

**EAGLESWOOD TOWNSHIP  
SCHOOL DISTRICT**

West Creek, New Jersey  
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**WEST CREEK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

**Eagleswood Township Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

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# EAGLESWOOD TOWNSHIP BOARD OF EDUCATION

511 Route 9 ♦ West Creek, NJ 08092  
Telephone: (609) 597-3663 ♦ Board Office (609) 978-0947  
Fax: (609) 978-0949 ♦ Internet: [www.eagleswood.org](http://www.eagleswood.org)

November 21, 2015

Honorable President and  
Members of the Board of Education  
Eagleswood School District  
Ocean County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Eagleswood School District for the Fiscal Year ended June 30, 2015 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and the list of principal officials. The financial section includes the 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 of 1984 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non Profit Organizations", and the State Treasury Circular letter 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 compliance with requirements applicable to each major program and internal control structure in accordance with OMB Circular A-133, are included in the single audit section of the report.

**1.) Reporting Entity and its Services:** Eagleswood School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by National Center for Governmental Accountants Statement No. 3. All funds and account groups of the district are included in this report. The Eagleswood Board of Education and all its schools constitute the district's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for handicapped youngsters. The district completed the 2014-2015 fiscal year with an average daily enrollment of 136 students, which is below the previous year's enrollment. The following details the changes in the average student enrollment of the District over the last nine years.

*Deborah Snyder, Superintendent ♦ Allison Bogart, Business Administrator*

## Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Changes</u>
2014-2015	136	-4.90%
2013-2014	143	4.87%
2012-2013	137	-2.84%
2011-2012	141	6.02%
2010-2011	133	-10.13%
2009-2010	148	4.96%
2008-2009	141	0.70%
2007-2008	142	-4.05%
2006-2007	148	-2.63%
2005-2006	152	2.70%
2004-2005	148	-3.90%

**Economic Conditions and Outlook:**The Eagleswood Township area is experiencing minimal growth as there are currently no new major construction projects in progress. However, the population remains steady even as we continue to recover from Superstorm Sandy and there is potential growth in undeveloped commercial properties.

**Major Initiatives 2014-2015:**At Eagleswood Township Elementary School we continue to focus our efforts on providing an individualized approach to education. Each student is unique and learns in their own unique way, and we strive to differentiate to meet their needs. We feel strongly that our motto Education First! be at the forefront of our children's minds and have our students realize that learning is a life-long commitment.

- 2.) **Internal Accounting Controls:**Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal 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 evaluations by the district management.

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

- 3.) **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 municipalities. Annual appropriated budgets are adopted for the general fund, special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2015.

- 4.) **Accounting System and Reports:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Boards (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
- 5.) **Financial Information Fiscal Year-End:** As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund for the fiscal year ended June 30, 2015, and the amount and percentage of increase in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Local Sources - Tax Levy	\$1,931,818	63.31%	\$176,943	74.07%
Local Sources - Misc.	32,512	1.07%	1,756	0.74%
State Sources	992,413	32.52%	54,916	22.99%
Federal Sources	94,720	3.10%	5,288	2.20%
<b>Total</b>	<b>\$3,051,463</b>	<b>100.00%</b>	<b>\$238,900</b>	

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund for expenditures for the fiscal year ended June 30, 2015 and the percentages of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$1,189,956	39.81%	\$26,418	11.07%
Undistributed	1,799,311	54.89%	211,704	8.87%
Debt service:				
Principal	115,000	3.85%	\$5,000	2.09%
Interest	43,350	1.45%	(4,400)	-0.18%
<b>Total</b>	<b>\$2,989,267</b>	<b>100.00%</b>	<b>\$238,722</b>	

- 6.) **Debt Administration:** At June 30, 2015 the District's outstanding debt issues included \$950,000 of general obligation bonds.

- 7.) **Cash Management:** The investment policy of the district is guided in large by the state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect the governmental unit from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 8.) **Risk Management:** The Board carries various forms on insurance including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds.
- 9.) **Other Information:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of HolmanFrenia Allison, P.C., Certified Public Accounts, were appointed by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular letter 04-04 and/or 15-08. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10.) **Acknowledgments:** We would like to express our appreciation to the members of the Eagleswood Board of Education for their concern and guidance in providing fiscal accountability to the citizens and taxpayers of the Eagleswood Township 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 business office staff.

Respectfully Submitted,



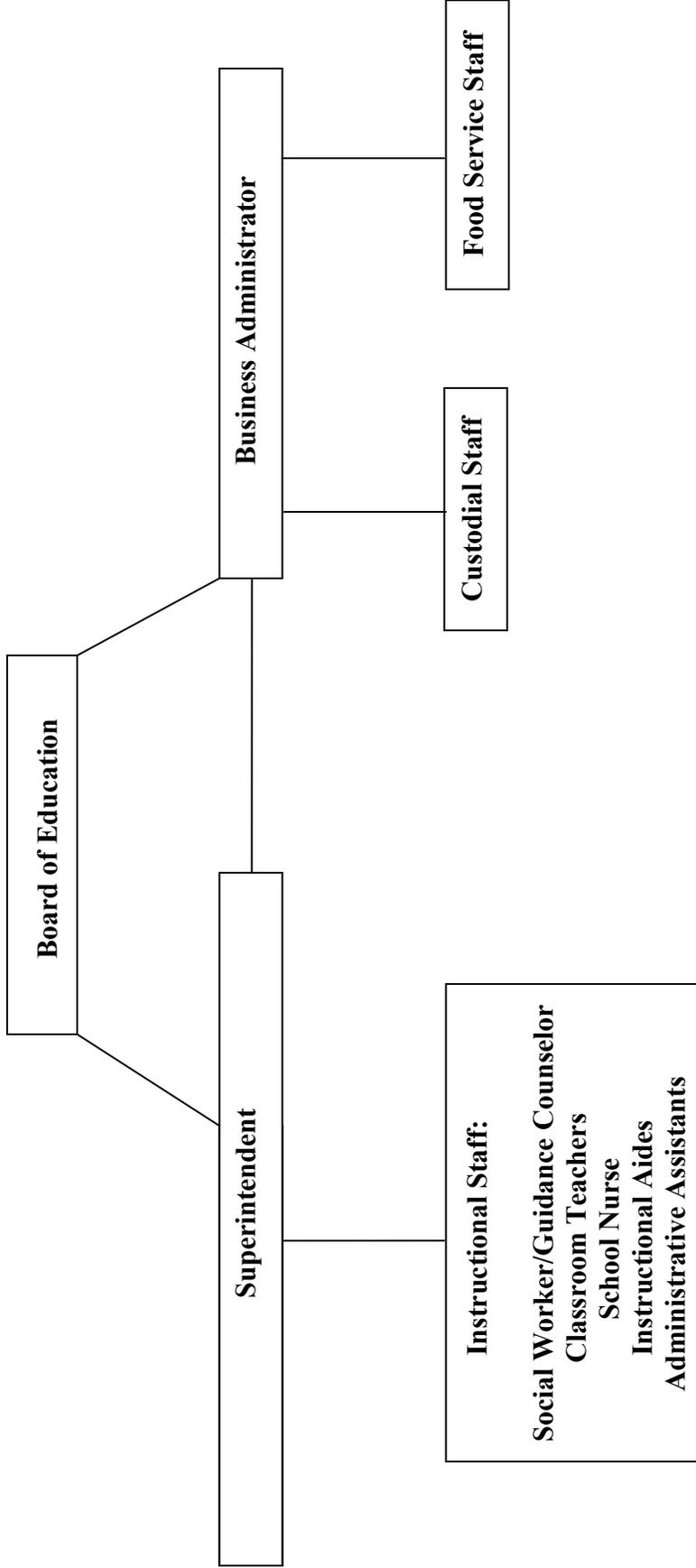
Deborah Snyder, Ed.D.  
Superintendent of Schools



Allison Bogart  
Business Administrator

**Egleswood Township Board of Education**

**Organizational Chart**



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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**511 Route 9**  
**West Creek, New Jersey 08092**

**ROSTER OF OFFICIALS**

**June 30, 2015**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Suzanne D'Ambrosio, President

2018

Kimberly Pharo, Vice President

2018

Dr. Paul McMahan

2017

Kelly Stover

2017

Jan Blum

2015

**OTHER OFFICIALS**

Deborah Snyder, Superintendent

Allison Bogart, Business Administrator

Steve Brennan, Treasurer of School Monies

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**511 Route 9**  
**West Creek, New Jersey 08092**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Holman Frenia Allison, P. C.  
Kevin P. Frenia, CPA, PSA  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Schwartz Simon Edelstein & Celso, LLC  
100 South Jefferson Road, Suite 200  
Whippany, New Jersey 07981

**OFFICIAL DEPOSITORY**

Ocean First Bank  
  
Toms River, New Jersey 08753

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**FINANCIAL SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Eagleswood Township School District  
County of Ocean  
West Creek, New Jersey 08092

### 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 Eagleswood Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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 *Governmental 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, County of Ocean, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplemental information as listed 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 Eagleswood Township School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedule of State Financial Assistance are the responsibility of management and were 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 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 accompanying combining statements and related major fund supporting statements and schedules and Schedule of State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2015 on our consideration of the Eagleswood 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 Eagleswood Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
November 21, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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# **EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fiscal Year Ended June 30, 2015**

### **UNAUDITED**

The discussion and analysis of Eagleswood Township School District annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statement to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2014-2015 fiscal year include the following:

- The General Fund balance (budgetary basis) increased \$62,903 from \$462,400 to \$525,303 in 2015. The balance at June 30, 2015 included an amount of \$134,325 in excess of the 2% allowable per state mandate.
- General revenues of governmental activities accounted for \$2,760,157 of all revenues. Specific revenues in the form of operating grants & contributions accounted for \$1,087,133 of total revenues of \$3,051,463.
- The General Fund fund balance at June 30, 2015 is \$525,303, an increase of \$62,903 when compared with the beginning balance at July 1, 2014 of 462,400.
- As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2014 in the amount of \$502,125 as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have been updated, for comparison purposes, to reflect the change where indicated.

### **Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Eagleswood Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the

basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Eagleswood Township School District.

- ◆ The first two statements are government-wide financial statements that provide both short-term and long-term information about the Eagleswood Township School District overall financial status.
- ◆ The remaining statements are fund financial statements that focus on individual parts of the Eagleswood Township BOE, reporting the Eagleswood Township School District’s operation in more detail than the government -wide statements.
- ◆ The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- ◆ Proprietary funds statements offer short-term and long-term financial information about the activities that the Eagleswood Township School District operates like businesses.
- ◆ Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Eagleswood Township School District, the General Fund is by far the most significant fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Eagleswood Township School District financial statements, including the portion of the District activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education, building maintenance and food service	Activities the district operates similar to private businesses: Food service fund
Required financial statements	Statement of Net Position	Balance sheet	Statement of Net Position
	Statement of activities	Statement of revenue, expenditures and changes in fund balance	Statement of revenue, expenses and changes in fund Net Position Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual account and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets excepted to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during 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 the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014-2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, administration and community education. Aids from the State of New Jersey and from the Federal government along with local Property taxes finances most of these activities.
- ◆ Business-type activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The After School Program enterprise fund is reported as a business activity.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major funds are the General fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- ◆ Some funds are required by State law and by bond covenants.
- ◆ The District use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

### ***Governmental funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government -wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government -wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government -wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

### ***Proprietary funds***

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The After School program fund provides for the operation of a before and after school day care service for school-age children. The district does not maintain a food service fund. The proprietary fund has been included within business-type activities in the government-wide financial statements.

The After School program fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

### ***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and group, for payroll transactions and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 in this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

**Other Information.** The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statement.

**Financial Analysis of the Eagleswood School District**

As noted earlier, Net Position may serve over time as a useful indicator of the District’s financial position.

The following table provides a summary of Net Position:

The District’s largest net position is the restricted portion of the Net Position shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used.

The District’s investment in capital assets within the Net Position above; less any related debt used to acquire those assets that is still outstanding, shows a balance of \$753,135.

