable Value

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	42,835,429	42,835,429	100%	-
2005	46,243,360	46,243,360	100%	-
2006	52,954,341	52,954,341	100%	-
2007	55,065,582	55,065,582	100%	-
2008	67,362,828	67,362,828	100%	-
2009	63,917,735	63,917,735	100%	-
2010	68,362,708	68,362,708	100%	-
2011	68,509,298	68,509,298	100%	-
2012	69,682,812	69,682,812	100%	-
2013	72,943,484	72,943,484	100%	-

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

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Business-Type Activities				
				Capital Leases	Capital Leases			
2004	76,175,000	5,999,787	-	-	82,174,787	6.53%	2,249	
2005	94,117,000	3,453,132	-	-	97,570,132	7.27%	2,584	
2006	91,317,000	3,788,173			95,105,173	6.69%	2,468	
2007	90,175,000	4,631,798	59,618		94,866,416	6.27%	2,406	
2008	87,140,000	4,273,454	55,419		91,468,873	5.82%	2,292	
2009	111,879,000	3,942,669	55,965		115,877,634	7.54%	2,880	
2010	108,614,000	3,264,010	55,965		111,933,975	6.50%	2,583	
2011	105,214,000	2,284,177	55,965		107,554,142	6.83%	2,485	
2012	101,804,000	1,530,055	55,965		103,390,020	5.89%	2,370	
2013	97,495,000	964,674	55,965		98,515,639	5.61%	2,258	

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

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

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	76,175,000	-	76,175,000	3.79%	2,085
2005	94,117,000	-	94,117,000	4.33%	2,493
2006	91,317,000	-	91,317,000	3.99%	2,370
2007	90,175,000	-	90,175,000	3.72%	2,287
2008	87,140,000	-	87,140,000	3.46%	2,184
2009	111,879,000	-	111,879,000	4.36%	2,780
2010	108,614,000	-	108,614,000	4.21%	2,506
2011	105,214,000	-	105,214,000	4.08%	2,431
2012	101,804,000	-	101,804,000	3.97%	2,333
2013	97,495,000	-	97,495,000	2.39%	2,235

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

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

b Population data can be found in Exhibit NJ J-13.

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2013
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Egg Harbor	36,500,440	100.00%	36,500,440
Other debt			
Egg Harbor Township Golf Corporation	8,760,000	100.00%	8,760,000
Atlantic County	111,689,000	9.87%	11,029,227
Subtotal, overlapping debt			56,289,667
Township of Egg Harbor School District debt	97,495,000	100.00%	97,495,000
Total direct and overlapping debt			<u><u>153,784,667</u></u>

Sources: Township of Egg Harbor Finance Officer and Atlantic County Finance Office

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 Egg Harbor. 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.

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	85,057,391	99,867,311	122,328,896	149,201,964	177,740,688	197,042,918	204,248,254	199,868,338	189,401,983	178,813,680
Total net debt applicable to limit	76,175,000	94,117,000	91,317,000	90,175,000	87,140,000	111,879,000	108,614,000	105,214,000	101,804,000	97,495,000
Legal debt margin	8,882,391	5,750,311	31,011,896	59,026,964	90,600,688	85,163,918	95,634,254	94,654,338	87,597,983	81,318,680
Total net debt applicable to the limit as a percentage of debt limit	89.56%	94.24%	74.65%	60.44%	49.03%	56.78%	53.18%	52.64%	53.75%	54.52%

Average equalized valuation of taxable property	
Debt limit (4% of average)	4,470,342,008
Net bonded school debt	178,813,680
Legal debt margin	97,495,000
	<u>81,318,680</u>

Equalized valuation basis	
2012	4,222,768,635
2011	4,442,228,961
2010	4,746,028,429
	<u>13,411,026,025</u>

Source: Abstract of Ratables and District Records CAFR Schedule J-11

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2004	36,537	1,258,407	34,442	5.00%
2005	37,753	1,342,195	35,552	4.20%
2006	38,538	1,421,050	36,874	4.20%
2007	39,431	1,512,218	38,351	4.80%
2008	39,900	1,570,863	39,370	5.10%
2009	40,239	1,536,124	38,175	6.20%
2010	43,341	1,722,631	39,746	11.00%
2011	43,288	1,575,598	40,262	11.30%
2012	43,628	1,756,551	40,262	11.60%
2013	43,628	1,756,551	40,262	12.20%

Source:

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

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, April 2010

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2013			2004		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Federal Aviation Administration		1	0%			0.00%
Egg Harbor Township School District		2	0%			0.00%
AtlantiCare		3	0%			0.00%
Air National Guard		4	0%			0.00%
Bosco's		5	0%			0.00%
U.S. Coast Guard		6	0%			0.00%
Home Depot		7	0%			0.00%
Egg Harbor Township		8	0%			0.00%
Spencer Gifts		9	0%			0.00%
Lowe's		10	0%			0.00%
			0%			-

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2004 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Tax Assessor

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	395.2	409.0	396.9	432.0	484.0	499.6	491.6	457.6	450.0	454.0
Special education	80.0	92.0	96.0	98.0	103.2	100.8	109.0	107.0	118.5	131.5
Vocational	11.0	12.0	12.0	13.0	15.6	15.4	15.4	14.4	6.0	6.0
Other instruction	78.6	76.6	87.6	87.0	99.8	99.8	99.9	93.2	51.5	51.5
Support Services:										
Student & instruction related services	128.0	165.0	149.0	142.0	177.0	177.0	177.0	168.0	169.0	176.0
General administrative services	7.0	7.0	8.0	8.0	8.0	8.5	8.5	8.0	8.0	8.5
School administrative services	43.0	46.0	46.0	46.0	48.0	49.0	49.0	49.0	50.0	50.5
Central services	9.0	9.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0
Administrative information technology	6.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Plant operations and maintenance	78.0	73.0	76.0	92.0	104.0	111.0	106.0	113.0	117.5	122.5
Pupil transportation	98.0	92.0	107.0	112.0	115.0	115.0	115.0	118.0	123.0	120.5
Food Service	53.5	45.0	52.0	47.0	48.0	46.0	44.5	44.5	30.5	30.5
Total	987.3	1,033.6	1,046.5	1,093.0	1,218.6	1,238.1	1,231.9	1,187.7	1,139.0	1,166.5

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only nine years of information was available.

Source: District Personnel Records

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	6,940	69,672,461	10,039	7.19%	565	12.2:1	12.2:1	11.5:1	6,742	6,417	5.31%	95.18%
2005	7,289	75,690,355	10,384	3.44%	628	12.6:1	13.0:1	10.7:1	7,027	6,659	4.23%	94.76%
2006	7,513	82,495,960	10,980	5.74%	690	12.5:1	12.3:1	10.9:1	7,287	6,885	3.70%	94.48%
2007	7,869	90,286,460	11,474	4.49%	690	12.5:1	12.7:1	11.0:1	7,490	7,100	2.79%	94.79%
2008	7,982	103,279,800	12,939	12.77%	692	12.5:1	12.7:1	11.0:1	7,579	7,219	1.19%	95.25%
2009	7,978	107,404,347	13,463	4.05%	714	11.0:1	9.85:1	11.4:1	7,633	7,370	0.71%	96.55%
2010	7,984	114,962,684	14,399	6.96%	716	10.8:1	9.25:1	12.1:1	7,715	7,464	1.07%	96.75%
2011	7,875	107,193,803	13,612	-5.47%	672	10.6:1	9.00:1	12.2:1	7,924	7,536	2.71%	95.10%
2012	8,109	112,360,509	13,856	2.92%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	0.22%	95.36%
2013	7,804	119,459,131	15,307	6.31%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-3.02%	95.30%