The unrestricted Net Position may be used to meet the District’s ongoing obligations to students, employees, and creditors. The unrestricted Net Position include the amount of long-term obligations that are not invested in capital assets, such as compensated at absences.

At the end of the current fiscal year, the District is able to report a positive balance in total Net Position. The same situation held true for the prior fiscal year.

The following table provides a summary of revenues and expenses for the District’s governmental and business-type activities and the change in Net Position from the prior year:

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2015	JUNE 30, 2014
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes, Including Debt Service	1,931,818		1,931,818	1,754,875
Federal & State Aid Not Restricted	724,168		724,168	722,034
Tuition Received	14,500		14,500	15,900
Miscellaneous Income	18,012		18,012	14,856
<hr/>				
Total General Revenues, Special Items, Extraordinary Items & Transfers	2,688,498		2,688,498	2,507,665
<hr/>				
Governmental Activities:				
Instruction:				
Regular	(759,508)		(759,508)	(782,546)
Special Education	(155,038)		(155,038)	(198,586)
Other Instruction	(196,293)		(196,293)	(118,659)
Support Services & Undistributed Costs:				
Tuition	(109,342)		(109,342)	(29,777)

FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2015	JUNE 30, 2014
Student & Instruction Related Services	(289,300)		(289,300)	(272,235)
General Administrative Services	(149,875)		(149,875)	(137,429)
School Administrative Services	(79,916)		(79,916)	(60,282)
Plant Operations & Maintenance	(168,808)		(168,808)	(167,951)
Pupil Transportation	(163,126)		(163,126)	(132,304)
Unallocated Employee Benefits	(425,488)		(425,488)	(388,731)
Interest on Long-Term Debt	(41,050)		(41,050)	(45,550)
Unallocated Compensated Absences	19,350		19,350	(17,677)
Unallocated Depreciation	(62,586)		(62,586)	(63,025)
<b>Total Governmental Activities</b>	<b>(2,580,980)</b>		<b>(2,552,238)</b>	<b>(2,414,752)</b>
<b>Business-Type Activities:</b>				
After School Program		12,948	12,948	5,163
<b>Total Business-Type Activities</b>		<b>12,948</b>	<b>12,948</b>	<b>5,163</b>
Change In Net Position	107,518	12,948	120,466	98,076
Net Position - Beginning	490,769	9,141	499,910	903,959
<b>Net Position - Ending</b>	<b>\$ 598,287</b>	<b>\$ 22,089</b>	<b>\$ 620,376</b>	<b>\$ 1,002,035</b>

### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	Revenue	Increase (Decrease) from 2014	Percent of Increase/ (Decrease)
Revenue:			
Local Sources:			
Local Tax Levy	\$1,931,818	\$176,943	10.08%
Tuition	14,500	(1,400)	-8.81%
Miscellaneous	18,009	3,153	21.22%
Total Revenue - Local Sources	<u>\$1,964,327</u>	<u>178,696</u>	<u>9.10%</u>
State Sources	992,413	54,916	5.86%
Federal Sources	94,720	5,288	5.91%
Total Revenues	<u>\$3,051,463</u>	<u>\$238,900</u>	<u>7.83%</u>

The increase in State sources is mainly attributable to the increase in Preschool Education Aid in the 14-15 year.

The following schedule presents a summary of general fund, special revenue fund, debt service fund and permanent fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2014-2015 Expenditures	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Expenses:			
Current Expense:			
Instruction	\$1,189,956	26,418	2.27%
Undistributed Expenditures	1,640,961	211,104	14.76%
Capital Outlay	-	-	-%
Debt Service	158,350	600	0.38%
Total Expenditures	<u>\$2,989,267</u>	<u>238,122</u>	<u>8.66%</u>

### General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was 0.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2014-2015 budget. Due to lower than anticipated costs for salaries, maintenance and health benefits, the District was able to make budget transfers to fund costs related to unanticipated special education needs and to purchase technology upgrades.

Based on the financial results of 2014-2015, unassigned fund balance increased by \$1,247 to \$189,223.

**Proprietary Funds.** The District’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

The After School Program Enterprise Fund’s change in Net Position increased by \$12,948, from \$9,141 to \$22,089. This is the fourth year the program operated as an enterprise fund. The program is expected to be self-sustaining, and does not require any appropriation of funds from the District’s general fund budget.

**Capital Assets**

At June 30, 2015, the District has capital assets of \$1,703,135, net of depreciation, which includes land, land improvements, buildings/construction machinery and equipment and vehicles.

The following provide a summary of the capital assets held by the District:

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
Land	\$ 156,351	-	-	-	\$ 156,351
Buildings	2,744,340	-	-	-	2,744,340
Machinery & Equipment	476,640	-	-	-	476,640
Subtotal	3,377,331				3,377,331
Accumulated Depreciation	(1,611,610)	(62,586)	-	-	(1,674,196)
Total	<u>\$ 1,765,721</u>	<u>\$ (62,586)</u>	<u>-</u>	<u>-</u>	<u>\$ 1,703,135</u>

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

**Debt Administration and Other Obligations**

At June 30, 2015, the District’s outstanding debt issues included \$950,000 of General Obligation bonds (2007 bonds). As of June 30, 2015 the District does not have any Capital Lease obligations payable.

Additional information on the District’s debt administration and other obligations can be found in Note 6 to the basic financial statements.

**Economic Factors and Next Year’s Budget**

- The District anticipates that the approved 2015-2016 budget will be adequate to satisfy all 2015-2016 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

**Requests for Information**

This financial report is designed to provide a general overview of the Eagleswood Township School District’s finances for all those with an interest in the District’s finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary’s Office, Eagleswood Township Board of Education, 511 Route 9, West Creek NJ 08092.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 573,465	\$ 22,089	\$ 595,554
Accounts Receivable, Net	16,477	-	16,477
Capital Assets, Net (Note 5)	1,703,135	-	1,703,135
<b>Total Assets</b>	<b>2,293,077</b>	<b>22,089</b>	<b>2,315,166</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	179,670	-	179,670
<b>Total Deferred Outflow of Resources</b>	<b>179,670</b>	<b>-</b>	<b>179,670</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>2,472,747</b>	<b>22,089</b>	<b>2,494,836</b>
<b>LIABILITIES</b>			
Accounts Payable	61,423	-	61,423
Accrued Interest Payable	19,375	-	19,375
Deferred Revenue	4,125	-	4,125
Pension Payable	28,835	-	28,835
Noncurrent Liabilities (Note 6):			
Due Within One Year	120,000	-	120,000
Due Beyond One Year	1,602,361	-	1,602,361
<b>Total Liabilities</b>	<b>1,836,119</b>	<b>-</b>	<b>1,836,119</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	38,341	-	38,341
<b>Total Deferred Inflows of Resources</b>	<b>38,341</b>	<b>-</b>	<b>38,341</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,874,460</b>	<b>-</b>	<b>1,874,460</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	753,135	-	753,135
Restricted For:			
Debt Service	(19,368)	-	(19,368)
Capital Projects	2,389	-	2,389
Other Purposes	330,939	-	330,939
Unrestricted	(468,808)	22,089	(446,719)
<b>Total Net Position</b>	<b>\$ 598,287</b>	<b>\$ 22,089</b>	<b>\$ 620,376</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS		
Governmental Activities:					
Instruction:					
Regular	\$ 759,508	\$ -	-	\$ (759,508)	\$ (759,508)
Special Education	234,155	-	79,117	(155,038)	(155,038)
Other Instruction	196,293	-	-	(196,293)	(196,293)
Support Services & Undistributed Costs:					
Tuition	111,093	-	1,751	(109,342)	(109,342)
Student & Instruction Related Services	336,432	-	47,132	(289,300)	(289,300)
General Administrative Services	149,875	-	-	(149,875)	(149,875)
School Administrative Services	79,916	-	-	(79,916)	(79,916)
Plant Operations & Maintenance	168,808	-	-	(168,808)	(168,808)
Pupil Transportation	163,126	-	-	(163,126)	(163,126)
Unallocated Employee Benefits	849,272	-	423,784	(425,488)	(425,488)
Interest and Charges on Long-Term Debt	41,050	-	-	(41,050)	(41,050)
Unallocated Compensated Absences	(19,350)	-	-	19,350	19,350
Unallocated Depreciation	62,586	-	-	(62,586)	(62,586)
Total Governmental Activities	3,132,764	-	551,784	(2,580,980)	(2,580,980)

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES CHARGES FOR OPERATING SERVICES GRANTS & CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION BUSINESS- GOVERNMENTAL TYPE ACTIVITIES	TOTALS
Business-Type Activities:				
After School Program	14,957	27,905	- 12,948	12,948
Total Business-Type Activities	14,957	27,905	- 12,948	12,948
Total Primary Government	<u>\$ 3,147,721</u>	<u>\$ 27,905</u>	<u>\$ 551,784</u>	<u>(2,580,980)</u>
			12,948	<u>(2,568,032)</u>
<b>General Revenues:</b>				
Taxes:				
Property Taxes, Levied for General Purposes			1,827,312	1,827,312
Taxes Levied for Debt Service			104,506	104,506
Federal & State Aid Not Restricted			724,168	724,168
Tuition Received			14,500	14,500
Miscellaneous Income			18,012	18,012
Total General Revenues, Special Items, Extraordinary Items & Transfers			<u>2,688,498</u>	<u>2,688,498</u>
Change In Net Position			107,518	120,466
Net Position - Beginning, as restated, see Note 19			490,769	499,910
Net Position - Ending			<u>\$ 598,287</u>	<u>\$ 620,376</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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Governmental Funds

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## B. Fund Financial Statements

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
<b>ASSETS:</b>					
Cash & Cash Equivalents	\$ 542,898	\$ 28,171	\$ 2,449	\$ -	\$ 573,518
Accounts Receivable:					
Intergovernmental - State	11,652	-	-	-	11,652
Intergovernmental - Federal	-	-	-	-	-
Due from Other Funds	12,065	-	-	60	12,125
<b>Total Assets</b>	<b>\$ 566,615</b>	<b>\$ 28,171</b>	<b>\$ 2,449</b>	<b>\$ 60</b>	<b>\$ 597,295</b>
<b>LIABILITIES &amp; FUND BALANCES:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ -	\$ -	\$ 53	\$ 53
Accounts Payable	41,312	20,111	-	-	61,423
Deferred Revenue	-	4,125	-	-	4,125
Interfund Payable	-	7,240	60	-	7,300
<b>Total Liabilities</b>	<b>41,312</b>	<b>31,476</b>	<b>60</b>	<b>53</b>	<b>72,901</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year	127,186	-	-	-	127,186
Excess Surplus - Designated for Subsequent Year's Expenditures	103,077	-	-	-	103,077
Maintenance Reserve	100,000	-	-	-	100,000
Debt Service Fund	-	-	-	7	7
<b>Assigned:</b>					
Designated by the BOE for Subsequent Year's Expenditures	676	-	-	-	676
Capital Projects Fund	-	-	2,389	-	2,389
<b>Unassigned:</b>					
General Fund	194,364	-	-	-	194,364
Special Revenue Fund	-	(3,305)	-	-	(3,305)
<b>Total Fund Balances</b>	<b>525,303</b>	<b>(3,305)</b>	<b>2,389</b>	<b>7</b>	<b>524,394</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 566,615</b>	<b>\$ 28,171</b>	<b>\$ 2,449</b>	<b>\$ 60</b>	

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

Capital assets used in governmental activities are not financial resources & therefore are not reported in the funds. The cost of the assets is \$3,377,331 and the accumulated depreciation is \$1,674,196.	1,703,135
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	141,329
Accrued interest payable and PERS pension payable are not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(48,210)
Long-term liabilities, including net pension liability, bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 5)	(1,722,361)
<b>Net Position of Governmental Activities</b>	<b>\$ 598,287</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	<u>TOTALS</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,827,312	\$ -	\$ -	\$ 104,506	\$ 1,931,818
Tuition	14,500	-	-	-	14,500
Miscellaneous	12,134	5,875	3	-	18,012
Total Revenues - Local Sources	<u>1,853,946</u>	<u>5,875</u>	<u>3</u>	<u>104,506</u>	<u>1,964,330</u>
State Sources	906,211	32,363	-	53,839	992,413
Federal Sources	-	94,720	-	-	94,720
Total Revenues	<u>2,760,157</u>	<u>132,958</u>	<u>3</u>	<u>158,345</u>	<u>3,051,463</u>
Expenditures:					
Current:					
Regular Instruction	759,508	-	-	-	759,508
Special Education Instruction	155,038	79,117	-	-	234,155
Other Instruction	196,293	-	-	-	196,293
Support Services:					
Tuition	109,342	1,751	-	-	111,093
Student & Instruction Related Services	289,300	47,132	-	-	336,432
General Administrative Services	149,875	-	-	-	149,875
School Administrative Services	79,916	-	-	-	79,916
Plant Operations & Maintenance	168,808	-	-	-	168,808
Pupil Transportation	163,126	-	-	-	163,126
Employee Benefits	626,048	5,663	-	-	631,711
Debt Service:					
Principal	-	-	-	115,000	115,000
Interest & Other Charges	-	-	-	43,350	43,350
Total Expenditures	<u>2,697,254</u>	<u>133,663</u>	<u>-</u>	<u>158,350</u>	<u>2,989,267</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>62,903</u>	<u>(705)</u>	<u>3</u>	<u>(5)</u>	<u>62,196</u>
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	-	-	(3)	3	-
Total Other Financing Sources & Uses	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>3</u>	<u>-</u>
Net Change in Fund Balances	62,903	(705)	-	(2)	62,196
Fund Balance - July 1	462,400	(2,600)	2,389	9	462,198
Fund Balance - June 30	<u>\$ 525,303</u>	<u>\$ (3,305)</u>	<u>\$ 2,389</u>	<u>\$ 7</u>	<u>\$ 524,394</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EAGLESWOOD 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, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 62,196

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	\$ (62,586)	(62,586)
----------------------	-------------	----------

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	28,328	
Unfunded TPAF Pension Expense	(188,819)	
State Share of Unfunded TPAF Pension Expense	188,819	
Pension Expense	<u>(57,070)</u>	(28,742)

Repayment of bond principal 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. 115,000

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.

Prior Year	21,675	
Current Year	<u>(19,375)</u>	2,300

Increase of compensated absences 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.

Prior Year	148,350	
Current Year	<u>(129,000)</u>	19,350

Change in Net Position of Governmental Activities \$ 107,518

The accompanying Notes to Financial Statements are an integral part of this statement.

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## Proprietary Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>AFTER SCHOOL PROGRAM</u>	<u>TOTALS</u>
Current Assets:		
Cash & Cash Equivalents	\$ 22,089	\$ 22,089
Total Assets	<u>22,089</u>	<u>22,089</u>
 LIABILITIES		
Accounts Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
 NET POSITION		
Unrestricted	<u>22,089</u>	<u>22,089</u>
Total Net Position	<u>\$ 22,089</u>	<u>\$ 22,089</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	AFTER SCHOOL PROGRAM	TOTALS
Operating Revenues:		
Charges for Services:		
Program Fees	\$ 27,905	\$ 27,905
Total Operating Revenues	27,905	27,905
Operating Expenses:		
Salaries	14,957	14,957
Total Operating Expenses	14,957	-
Operating Income/(loss)	12,948	12,948
Total Net Position - Beginning	9,141	9,141
Total Net Position - Ending	\$ 22,089	\$ 22,089

The accompanying Notes to Financial Statements are an integral part of this statement.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	
	<u>AFTER SCHOOL PROGRAM</u>	<u>TOTALS</u>
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 27,905	\$ 27,905
Payments to Employees	(15,607)	(15,607)
	12,298	12,298
Net Cash Provided/(Used) by Operating Activities		
	12,298	12,298
Net Increase/(Decrease) in Cash & Cash Equivalents	12,298	12,298
Balances - Beginning of Year	9,791	9,791
	22,089	22,089
Balances - End of Year	\$ 22,089	\$ 22,089
	22,089	22,089
 <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>		
Operating Income/(Loss)	\$ 12,948	\$ 12,948
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/ (Used) by Operating Activities:		
Increase in Accounts Payable	(650)	(650)
	(650)	(650)
Total Adjustments	(650)	(650)
	(650)	(650)
Net Cash Provided/(Used) by Operating Activities	\$ 12,298	\$ 12,298
	12,298	12,298

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

ASSETS	AGENCY FUNDS		TOTALS
	PAYROLL	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 80,250	\$ 7,081	\$ 87,331
Total Assets	80,250	7,081	87,331
LIABILITIES			
Payroll Deductions & Withholdings	75,425	-	75,425
Due to Student Groups	-	7,081	7,081
Due to General Fund	4,825	-	4,825
Total Liabilities	80,250	7,081	87,331
Total Net Position	\$ -	\$ -	\$ -

The accompanying Notes to Financial Statements are an integral part of this statement.

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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# EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies

The financial statements of the Eagleswood Township School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

#### A. Reporting Entity

The Eagleswood Township School District (hereafter referred to as the ‘District’) is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board consists of appointed officials by the County Freeholders and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 6. The District has an approximate enrollment at June 30, 2015 of 136 students.

#### B. Component Units

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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

#### C. Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these government-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**C. Government-Wide and Fund Financial Statements (continued):**

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**Government-Wide Financial Statements** – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Governmental Fund Financial Statements** – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**E. Fund Accounting**

The accounts of the Eagleswood Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**E. Fund Accounting (continued):**

assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into eight fund types within three broad fund categories and two account groups as follows:

The District reports the following major governmental funds:

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

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

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

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

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

## EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

##### E. Fund Accounting (continued):

###### Proprietary Fund

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

**Enterprise** - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the following:

**After School Program** – This fund accounts for the revenues and expenses pertaining to the District's extended day care program.

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

Revenues are divided into operating and non-operating revenues. Operating revenues consist of daily sales. Non-operating revenues consist of federal and state reimbursable revenues and interest income.

###### Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

Additionally, the District reports the following major fiduciary funds:

**Private Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**F. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and net position components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**G. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6:20-2A(m)1*. All budget amendments must be approved by School Board resolution.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**G. Budgets/Budgetary Control (continued):**

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

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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**H. Encumbrances**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

## EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1: Summary of Significant Accounting Policies (continued)

##### I. Cash & 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.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

*N.J.S.A.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 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.

##### J. Tuition Receivable/Payable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

##### K. Inventories and Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditures during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1: Summary of Significant Accounting Policies (continued)**

**L. Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**M. Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings	20 – 50 Years
Machinery and Equipment	5 – 10 Years
Improvements	10 – 20 Years

**N. 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 the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

**O. Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**P. Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Q. Use of Estimates**

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

**R. Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

## EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

##### R. Fund Balance (continued):

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

##### S. Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

##### T. Impact of Recently Issued Accounting Principles

###### Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

U. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

V. Pensions

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

W. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of November 21, 2015, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The cash and cash equivalents held at June 30, 2015, are reported at carrying value as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	\$ 682,885
Total Deposits	\$ 682,885
<b>The District's Cash and Cash Equivalents are Reported as Follows:</b>	
Government Activities	\$ 573,465
Business-Type Activities	22,089
Fiduciary Funds	87,331
Total Cash and Cash Equivalents	\$ 682,885

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 2. Cash and Cash Equivalents (continued)**

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District’s bank balance of \$778,510 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized in the District's Name Under GUDPA	<u>528,510</u>
Total	<u><u>\$ 778,510</u></u>

**Note 3. Maintenance Reserve Account**

A maintenance reserve account in the amount of \$100,000 was established by Board resolution on June 24, 2013. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to *N.J.A.C.6A:26A-4.2* funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3. Maintenance Reserve Account (continued):**

There was no activity in the Maintenance Reserve Account during the year ended June 30, 2015. The June 30, 2015 balance is \$100,000.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>		<b>Total</b>
State Aid	\$ 11,652	\$	11,652
Federal Aid	-		-
	<hr/>		<hr/>
Total	\$ 11,652	\$	11,652
	<hr/>		<hr/>

**Note 5. Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2015 was as follows:

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
<b>Governmental Activities:</b>					
Capital assets that are not being depreciated:					
Land	\$ 156,351	\$ -	\$ -	\$ -	\$ 156,351
Total capital assets not being depreciated	<hr/> 156,351	-	-	-	<hr/> 156,351
Buildings and improvements	2,744,340	-	-	-	2,744,340
Machinery and equipment	476,640	-	-	-	476,640
Subtotal	<hr/> 3,220,980	-	-	-	<hr/> 3,220,980
Less: accumulated depreciation	(1,611,610)	(62,586)	-	-	(1,674,196)
Total accumulated depreciation	<hr/> (1,611,610)	<hr/> (62,586)	-	-	<hr/> (1,674,196)
Total capital assets being depreciated, net	<hr/> 1,609,370	<hr/> (62,586)	-	-	<hr/> 1,546,784
Governmental activities capital assets, net	<hr/> \$ 1,765,721	<hr/> \$ (62,586)	\$ -	\$ -	<hr/> \$ 1,703,135
	<hr/>				<hr/>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 6. Long-Term Obligations**

**A. Long-Term Obligation Activity**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term obligations:

	<b>June 30, 2014</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>June 30, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 1,065,000	-	\$ (115,000)	\$ 950,000	\$ 120,000
Compensated Absences	148,350	-	(19,350)	129,000	-
Net Pension Liability	502,125	141,236	-	643,361	
	<hr/>			<hr/>	
Total	\$ 1,715,475	\$ 141,236	\$ (134,350)	\$ 1,722,361	\$ 120,000
	<hr/>			<hr/>	

**B. 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 District are general obligation bonds.

Debt Service requirements on serial bonds payable at June 30, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015/16	\$ 120,000	\$ 38,750	\$ 158,750
2016/17	125,000	33,950	158,950
2017/18	130,000	28,950	158,950
2018/19	135,000	23,750	158,750
2019/20	140,000	18,350	158,350
2020/22	300,000	19,338	319,338
	<hr/>		<hr/>
	950,000	163,088	1,113,088
	<hr/>		<hr/>

**C. Bonds Authorized But Not Issued**

As of June 30, 2015, the District had no authorized but not issued bonds.

**D. Capital Leases**

As of June 30, 2015, the District had no capital leases.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 7. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 12,065	\$ -
Special Revenue Fund	-	7,240
Capital Projects Fund	-	60
Debt Service Fund	60	-
Payroll Trust Fund	-	4,825
	<hr/>	<hr/>
Total	<u>\$ 12,125</u>	<u>\$ 12,125</u>

The purpose of interfunds are short-term borrowings.

**Note 8: Pension Obligations**

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

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Three-Year Trend Information for PERS**

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 28,328	100%	\$ 643,361
6/30/2014	19,796	100%	502,125
6/30/2013	20,597	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$643,361 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .00344%, which was an increase of .00081% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
	July 1, 2014	July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 179,670	\$ 28,328
Deferred Inflows of Resources	\$ 38,341	N/A
Net Pension Liability	\$ 643,361	\$ 502,125
District's portion of the Plan's total net pension Liability	0.00344%	0.00263%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$57,070. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	20,231	-
Net difference between projected and actual earnings on pension plan investments	-	38,341
Changes in proportion and differences between District contributions and proportionate share of contributions	130,604	-
District contributions subsequent to the measurement date	28,835	-
Total	<u>\$ 179,670</u>	<u>\$ 38,341</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

\$28,835 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		
<u>June 30:</u>	<u>PERS</u>	
2016	\$	(4,527)
2017		(4,527)
2018		(4,527)
2019		(4,527)
2020		(4,527)
Thereafter		4,524

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	<u>PERS</u> June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>4.39%</u>		<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>		<u>1%</u> <u>Increase</u> <u>6.39%</u>
District's proportionate share of the net pension liability	\$ 809,370	\$	643,361	\$	503,956

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

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF (Paid on behalf of the District)**

<u>Year</u> <u>Funding</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2015	\$ 142,360	100%	\$ -
6/30/2014	107,230	100%	-
6/30/2013	153,030	100%	-

During the year ended June 30, 2015 the State of New Jersey contributed \$2,647,242 to the TPAF for normal and post-retirement medical benefits on behalf of the District. Also in accordance with *N.J.S.A.18A:66-66* the State of New Jersey reimbursed the District \$1,417,954 for the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**C. Defined Contribution Retirement Program (DCRP)**

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

**Note 9. Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 100,134 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf.. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2015.