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

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>										
<u>Elementary</u>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	395	407	417	432	504	467	476	471	499	448
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	677	584	557	553	438	426	494	480	462	476
E. H. Slaybaugh Primary School (2007)										
Square Feet					58,807	58,807	58,807	58,807	58,807	58,807
Capacity (students)					500	500	500	500	500	500
Enrollment					476	487	442	456	472	428
C. J. Davenport School (1976)										
Square Feet	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718
Capacity (students)	657	657	657	657	657	657	657	657	657	657
Enrollment	518	554	576	638	412	439	449	429	468	473
C. J. Davenport Primary School (2007)										
Square Feet					57,646	57,646	57,646	57,646	57,646	57,646
Capacity (students)					500	500	500	500	500	500
Enrollment					418	420	441	434	519	417
Dr. Joy Miller Elementary School (2003)										
Square Feet	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538
Capacity (students)	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,092	1,170	1,152	1,126	1,170	1,131	1,143	1,197	1,261	1,176
<u>Middle School</u>										
Fernwood Avenue (1992)										
Square Feet	203,436	203,436	203,436	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	1,102	1,175	1,214	1,301	1,023	973	966	958	1,025	997
Alder Avenue (1992, 2007)										
Square Feet	147,334	147,334	147,334	147,334	169,174	169,174	169,174	169,174	169,174	169,174
Capacity (students)	989	989	989	989	1,389	1,389	1,389	1,389	1,389	1,389
Enrollment	1,141	1,193	1,221	1,233	913	897	893	868	871	883

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
High School										
EHT High School (1983, 2003)	253,636	253,636	253,636	321,715	321,715	321,715	321,715	321,715	444,715	444,715
Square Feet	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	2,800	2,800
Capacity (students)	1,813	1,941	2,146	2,207	2,392	2,478	2,543	2,492	2,532	2,492
Enrollment										
Other										
Central Administration Building (1969) (vacant as of 9/1/07)	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744
Square Feet										
District Warehouse (1976)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Square Feet										
Transportation (1980)	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495
Square Feet										
Maintenance Building (1980)	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Square Feet										
Grounds Building (1980)	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360
Square Feet										
High School Field House (1995)	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Square Feet										
Eagle Academy (Leased)	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
Square Feet										

Number of Schools at June 30, 2013

- Elementary = 6
- Middle School = 2
- High School = 1
- Other = 1

Source: District records, ASSA

Note: Year of original construction, or major renovation, is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
H. Russell Swift Elementary School	N/A	\$69,403	54,377	93,557	72,007	72,019	50,732	50,363	69,876	59,175	75,157
E.H. Slaybaugh Elementary School	N/A	116,636	117,528	97,662	109,979	123,376	79,587	163,289	64,953	55,006	43,555
Clayton J. Davenport Elementary School	N/A	132,929	128,963	114,387	130,670	113,139	89,109	84,286	75,318	63,783	62,441
Joy D. Miller Elementary School	N/A	117,911	154,280	91,304	137,012	108,894	100,540	88,335	132,324	112,059	77,874
Fernwood Avenue Middle School	N/A	168,401	156,685	157,845	186,965	149,651	130,167	128,894	170,760	144,609	191,861
Alder Avenue Middle School	N/A	116,781	134,686	125,522	149,511	182,960	129,167	103,041	123,687	104,745	95,635
Egg Harbor Township High School	N/A	274,289	393,555	286,400	294,829	335,473	285,355	197,851	218,697	185,205	188,207
Total School Facilities		996,350	1,140,074	966,677	1,080,973	1,085,512	864,657	816,059	855,615	724,582	734,730
Other Facilities		12,509	11,452	16,356	13,513	18,801	37,358	26,206	8,119	6,876	3,409
Grand Total		\$1,008,859	1,151,526	983,033	1,094,486	1,104,313	902,015	842,265	863,734	731,458	738,139

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Insurance Schedule
June 30, 2013
Unaudited

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	150,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Actual Cash Value	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	10,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Educator's Legal Liability		
A. Limit of Liability	10,000,000	
ACCASBOJIF Self Insured Retention	100,000	
Members District Deductible		None

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2013
Unaudited

	Coverage	Deductible
Pollution Legal Liability/Mold Legal Liability		
A. Limit of Liability		
Pollution	3,000,000	
Mold	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		
Pollution		25,000
Mold		50,000
Flood Policy		
Coverage - Administrative Building	500,000	2,000
Storage Tank Systems		
Limit of Liability, each occurrence	2,000,000	5,000
Aggregate	2,000,000	
Student Activity Policy		
All Students and Athletes	6,000,000	None
Student Disability	1,500,000	None
Athletic Disability	1,500,000	None

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF), Harleysville Insurance Co. of NJ, Zurich American Insurance Company, and Peoples Benefit Life Insurance Company.