**Note 10. Risk Management**

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 11. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Note 12. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

**Note 13. Deferred Compensation**

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

AXA Equitable

**Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$129,000.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 14. Compensated Absences (continued):**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

**Note 15. Lease Obligations**

At June 30, 2015 the School District had operating lease agreements for various office equipment. Minimum future rental payments under the operating leases at June 30 are as follows:

2016	\$ 7,034
2017	1,723

**Note 16. Fund Balance Disclosure**

**General Fund (Exhibit B-1)** – Of the \$525,303 General Fund fund balance at June 30, 2015, \$100,000 has been restricted for the Maintenance Reserve; \$127,186 has been restricted as current year excess surplus in accordance with *N.J.S.A. 18A:7F-7* (See Note 17); \$103,077 has been reserved for excess surplus – designated for subsequent year’s expenditures; \$676 has been assigned for excess surplus – designated for subsequent year’s expenditures; and \$194,364 has been unassigned.

**Special Revenue Fund** – Of the Special Revenue Fund fund balance at June 30, 2015, \$(3,305) has been unassigned.

**Capital Projects Fund** – Of the Capital Projects Fund fund balance at June 30, 2015, \$2,389 has been restricted for future Capital Projects.

**Debt Service Fund** – Of the Debt Service Fund fund balance at June 30, 2015, \$7 is reserved in accordance with *N.J.S.A 7F-41c(2)*.

**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, 2015 is \$127,186.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 18. Deficit in Net Position**

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(475,271) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

The School District had a deficit in restricted net position for Debt Service in the amount of \$19,368 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Note 19. Deficit Fund Balances**

The District has a deficit fund balance of \$(3,305) in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, C97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes as asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

**Note 20: Prior Period Adjustment/Restatement of Net Position**

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 20: Prior Period Adjustment/Restatement of Net Position (continued)**

	<u>Governmental Activities</u>
Net Position as previously reported at June 30, 2014	\$ 992,894
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(502,125)
PERS Pension Payable (2015 district PERS Pension Contribution)	(28,328)
Deferred Outflows - district contributions made during fiscal year 2015	<u>28,328</u>
Total prior period adjustment	<u>(502,125)</u>
Net Position as restated, July 1, 2014	\$ <u>490,769</u>

**Note 21. Subsequent Event**

On September 29, 2015, the District sought voter approval on a referendum of two bond proposals totaling \$4,393,010 to perform building and site improvements to the Eagleswood Elementary School. The referendum was not approved and the District will be seeking voter approval again in March 2016.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
Local Tax Levy	10-1210	\$ 1,827,312	\$ -	\$ 1,827,312	\$ -
Tuition	10-1310	-	-	-	14,500
Miscellaneous	10-1900	-	-	-	12,134
Total Local Sources		1,827,312	-	1,827,312	26,634
State Sources:					
Extraordinary Aid	10-3131	-	-	-	5,141
Equalization Aid	10-3176	447,437	-	447,437	-
Transportation Aid	10-3121	59,476	-	59,476	-
Special Education Aid	10-3132	73,426	-	73,426	-
Security Aid	10-3177	18,682	-	18,682	-
Adjustment Aid	10-317	58,181	-	58,181	-
Additional Adjustment Aid	10-317	4,540	-	4,540	-
PARCC Readiness Aid	10-3190	1,220	-	1,220	-
Per Pupil Growth Aid	10-3190	1,220	-	1,220	-
Other Unrestricted State Aid	10-3190	-	-	-	-
Non-Public Transportation Aid	10-3231	-	-	-	1,998
Nonbudgeted:					
On-Behalf TPAF Pension Contributions					
- Post Retirement Medical					87,341
On-Behalf TPAF Pension Contributions					55,019
Reimbursed TPAF Social Security Contributions					92,605
Total State Sources		664,182	-	664,182	242,104
Total Revenues		2,491,494	-	2,491,494	268,738

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Expenditures:</b>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	11-105-100-101	41,152	(7,124)	34,028	34,028
Kindergarten	11-110-100-101	60,570	-	60,570	60,570
Grades 1 - 5	11-120-100-101	293,764	(29,448)	264,316	264,316
Grades 6 - 8	11-130-100-101	88,453	37	88,490	88,490
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	217,156	(4,574)	212,582	209,486
Other Purchased Services	11-190-100-500	17,500	-	17,500	17,500
General Supplies	11-190-100-610	68,500	13,446	81,946	80,118
Textbooks	11-190-100-640	5,000	-	5,000	5,000
<b>Total Regular Programs - Instruction</b>		<b>792,095</b>	<b>(27,663)</b>	<b>764,432</b>	<b>759,508</b>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	50,129	308	50,437	50,437
Other Salaries for Instruction	11-204-100-106	43,845	(5,508)	38,337	23,383
Other Purchased Services	11-204-100-500	2,500	-	2,500	2,500
General Supplies	11-204-100-610	1,000	-	1,000	746
<b>Total Learning and/or Language Disabilities</b>		<b>97,474</b>	<b>(5,200)</b>	<b>92,274</b>	<b>77,066</b>
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	123,183	(47,971)	75,212	75,212
Other Purchased Services	11-213-100-500	2,500	-	2,500	2,500
General Supplies	11-213-100-610	500	-	500	260
<b>Total Resource Room</b>		<b>126,183</b>	<b>(47,971)</b>	<b>78,212</b>	<b>77,972</b>
<b>Total Special Education</b>		<b>223,657</b>	<b>(53,171)</b>	<b>170,486</b>	<b>155,038</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	117,737	75,884	193,621	193,621
Other Purchased Services	11-230-100-500	2,500	-	2,500	2,500
General Supplies	11-230-100-610	500	(250)	250	172

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBER	JUNE 30, 2015		POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Total Basic Skills/Remedial - Instruction		120,737	196,371	78
Total - Instruction		1,136,489	1,110,839	20,450
Undistributed Expenditures:				
Instruction:				
Tuition to Other LEA's Within State - Special	11-000-100-562	50,652	49,022	-
Tuition to County Special Services Districts and Regional Day Schools	11-000-100-565	11,081	828	-
Tuition to Private Schools for the Handicapped Within State	11-000-100-566	45,000	59,492	-
Total Undistributed Expenditures - Instruction		106,733	109,342	-
Attendance & Social Work Services:				
Salaries	11-000-211-100	95,501	86,085	-
Total Attendance & Social Work Services		95,501	86,085	-
Health Services:				
Salaries	11-000-213-100	1,000	1,000	-
Purchase Professional/Technical Services	11-000-213-300	68,040	67,984	632
Supplies and Materials	11-000-213-600	1,200	1,256	-
Total Health Services		70,240	70,240	632
Undistributed Expenditures:				
Speech, OT, PT & Related Services:				
Salaries	11-000-216-100	59,500	54,533	3,020
Supplies and Materials	11-000-216-600	500	341	159
Total Speech, OT, PT & Related Services		60,000	55,033	3,179

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015		POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Other Support Services:				
Salaries	11-000-217-100	7,200	7,380	-
Total Other Support Services		7,200	7,380	-
Child Study Teams:				
Salaries of Other Professional Staff	11-000-219-104	24,829	25,329	-
Purchased Professional/Educational Services	11-000-219-320	42,500	43,044	1,301
Supplies and Materials	11-000-219-600	-	893	-
Total Child Study Teams		67,329	69,266	1,301
Improvement of Instructional Services:				
Purchased Professional/Educational Services	11-000-221-320	1,000	1,000	37
Total Improvement of Instructional Services		1,000	1,000	37
Educational Media Services/School Library:				
Supplies and Materials	11-000-222-600	900	900	305
Total Educational Media Services/School Library		900	900	305
Instructional Staff Training Services:				
Purchased Professional & Educational Services	11-000-223-320	5,400	5,400	550
Total Instructional Staff Training Services		5,400	5,400	550
Support Services General Administration:				
Salaries	11-000-230-100	100,163	100,163	-
Legal Services	11-000-230-331	5,000	5,869	28
Audit Fees	11-000-230-332	14,100	14,100	-
Architectural/Engineering Services	11-000-230-334	-	5,893	-
Communications/Telephone	11-000-230-530	1,500	1,500	554
BOE Other Purchased Services	11-000-230-585	750	750	174
Other Purchased Services	11-000-230-590	1,500	1,500	392
General Supplies	11-000-230-610	500	500	264
Miscellaneous Expenditures	11-000-230-890	16,800	24,505	7,899
BOE Membership Due and Fees	11-000-230-895	4,500	4,500	94

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Support Services General Administration		144,813	14,467	159,280	149,875	9,405
Support Services School Administration:						
Salaries of Secretarial & Clerical Assistants	11-000-240-105	35,000	(21,504)	13,496	13,496	-
Total Support Services School Administration		35,000	(21,504)	13,496	13,496	-
Central Services:						
Salaries	11-000-251-100	25,000	41,420	66,420	66,420	-
Other Objects	11-000-251-890	350	-	350	-	350
Total Central Services		25,350	41,420	66,770	66,420	350
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	15,764	(1,000)	14,764	12,216	2,548
Cleaning, Repair & Maintenance Services	11-000-261-420	33,000	(1,500)	31,500	29,591	1,909
General Supplies	11-000-261-610	7,000	(577)	6,423	5,546	877
Total Allowable Maintenance for School Facilities		55,764	(3,077)	52,687	47,353	5,334
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	42,606	-	42,606	41,780	826
Insurance	11-000-262-520	28,434	215	28,649	28,649	-
Energy (Electricity)	11-000-262-622	35,000	4,757	39,757	39,757	-
Energy (Gasoline)	11-000-262-626	10,000	(4,180)	5,820	5,819	1
Other Objects	11-000-262-800	2,000	(495)	1,505	1,450	55
Total Other Operation & Maintenance of Plant		118,040	297	118,337	117,455	882

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Security:					
General Supplies	11-000-266-610	4,000	-	4,000	4,000 -
Total Security		4,000	-	4,000	4,000 -
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	31,670	(7,386)	24,284	24,207 77
Contracted Services - (Aid in Lieu) Nonpublic Schools	11-000-270-503	5,000	(114)	4,886	2,652 2,234
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	3,500	-	3,500	2,545 955
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	87,350	-	87,350	87,054 296
Contracted Services - (Special Education) - Vendors	11-000-270-514	12,000	39,710	51,710	46,668 5,042
Total Student Transportation Services		139,520	32,210	171,730	163,126 8,604
Unallocated Benefits Employee Benefits:					
Social Security Contributions	11-000-291-220	28,000	-	28,000	23,124 4,876
Other Retirement Contributions- PERS	11-000-291-241	27,444	884	28,328	28,328 -
Unemployment Compensation	11-000-291-250	8,000	-	8,000	6,961 1,039
Health Benefits	11-000-291-270	388,358	(49,840)	338,518	303,040 35,478
Other Employee Benefits	11-000-291-290	37,760	-	37,760	29,630 8,130
Total Unallocated Benefits - Employee Benefits		489,562	(48,956)	440,606	391,083 49,523
Nonbudgeted:					
On-Behalf TPAF Pension Contributions - Post Retirement Medical		-	-	-	87,341 (87,341)
On-Behalf TPAF Pension Contributions Reimbursed TPAF Social Security Contributions		-	-	-	55,019 (55,019)
		-	-	-	92,605 (92,605)

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBER	JUNE 30, 2015		POSITIVE (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	
Total Nonbudgeted	-	-	(234,965)
Total Undistributed Expenditures	1,426,352	1,431,552	(154,863)
Total Expenditures	2,562,841	2,697,254	(134,413)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(71,347)	(71,347)	134,325
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses) Fund Balances, July 1 (Beginning)	(71,347)	(71,347)	134,325
Fund Balances, June 30 (Ending)	\$ 453,753	\$ 453,753	\$ 134,325

**Recapitulation of Fund Balance**

Restricted Fund Balance:	
Maintenance Reserve	\$ 100,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	103,077
Excess Surplus	127,186
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	676
Unassigned Fund Balance	<u>257,139</u>
Subtotal	588,078
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(62,775)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 525,303</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>REVENUES</b>				
State Sources	\$ 33,068	\$ -	\$ 33,068	\$ -
Federal Sources	57,108	41,884	98,992	(4,272)
Local Sources	-	10,000	10,000	(4,125)
<b>Total Revenues</b>	<b>90,176</b>	<b>51,884</b>	<b>142,060</b>	<b>(8,397)</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	52,488	5,525	58,013	-
General Supplies	-	25,229	21,104	4,125
<b>Total Instruction</b>	<b>52,488</b>	<b>30,754</b>	<b>83,242</b>	<b>4,125</b>
Support Services:				
Personal Services - Employee Benefits	-	9,935	9,935	4,272
Professional and Technical Services	37,688	9,444	47,132	-
Other Purchased Services	-	1,751	1,751	-
<b>Total Support Services</b>	<b>37,688</b>	<b>21,130</b>	<b>58,818</b>	<b>4,272</b>
<b>Total Expenditures</b>	<b>90,176</b>	<b>51,884</b>	<b>142,060</b>	<b>8,397</b>
<b>Total Outflows</b>	<b>90,176</b>	<b>51,884</b>	<b>142,060</b>	<b>8,397</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 2,760,232	\$ 133,663
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(62,775)	(3,305)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	62,700	2,600
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 2,760,157	\$ 132,958
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	\$ 2,697,254	\$ 133,663
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 2,697,254	\$ 133,663

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00344%	0.00263%
District's proportionate share of the net pension liability (asset)	\$ 643,361	\$ 502,125
District's covered-employee payroll	\$ 168,273	\$ 206,897
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	382.33%	242.69%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 28,835	\$ 28,328
Contributions in relation to the contractually required contribution	<u>28,835</u>	<u>28,328</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 168,273	\$ 206,897
Contributions as a percentage of covered- employee payroll	17.14%	13.69%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00960%	0.01111%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 5,132,182	\$ 5,617,362
District's covered-employee payroll	\$ 1,197,891	\$ 1,091,841
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**EAGLESWOOD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

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

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

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

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	N.C.L.B		I.D.E.A. - PART B	
	TITLE I PART A	TITLE II PART A	BASIC	PRESCHOOL
Revenues:				
Federal Sources	\$ 27,443	\$ 6,251	\$ 42,632	\$ 3,165
Total Revenues	<u>\$ 27,443</u>	<u>\$ 6,251</u>	<u>\$ 42,632</u>	<u>\$ 3,165</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 21,780	\$ -	\$ -	\$ 3,165
Total Instruction	<u>21,780</u>	<u>-</u>	<u>-</u>	<u>3,165</u>
Support Services:				
Personal Services - Employee Benefits	5,663	-	-	-
Professional and Technical Services	-	4,500	42,632	-
Other Purchased Services	-	1,751	-	-
Total Support Services	<u>5,663</u>	<u>6,251</u>	<u>42,632</u>	<u>-</u>
Total Expenditures	<u>\$ 27,443</u>	<u>\$ 6,251</u>	<u>\$ 42,632</u>	<u>\$ 3,165</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PRESCHOOL EDUCATION AID	R.E.A.P.	OCEAN FIRST	<u>TOTAL</u>
Revenues:				
State Sources	\$ 33,068	\$ -	\$ -	\$ 33,068
Federal Sources	-	15,229	-	94,720
Local Sources	-	-	5,875	5,875
	<hr/>			
Total Revenues	\$ 33,068	\$ 15,229	\$ 5,875	\$ 133,663
<hr/>				
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 33,068	\$ -	\$ -	\$ 58,013
General Supplies	-	15,229	5,875	21,104
	<hr/>			
Total Instruction	33,068	15,229	5,875	79,117
<hr/>				
Support Services:				
Personal Services - Employee				
Benefits	-	-	-	5,663
Professional and				
Technical Services	-	-	-	47,132
Other Purchased Services	-	-	-	1,751
	<hr/>			
Total Support Services	-	-	-	54,546
<hr/>				
Total Expenditures	\$ 33,068	\$ 15,229	\$ 5,875	\$ 133,663
<hr/>				

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2015		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 33,068	\$ 33,068	\$ -
Total Instruction	33,068	33,068	-
Total Expenditures	\$ 33,068	\$ 33,068	\$ -

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2014-2015 Preschool Education Aid Allocation	\$ 33,068
Add: Actual Preschool Education Aid Carryover (June 30, 2014)	-
Total Preschool Education Aid Funds Available for 2014-2015 Budget	33,068
Less: 2014-2015 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(33,068)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add: June 30, 2015 Unexpended Preschool Education Aid Funds	-
2014-2015 Carryover - Preschool Education Aid Funds	\$ -
2014-2015 Preschool Education Aid Funds Carryover Budgeted in 2015-2016	\$ -

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F. Capital Projects Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEARS	CURRENT YEAR	UNEXPENDED BALANCE JUNE 30, 2015
Improvements & Renovations to the Elementary School	2006	\$ 1,666,000	\$ 1,663,611	\$ -	\$ 2,389
Total		\$ 1,666,000	\$ 1,663,611	\$ -	\$ 2,389

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources:	
Local Income - Interest	<u>\$      3</u>
Total Revenues	<u>          3</u>
Excess/(Deficiency) of Revenues	
Over/(Under) Expenditures	<u>          3</u>
Other Financing Sources/(Uses):	
Transfer Out - Interest Earned in Capital Projects Fund	<u>         (3)</u>
Total Other Financing Sources/(Uses)	<u>         (3)</u>
Net Change in Fund Balance	-
Fund Balance - June 30, 2014	<u>      2,389</u>
Fund Balance - June 30, 2015	<u><u>      \$ 2,389</u></u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND  
PROJECT STATUS - BUDGETARY BASIS  
IMPROVEMENTS AND RENOVATIONS TO ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources				
Bond Proceeds & Transfers	\$ 1,666,000	\$ -	\$ 1,666,000	\$ 1,666,000
Total Revenues	1,666,000	-	1,666,000	1,666,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	41,998	-	41,998	46,000
Land & Improvements	28,482	-	28,482	20,000
Construction Services	1,057,200	-	1,057,200	1,000,000
Equipment Purchases	535,931	-	535,931	600,000
Total Expenditures	1,663,611	-	1,663,611	1,666,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 2,389	\$ -	\$ 2,389	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Numbers	
Grant Date	
Bond Authorization Date	09/26/2006
Bonds Authorized	\$1,666,000
Bonds Issued	\$1,666,000
Original Authorized Cost	\$1,666,000
Additional Authorized Cost	
Revised Authorized Cost	\$1,666,000
Percentage Completion	99.86%

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## G. Proprietary Funds

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Enterprise Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	AFTER SCHOOL PROGRAM	TOTAL
Current Assets:		
Cash & Cash Equivalents	\$ 22,089	\$ 22,089
Total Assets	<u>22,089</u>	<u>22,089</u>
 LIABILITIES		
Accounts Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
 NET POSITION		
Unrestricted	<u>22,089</u>	<u>22,089</u>
Total Net Position	<u>\$ 22,089</u>	<u>\$ 22,089</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2015**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>	
	AFTER SCHOOL PROGRAM	TOTAL
Operating Revenues:		
Charges for Services:		
Program Fees	\$ 27,905	\$ 27,905
	<hr/>	<hr/>
Total Operating Revenues	27,905	27,905
	<hr/>	<hr/>
Operating Expenses:		
Salaries	14,957	14,957
	<hr/>	<hr/>
Total Operating Expenses	14,957	14,957
	<hr/>	<hr/>
Operating Income/(Loss)	12,948	12,948
Net Position - Beginning of Year	9,141	9,141
	<hr/>	<hr/>
Net Position - End of Year	\$ 22,089	\$ 22,089
	<hr/> <hr/>	<hr/> <hr/>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	AFTER SCHOOL PROGRAM	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 27,905	\$ 27,905
Payments to Employees	(15,607)	(15,607)
	12,298	12,298
Net Cash Provided/(Used) by Operating Activities	12,298	12,298
Net Increase/(Decrease) in Cash & Cash Equivalents	12,298	12,298
Balances - Beginning of Year	9,791	9,791
Balances - End of Year	\$ 22,089	\$ 22,089

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ 12,948	\$ 12,948
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/ (Used) by Operating Activities:		
Increase in Accounts Payable	(650)	(650)
Total Adjustments	(650)	(650)
Net Cash Provided/(Used) by Operating Activities	\$ 12,298	\$ 12,298

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

ASSETS	AGENCY FUNDS		TOTAL
	PAYROLL	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 80,250	\$ 7,081	\$ 87,331
Total Assets	80,250	7,081	87,331
LIABILITIES			
Payroll Deductions & Withholdings	75,425	-	75,425
Due to Student Groups	-	7,081	7,081
Due to General Fund	4,825	-	4,825
Total Liabilities	80,250	7,081	87,331
Total Net Position	\$ -	\$ -	\$ -

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JUNE 30, 2014	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 4,146	\$ 18,210	\$ 15,275	\$ 7,081
Total Assets	<u>\$ 4,146</u>	<u>\$ 18,210</u>	<u>\$ 15,275</u>	<u>\$ 7,081</u>
LIABILITIES				
Due to Student Groups	\$ 4,146	\$ 18,210	\$ 15,275	\$ 7,081
Total Liabilities	<u>\$ 4,146</u>	<u>\$ 18,210</u>	<u>\$ 15,275</u>	<u>\$ 7,081</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JUNE 30, 2014	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 73,393	\$ 1,711,242	\$ 1,704,385	\$ 80,250
Total Assets	<u>\$ 73,393</u>	<u>\$ 1,711,242</u>	<u>\$ 1,704,385</u>	<u>\$ 80,250</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 70,461	\$ 821,481	\$ 816,517	\$ 75,425
Net Payroll	2,932	884,936	887,868	-
Due to General Fund	-	4,825	-	4,825
Total Liabilities	<u>\$ 73,393</u>	<u>\$ 1,711,242</u>	<u>\$ 1,704,385</u>	<u>\$ 80,250</u>

## I. Long-Term Debt

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
SCHEDULE OF SERIAL BONDS PAYABLE  
JUNE 30, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2014	BALANCE JUNE 30, 2015
			DATE	AMOUNT			
Improvements & Renovations to the Elementary School	01/01/2007	\$1,666,000	01/01/2016	\$120,000	4.000%		
			01/01/2017	125,000	4.000%		
			01/01/2018	130,000	4.000%		
			01/01/2019	135,000	4.000%		
			01/01/2020	140,000	4.000%		
			01/01/2021	145,000	4.250%		
			01/01/2022	155,000	4.250%	\$ 1,065,000	\$ 950,000
					Total	\$ 1,065,000	\$ 950,000

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL TRANSFERS	BUDGET ACTUAL	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 104,506	\$ -	\$ 104,506	\$ -
State Sources:				
Debt Service Aid Type II	53,839	53,839	53,839	-
<b>Total Revenues</b>	<b>158,345</b>	<b>158,345</b>	<b>158,345</b>	<b>-</b>
Expenditures:				
Regular Debt Service:				
Interest on Bonds	43,350	43,350	43,350	-
Redemption of Principal	115,000	115,000	115,000	-
<b>Total Regular Debt Service</b>	<b>158,350</b>	<b>158,350</b>	<b>158,350</b>	<b>-</b>
<b>Total Expenditures</b>	<b>158,350</b>	<b>158,350</b>	<b>158,350</b>	<b>-</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(5)	(5)	(5)	-
Other Financing Sources/(Uses):				
Transfer In - Interest-Capital Projects Fund	-	-	3	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	(5)	(5)	(2)	-
Fund Balance, July 1	9	9	9	-
Fund Balance, June 30	4	4	7	-