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Egg Harbor Township School District
County of Atlantic
Egg Harbor Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Robert E. Swartz, CPA
Licensed Public School Accountant
No. CS00667

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

December 3, 2013



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Egg Harbor Township School District
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Egg Harbor Township School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Egg Harbor Township School District's major federal and state programs for the year ended June 30, 2013. The Egg Harbor Township School District'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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Egg Harbor Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, and New Jersey 04-04 *State Aid/Grant Compliance Supplement*. Those standards and Circulars 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Egg Harbor Township School District'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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Egg Harbor Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Egg Harbor Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal and major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Egg Harbor Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Egg Harbor Township School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.



Robert E. Swartz, CPA
Licensed Public School Accountant
No. CS00667

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

December 3, 2013

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Award
for the Fiscal Year ended June 30, 2013

Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
U. S. Department of Agriculture												
Passed-through State Department of Education												
Enterprise Fund:												
10.555		225,799	7/1/12 - 6/30/13			225,799	(225,799)					
		176,258	7/1/11 - 6/30/12	(\$10,667)								
10.553		182,708	7/1/12 - 6/30/13			182,708	(182,708)			(13,996)		
10.555		1,239,468	7/1/11 - 6/30/12	(71,099)		71,099						
10.555		1,359,776	7/1/12 - 6/30/13			1,259,514	(1,359,776)			(100,262)		
10.556		9,097	7/1/11 - 6/30/12	(742)		742						
10.556		8,020	7/1/12 - 6/30/13			7,394	(8,020)			(626)		
				(82,508)	0	1,743,927	(1,776,303)	0	0	(114,884)	0	0
Total U.S. Department of Agriculture												
U.S. Department of Homeland Security												
Passed through Federal Emergency Management Assistance (FEMA)												
97.036	N/A	69,314	7/1/12 - 6/30/13			69,314	(69,314)					
				0	0	69,314	(69,314)	0	0	0	0	0
Total U.S. Department of Homeland Security												
U.S. Department of Education												
Passed-through State Department of Education												
84.410A	N/A	3,477	7/1/12 - 6/30/13				(3,477)					
93.778	N/A	230,681	7/1/12 - 6/30/13			230,681	(230,681)			(3,477)		
				0	0	230,681	(234,158)	0	0	(3,477)	0	0
Total General Fund												
Special Revenue Fund:												
84.010	NCLB-1310-12	740,288	9/1/11 - 8/31/12	(176,427)		301,916	(150,968)	25,467		0		
84.010	NCLB-1310-13	918,005	9/1/12 - 8/31/13			390,194	(762,473)			(372,279)		
84.367A	NCLB-1310-12	139,068	9/1/11 - 8/31/12	(37,208)		46,812	(9,604)			0		
84.367A	NCLB-1310-13	138,023	9/1/12 - 8/31/13			69,271	(129,779)			(60,508)		
84.365A	NCLB-1310-12	55,295	9/1/11 - 8/31/12	(12,123)		30,643	(18,520)			0		
84.365A	NCLB-1310-13	62,870	9/1/12 - 8/31/13			39,175	(57,452)			(18,277)		
84.xxx	NCLB-1310-12	38,368	9/1/11 - 8/31/12	(2,649)		14,638	(11,989)			(4,742)		
84.xxx	NCLB-1310-13	4,742	9/1/12 - 8/31/13				(4,742)			0		
84.186	NCLB-1310-10	18,683	9/1/09 - 8/31/10	(55)		55				0		
84.027	IDEA2012	1,771,234	7/1/11 - 6/30/12	(231,327)		538,385	(329,698)	22,640		(639,650)		
84.027	IDEA2013	2,071,071	7/1/12 - 6/30/13			805,694	(1,445,344)			0		
84.173	IDEA2012	69,803	7/1/11 - 6/30/12			55,993	(55,993)			0		
84.173	IDEA2013	107,571	7/1/12 - 6/30/13			690	(42,464)			(41,774)		
84.413A	ARRA - IDEA2011	68,870	7/1/09 - 6/30/11	(1)				1		0		
84.413A	12-RT01-A01	58,956	7/1/12 - 6/30/13	(32,806)		24,336	(56,956)			(34,620)		
84.048	PERK012012	56,980	7/1/11 - 6/30/12			4,658				(28,148)		
84.048	PERK012013	63,895	7/1/12 - 6/30/13			20,043	(63,874)			(43,831)		
				(492,596)	0	2,342,505	(3,141,846)	48,108	0	(1,243,829)	0	0
Total Special Revenue Fund												
				(\$575,104)	0	4,386,427	(5,221,621)	48,108	0	(1,362,190)	0	0
Total Federal Financial Awards												