**STATISTICAL SECTION (Unaudited)**

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

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**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities:</b>										
Invested in Capital Assets,										
Net of Related Debt	\$ 753,135	\$ 700,721	\$ 653,746	\$ 612,224	\$ 1,518,757	\$ 1,573,319	\$ 1,565,976	\$ 1,185,558	\$ 299,818	\$ 2,146,854
Restricted	313,960	255,147	195,204	296,059	2,739	23,816	165,407	648,660	1,565,810	5,203
Unrestricted	(468,808)	37,026	51,031	(158,438)	(122,013)	(176,359)	(113,137)	(21,200)	(56,552)	150,050
<b>Total Governmental Activities</b>	<b>\$ 598,287</b>	<b>\$ 992,894</b>	<b>\$ 899,981</b>	<b>\$ 749,845</b>	<b>\$ 1,399,483</b>	<b>\$ 1,420,776</b>	<b>\$ 1,618,246</b>	<b>\$ 1,813,018</b>	<b>\$ 1,809,076</b>	<b>\$ 2,302,107</b>
<b>Business-Type Activities:</b>										
Unrestricted	\$ 22,089	\$ 9,141	\$ 3,978	\$ 1,341	\$ 281	\$ 512	\$ 2,258	\$ 2,631	\$ 4,256	\$ 5,041
<b>Total Business-Type Activities</b>	<b>\$ 22,089</b>	<b>\$ 9,141</b>	<b>\$ 3,978</b>	<b>\$ 1,341</b>	<b>\$ 281</b>	<b>\$ 512</b>	<b>\$ 2,258</b>	<b>\$ 2,631</b>	<b>\$ 4,256</b>	<b>\$ 5,041</b>
<b>District-Wide:</b>										
Invested in Capital Assets,										
Net of Related Debt	753,135	\$ 700,721	\$ 653,746	\$ 612,224	\$ 1,518,757	\$ 1,573,319	\$ 1,565,976	\$ 1,185,558	\$ 299,818	\$ 2,146,854
Restricted	313,960	255,147	195,204	296,059	2,739	23,816	165,407	648,660	1,565,810	5,203
Unrestricted	(446,719)	46,167	55,009	(157,097)	(121,732)	(175,847)	(110,879)	(18,569)	(52,296)	155,091
<b>Total District Net Position</b>	<b>\$ 620,376</b>	<b>\$ 1,002,035</b>	<b>\$ 903,959</b>	<b>\$ 751,186</b>	<b>\$ 1,399,764</b>	<b>\$ 1,421,288</b>	<b>\$ 1,620,504</b>	<b>\$ 1,815,649</b>	<b>\$ 1,813,332</b>	<b>\$ 2,307,148</b>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses:</b>										
<b>Governmental Activities</b>										
Instruction:										
Regular	\$ 759,508	\$ 782,546	\$ 810,565	\$ 743,708	\$ 841,501	\$ 839,434	\$ 898,778	\$ 836,120	\$ 812,723	\$ 732,176
Special Education	234,155	262,333	202,222	220,726	148,319	150,194	160,240	256,666	215,252	234,972
Other Instruction	196,293	118,659	115,063	61,249	43,555	97,490	116,249	25,669	34,813	18,971
Support Services:										
Tuition	111,093	31,777	2,018	132,191	121,058	82,121	118,059	136,290	84,625	95,104
Student & Instruction Related Services	336,432	319,782	305,282	199,717	241,531	317,223	193,997	130,662	171,194	186,273
General Administrative Services	149,875	137,429	139,673	133,297	29,792	127,284	57,279	143,093	132,325	136,896
School Administrative Services	79,916	60,282	63,128	72,519	183,378	101,194	119,059	62,514	47,999	46,259
Plant Operations & Maintenance	168,808	167,951	160,282	148,204	211,341	198,211	177,820	181,525	200,301	181,131
Pupil Transportation	163,126	132,304	131,066	124,450	156,780	165,283	148,833	145,683	131,992	145,303
Employee Benefits	849,272	580,332	594,919	510,818	533,399	614,607	562,874	516,934	485,846	365,589
Interest on Long-Term Debt	41,050	45,550	49,850	81,925	59,950	63,750	67,390	69,565	6,525	10,875
Unallocated Compensated Absences	(19,350)	17,677	12,008	585	-	-	-	-	-	-
Unallocated Loss on Revaluation of Asset	-	-	-	938,564	-	-	-	-	-	-
Unallocated Depreciation	62,586	63,025	63,478	67,969	169,802	166,580	144,074	120,420	120,420	119,805
<b>Total Governmental Activities Expenses:</b>	<b>3,132,764</b>	<b>2,719,647</b>	<b>2,649,554</b>	<b>3,435,922</b>	<b>2,740,406</b>	<b>2,923,371</b>	<b>2,764,652</b>	<b>2,625,141</b>	<b>2,444,015</b>	<b>2,273,354</b>
<b>Business-Type Activities:</b>										
Food Service	-	-	-	-	-	1,091	94,083	92,291	89,995	93,217
School Store	-	-	-	-	2,456	3,039	3,609	1,386	3,171	3,102
After School Program	14,957	13,086	14,592	15,113	-	-	-	-	-	-
<b>Total Business-Type Activities Expenses:</b>	<b>14,957</b>	<b>13,086</b>	<b>14,592</b>	<b>15,113</b>	<b>2,456</b>	<b>4,130</b>	<b>97,692</b>	<b>93,677</b>	<b>93,166</b>	<b>96,319</b>
<b>Total District Expenses</b>	<b>\$ 3,147,721</b>	<b>\$ 2,732,733</b>	<b>\$ 2,664,146</b>	<b>\$ 3,451,035</b>	<b>\$ 2,742,862</b>	<b>\$ 2,927,501</b>	<b>\$ 2,862,344</b>	<b>\$ 2,718,818</b>	<b>\$ 2,537,181</b>	<b>\$ 2,369,673</b>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Operating Grants & Contributions	\$ 551,784	\$ 304,895	\$ 347,554	\$ 113,551	\$ 120,702	\$ 148,604	\$ 113,142	\$ 213,700	\$ 217,315	\$ 225,735
<b>Total Governmental Activities</b>	<u>551,784</u>	<u>304,895</u>	<u>347,554</u>	<u>113,551</u>	<u>120,702</u>	<u>148,604</u>	<u>113,142</u>	<u>213,700</u>	<u>217,315</u>	<u>225,735</u>
<b>Business-Type Activities:</b>										
Operating grants and contributions	-	-	-	-	-	-	19,929	18,380	21,245	23,631
Charges for Services	27,905	18,249	17,229	16,454	2,224	3,413	27,063	22,691	26,713	32,015
<b>Total Business Type Activities</b>	<u>27,905</u>	<u>18,249</u>	<u>17,229</u>	<u>16,454</u>	<u>2,224</u>	<u>3,413</u>	<u>46,992</u>	<u>41,071</u>	<u>47,958</u>	<u>55,646</u>
<b>Total District Program Revenues</b>	<u>\$ 579,689</u>	<u>\$ 323,144</u>	<u>\$ 364,783</u>	<u>\$ 130,005</u>	<u>\$ 122,926</u>	<u>\$ 152,017</u>	<u>\$ 160,134</u>	<u>\$ 254,771</u>	<u>\$ 265,273</u>	<u>\$ 281,381</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (2,580,980)	\$ (2,414,752)	\$ (2,302,000)	\$ (3,322,371)	\$ (2,619,704)	\$ (2,774,767)	\$ (2,651,510)	\$ (2,411,441)	\$ (2,226,700)	\$ (2,047,619)
Business-Type Activities	12,948	5,163	2,637	1,341	(232)	(717)	(50,700)	(52,606)	(45,208)	(40,673)
<b>Total District-Wide Net Expense</b>	<u>\$ (2,568,032)</u>	<u>\$ (2,409,589)</u>	<u>\$ (2,299,363)</u>	<u>\$ (3,321,030)</u>	<u>\$ (2,619,936)</u>	<u>\$ (2,775,484)</u>	<u>\$ (2,702,210)</u>	<u>\$ (2,464,047)</u>	<u>\$ (2,271,908)</u>	<u>\$ (2,088,292)</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Revenues &amp; Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,827,312	\$ 1,650,760	\$ 1,618,392	\$ 1,586,659	\$ 1,555,548	\$ 1,525,743	\$ 1,505,700	\$ 1,447,788	\$ 1,380,676	\$ 1,190,848
Taxes Levied for Debt Service	104,506	104,115	103,539	102,625	99,683	44,846	39,389	81,008	43,412	46,251
Unrestricted Grants & Contributions	724,168	722,034	718,789	970,824	920,267	1,022,377	947,475	891,255	833,963	783,067
Tuition Received	14,500	15,900	9,200	7,700	-	-	-	-	-	-
Miscellaneous Income	18,012	14,856	2,216	4,926	14,132	18,569	14,502	63,520	71,940	7,667
Prior Year Receivable Cancelled	-	-	-	-	(3,059)	(8,301)	-	(17,207)	-	(15,201)
Other Special Items	-	-	-	-	11,840	(25,937)	-	-	-	-
Transfers	-	-	-	-	-	-	(50,327)	(50,982)	(45,679)	(42,898)
<b>Total Governmental Activities</b>	<b>2,688,498</b>	<b>2,507,665</b>	<b>2,452,136</b>	<b>2,672,734</b>	<b>2,598,411</b>	<b>2,577,297</b>	<b>2,456,739</b>	<b>2,415,382</b>	<b>2,284,312</b>	<b>1,969,734</b>
<b>Business-Type Activities</b>										
Interest Earned	-	-	-	-	-	17	-	-	10	81
Transfers	-	-	-	(281)	-	(1,046)	50,327	50,972	45,679	42,890
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(281)</b>	<b>-</b>	<b>(1,029)</b>	<b>50,327</b>	<b>50,982</b>	<b>45,698</b>	<b>42,971</b>
<b>Total District-Wide</b>	<b>\$ 2,688,498</b>	<b>\$ 2,507,665</b>	<b>\$ 2,452,136</b>	<b>\$ 2,672,453</b>	<b>\$ 2,598,411</b>	<b>\$ 2,576,268</b>	<b>\$ 2,507,066</b>	<b>\$ 2,466,364</b>	<b>\$ 2,330,010</b>	<b>\$ 2,012,705</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 107,518	\$ 92,913	\$ 150,136	\$ (649,637)	\$ (21,293)	\$ (197,470)	\$ (194,771)	\$ 3,941	\$ 57,612	\$ (77,885)
Business-Type Activities	12,948	5,163	2,637	1,060	(232)	(1,746)	(373)	(1,624)	490	2,298
<b>Total District</b>	<b>\$ 120,466</b>	<b>\$ 98,076</b>	<b>\$ 152,773</b>	<b>\$ (648,577)</b>	<b>\$ (21,525)</b>	<b>\$ (199,216)</b>	<b>\$ (195,144)</b>	<b>\$ 2,317</b>	<b>\$ 58,102</b>	<b>\$ (75,587)</b>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund:</b>										
Restricted	\$ 330,263	\$ 273,554	\$ 216,680	\$ 296,203	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -
Assigned	676	870	-	23,394	(3,933)	(76,439)	(26,587)	95,350	59,998	14,022
Unassigned	194,364	187,976	184,700	(37,063)	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 525,303</b>	<b>\$ 462,400</b>	<b>\$ 401,380</b>	<b>\$ 282,534</b>	<b>\$ (3,933)</b>	<b>\$ (46,439)</b>	<b>\$ 3,413</b>	<b>\$ 95,350</b>	<b>\$ 59,998</b>	<b>\$ 14,022</b>
<b>All Other Governmental Funds:</b>										
Unassigned, Reported in:										
Special Revenue Fund	\$ (3,305)	\$ (2,600)	\$ (2,991)	\$ (2,710)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	2,389	2,389	2,389	2,389	2,691	17,629	109,119	542,611	1,510,165	22,410
Assigned, Reported in:										
Debt Service Fund	7	9	5	48	48	6,187	56,289	106,049	55,645	1
<b>Total All Other Governmental Funds</b>	<b>\$ (909)</b>	<b>\$ (202)</b>	<b>\$ (597)</b>	<b>\$ (273)</b>	<b>\$ 2,739</b>	<b>\$ 23,816</b>	<b>\$ 165,408</b>	<b>\$ 648,660</b>	<b>\$ 1,565,810</b>	<b>\$ 22,411</b>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Tax Levy	\$ 1,931,818	\$ 1,754,875	\$ 1,721,931	\$ 1,689,284	\$ 1,655,231	\$ 1,570,589	\$ 1,545,089	\$ 1,528,796	\$ 1,424,088	\$ 1,237,099
Other Local Revenue	32,512	30,756	11,416	12,626	16,632	18,569	14,502	63,520	72,124	7,667
State Sources	992,413	937,497	983,580	997,920	935,116	1,003,938	975,001	1,016,256	937,323	888,787
Federal Sources	94,720	89,432	82,763	86,455	103,353	167,043	85,615	88,699	97,564	101,984
<b>Total Revenue</b>	<b>3,051,463</b>	<b>2,812,560</b>	<b>2,799,690</b>	<b>2,786,285</b>	<b>2,710,332</b>	<b>2,760,139</b>	<b>2,620,207</b>	<b>2,697,271</b>	<b>2,531,099</b>	<b>2,235,537</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular Instruction	759,508	782,546	810,565	743,708	841,501	839,434	898,778	836,120	812,723	732,176
Special Education Instruction	234,155	262,333	202,222	220,726	148,319	150,194	160,240	256,666	215,252	234,972
Other Instruction	196,293	118,659	115,063	61,249	43,555	97,490	116,249	25,669	34,813	18,971
<b>Support Services:</b>										
Instruction	-	-	-	-	121,058	138,744	118,059	136,290	84,625	95,104
Tuition	111,093	31,777	2,018	132,191	241,531	122,976	102,474	69,297	64,491	61,697
Student & Instruction Related Services	336,432	319,782	305,282	199,717	44,560	99,438	91,523	61,365	106,702	124,577
General Administrative Services	149,875	137,429	139,673	133,297	138,819	101,194	119,059	143,093	132,325	136,896
School Administrative Services	79,916	60,282	63,128	72,519	29,792	127,284	57,279	62,514	47,999	46,259
Plant Operations & Maintenance	168,808	167,951	160,282	148,204	211,341	198,211	177,820	181,525	200,301	181,131
Pupil Transportation	163,126	132,304	131,066	124,450	156,780	165,283	148,833	145,683	131,992	145,303
Employee Benefits	631,711	580,332	594,919	510,818	533,399	652,793	562,874	516,935	485,845	365,590
Capital Outlay	-	-	-	-	15,240	91,490	433,492	946,159	157,430	6,151
<b>Debt Service:</b>										
Principal	115,000	110,000	105,000	100,000	100,000	95,000	91,000	60,000	60,000	60,000
Interest & Other Charges	43,350	47,750	51,950	55,950	59,950	63,750	67,390	69,565	6,525	10,875
<b>Total Expenditures</b>	<b>2,989,267</b>	<b>2,751,145</b>	<b>2,681,168</b>	<b>2,502,829</b>	<b>2,685,845</b>	<b>2,943,281</b>	<b>3,145,070</b>	<b>3,510,881</b>	<b>2,541,023</b>	<b>2,219,702</b>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (Deficiency) of Revenues Over/(Under) Expenditures	62,196	61,415	118,522	283,456	24,487	(183,142)	(524,863)	(813,610)	(9,924)	15,835
<b>Other Financing Sources/(Uses):</b>										
Transfers In	-	-	-	-	-	-	-	4,188	-	-
Transfers Out	-	-	-	-	-	-	(50,327)	(55,169)	(45,699)	(42,898)
Bond Proceeds	-	-	-	-	-	-	-	-	1,645,000	-
Cancellation of Prior Year Accounts Receivable	-	-	-	-	(3,059)	(8,301)	-	(17,207)	-	(15,201)
Total Other Financing Sources, (Uses)	-	-	-	-	(3,059)	(8,301)	(50,327)	(68,188)	1,599,301	(58,099)
Net Change in Fund Balances	\$ 62,196	\$ 61,415	\$ 118,522	\$ 283,456	\$ 21,428	\$ (191,443)	\$ (575,190)	\$ (881,798)	\$ 1,589,377	\$ (42,264)
Debt Service as a Percentage of Noncapital Expenditures	5.30%	5.73%	5.85%	6.23%	5.99%	5.57%	5.84%	5.05%	2.79%	3.20%

Source: District Records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30,	BID BOND FORFEITED	INTEREST EARNED	Tuition	AFTER-CARE CHARGES (NET)	MISCELLANEOUS	TOTAL
2015	\$ -		\$ 14,500		\$ 12,134	\$ 26,634
2014	-	-	15,900	-	14,852	30,752
2013	-	1,035	9,200	-	1,176	11,411
2012	-	194	7,700	-	4,732	12,626
2011	-	110	-	11,624	2,350	14,084
2010	-	301	-	4,570	13,396	18,267
2009	-	6,334	-	5,431	2,737	14,502
2008	13,596	2,059	-	74	1,575	17,304
2007	-	-	-	16,294	-	16,294
2006	-	-	-	-	7,249	7,249

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	25,145,900	178,845,900	268,900	63,100	29,983,700	4,440,200	319,200	239,066,900	0	239,066,900	1.452	246,639,134
2014	27,018,000	180,405,800	268,900	52,400	29,865,300	4,440,200	319,200	242,369,800	434,584	242,804,384	1.411	254,981,708
2013	25,860,200	182,014,100	268,900	52,400	29,239,800	4,440,200	318,200	242,194,800	434,584	242,629,384	1.335	264,047,789
2012	26,699,700	183,965,800	268,900	52,400	29,565,800	4,310,500	319,200	245,182,300	462,004	245,644,304	1.283	270,501,214
2011	34,511,900	210,822,000	281,500	50,600	33,519,900	3,967,600	436,900	283,590,400	452,190	284,042,590	0.595	264,012,041
2010	36,756,300	209,278,500	281,500	50,600	32,640,200	3,967,600	436,900	283,411,600	555,252	283,966,852	0.583	278,764,342
2009	37,902,600	208,021,100	281,500	50,600	33,617,900	3,967,600	436,900	284,278,200	521,335	284,799,535	0.551	308,406,375
2008	41,450,500	204,913,500	281,500	48,700	33,293,500	3,967,600	436,900	284,392,200	491,494	284,883,694	0.542	308,490,534
2007	43,644,500	197,300,400	265,300	48,300	33,120,400	3,967,600	436,900	278,783,400	420,205	279,203,605	0.547	295,921,202
2006	46,129,200	187,393,700	265,300	39,700	33,122,600	3,967,600	436,900	271,355,000	457,556	271,812,556	0.455	229,866,568

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	PINELANDS REGIONAL SCHOOL	TOTAL DIRECT	OF TOWNSHIP EAGLESWOOD	OCEAN COUNTY	
2015	0.823	0.629	1.452	0.398	0.423	2.273
2014	0.796	0.615	1.411	0.388	0.399	2.198
2013	0.723	0.612	1.335	0.379	0.412	2.126
2012	0.701	0.582	1.283	0.361	0.331	1.975
2011	0.595	0.477	1.072	0.313	0.315	1.700
2010	0.583	0.513	1.096	0.293	0.320	1.709
2009	0.551	0.490	1.041	0.283	0.333	1.657
2008	0.542	0.463	1.005	0.283	0.332	1.620
2007	0.547	0.421	0.968	0.264	0.330	1.562
2006	0.523	0.366	0.889	0.260	0.287	1.436

Source: Municipal Tax Collector

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	\$4,247,700	1	1.75%
Taxpayer #2	2,504,700	2	1.03%
Taxpayer #3	2,190,600	3	0.90%
Taxpayer #4	1,902,500	4	0.78%
Taxpayer #5	1,363,500	5	0.56%
Taxpayer #6	1,358,700	6	0.56%
Taxpayer #7	1,341,100	7	0.55%
Taxpayer #8	1,338,700	8	0.55%
Taxpayer #9	1,321,800	9	0.54%
Taxpayer #10	1,288,700	10	0.53%
Total	<u>\$18,858,000</u>		<u>7.77%</u>

Taxpayer	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

NOT AVAILABLE

Source: Municipal Tax Assessor

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Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2015	\$ 1,931,818	1,931,818	100.00%
2014	1,754,875	1,754,875	100.00%
2013	1,721,931	1,721,931	100.00%
2012	1,689,284	1,689,284	100.00%
2011	1,655,231	1,655,231	100.00%
2010	1,570,589	1,570,589	100.00%
2009	1,545,089	1,545,089	100.00%
2008	1,528,796	1,528,796	100.00%
2007	1,424,088	1,424,088	100.00%
2006	1,237,099	1,237,099	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	COUNTY PER CAPITA INCOME	PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2015	\$ 950,000	\$ -	\$ 950,000	N/A	N/A
2014	1,065,000	-	1,065,000	N/A	N/A
2013	1,175,000	-	1,175,000	N/A	N/A
2012	1,280,000	-	1,280,000	N/A	N/A
2011	1,380,000	-	1,380,000	40,291	2.17%
2010	1,480,000	-	1,480,000	39,331	2.20%
2009	1,575,000	-	1,575,000	40,975	2.53%
2008	1,666,000	-	1,666,000	39,214	2.81%
2007	1,726,000	-	1,726,000	36,773	3.11%
2006	120,000	-	120,000	34,498	0.23%

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$ 950,000	\$ -	\$ 950,000	0.40%	N/A
2014	1,065,000	-	1,065,000	0.44%	N/A
2013	1,175,000	-	1,175,000	0.41%	712.12
2012	1,280,000	-	1,280,000	0.45%	775.76
2011	1,380,000	-	1,380,000	0.49%	857.14
2010	1,480,000	-	1,480,000	0.52%	923.27
2009	1,575,000	-	1,575,000	0.55%	924.84
2008	1,666,000	-	1,666,000	0.58%	992.26
2007	1,726,000	-	1,726,000	0.62%	1,047.33
2006	120,000	-	120,000	0.04%	74.35

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Eagleswood	\$922,681	100.00%	\$922,682
Couty of Ocean - Township's Share	<u>462,467,711</u>	0.275%	<u>1,271,124</u>
Subtotal, Overlapping Debt			2,193,806
Eagleswood School District Direct Debt			<u>950,000</u>
Total Direct & Overlapping Debt			<u><u>\$3,143,806</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Dollars in Thousands)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 7,399,174	\$ 7,679,451	\$ 5,317,497	\$ 8,138,261	\$ 8,494,730	\$ 8,876,950	\$ 9,133,231	\$ 8,251,477	\$ 6,777,137	\$ 4,984,117
Total Net Debt Applicable to Limit	950,000	950,000	1,175,000	1,280,000	1,380,000	1,480,000	1,575,000	1,666,000	1,726,000	120,000
Legal Debt Margin	\$ 6,449,174	\$ 6,729,451	\$ 4,142,497	\$ 6,858,261	\$ 7,114,730	\$ 7,396,950	\$ 7,558,231	\$ 6,585,477	\$ 5,051,137	\$ 4,864,117
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.41%	0.74%	0.52%	0.54%	0.56%	0.57%	0.67%	0.85%	0.08%	

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized Valuation Basis	
2014	\$246,636,613
2013	236,195,436
2012	257,085,352
	<u>\$739,917,401</u>
Average Equalized Valuation of Taxable Property	<u>\$246,639,134</u>
Debt Limit (3 % of Average Equalization Value)	\$7,399,174
Net Bonded School Debt	<u>950,000</u>
Legal Debt Margin	<u>\$6,449,174</u>