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Transfer/ Adjustment	Repayment of Prior Year's Balances	(Accounts Receivable) June 30, 2013	Deferred Revenue June 30, 2013	Due to Grantor at June 30, 2013	MEMO		
													Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Equalization Aid	495-034-5120-078	33,230,274	7/1/12-6/30/13			33,230,274	(33,230,274)						3,083,956	33,230,274	
Categorical Special Education Aid	495-034-5120-089	4,337,869	7/1/12-6/30/13			4,337,869	(4,337,869)						402,579	4,337,869	
Category Transportation Aid	495-034-5120-014	761,413	7/1/12-6/30/13			761,413	(761,413)						70,663	761,413	
Security Aid	495-034-5120-084	1,477,834	7/1/12-6/30/13			1,477,834	(1,477,834)						137,151	1,477,834	
Special Education Extraordinary Aid	495-034-5120-473	652,088	7/1/11-6/30/12	(\$652,088)		652,088								652,088	
Special Education Extraordinary Aid	495-034-5120-473	594,469	7/1/11-6/30/12				(594,469)			(594,469)				594,469	
Nonpublic School Transportation Aid	N/A	98,150	7/1/11-6/30/12	(98,150)		98,150								98,150	
Nonpublic School Transportation Aid	N/A	89,425	7/1/11-6/30/12	(89,425)		89,425				(89,425)				89,425	
Reimbursed TPAF Social Security Contributions	495-034-5095-002	3,616,077	7/1/11-6/30/12	(178,548)		178,548								3,616,077	
Reimbursed TPAF Social Security Contributions	495-034-5095-002	3,749,853	7/1/12-6/30/13			3,561,846	(3,749,853)			(188,007)				3,749,853	
Total General Fund				(928,786)	0	44,298,022	(44,241,137)	0	0	(871,901)	0	0	3,694,349	48,607,452	
Special Revenue Fund:															
New Jersey Nonpublic Aid:															
Textbook Aid	100-034-5120-064	23,657	7/1/11-6/30/12	23		19,763	(19,727)		(23)			36		23,634	
Textbook Aid	100-034-5120-064	19,763	7/1/12-6/30/13											19,727	
Auxiliary Services:															
Compensatory Education	100-034-5120-067	76,080	7/1/11-6/30/12	59,173		112,871	(50,076)		(59,173)			62,795		76,080	
Compensatory Education	100-034-5120-067	112,871	7/1/12-6/30/13											50,076	
English as a Second Language (ESL)	100-034-5120-067	19,999	7/1/11-6/30/12	1,983					(1,983)					19,999	
Transportation	100-034-5120-067	24,371	7/1/11-6/30/12	4					(4)					24,371	
Transportation	100-034-5120-067	15,084	7/1/12-6/30/13			15,084	(6,942)					8,142		6,942	
Handicapped Services:															
Examination and Classification	100-034-5120-066	27,861	7/1/11-6/30/12	11,428		32,338	(17,843)		(11,428)			14,495		27,861	
Examination and Classification	100-034-5120-066	32,338	7/1/12-6/30/13											17,843	
Corrective Speech	100-034-5120-066	7,899	7/1/11-6/30/12	10,268		14,843	(6,562)		(10,268)			8,281		7,899	
Corrective Speech	100-034-5120-066	14,843	7/1/12-6/30/13											6,562	
Supplemental Instruction	100-034-5120-066	12,627	7/1/11-6/30/12	7,016		22,203	(9,852)		(7,016)			12,351		12,627	
Supplemental Instruction	100-034-5120-066	22,203	7/1/12-6/30/13											9,852	
Home Instruction	100-034-5120-067	8,849	7/1/11-6/30/12	(8,849)										8,849	
Home Instruction	100-034-5120-067	4,360	7/1/12-6/30/13											4,360	
Nursing	100-034-5120-070	33,793	7/1/11-6/30/12	406		27,429	(26,619)		(406)			810		33,387	
Nursing	100-034-5120-070	27,429	7/1/12-6/30/13			7,294	(7,119)					175		26,619	
Technology	100-034-5120-373	7,294	7/1/12-6/30/13											7,119	
Total Special Revenue Fund				81,452	0	251,825	(149,100)	0	(90,301)	(4,360)	0	107,085	0	379,447	
Capital Projects Fund:															
School Facilities Grant Program - Regular															
Operating Districts (ROD)	NA	1,756,742	8/31/10-6/30/13	(1,756,742)						(1,756,742)		0		1,756,742	
Total Capital Projects Fund				(1,756,742)	0	0	0	0	0	(1,756,742)	0	0	0	1,756,742	
Debt Service Fund:															
Debt Service Aid Type II	495-034-5120-017	3,250,869	7/1/12-6/30/13			3,250,869	(3,250,869)							3,250,869	
Total Debt Service Fund					0	3,250,869	(3,250,869)	0	0	0	0	0	0	3,250,869	
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	100-010-3360-067	34,759	7/1/11-6/30/12	(1,992)		1,992	(35,405)			(2,603)		0		34,759	
State School Lunch Program	100-010-3360-067	35,405	7/1/12-6/30/13			32,802								35,405	
Total State Financial Assistance				(928,786)	0	47,835,510	(47,676,511)	0	(90,301)	(2,635,606)	0	107,085	3,694,349	54,064,674	

**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2013**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$(487,247) for the general fund and \$119,551 for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$44,241,137	149,100	3,250,869	35,405	47,676,511
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(25,803)			(25,803)
On-behalf payments recognized for GAAP statements but not included in the Schedule of Expenditures of State Financial Assistance	6,663,901				6,663,901
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 expense (GASB 33).	(487,247)				(487,247)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$50,417,791</u>	<u>123,297</u>	<u>3,250,869</u>	<u>35,405</u>	<u>53,827,362</u>

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of Federal Awards	\$303,472	3,141,846	1,776,303	5,221,621
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		144,493		144,493
Funds received from U.S. Department of Homeland Security treated as a refund to budgetary expense line items	(69,314)			(69,314)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$234,158</u>	<u>3,286,339</u>	<u>1,776,303</u>	<u>5,296,800</u>

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 Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2013. TPAF Social Security Contributions 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, 2013.

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: _____ Unmodified _____

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance section 510(a) of OMB Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 10.553 _____	_____ Child Nutrition Program, School Breakfast Program _____
_____ 10.555 _____	_____ Child Nutrition Program, National School Lunch Program _____
_____ 10.556 _____	_____ Special Milk Program for Children _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs: _____ \$300,000 _____

Auditee qualified as low-risk auditee? _____ X yes _____ no

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified _____ yes X none reported

Type of auditor's report on compliance for major programs

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 04-04?

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____ 495-034-5120-078 _____	_____ Equalization Aid _____
_____ 495-034-5120-089 _____	_____ Special Education Categorical Aid _____
_____ 495-034-5120-084 _____	_____ Security Aid _____
_____ 495-034-5120-075 _____	_____ Categorical Transportation Aid _____
_____ 495-034-5095-002 _____	_____ Reimbursed TPAF Social Security Contributions _____
_____ _____	_____ _____

N) Dollar threshold used to determine Type A programs: _____ \$1,430,295 _____

O) Auditee qualified as low-risk auditee? X yes _____ no

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

STATUS OF PRIOR YEAR FINDINGS

NONE