Source:  
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

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## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	COUNTY PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2015	N/A	N/A	N/A	N/A
2014	1,617	N/A	N/A	N/A
2013	1,621	N/A	N/A	7.09%
2012	1,650	71,280,000	43,200	9.50%
2011	1,610	65,656,540	41,986	9.30%
2010	* 1,603	65,099,433	40,611	8.90%
2009	1,703	68,988,530	40,510	8.40%
2008	1,679	69,300,725	41,275	5.10%
2007	1,648	66,417,696	40,302	3.90%
2006	1,614	61,378,806	38,029	4.40%

**Source:**

- (a) Population information provided by US Bureau of the Census; Population Division
- (b) Personal income calculated using population and per capita personal income
- (c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development
- N/A - Information not available.
- \*2010 Census

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2015		2006	
	EMPLOYEES	RANK	EMPLOYEES	RANK
Easgleswood Elementary School				
Shorline, Inc.	NOT AVAILABLE		NOT AVAILABLE	
Clayton Block Company, Inc.				
Atlantic City Electric				

**Source:** Ocean County Office of Economic Development

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## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Instruction:</b>										
Regular & Special Education	14	14	14	12	12	12	12	12	12	12
Special	5	5	5	5	5	5	5	5	5	5
Other Support Services	6	5	4	2	2	2	2	2	2	2
<b>Support Services:</b>										
Attendance & Health Services	1	1	1	1	1	1	1	1	1	1
General Administrative Services	2	2	2	2	5	5	5	5	5	5
School Administration	2	2	2	2	5	5	5	5	5	5
Operations & Maintenance	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>32</b>	<b>31</b>	<b>30</b>	<b>26</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>

**Source:** District Personnel Records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	143	2,855,814	19,971	9.85%	19	7.2	138.2	132.4	-3.03%	95.80%
2014	143	2,599,822	18,181	3.28%	19	7.5	142.5	134.5	4.87%	94.38%
2013	137	2,411,542	17,602	11.13%	19	7.2	135.9	127.7	-3.62%	93.97%
2012	141	2,233,328	15,839	-8.90%	19	7.4	141.0	138.0	4.44%	97.87%
2011	136	2,364,676	17,387	-12.57%	19	7.2	135.0	126.0	-6.25%	93.33%
2010	148	2,943,281	19,887	-10.84%	19	7.8	144.0	137.5	4.80%	95.49%
2009	141	3,145,069	22,305	-9.78%	19	7.4	137.4	130.6	-3.24%	95.05%
2008	142	3,510,880	24,725	44.01%	19	7.5	142.0	138.5	-1.39%	97.54%
2007	148	2,541,025	17,169	17.57%	19	7.8	144.0	140.5	-1.64%	97.57%
2006	152	2,219,701	14,603	2.30%	19	8.0	146.4	144.4	-1.08%	98.63%

**Sources:** District records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Eagleswood Elementary	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Square Feet	175	175	175	175	175	175	175	175	175	175
Capacity (Students)	136	143	137	141	131	148	141	142	148	152
Enrollment										

Number of Schools at June 30, 2014:  
Elementary = 1

**Source:** District Facilities Office

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

	EAGLESWOOD ELEMENTARY
2015	\$ 47,353
2014	57,089
2013	53,683
2012	47,469
2011	28,949
2010	25,998
2009	18,285
2008	20,497
2007	21,999
2006	<u>21,750</u>
Total School Facilities	<u><u>\$343,072</u></u>

Source: District records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
<b>Property:</b>		
Blanket Building & Personal Property	\$350,000,000	\$1,000
Blanket Extra Expense	50,000,000	1,000
Blanket Valuable Papers and Records	10,000,000	1,000
Demolition and Increased Cost of Construction	10,000,000	per occurrence
Fire Department Service Charge	10,000	
Arson Award	10,000	
Pollutant Cleanup & Removal	250,000	
Flood	10,000,000	per occurrence 500,000
Earthquake	50,000,000	per occurrence
Terrorism	1,000,000	
<b>Electronic Data Processing:</b>		
Blanket Hardware/Software	100,000	per occurrence 1,000
<b>Equipment:</b>		
Combined Limit per Accident for Property Damage And Business Income	100,000,000	1,000
<b>Crime:</b>		
Various	5,000-25,000	500
<b>Comprehensive General Liability &amp; Automobile Liability:</b>		
Combined Limit per Bodily Injury & Property Damage And Property Damage	10,000,000	
<b>Automobile</b>		
Combined Limit per Bodily Injury & Property Damage And Property Damage	10,000,000	
<b>Boiler &amp; Machinery:</b>		
Limits of Liability	Included	
Hazardous Substance Expense	25,000	
<b>School Leaders Errors &amp; Omissions Liability:</b>		
Limit of Liability	10,000,000	each policy period
Limit of Liability	100,000	each claim
<b>Workers Compensation:</b>		
Bodily Injury by Accident & Disease	2,000,000	each accident/employee

Source: District Records

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**SINGLE AUDIT SECTION**

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## EXHIBIT K-1

### **INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and Members  
of the Board of Education  
Eagleswood Township School District  
County of Ocean  
West Creek, New Jersey 08092

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 and business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Eagleswood Township School District’s basic financial statements, and have issued our report thereon dated November 21, 2015.

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

In planning and performing our audit of the financial statements, we considered Eagleswood Township School District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eagleswood Township School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Eagleswood Township School 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 District’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 Eagleswood 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
November 21, 2015



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members  
of the Board of Education  
Eagleswood Township School District  
County of Ocean  
West Creek, New Jersey 08092

**Report on Compliance for Each Major State Program**

We have audited Eagleswood Board of Education’s compliance with the types of compliance requirements described in the *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 District’s major state programs for the year ended June 30, 2015. Eagleswood Board of Education’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Eagleswood Board of Education’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred

to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Eagleswood Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Eagleswood Board of Education's compliance.

### **Opinion on Each Major State Program**

In our opinion, Eagleswood Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Eagleswood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eagleswood Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eagleswood Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
November 21, 2015

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	DEFERRED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
										BUDGETARY RECEIVABLE EXPENDITURES	CUMULATIVE TOTAL
State Department of Education (State Aid):											
General Fund:											
Equalization Aid	15-495-034-5120-078	\$447,437	7/1/14-6/30/15	\$ -	\$ 447,437	\$ (447,437)	\$ -	\$ -	\$ -	\$ 42,290	\$ 447,437
Transportation Aid	15-495-034-5120-014	59,476	7/1/14-6/30/15	-	59,476	(59,476)	-	-	-	5,621	59,476
Special Education Aid	15-495-034-5120-089	73,426	7/1/14-6/30/15	-	73,426	(73,426)	-	-	-	6,940	73,426
Security Aid	15-495-034-5120-084	18,682	7/1/14-6/30/15	-	18,682	(18,682)	-	-	-	1,766	18,682
Adjustment Aid	15-495-034-5120-085	58,181	7/1/14-6/30/15	-	58,181	(58,181)	-	-	-	5,499	58,181
Additional Adjustment Aid	15-495-034-5120-085	4,540	7/1/14-6/30/15	-	4,540	(4,540)	-	-	-	429	4,540
PARCC Readiness Aid	15-495-034-5120-098	1,220	7/1/14-6/30/15	-	1,220	(1,220)	-	-	-	115	1,220
Per Pupil Growth Aid	15-495-034-5120-097	1,220	7/1/14-6/30/15	-	1,220	(1,220)	-	-	-	115	1,220
Additional Nonpublic School											
Transportation Aid	14-495-034-5120-014	676	7/1/13-6/30/14	(676)	676	-	-	-	-	-	-
Additional Nonpublic School											
Transportation Aid	15-495-034-5120-014	1,998	7/1/14-6/30/15	-	-	(1,998)	(1,998)	-	-	-	1,998
Extraordinary Aid	15-495-034-5120-044	5,141	7/1/14-6/30/15	-	-	(5,141)	(5,141)	-	-	-	5,141
On Behalf TPAF Pension											
Contributions - PRM	15-495-034-5095-001	87,341	7/1/14-6/30/15	-	87,341	(87,341)	-	-	-	-	87,341
On Behalf TPAF Pension											
Contributions	15-495-034-5095-006	55,019	7/1/14-6/30/15	-	55,019	(55,019)	-	-	-	-	55,019
TPAF Social Security											
Contributions	14-495-034-5095-002	84,371	7/1/13-6/30/14	(4,281)	4,281	-	-	-	-	-	-
TPAF Social Security											
Contributions	15-495-034-5095-002	92,605	7/1/14-6/30/15	-	88,092	(92,605)	(4,513)	-	-	-	92,605
Total General Fund				(4,957)	899,591	(906,286)	(11,652)	-	-	62,775	906,286
Special Revenue Fund:											
Preschool Education Aid	14-495-034-5120-086	25,982	7/1/13-6/30/14	(2,600)	2,600	-	-	-	-	-	-
Preschool Education Aid	15-495-034-5120-086	33,068	7/1/14-6/30/15	-	33,068	(33,068)	-	-	-	3,305	33,068
Total Special Revenue Fund				(2,600)	35,668	(33,068)	-	-	-	3,305	33,068
Debt Service Fund:											
Debt Service Aid Type II	15-495-034-5120-125	53,839	7/1/14-6/30/15	-	53,839	(53,839)	-	-	-	-	53,839
Total Debt Service Fund				-	53,839	(53,839)	-	-	-	-	53,839
Total State Financial Assistance				\$ (7,557)	\$ 989,098	\$ (993,193)	\$ (11,652)	\$ -	\$ -	\$ 66,080	\$ 993,193
Less: Grants Not Subject to New Jersey OMB Circular 04-04:											
On Behalf TPAF Pension											
Contributions - PRM	15-495-034-5095-001	87,341	7/1/14-6/30/15	-	\$ -	87,341	-	-	-	-	87,341
On Behalf TPAF Pension											
Contributions	15-495-034-5095-006	55,019	7/1/14-6/30/15	-	-	55,019	-	-	-	-	55,019
Total State Financial Assistance subject to New Jersey OMB Circular 04-04											\$ (850,833)

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2015**

**Note 1: General**

The accompanying schedule of expenditures of state awards includes state award activity of the Eagleswood Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**Note 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements.

**Note 3: Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$75 for the general fund and \$705 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**JUNE 30, 2015**

**Note 3: Relationship to Basic Financial Statements (continued):**

	<b>State</b>
General Fund	\$ 906,211
Special Revenue Fund	32,363
Debt Service Fund	<u>53,839</u>
Total Financial Assistance	<u>\$ 992,413</u>

**Note 4: Relationship to State Financial Reports**

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

**Note 5: Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

**Note 6: State Loans Outstanding**

The Eagleswood Township School District had no loan balances outstanding at June 30, 2015.

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	<u>          </u> yes	<u>    X    </u> no	
2) Significant deficiencies identified that are not considered to be material weaknesses?	<u>          </u> yes	<u>    X    </u> none reported	
Noncompliance material to basic financial statements noted?	<u>          </u> yes	<u>    X    </u> no	

State Awards

Dollar threshold used to distinguish between type A and type B programs?	<u>\$300,000</u>		
Auditee qualified as low-risk auditee?	<u>    X    </u> yes	<u>          </u> no	
Type of auditor's report issued in compliance for major programs:	<u>Unmodified</u>		
Internal Control over major programs:			
1) Material weakness(es) identified?	<u>          </u> yes	<u>    X    </u> no	
2) Significant deficiencies identified that are not considered to be material weaknesses?	<u>          </u> yes	<u>    X    </u> none reported	
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?	<u>          </u> yes	<u>    X    </u> no	

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>495-034-5120-085</u>	<u>State Aid Cluster - Public:</u>
<u>495-034-5120-089</u>	<u>Adjustment Aid</u>
<u>495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-078</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>Equalization Aid</u>
<u>495-034-5120-097</u>	<u>PARCC Readiness Aid</u>
	<u>Per Pupil Growth Aid</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued)  
For the Fiscal Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, USOMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings