

**EAGLESWOOD TOWNSHIP  
SCHOOL DISTRICT**

West Creek, New Jersey  
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**WEST CREEK, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Eagleswood Township Board of Education  
Finance Department**



## TABLE OF CONTENTS

|  | PAGE |
|--|------|
| <b>INTRODUCTORY SECTION</b>  |      |
| Letter of Transmittal  | 1    |
| Organizational Chart   | 5    |
| Roster of Officials  | 7    |
| Consultants and Advisors   | 9    |
| <b>FINANCIAL SECTION</b>   |      |
| Independent Auditor's Report   | 13   |
| <b>REQUIRED SUPPLEMENTARY INFORMATION - PART I</b>   |      |
| Management's Discussion & Analysis   | 19   |
| <b>BASIC FINANCIAL STATEMENTS</b>  |      |
| A. Government-Wide Financial Statements:   |      |
| A-1 Statement of Net Position  | 33   |
| A-2 Statement of Activities  | 34   |
| B. Fund Financial Statements:  |      |
| Governmental Funds:  |      |
| B-1 Balance Sheet  | 41   |
| B-2 Statement of Revenues, Expenditures & Changes in Fund Balance  | 42   |
| B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities | 43   |
| Proprietary Funds:   |      |
| B-4 Statement of Net Position  | 47   |
| B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position   | 48   |
| B-6 Statement of Cash Flows  | 49   |
| Fiduciary Funds:   |      |
| B-7 Statement of Fiduciary Net Position  | 53   |
| B-8 Statement of Changes in Fiduciary Net Position   | N/A  |
| Notes to Financial Statements  | 57   |
| <b>REQUIRED SUPPLEMENTARY INFORMATION - PART II</b>  |      |
| C. Budgetary Comparison Schedules:   |      |
| C-1 Budgetary Comparison Schedule - General Fund   | 89   |
| C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual   | N/A  |
| C-1b Education Jobs Fund Program - Budget & Actual   | N/A  |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund   | 96   |
| Notes to the Required Supplementary Information:   |      |
| C-3 Budget-to-GAAP Reconciliation  | 99   |
| C-4 Schedule of the District's Proportionate Share of the Net Pension Liability  | N/A  |
| C-5 Schedule of the District Contributions Teachers Pension Plan   | N/A  |

## TABLE OF CONTENTS

|   | PAGE |
|---|------|
| REQUIRED SUPPLEMENTARY INFORMATION - PART III   |      |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)                         |      |
| L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS          | 105  |
| L-2 Schedule of the District Contributions – PERS   | 106  |
| L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF          | 107  |
| Notes to the Required Supplementary Information - Part III                                      | 111  |
| Other Supplementary Information   |      |
| D. School Based Budget Schedules Fund:  |      |
| D-1 Combining Balance Sheet   | N/A  |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource<br>Type - Actual     | N/A  |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual                  | N/A  |
| E. Special Revenue Fund:  |      |
| E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund -<br>Budgetary Basis   | 119  |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis                       | 121  |
| F. Capital Projects Fund:   |      |
| F-1 Summary Statement of Project Expenditures   | 125  |
| F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance -<br>Budgetary Basis | 126  |
| F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status -<br>Budgetary Basis  | 127  |
| F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status -<br>Budgetary Basis  | 128  |
| G. Proprietary Funds:   |      |
| Enterprise Funds:   |      |
| G-1 Combining Statement of Net Position   | 133  |
| G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position                    | 134  |
| G-3 Combining Statement of Cash Flows   | 135  |
| Internal Service Funds:   |      |
| G-4 Combining Statement of Net Position   | N/A  |
| G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position                    | N/A  |
| G-6 Combining Statement of Cash Flows   | N/A  |
| H. Fiduciary Funds:   |      |
| H-1 Combining Statement of Fiduciary Net Position   | 141  |
| H-2 Combining Statement of Changes in Fiduciary Net Position                                    | N/A  |
| H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements                           | 142  |
| H-4 Payroll Agency Fund Schedule of Receipts & Disbursements                                    | 142  |
| I. Long-Term Debt:  |      |
| I-1 Schedule of Serial Bonds  | 145  |
| I-2 Schedule of Obligations Under Capital Leases  | N/A  |
| I-3 Debt Service Fund Budgetary Comparison Schedule   | 146  |

## TABLE OF CONTENTS

|  | PAGE |
|--|------|
| <b>STATISTICAL SECTION (unaudited)</b>                           |      |
| Financial Trends:  |      |
| J-1 Net Position by Component                                    | 151  |
| J-2 Changes in Net Position                                      | 152  |
| J-3 Fund Balances - Governmental Funds                           | 155  |
| J-4 Changes in Fund Balance - Governmental Funds                 | 156  |
| J-5 Other Local Revenue by Source - General Fund                 | 158  |
| Revenue Capacity:  |      |
| J-6 Assessed Value & Estimated Actual Value of Taxable Property  | 161  |
| J-7 Direct & Overlapping Property Tax Rates                      | 162  |
| J-8 Principal Property Taxpayers                                 | 163  |
| J-9 Property Tax Levies & Collections                            | 164  |
| Debt Capacity:   |      |
| J-10 Ratios of Outstanding Debt by Type                          | 167  |
| J-11 Ratios of General Bonded Debt Outstanding                   | 168  |
| J-12 Direct & Overlapping Governmental Activities Debt           | 168  |
| J-13 Legal Debt Margin Information                               | 169  |
| Demographic & Economic Information:                              |      |
| J-14 Demographic & Economic Statistics                           | 173  |
| J-15 Principal Employers   | 173  |
| Operating Information:   |      |
| J-16 Full-Time Equivalent District Employees by Function/Program | 177  |
| J-17 Operating Statistics  | 178  |
| J-18 School Building Information                                 | 189  |
| J-19 Schedule of Required Maintenance                            | 180  |
| J-20 Insurance Schedule  | 181  |

## SINGLE AUDIT SECTION

|   |     |
|---|-----|
| K-1 Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>               | 185 |
| K-2 Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08 | 187 |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A  | 191 |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B  | 192 |
| K-5 Notes to Schedules of Awards and Financial Assistance   | 193 |
| K-6 Schedule of Findings & Questioned Costs   | 195 |
| K-7 Summary Schedule of Prior Audit Findings  | 198 |





**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 25, 2016

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, 2016 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 a 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this 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 2015-2016 fiscal year with an average daily enrollment of 153 students, which is above the previous year's enrollment. The following details the changes in the average student enrollment of the District over the last ten years.

## Average Daily Enrollment

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Changes</u> |
|--------------------|---------------------------|------------------------|
| 2015-2016          | 152                       | 11.77%                 |
| 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%                 |

**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 and there is potential growth in undeveloped property.

**Major Initiatives 2015-2016:** 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, 2016.

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, 2016, and the amount and percentage of increase in relation to prior year revenues.

| Revenue                  | Amount             | Percent of Total | Increase (Decrease) from 2015 | Percent of Increase (Decrease) |
|--------------------------|--------------------|------------------|-------------------------------|--------------------------------|
| Local Sources - Tax Levy | \$1,968,629        | 62.77%           | \$ 36,811                     | 1.91%                          |
| Local Sources - Misc.    | 24,145             | 0.77%            | (8,951)                       | -49.69%                        |
| State Sources            | 1,047,890          | 33.41%           | 55,477                        | 5.59%                          |
| Federal Sources          | <u>95,485</u>      | <u>3.04%</u>     | <u>765</u>                    | 0.81%                          |
| Total                    | <u>\$3,136,149</u> | <u>100.00%</u>   | <u>\$ 84,102</u>              |                                |

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, 2016 and the percentages of increases and decreases in relation to prior year amounts.

| Expenditures          | Amount             | Percent of Total | Increase (Decrease) from 2015 | Percent of Increase (Decrease) |
|-----------------------|--------------------|------------------|-------------------------------|--------------------------------|
| Current Expenditures: |                    |                  |                               |                                |
| Instruction           | \$1,244,343        | 36.95%           | \$54,387                      | 4.57%                          |
| Undistributed         | 1,703,431          | 58.33%           | 62,470                        | 3.81%                          |
| Debt service:         |                    |                  |                               |                                |
| Principal             | 120,000            | 3.56%            | \$400                         | 0.35%                          |
| Interest              | <u>38,750</u>      | <u>1.15%</u>     | <u>(4,600)</u>                | <u>-10.61%</u>                 |
|                       | <u>\$3,106,524</u> | <u>100.00%</u>   | <u>\$112,657</u>              |                                |

6.) **Debt Administration:** At June 30, 2016 the District’s outstanding debt issues included \$5,223,000 of general obligation bonds.

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 Holman Frenia Allison, P.C., Certified Public Accounts, were appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 10.) **Acknowledgments:** 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,



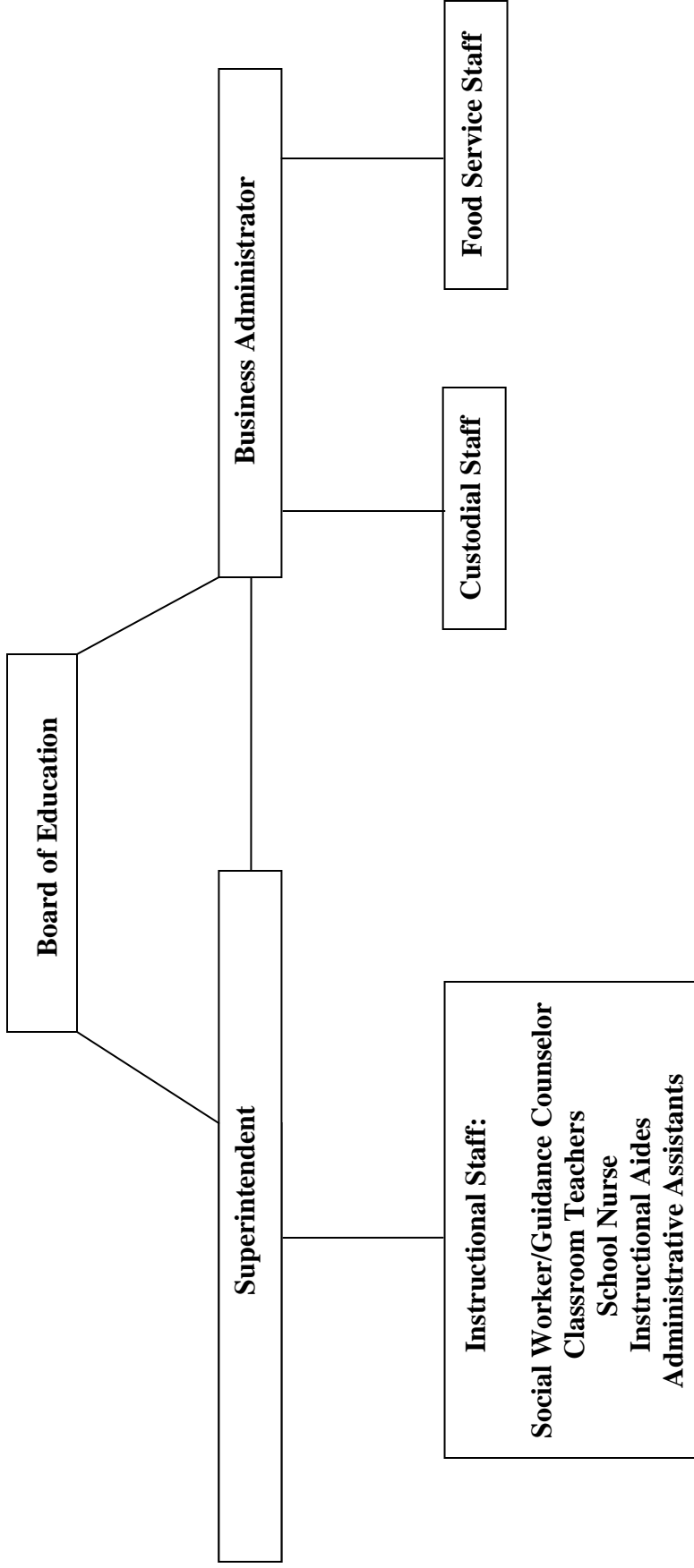
Deborah Snyder, Ed.D.  
Superintendent of Schools



Allison Bogart  
Business Administrator

Egleswood Township Board of Education

Organizational Chart







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

**ROSTER OF OFFICIALS**

**June 30, 2016**

| <b>MEMBERS OF THE BOARD OF EDUCATION</b> | <b>TERM EXPIRES</b> |
|--|---------------------|
| Kelly Stover, President                  | 2016                |
| Suzanne D'Ambrosio, Vice President       | 2017                |
| Dr. Paul McMahon                         | 2016                |
| Kimberly Pharo                           | 2017                |
| Jan Blum                                 | 2018                |

**OTHER OFFICIALS**

Deborah Snyder, Superintendent

Allison Bogart, Business Administrator

Steve Brennan, Treasurer of School Monies



**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



**FINANCIAL SECTION**

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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, 2016, 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, 2016, 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.

## **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 the schedules related to accounting and reporting for pensions, 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 25, 2016 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 25, 2016



**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, 2016**

**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, 2016. 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2015-2016 fiscal year include the following:

- The General Fund balance (budgetary basis) increased \$29,283 from \$525,303 to \$554,586 in 2016.
- General revenues of governmental activities accounted for \$2,720,135 of all revenues. Specific revenues in the form of operating grants & contributions accounted for \$726,180, Bond proceeds during the year accounted for \$4,393,000 of total revenues of \$7,529,149.
- The General Fund fund balance at June 30, 2016 is \$554,586, an increase of \$29,283 when compared with the beginning balance at July 1, 2015 of 525,303.

**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<br>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/out flow 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 \$3,321,193.

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 net expenses for the District’s governmental and business-type activities and the change in Net Position from the prior year:

| FUNCTIONS/PROGRAMS  | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | JUNE 30,<br>2016 | JUNE 30,<br>2015 |
|---|----------------------------|---------------------------------|------------------|------------------|
| General Revenues:   |                            |                                 |                  |                  |
| Taxes:  |                            |                                 |                  |                  |
| Property Taxes, Levied for General<br>Purposes, Including Debt Service                | 1,968,629                  |                                 | 1,968,629        | 1,931,818        |
| Federal & State Aid Not Restricted  | 727,361                    |                                 | 727,361          | 724,168          |
| Tuition Received  | 14,500                     |                                 | 14,500           | 14,500           |
| Miscellaneous Income  | 9,645                      |                                 | 9,645            | 18,012           |
| <b>Total General Revenues, Special Items,<br/>Extraordinary Items &amp; Transfers</b> | <b>2,720,135</b>           |                                 | <b>2,720,135</b> | <b>2,688,498</b> |
| Governmental Activities:  |                            |                                 |                  |                  |
| Instruction:  |                            |                                 |                  |                  |
| Regular   | (782,949)                  |                                 | (782,949)        | (759,508)        |
| Special Education   | (208,249)                  |                                 | (208,249)        | (155,038)        |
| Other Instruction   | (172,790)                  |                                 | (172,790)        | (196,293)        |
| Support Services & Undistributed Costs:   |                            |                                 |                  |                  |
| Tuition   | (116,245)                  |                                 | (116,245)        | (109,342)        |

| FUNCTIONS/PROGRAMS                     | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | JUNE 30,<br>2016   | JUNE 30,<br>2015   |
|--|----------------------------|---------------------------------|--------------------|--------------------|
| Student & Instruction Related Services | (257,335)                  |                                 | (257,335)          | (289,300)          |
| General Administrative Services        | (143,647)                  |                                 | (143,647)          | (149,875)          |
| School Administrative Services         | (78,125)                   |                                 | (78,125)           | (79,916)           |
| Plant Operations & Maintenance         | (155,309)                  |                                 | (155,309)          | (168,808)          |
| Pupil Transportation                   | (146,917)                  |                                 | (146,917)          | (163,126)          |
| Unallocated Employee Benefits          | (511,987)                  |                                 | (511,987)          | (425,488)          |
| Interest on Long-Term Debt             | (50,290)                   |                                 | (50,290)           | (41,050)           |
| Unallocated Compensated Absences       | (10,850)                   |                                 | (10,850)           | (19,350)           |
| Unallocated Depreciation               | (62,357)                   |                                 | (63,357)           | (62,586)           |
| <b>Total Governmental Activities</b>   | <b>(2,697,050)</b>         |                                 | <b>(2,697,050)</b> | <b>(2,552,238)</b> |
| <b>Business-Type Activities:</b>       |                            |                                 |                    |                    |
| After School Program                   |                            | 10,866                          | 10,866             | 12,948             |
| <b>Total Business-Type Activities</b>  |                            | <b>10,866</b>                   | <b>10,866</b>      | <b>12,948</b>      |
| Change In Net Position                 | 23,085                     | 10,866                          | 33,951             | 120,466            |
| Net Position - Beginning               | 598,287                    | 22,089                          | 620,376            | 499,910            |
| <b>Net Position - Ending</b>           | <b>\$ 621,372</b>          | <b>\$ 32,955</b>                | <b>\$ 654,327</b>  | <b>\$ 620,376</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, 2016 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)<br>from 2015 | Percent of Increase/<br>(Decrease) |
|-------------------------------|---------------------------|----------------------------------|------------------------------------|
| Revenue:                      |                           |                                  |                                    |
| Local Sources:                |                           |                                  |                                    |
| Local Tax Levy                | \$1,968,629               | \$36,811                         | 1.91%                              |
| Tuition                       | 14,500                    | (0)                              | 0.00%                              |
| Bond Proceeds                 | 4,393,000                 | 4,393,000                        | 100.00%                            |
| Miscellaneous                 | 9,954                     | (8,367)                          | -46.45%                            |
| Total Revenue - Local Sources | <u>\$6,385,774</u>        | <u>4,421,444</u>                 | <u>225.09%</u>                     |
| State Sources                 | 1,047,890                 | 55,477                           | 5.59%                              |
| Federal Sources               | 95,485                    | 765                              | 0.81%                              |
| Total Revenues                | <u><u>\$7,529,149</u></u> | <u><u>\$4,477,686</u></u>        | <u><u>146.74%</u></u>              |

The increase in State sources is mainly attributable to the increase in Preschool Education Aid in the 15-16 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, 2016 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.

|                            | 2015-2016<br>Expenditures | Increase<br>(Decrease) from 2015 | Percent of<br>Increase (Decrease) |
|----------------------------|---------------------------|----------------------------------|-----------------------------------|
| Expenses:                  |                           |                                  |                                   |
| Current Expense:           |                           |                                  |                                   |
| Instruction                | \$1,244,343               | 54,387                           | 4.57%                             |
| Undistributed Expenditures | 1,703,431                 | 62,470                           | 3.81%                             |
| Capital Outlay             | 261,029                   | 261,029                          | 100.00%                           |
| Debt Service               | 158,750                   | 400                              | 0.38%                             |
| Total Expenditures         | <u><u>\$3,367,553</u></u> | <u><u>378,286</u></u>            | <u><u>12.65%</u></u>              |

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2015-2016 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 2015-2016, unassigned fund balance increased by \$1,001 to \$195,185.

**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 \$10,866, from \$22,089 to \$32,955. 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, 2016, 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,<br>2015    | Additions         | Deletions | Adjustments | June 30,<br>2016   |
|--------------------------|---------------------|-------------------|-----------|-------------|--------------------|
| Land                     | \$ 156,351          | -                 | -         | -           | \$ 156,351         |
| Construction in progress | -                   | 261,029           | -         | -           | 261,029            |
| Buildings                | 2,744,340           | -                 | -         | -           | 2,744,340          |
| Machinery & Equipment    | 476,640             | -                 | -         | -           | 476,640            |
| Subtotal                 | 3,377,331           |                   |           |             | 3,638,360          |
| Accumulated Depreciation | (1,674,196)         | (62,357)          | -         | -           | (1,736,553)        |
| Total                    | <u>\$ 1,703,135</u> | <u>\$ 198,672</u> | <u>-</u>  | <u>-</u>    | <u>\$1,901,807</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, 2016, the District’s outstanding debt issues included \$830,000 of General Obligation bonds (2007 bonds) and General Obligation bonds in the amount of \$4,393,000 (2016 bonds). As of June 30, 2016 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 2016-2017 budget will be adequate to satisfy all 2016-2017 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, 2016**

| ASSETS   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | TOTALS            |
|--|----------------------------|---------------------------------|-------------------|
| Cash & Cash Equivalents                                    | \$ 4,765,893               | \$ 32,955                       | \$4,798,848       |
| Accounts Receivable, Net                                   | 47,656                     | -                               | 47,656            |
| Capital Assets, Net (Note 5)                               | 1,901,807                  | -                               | 1,901,807         |
| <b>Total Assets</b>  | <b>6,715,356</b>           | <b>32,955</b>                   | <b>6,748,311</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                            |                                 |                   |
| Deferred Outflows Related to Pensions                      | 205,412                    | -                               | 205,412           |
| <b>Total Deferred Outflow of Resources</b>                 | <b>205,412</b>             | <b>-</b>                        | <b>205,412</b>    |
| <b>Total Assets and Deferred Outflow of Resources</b>      | <b>6,920,768</b>           | <b>32,955</b>                   | <b>6,953,723</b>  |
| <b>LIABILITIES</b>   |                            |                                 |                   |
| Accounts Payable   | 127,559                    | -                               | 127,559           |
| Accrued Interest Payable                                   | 30,915                     | -                               | 30,915            |
| Deferred Revenue   | -                          | -                               | -                 |
| Pension Payable  | -                          | -                               | -                 |
| Noncurrent Liabilities (Note 6):                           |                            |                                 |                   |
| Due Within One Year  | 125,000                    | -                               | 125,000           |
| Due Beyond One Year  | 5,990,745                  | -                               | 5,990,745         |
| <b>Total Liabilities</b>                                   | <b>6,274,219</b>           | <b>-</b>                        | <b>6,274,219</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                            |                                 |                   |
| Deferred Inflows Related to Pensions                       | 25,177                     | -                               | 25,177            |
| <b>Total Deferred Inflows of Resources</b>                 | <b>25,177</b>              | <b>-</b>                        | <b>25,177</b>     |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b>6,299,396</b>           | <b>-</b>                        | <b>6,299,396</b>  |
| <b>NET POSITION</b>  |                            |                                 |                   |
| Net Investment in Capital Assets                           | (3,321,193)                | -                               | (3,321,193)       |
| Restricted For:  |                            |                                 |                   |
| Debt Service   | (30,328)                   | -                               | (30,328)          |
| Capital Projects   | 4,134,360                  | -                               | 4,134,360         |
| Other Purposes   | 359,401                    | -                               | 359,401           |
| Unrestricted   | (520,868)                  | 32,955                          | (487,913)         |
| <b>Total Net Position</b>                                  | <b>\$ 621,372</b>          | <b>\$ 32,955</b>                | <b>\$ 654,327</b> |

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

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

| FUNCTIONS/PROGRAMS                      | PROGRAM REVENUES |                      | NET (EXPENSE) REVENUE AND<br>CHANGES IN NET POSITION |                         | TOTALS             |
|---|------------------|----------------------|--|-------------------------|--------------------|
|   | EXPENSES         | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS                     | GOVERNMENTAL ACTIVITIES |                    |
| Governmental Activities:                |                  |                      |  |                         |                    |
| Instruction:                            |                  |                      |  |                         |                    |
| Regular                                 | \$ 782,949       | \$ -                 | \$ -   | (782,949)               | \$ (782,949)       |
| Special Education                       | 288,604          | -                    | 80,355   | (208,249)               | (208,249)          |
| Other Instruction                       | 172,790          | -                    | -  | (172,790)               | (172,790)          |
| Support Services & Undistributed Costs: |                  |                      |  |                         |                    |
| Tuition                                 | 116,245          | -                    | -  | (116,245)               | (116,245)          |
| Student & Instruction Related Services  | 306,413          | -                    | 49,078   | (257,335)               | (257,335)          |
| General Administrative Services         | 143,647          | -                    | -  | (143,647)               | (143,647)          |
| School Administrative Services          | 78,125           | -                    | -  | (78,125)                | (78,125)           |
| Plant Operations & Maintenance          | 155,309          | -                    | -  | (155,309)               | (155,309)          |
| Pupil Transportation                    | 146,917          | -                    | -  | (146,917)               | (146,917)          |
| Unallocated Employee Benefits           | 1,084,188        | -                    | 572,201  | (511,987)               | (511,987)          |
| Interest and Charges on Long-Term Debt  | 50,290           | -                    | -  | (50,290)                | (50,290)           |
| Unallocated Compensated Absences        | 10,850           | -                    | -  | (10,850)                | (10,850)           |
| Unallocated Depreciation                | 62,357           | -                    | -  | (62,357)                | (62,357)           |
| <b>Total Governmental Activities</b>    | <b>3,398,684</b> | <b>-</b>             | <b>701,634</b>                                       | <b>(2,697,050)</b>      | <b>(2,697,050)</b> |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

| FUNCTIONS/PROGRAMS   | PROGRAM REVENUES |   | NET (EXPENSE) REVENUE AND<br>CHANGES IN NET POSITION |                          | TOTALS      |
|--|------------------|---|--|--------------------------|-------------|
|  | EXPENSES         | CHARGES FOR SERVICES OPERATING GRANTS & CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES                              | BUSINESS-TYPE ACTIVITIES |             |
| Business-Type Activities:<br>After School Program                      | 13,680           | 24,546  | -  | 10,866                   | 10,866      |
| Total Business-Type Activities   | 13,680           | 24,546  | -  | 10,866                   | 10,866      |
| Total Primary Government   | \$ 3,412,364     | \$ 24,546   | \$ 701,634   | 10,866                   | (2,686,184) |
| <b>General Revenues:</b>   |                  |   |  |                          |             |
| Taxes:   |                  |   |  |                          |             |
| Property Taxes, Levied for General Purposes                            |                  |   | 1,863,858  | -                        | 1,863,858   |
| Taxes Levied for Debt Service  |                  |   | 104,771  | -                        | 104,771     |
| Federal & State Aid Not Restricted                                     |                  |   | 727,361  | -                        | 727,361     |
| Tuition Received   |                  |   | 14,500   | -                        | 14,500      |
| Miscellaneous Income   |                  |   | 9,645  | -                        | 9,645       |
| Total General Revenues, Special Items, Extraordinary Items & Transfers |                  |   | 2,720,135  | -                        | 2,720,135   |
| Change In Net Position   |                  |   | 23,085   | 10,866                   | 33,951      |
| Net Position - Beginning   |                  |   | 598,287  | 22,089                   | 620,376     |
| Net Position - Ending  |                  |   | \$ 621,372   | \$ 32,955                | \$ 654,327  |

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



## Governmental Funds

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## B. Fund Financial Statements

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

|  | GENERAL<br>FUND   | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | <u>          </u>  |
|--|-------------------|----------------------------|-----------------------------|-------------------------|--------------------|
| ASSETS:  |                   |                            |                             |                         |                    |
| Cash & Cash Equivalents  | \$ 467,688        | \$ -                       | \$ 4,309,372                | \$ -                    | \$4,777,060        |
| Accounts Receivable:   |                   |                            |                             |                         |                    |
| Intergovernmental - State  | 12,069            | -                          | -                           | -                       | 12,069             |
| Intergovernmental - Federal  | -                 | 28,037                     | -                           | -                       | 28,037             |
| Interfund Receivables  | 121,231           | -                          | -                           | 644                     | 121,875            |
|  | <hr/>             |                            |                             |                         |                    |
| Total Assets   | <u>\$ 600,988</u> | <u>\$ 28,037</u>           | <u>\$ 4,309,372</u>         | <u>\$ 644</u>           | <u>\$4,939,041</u> |
| LIABILITIES & FUND BALANCES:   |                   |                            |                             |                         |                    |
| Liabilities:   |                   |                            |                             |                         |                    |
| Cash Deficit   | \$ -              | \$ 11,110                  | \$ -                        | \$ 57                   | \$ 11,167          |
| Accounts Payable   | 46,402            | 8,935                      | 72,222                      | -                       | 127,559            |
| Interfund Payables   | -                 | 11,535                     | 102,790                     | -                       | 114,325            |
|  | <hr/>             |                            |                             |                         |                    |
| Total Liabilities  | 46,402            | 31,580                     | 175,012                     | 57                      | 253,051            |
| Fund Balances:   |                   |                            |                             |                         |                    |
| Restricted for:  |                   |                            |                             |                         |                    |
| Excess Surplus - Current Year  | 55,110            | -                          | -                           | -                       | 55,110             |
| Excess Surplus - Designated<br>for Subsequent Year's<br>Expenditures | 127,186           | -                          | -                           | -                       | 127,186            |
| Maintenance Reserve  | 100,000           | -                          | -                           | -                       | 100,000            |
| Debt Service Fund  | -                 | -                          | -                           | 587                     | 587                |
| Assigned:  |                   |                            |                             |                         |                    |
| Designated by the BOE for<br>Subsequent Year's<br>Expenditures       | 77,105            | -                          | -                           | -                       | 77,105             |
| Capital Projects Fund  | -                 | -                          | 4,134,360                   | -                       | 4,134,360          |
| Unassigned:  |                   |                            |                             |                         |                    |
| General Fund   | 195,185           | -                          | -                           | -                       | 195,185            |
| Special Revenue Fund   | -                 | (3,543)                    | -                           | -                       | (3,543)            |
|  | <hr/>             |                            |                             |                         |                    |
| Total Fund Balances  | 554,586           | (3,543)                    | 4,134,360                   | 587                     | 4,685,990          |
|  | <hr/>             |                            |                             |                         |                    |
| Total Liabilities & Fund Balances                                    | <u>\$ 600,988</u> | <u>\$ 28,037</u>           | <u>\$ 4,309,372</u>         | <u>\$ 644</u>           |                    |

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

|  |                    |
|--|--------------------|
| Capital assets used in governmental activities are not financial resources & therefore are not reported in the funds. The cost of the assets is \$3,638,360 and the accumulated depreciation is \$1,736,553. | 1,901,807          |
| 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.  | 180,235            |
| Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period.   | (30,915)           |
| 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)    | <u>(6,115,745)</u> |
| Net Position of Governmental Activities  | <u>\$ 621,372</u>  |

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, 2016**

|  | GENERAL<br>FUND   | SPECIAL<br>REVENUE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | (MEMORANDUM ONLY)<br>JUNE 30,<br>TOTALS |                   |
|--|-------------------|----------------------------|-----------------------------|-------------------------|---|-------------------|
| Revenues:  |                   |                            |                             |                         |   |                   |
| Local Sources:   |                   |                            |                             |                         |   |                   |
| Local Tax Levy   | \$ 1,863,858      | \$ -                       | \$ -                        | \$ 104,771              | \$ 1,968,629                            | \$ 1,931,818      |
| Tuition  | 14,500            | -                          | -                           | -                       | 14,500                                  | 14,500            |
| Miscellaneous  | 4,936             | 4,125                      | 584                         | -                       | 9,645                                   | 18,012            |
| <b>Total Revenues - Local Sources</b>                        | <b>1,883,294</b>  | <b>4,125</b>               | <b>584</b>                  | <b>104,771</b>          | <b>1,992,774</b>                        | <b>1,964,330</b>  |
| State Sources  | 958,723           | 35,192                     | -                           | 53,975                  | 1,047,890                               | 992,413           |
| Federal Sources  | -                 | 95,485                     | -                           | -                       | 95,485                                  | 94,720            |
| <b>Total Revenues</b>  | <b>2,842,017</b>  | <b>134,802</b>             | <b>584</b>                  | <b>158,746</b>          | <b>3,136,149</b>                        | <b>3,051,463</b>  |
| Expenditures:  |                   |                            |                             |                         |   |                   |
| Current:   |                   |                            |                             |                         |   |                   |
| Regular Instruction  | 782,949           | -                          | -                           | -                       | 782,949                                 | 759,508           |
| Special Education Instruction                                | 208,249           | 80,355                     | -                           | -                       | 288,604                                 | 234,155           |
| Other Instruction  | 172,790           | -                          | -                           | -                       | 172,790                                 | 196,293           |
| Support Services:  |                   |                            |                             |                         |   |                   |
| Tuition  | 116,245           | -                          | -                           | -                       | 116,245                                 | 111,093           |
| Student & Instruction Related<br>Services                    | 257,335           | 49,078                     | -                           | -                       | 306,413                                 | 336,432           |
| General Administrative Services                              | 143,647           | -                          | -                           | -                       | 143,647                                 | 149,875           |
| School Administrative Services                               | 78,125            | -                          | -                           | -                       | 78,125                                  | 79,916            |
| Plant Operations &<br>Maintenance                            | 155,309           | -                          | -                           | -                       | 155,309                                 | 168,808           |
| Pupil Transportation   | 146,917           | -                          | -                           | -                       | 146,917                                 | 163,126           |
| Employee Benefits  | 751,168           | 5,607                      | -                           | -                       | 756,775                                 | 631,711           |
| Capital Outlay   | -                 | -                          | 261,029                     | -                       | 261,029                                 | -                 |
| Debt Service:  |                   |                            |                             |                         |   |                   |
| Principal  | -                 | -                          | -                           | 120,000                 | 120,000                                 | 115,000           |
| Interest & Other Charges                                     | -                 | -                          | -                           | 38,750                  | 38,750                                  | 43,350            |
| <b>Total Expenditures</b>                                    | <b>2,812,734</b>  | <b>135,040</b>             | <b>261,029</b>              | <b>158,750</b>          | <b>3,367,553</b>                        | <b>2,989,267</b>  |
| Excess/(Deficiency) of Revenues<br>Over/(Under) Expenditures | 29,283            | (238)                      | (260,445)                   | (4)                     | (231,404)                               | 62,196            |
| Other Financing Sources/(Uses):                              |                   |                            |                             |                         |   |                   |
| Bond proceeds  | -                 | -                          | 4,393,000                   | -                       | 4,393,000                               | -                 |
| Operating Transfers In/(Out)                                 | -                 | -                          | (584)                       | 584                     | -                                       | -                 |
| <b>Total Other Financing Sources<br/>&amp; Uses</b>          | <b>-</b>          | <b>-</b>                   | <b>4,392,416</b>            | <b>584</b>              | <b>4,393,000</b>                        | <b>-</b>          |
| Net Change in Fund Balances                                  | 29,283            | (238)                      | 4,131,971                   | 580                     | 4,161,596                               | 62,196            |
| Fund Balance - July 1  | 525,303           | (3,305)                    | 2,389                       | 7                       | 524,394                                 | 400,783           |
| <b>Fund Balance - June 30</b>                                | <b>\$ 554,586</b> | <b>\$ (3,543)</b>          | <b>\$ 4,134,360</b>         | <b>\$ 587</b>           | <b>\$ 4,685,990</b>                     | <b>\$ 462,979</b> |

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 4,161,596

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:

|                         |             |         |
|-------------------------|-------------|---------|
| Capital Asset Additions | \$261,029   |         |
| Depreciation Expense    | \$ (62,357) | 198,672 |

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               | 28,835    |          |
| Unfunded TPAF Pension Expense                | (285,620) |          |
| State Share of Unfunded TPAF Pension Expense | 285,620   |          |
| Pension Expense                              | (70,628)  | (41,793) |

Bond proceeds (4,393,000)

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. 120,000

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   | 19,375   |          |
| Current Year | (30,915) | (11,540) |

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   | 129,000   |          |
| Current Year | (139,850) | (10,850) |

Change in Net Position of Governmental Activities \$ 23,085

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



## Proprietary Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

| ASSETS                  | BUSINESS-TYPE<br>ACTIVITIES -<br>ENTERPRISE FUNDS<br><u>AFTER SCHOOL<br/>PROGRAM</u> | <u>TOTALS</u>    |
|-------------------------|--|------------------|
| Current Assets:         |  |                  |
| Cash & Cash Equivalents | \$ 32,955  | \$ 32,955        |
| Total Assets            | <u>32,955</u>  | <u>32,955</u>    |
| <br>LIABILITIES         |  |                  |
| Accounts Payable        | <u>-</u>   | <u>-</u>         |
| Total Liabilities       | <u>-</u>   | <u>-</u>         |
| <br>NET POSITION        |  |                  |
| Unrestricted            | <u>32,955</u>  | <u>32,955</u>    |
| Total Net Position      | <u>\$ 32,955</u>   | <u>\$ 32,955</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, 2016**

|                                | BUSINESS-TYPE<br>ACTIVITIES -<br>ENTERPRISE FUNDS |           |
|--------------------------------|---|-----------|
|                                | AFTER SCHOOL<br>PROGRAM                           | TOTALS    |
| Operating Revenues:            |   |           |
| Charges for Services:          |   |           |
| Program Fees                   | \$ 24,546   | \$ 24,546 |
| Total Operating Revenues       | 24,546  | 24,546    |
| Operating Expenses:            |   |           |
| Salaries                       | 13,472  | 13,472    |
| General Supplies               | 208   | 208       |
| Total Operating Expenses       | 13,680  | 13,680    |
| Operating Income/(loss)        | 10,866  | 10,866    |
| Total Net Position - Beginning | 22,089  | 22,089    |
| Total Net Position - Ending    | \$ 32,955   | \$ 32,955 |

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, 2016**

|  | <u>BUSINESS-TYPE<br/>ACTIVITIES -<br/>ENTERPRISE FUNDS</u> |                  |
|--|--|------------------|
|  | <u>AFTER SCHOOL<br/>PROGRAM</u>                            | <u>TOTALS</u>    |
| <b>Cash Flows From Operating Activities:</b>   |  |                  |
| Receipts from Customers  | \$ 24,546  | \$ 24,546        |
| Payments to Suppliers  | (208)  | (208)            |
| Payments to Employees  | (13,472)   | (13,472)         |
|  | 10,866   | 10,866           |
| <b>Net Cash Provided/(Used) by<br/>Operating Activities</b>  | <b>10,866</b>  | <b>10,866</b>    |
| <b>Net Increase/(Decrease) in Cash &amp;<br/>Cash Equivalents</b>  | <b>10,866</b>  | <b>10,866</b>    |
| Balances - Beginning of Year   | 22,089   | 22,089           |
|  | \$ 32,955  | \$ 32,955        |
|  | <b>32,955</b>  | <b>32,955</b>    |
| <br><b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>    |  |                  |
| Operating Income/(Loss)  | \$ 10,866  | \$ 10,866        |
| Adjustments to Reconcile Operating<br>Income/(Loss) to Net Cash Provided/<br>(Used) by Operating Activities: |  |                  |
| Increase in Accounts Payable   | -  | -                |
|  | -  | -                |
| <b>Total Adjustments</b>   | <b>-</b>   | <b>-</b>         |
| <b>Net Cash Provided/(Used) by<br/>Operating Activities</b>  | <b>\$ 10,866</b>   | <b>\$ 10,866</b> |
|  | <b>10,866</b>  | <b>10,866</b>    |

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



Fiduciary Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2016**

| ASSETS                               | AGENCY FUNDS |                     | TOTALS     |
|--------------------------------------|--------------|---------------------|------------|
|                                      | PAYROLL      | STUDENT<br>ACTIVITY |            |
| Cash & Cash Equivalents              | \$ 97,135    | \$ 7,810            | \$ 104,945 |
| Total Assets                         | 97,135       | 7,810               | 104,945    |
|                                      |              |                     |            |
| LIABILITIES                          |              |                     |            |
| Payroll Deductions &<br>Withholdings | 89,585       | -                   | 89,585     |
| Due to Student Groups                | -            | 7,810               | 7,810      |
| Due to General Fund                  | 7,550        | -                   | 7,550      |
| Total Liabilities                    | 97,135       | 7,810               | 104,945    |
| Total Net Position                   | \$ -         | \$ -                | \$ -       |

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





**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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.

**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, 2016 of 136 students.

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

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

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.

**B. Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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, 2016 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, 2016.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016**

**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 Eagleswood Township School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**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:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**S. Net Position (continued)**

- Net Investment in Capital Assets – This component 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**

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57,

Recently Issued and Adopted Accounting Pronouncements (continued)

*OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016 through the date of November 25, 2016, 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, 2016, are reported at carrying value as follows:

| <b>Type</b>  | <b>Carrying<br/>Value</b> |
|--|---------------------------|
| <b>Deposits</b>  |                           |
| Demand Deposits  | \$ 4,903,793              |
| Total Deposits   | \$ 4,903,793              |
| <b>The District's Cash and Cash Equivalents are Reported as Follows:</b> |                           |
| Government Activities  | \$ 4,765,893              |
| Business-Type Activities   | 32,955                    |
| Fiduciary Funds  | 104,945                   |
| Total Cash and Cash Equivalents  | \$ 4,903,793              |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016, the District’s bank balance of \$5,063,562 was exposed to custodial credit risk as follows:

|  |    |           |
|--|----|-----------|
| Insured Under FDIC                                   | \$ | 250,000   |
| Collateralized in the District's Name<br>Under GUDPA |    | 4,813,562 |
| Total  | \$ | 5,063,562 |

**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, 2016**

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

There was no activity in the Maintenance Reserve Account during the year ended June 30, 2016. The June 30, 2016 balance is \$100,000.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2016 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<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Total</b> |
|-------------|-------------------------|-------------------------------------|--------------|
| State Aid   | \$ 12,069               | \$ -                                | \$ 12,069    |
| Federal Aid | -                       | 28,037                              | 28,037       |
|             |                         |                                     |              |
| Total       | \$ 12,069               | \$ 28,037                           | \$ 40,106    |

**Note 5. Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2016 was as follows:

|  | June 30,<br>2015 | Additions  | Deletions | Transfers/<br>Adjustments | June 30,<br>2016 |
|--|------------------|------------|-----------|---------------------------|------------------|
| <b>Governmental Activities:</b>                |                  |            |           |                           |                  |
| Capital assets that are not being depreciated: |                  |            |           |                           |                  |
| Land   | \$ 156,351       | \$ -       | \$ -      | \$ -                      | \$ 156,351       |
| Construction in progress                       | -                | 261,029    | -         | -                         | 261,029          |
|  |                  |            |           |                           |                  |
| Total capital assets not being depreciated     | 156,351          | 261,029    | -         | -                         | 417,380          |
| Buildings and improvements                     | 2,744,340        | -          | -         | -                         | 2,744,340        |
| Machinery and equipment                        | 476,640          | -          | -         | -                         | 476,640          |
|  |                  |            |           |                           |                  |
| Subtotal                                       | 3,220,980        | -          | -         | -                         | 3,220,980        |
| Less: accumulated depreciation                 | (1,674,196)      | (62,357)   | -         | -                         | (1,736,553)      |
|  |                  |            |           |                           |                  |
| Total accumulated depreciation                 | (1,674,196)      | (62,357)   | -         | -                         | (1,736,553)      |
|  |                  |            |           |                           |                  |
| Total capital assets being depreciated, net    | 1,546,784        | (62,357)   | -         | -                         | 1,484,427        |
|  |                  |            |           |                           |                  |
| Governmental activities capital assets, net    | \$ 1,703,135     | \$ 198,672 | \$ -      | \$ -                      | \$ 1,901,807     |



**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 6. Long-Term Obligations**

**A. Long-Term Obligation Activity**

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term obligations:

|                                 | June 30,<br>2015 | Accrued/<br>Increases | Retired/<br>Decreases | June 30,<br>2016 | Due Within<br>One Year |
|---------------------------------|------------------|-----------------------|-----------------------|------------------|------------------------|
| <b>Governmental Activities:</b> |                  |                       |                       |                  |                        |
| General Obligation Bonds        | \$ 950,000       | 4,393,000             | \$ (120,000)          | \$ 5,223,000     | \$ 125,000             |
| Compensated Absences            | 129,000          | 10,850                | -                     | 139,850          | -                      |
| Net Pension Liability           | 643,361          | 109,534               | -                     | 752,895          |                        |
|                                 | <hr/>            |                       |                       |                  |                        |
| Total                           | \$ 1,722,361     | \$ 4,513,384          | \$ (120,000)          | \$ 6,115,745     | \$ 125,000             |

**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.

On January 1, 2007, the School District issued \$1,666,000 general obligation bonds at interest rates varying from 4% to 4.25% for renovations to the elementary school. On May 25, 2016, the School District issued \$4,390,000 general obligation bonds at interest rates varying from 2.00% to 3.00% for building improvement and renovation to the elementary school. The final maturity on these bonds will be September 15, 2037. The final maturity of these bonds will be September 15, 2037. The bonds will be paid from property taxes.

Debt Service requirements on serial bonds payable at June 30, 2016 are as follows:

|           |             |             |             |
|-----------|-------------|-------------|-------------|
| 2017      | \$125,000   | 122,151     | 247,151     |
| 2018      | \$283,000   | 136,911     | 419,911     |
| 2019      | \$300,000   | 128,531     | 428,531     |
| 2020      | \$310,000   | 119,781     | 429,781     |
| 2021      | \$315,000   | 110,781     | 425,781     |
| 2022-2026 | \$1,100,000 | 442,594     | 1,542,594   |
| 2027-2031 | \$1,135,000 | 326,653     | 1,461,653   |
| 2032-2036 | \$1,350,000 | 150,000     | 1,500,000   |
| 2037      | \$305,000   | 4,575       | 309,575     |
|           | <hr/>       |             |             |
|           | \$5,223,000 | \$1,541,978 | \$6,764,978 |

**C. Bonds Authorized But Not Issued**

As of June 30, 2016, the District had no authorized but not issued bonds.

**D. Capital Leases**

As of June 30, 2016, the District had no capital leases.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 7. Interfund Receivables and Payables**

The following interfund balances remained on the balance sheet at June 30, 2016:

| Fund                  | Interfund<br>Receivable | Interfund<br>Payable |
|-----------------------|-------------------------|----------------------|
| General Fund          | \$ 121,231              | \$ -                 |
| Special Revenue Fund  | -                       | 11,535               |
| Capital Projects Fund | -                       | 102,790              |
| Debt Service Fund     | 644                     | -                    |
| Payroll Trust Fund    | -                       | 7,550                |
|                       | <hr/>                   | <hr/>                |
| Total                 | <u>\$ 121,875</u>       | <u>\$ 121,875</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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 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.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

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.

| <u>Year</u><br><u>Funding</u> | <u>Pension</u><br><u>Cost (APC)</u> | <u>Percentage</u><br><u>of APC</u><br><u>Contributed</u> | <u>Net</u><br><u>Pension</u><br><u>Obligation</u> |
|-------------------------------|-------------------------------------|--|---|
| 6/30/2016                     | \$ 22,365                           | 100%   | \$ 752,895  |
| 6/30/2015                     | \$ 28,835                           | 100%   | \$ 643,561  |
| 6/30/2014                     | \$ 19,796                           | 100%   | \$ 502,125  |

**Components of Pension Liability** - At June 30, 2016, the District reported a liability of \$752,895 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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 as of July 1, 2014, to the measurement date of June 30, 2015. 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, 2015. The District's proportion measured as of June 30, 2015, was 0.00335% percent, which was a decrease of 0.00008% from its proportion measured as of June 30, 2014.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

Collective Balances at June 30, 2016 and June 30, 2015

|  | <u>6/30/2016</u> | <u>6/30/2015</u> |
|--|------------------|------------------|
| Actuarial valuation date (including roll forward)                | June 30, 2015    | June 30, 2014    |
| Deferred Outflows of Resources                                   | \$ 205,412       | \$ 179,670       |
| Deferred Inflows of Resources                                    | \$ 25,177        | \$ 38,341        |
| Net Pension Liability  | \$ 752,895       | \$ 643,561       |
| <br>District's portion of the Plan's total net pension Liability | <br>0.00335%     | <br>0.00344%     |

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2016, the District recognized pension expense of \$63,958. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Changes of assumptions  | \$ 80,855                                 | \$ -                                     |
| Net difference between expected and actual experience   | 17,961                                    | -  |
| Net difference between projected and actual earnings on pension plan investments                              | -   | 12,105                                   |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 106,596                                   | 13,072                                   |
| Total   | <u>\$ 205,412</u>                         | <u>\$ 25,177</u>                         |

The \$205,412 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:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2016**

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

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

| <u>Year Ended June 30:</u> | <u>PERS</u> |
|----------------------------|-------------|
| 2017                       | \$ 36,777   |
| 2018                       | 36,777      |
| 2019                       | 36,777      |
| 2020                       | 46,362      |
| 2021                       | 23,541      |
| Thereafter                 | -           |

**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:

|                          | <u>PERS</u>   |
|--------------------------|---|
| Measurement date         | June 30, 2015   |
| Actuarial valuation date | July 1, 2014  |
| Interest rate            | 7.90%   |
| Salary scale             | 2012-2021 - 2.15-4.40%<br>Based on Age<br>Thereafter - 3.15-5.40%<br>Based on Age |
| Inflation rate           | 3.01%   |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u>          | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash                        | 5.00%                    | 1.04%   |
| U.S. Treasuries             | 1.75%                    | 1.64%   |
| Investment Grade Credit     | 10.00%                   | 1.79%   |
| Mortgages                   | 2.10%                    | 1.62%   |
| High Yield Bonds            | 2.00%                    | 4.03%   |
| Inflation-Indexed Bonds     | 1.50%                    | 3.25%   |
| Broad US Equities           | 27.25%                   | 8.52%   |
| Developed Foreign Equities  | 12.00%                   | 6.88%   |
| Emerging Market Equities    | 6.40%                    | 10.00%  |
| Private Equity              | 9.25%                    | 12.41%  |
| Hedge Funds/Absolute Return | 12.00%                   | 4.72%   |
| Real Estate (Property)      | 2.00%                    | 6.83%   |
| Commodities                 | 1.00%                    | 5.32%   |
| Global Debt ex US           | 3.50%                    | -0.40%  |
| REIT                        | 4.25%                    | 5.21%   |
| Total                       | <u>100.00%</u>           |   |

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined 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, 2016**

**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 (3.90) or 1-percentage-point higher (5.90%) than the current rate:

|  | <u>1%</u><br><u>Decrease</u><br><u>(3.90%)</u> | <u>Current</u><br><u>Discount</u><br><u>Rate (4.90%)</u> | <u>1%</u><br><u>Increase</u><br><u>(5.90%)</u> |
|--|--|--|--|
| District's proportionate share of<br>the net pension liability | \$ 935,757                                     | \$ 752,895   | \$ 599,586                                     |

**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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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, 2016**

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

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

**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 2015, 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 & Post Retirement Medical Contributions  
 (Paid on behalf of the District)**

| <u>Year<br/>Funding</u> | <u>Pension<br/>Cost (APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> |
|-------------------------|-------------------------------|--|---------------------------------------|
| 6/30/2016               | \$ 197,078                    | 100%   | \$ -                                  |
| 6/30/2015               | \$ 142,360                    | 100%   | \$ -                                  |
| 6/30/2014               | \$ 107,230                    | 100%   | \$ -                                  |

**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.



**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (continued):  
 FOR THE YEAR ENDED JUNE 30, 2016**

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

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

|                          | <u>TPAF</u>                   |
|--------------------------|-------------------------------|
| Measurement date         | June 30, 2015                 |
| Actuarial valuation date | July 1, 2014                  |
| Interest rate            | 7.90%                         |
| Salary scale             | Varies Based On<br>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, 2014 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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

| <u>Asset Class</u>           | <u>Target<br/>Allocation</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|------------------------------|------------------------------|---|
| US Cash                      | 5.00%                        | 0.53%   |
| US Government Bonds          | 1.75%                        | 1.39%   |
| US Credit Bonds              | 13.50%                       | 2.72%   |
| US Mortgages                 | 2.10%                        | 2.54%   |
| US Inflation-Indexed Bonds   | 1.50%                        | 1.47%   |
| US High Yield Bonds          | 2.00%                        | 4.57%   |
| US Equity Market             | 27.25%                       | 5.63%   |
| Foreign-Developed Equity     | 12.00%                       | 6.22%   |
| Emerging Market Equities     | 6.40%                        | 8.46%   |
| Private Real Estate Property | 4.25%                        | 3.97%   |
| Timber                       | 1.00%                        | 4.09%   |
| Farmland                     | 1.00%                        | 4.61%   |
| Private Equity               | 9.25%                        | 9.15%   |
| Commodities                  | 1.00%                        | 3.58%   |
| Hedge Funds - MultiStrategy  | 4.00%                        | 4.59%   |
| Hedge Funds - Equity Hedge   | 4.00%                        | 5.68%   |
| Hedge Funds - Distressed     | 4.00%                        | 4.30%   |
| Total                        | <u>100%</u>                  |   |

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' 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 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, 2016**

**Note 9. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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, 2016, there were 100,134 retirees eligible for post-retirement medical benefits. 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 premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$241.1 million toward Chapter 126 benefits for 19,056 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. The District has health benefits coverage for its employees under the State Employees' Health Benefit Plan.

**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.

**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, 2016 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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 13. Deferred Compensation (continued)**

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 District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

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, 2016 is \$139,850.

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, 2016 no liability existed for compensated absences in the proprietary fund types.

**Note 15. Lease Obligations**

At June 30, 2016 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:

|      |       |
|------|-------|
| 2017 | 1,723 |
|------|-------|

**Note 16. Fund Balance Disclosure**

**General Fund** – [Exhibit B-1] - Of the \$554,586 General Fund fund balance at June 30, 2016, \$55,110 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$127,186 is reserved as excess surplus designated for subsequent year's expenditures; \$77,105 has been assigned to designated for subsequent year's expenditures; \$100,000 has been reserved in the Maintenance Reserve Account; and \$195,185 is unreserved and undesignated.

**Special Revenue Fund** – Of the Special Revenue Fund fund balance at June 30, 2016, \$(3,543) has been unassigned.

**Capital Projects Fund** – Of the Capital Projects Fund fund balance at June 30, 2016, \$4,134,360 has been assigned for future Capital Projects.

**Debt Service Fund** – Of the Debt Service Fund fund balance at June 30, 2016, \$587 is reserved in accordance with N.J.S.A 7F-41c(2).

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued):**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**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, 2016 is \$55,110.

**Note 18. Deficit in Net Position**

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(520,868) existed as of June 30, 2016 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 \$30,328 at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**Note 19. Deficit Fund Balance**

The District has a deficit fund balance of \$(3,543) in the Special Revenue Fund as of June 30, 2016 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.



**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, 2016**

|   | ACCOUNT NUMBER | JUNE 30, 2016    |                  |                  | POSITIVE (NEGATIVE) FINAL TO ACTUAL |
|---|----------------|------------------|------------------|------------------|-------------------------------------|
|   |                | ORIGINAL BUDGET  | BUDGET TRANSFERS | FINAL BUDGET     |                                     |
| <b>Revenues:</b>                              |                |                  |                  |                  |                                     |
| Local Sources:                                |                |                  |                  |                  |                                     |
| Local Tax Levy                                | 10-1210        | \$ 1,863,858     | \$ -             | \$ 1,863,858     | \$ -                                |
| Tuition                                       | 10-1310        | -                | -                | -                | 14,500                              |
| Miscellaneous                                 | 10-1900        | -                | -                | -                | 4,936                               |
| <b>Total Local Sources</b>                    |                | <b>1,863,858</b> | <b>-</b>         | <b>1,863,858</b> | <b>19,436</b>                       |
| <b>State Sources:</b>                         |                |                  |                  |                  |                                     |
| Extraordinary Aid                             | 10-3131        | -                | -                | -                | 1,757                               |
| 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            | -                                   |
| Non-Public Transportation Aid                 | 10-3231        | -                | -                | -                | 1,580                               |
| Nonbudgeted:                                  |                |                  |                  |                  |                                     |
| On-Behalf TPAF Pension Contributions          |                |                  |                  |                  |                                     |
| - Post Retirement Medical                     |                | -                | -                | -                | 107,118                             |
| On-Behalf TPAF Pension Contributions          |                | -                | -                | -                | 89,960                              |
| Reimbursed TPAF Social Security Contributions |                | -                | -                | -                | 89,503                              |
| <b>Total State Sources</b>                    |                | <b>664,182</b>   | <b>-</b>         | <b>664,182</b>   | <b>289,918</b>                      |
| <b>Total Revenues</b>                         |                | <b>2,528,040</b> | <b>-</b>         | <b>2,528,040</b> | <b>309,354</b>                      |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | ACCOUNT NUMBER | JUNE 30, 2016   |                  |              | POSITIVE (NEGATIVE) FINAL TO ACTUAL |
|---|----------------|-----------------|------------------|--------------|-------------------------------------|
|   |                | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET |                                     |
| Expenditures:                                 |                |                 |                  |              |                                     |
| Current Expense:                              |                |                 |                  |              |                                     |
| Instruction - Regular Programs:               |                |                 |                  |              |                                     |
| Salaries of Teachers:                         |                |                 |                  |              |                                     |
| Preschool                                     | 11-105-100-101 | 36,375          | 2,631            | 39,006       | -                                   |
| Kindergarten                                  | 11-110-100-101 | 62,210          | -                | 62,210       | -                                   |
| Grades 1 - 5                                  | 11-120-100-101 | 271,081         | -                | 271,081      | -                                   |
| Grades 6 - 8                                  | 11-130-100-101 | 90,093          | -                | 90,093       | -                                   |
| Purchased Professional/Educational Services   | 11-150-100-101 | -               | 3,000            | 3,000        | 2,720                               |
| Educational Services                          | 11-150-100-320 | -               | 4,313            | 4,313        | -                                   |
| Regular Programs - Undistributed Instruction: |                |                 |                  |              |                                     |
| Other Purchases for Instruction               | 11-190-100-106 | 216,256         | (1,609)          | 214,647      | 214,615                             |
| Other Purchased Services                      | 11-190-100-500 | 17,500          | -                | 17,500       | 16,990                              |
| General Supplies                              | 11-190-100-610 | 85,761          | 4,005            | 89,766       | 76,921                              |
| Textbooks                                     | 11-190-100-640 | 5,000           | -                | 5,000        | -                                   |
| Total Regular Programs - Instruction          |                | 784,276         | 12,340           | 796,616      | 782,949                             |
| Special Education:                            |                |                 |                  |              |                                     |
| Learning and/or Language Disabilities:        |                |                 |                  |              |                                     |
| Salaries of Teachers                          | 11-204-100-101 | 51,769          | 101              | 51,870       | 51,870                              |
| Other Salaries for Instruction                | 11-204-100-106 | 22,655          | 15,727           | 38,382       | 38,382                              |
| Purchased Professional/Educational Services   | 11-204-100-320 | 33,000          | (97)             | 32,903       | -                                   |
| Other Purchased Services                      | 11-204-100-500 | 3,000           | -                | 3,000        | -                                   |
| General Supplies                              | 11-204-100-610 | 1,000           | (100)            | 900          | 802                                 |
| Total Learning and/or Language Disabilities   |                | 111,424         | 15,631           | 127,055      | 126,957                             |
| Resource Room/Resource Center:                |                |                 |                  |              |                                     |
| Salaries of Teachers                          | 11-213-100-101 | 76,852          | -                | 76,852       | 76,852                              |
| Other Salaries for Instruction                | 11-204-100-106 | -               | 1,050            | 1,050        | 1,050                               |
| Other Purchased Services                      | 11-213-100-500 | 3,000           | -                | 3,000        | 3,000                               |
| General Supplies                              | 11-213-100-610 | 500             | -                | 500          | 390                                 |
| Total Resource Room                           |                | 80,352          | 1,050            | 81,402       | 81,292                              |
| Total Special Education                       |                | 191,776         | 16,681           | 208,457      | 208,249                             |
| Basic Skills/Remedial - Instruction:          |                |                 |                  |              |                                     |
| Salaries of Teachers                          | 11-230-100-101 | 165,082         | 2,763            | 167,845      | 167,845                             |
| Other Purchased Services                      | 11-230-100-500 | 3,020           | -                | 3,020        | -                                   |
| General Supplies                              | 11-230-100-610 | 500             | -                | 500          | 175                                 |
| Total Basic Skills/Remedial - Instruction     |                | 168,602         | 2,763            | 171,365      | 171,040                             |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | ACCOUNT NUMBER | JUNE 30, 2016   |                  |              | POSITIVE (NEGATIVE) FINAL TO FINAL TO ACTUAL |
|---|----------------|-----------------|------------------|--------------|--|
|   |                | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET |  |
| MAC - Instruction:  | 11-401-100-100 | -               | 1,750            | 1,750        | -  |
| MAC Salaries  |                | -               | 1,750            | 1,750        | -  |
| Total Basic Skills/Remedial - Instruction                             |                | 168,602         | 4,513            | 173,115      | 172,790                                      |
| Total - Instruction   |                | 1,144,654       | 33,534           | 1,178,188    | 1,163,988                                    |
| Undistributed Expenditures:   |                |                 |                  |              |  |
| Instruction:  |                |                 |                  |              |  |
| Tuition to Other LEA's Within State - Special                         | 11-000-100-562 | 19,624          | 19,977           | 39,601       | 37,383                                       |
| Tuition to County Special Services Districts and Regional Day Schools | 11-000-100-565 | 60,923          | -                | 60,923       | 56,766                                       |
| Tuition to Private Schools for the Handicapped Within State           | 11-000-100-566 | 72,275          | (34,822)         | 37,453       | 22,096                                       |
| Total Undistributed Expenditures - Instruction                        |                | 152,822         | (14,845)         | 137,977      | 116,245                                      |
| Attendance & Social Work Services:                                    |                |                 |                  |              |  |
| Salaries  | 11-000-211-100 | 92,033          | 200              | 92,233       | 92,233                                       |
| Total Attendance & Social Work Services                               |                | 92,033          | 200              | 92,233       | 92,233                                       |
| Health Services:  |                |                 |                  |              |  |
| Salaries  | 11-000-213-100 | 1,000           | -                | 1,000        | 1,000  |
| Purchase Professional/Technical Services                              | 11-000-213-300 | 68,040          | -                | 68,040       | 67,636                                       |
| Supplies and Materials  | 11-000-213-600 | 1,200           | -                | 1,200        | 1,147  |
| Total Health Services   |                | 70,240          | -                | 70,240       | 69,783                                       |
| Undistributed Expenditures:   |                |                 |                  |              |  |
| Speech, OT, PT & Related Services:                                    |                |                 |                  |              |  |
| Salaries  | 11-000-216-100 | 34,497          | -                | 34,497       | 34,497                                       |
| Supplies and Materials  | 11-000-216-600 | 250             | -                | 250          | -  |
| Total Speech, OT, PT & Related Services                               |                | 34,747          | -                | 34,747       | 34,497                                       |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | ACCOUNT NUMBER | JUNE 30, 2016   |                  | POSITIVE (NEGATIVE) FINAL TO FINAL |              |        |
|---|----------------|-----------------|------------------|------------------------------------|--------------|--------|
|   |                | ORIGINAL BUDGET | BUDGET TRANSFERS |                                    | FINAL BUDGET | ACTUAL |
| Other Support Services:                         |                |                 |                  |                                    |              |        |
| Salaries  | 11-000-217-100 | 18,100          | -                | 18,100                             | 16,580       | 1,520  |
| Total Other Support Services                    |                | 18,100          | -                | 18,100                             | 16,580       | 1,520  |
| Child Study Teams:                              |                |                 |                  |                                    |              |        |
| Salaries of Other Professional Staff            | 11-000-219-104 | 26,829          | 1,500            | 28,329                             | 28,329       | -      |
| Purchased Professional/Educational Services     | 11-000-219-320 | 7,000           | 1,575            | 8,575                              | 8,575        | -      |
| Supplies and Materials                          | 11-000-219-600 | -               | -                | -                                  | -            | -      |
| Total Child Study Teams                         |                | 33,829          | 3,075            | 36,904                             | 36,904       | -      |
| Improvement of Instructional Services:          |                |                 |                  |                                    |              |        |
| Purchased Professional/Educational Services     | 11-000-221-320 | 1,000           | 920              | 1,920                              | 1,920        | -      |
| Total Improvement of Instructional Services     |                | 1,000           | 920              | 1,920                              | 1,920        | -      |
| Educational Media Services/School Library:      |                |                 |                  |                                    |              |        |
| Supplies and Materials                          | 11-000-222-600 | 600             | (5)              | 595                                | 595          | -      |
| Total Educational Media Services/School Library |                | 600             | (5)              | 595                                | 595          | -      |
| Instructional Staff Training Services:          |                |                 |                  |                                    |              |        |
| Purchased Professional & Educational Services   | 11-000-223-320 | 5,400           | (454)            | 4,946                              | 4,823        | 123    |
| Total Instructional Staff Training Services     |                | 5,400           | (454)            | 4,946                              | 4,823        | 123    |
| Support Services General Administration:        |                |                 |                  |                                    |              |        |
| Salaries  | 11-000-230-100 | 100,455         | -                | 100,455                            | 100,455      | -      |
| Legal Services                                  | 11-000-230-331 | 5,000           | 10,257           | 15,257                             | 15,072       | 185    |
| Audit Fees                                      | 11-000-230-332 | 14,500          | 2,600            | 17,100                             | 17,100       | -      |
| Architectural/Engineering Services              | 11-000-230-334 | 4,000           | 4,319            | 8,319                              | -            | 8,319  |
| Communications/Telephone                        | 11-000-230-530 | 1,500           | -                | 1,500                              | 1,102        | 398    |
| BOE Other Purchased Services                    | 11-000-230-585 | 750             | (151)            | 599                                | 599          | -      |
| Other Purchased Services                        | 11-000-230-590 | 3,500           | (2,123)          | 1,377                              | 760          | 617    |
| General Supplies                                | 11-000-230-610 | 500             | (270)            | 230                                | 229          | 1      |
| Miscellaneous Expenditures                      | 11-000-230-890 | 4,300           | (194)            | 4,106                              | 3,842        | 264    |
| BOE Membership Due and Fees                     | 11-000-230-895 | 5,000           | (500)            | 4,500                              | 4,488        | 12     |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | ACCOUNT NUMBER | JUNE 30, 2016   |                  |              | POSITIVE (NEGATIVE) FINAL TO ACTUAL |        |
|---|----------------|-----------------|------------------|--------------|-------------------------------------|--------|
|   |                | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET |                                     |        |
| Total Support Services General Administration     |                | 139,505         | 13,938           | 153,443      | 143,647                             | 9,796  |
| Support Services School Administration:           |                |                 |                  |              |                                     |        |
| Salaries of Secretarial & Clerical Assistants     | 11-000-240-105 | 5,250           | 524              | 5,774        | 2,511                               | 3,263  |
| Total Support Services School Administration      |                | 5,250           | 524              | 5,774        | 2,511                               | 3,263  |
| Central Services:                                 |                |                 |                  |              |                                     |        |
| Salaries  | 11-000-251-100 | 72,749          | 7,303            | 80,052       | 75,488                              | 4,564  |
| Other Objects                                     | 11-000-251-890 | 350             | -                | 350          | 126                                 | 224    |
| Total Central Services                            |                | 73,099          | 7,303            | 80,402       | 75,614                              | 4,788  |
| Allowable Maintenance for School Facilities:      |                |                 |                  |              |                                     |        |
| Salaries  | 11-000-261-100 | 12,451          | -                | 12,451       | 12,082                              | 369    |
| Cleaning, Repair & Maintenance Services           | 11-000-261-420 | 30,000          | (1,000)          | 29,000       | 24,807                              | 4,193  |
| General Supplies                                  | 11-000-261-610 | 6,000           | 1,000            | 7,000        | 6,944                               | 56     |
| Total Allowable Maintenance for School Facilities |                | 48,451          | -                | 48,451       | 43,833                              | 4,618  |
| Other Operation & Maintenance of Plant:           |                |                 |                  |              |                                     |        |
| Salaries  | 11-000-262-100 | 43,901          | -                | 43,901       | 41,849                              | 2,052  |
| Insurance   | 11-000-262-520 | 29,430          | -                | 29,430       | 26,488                              | 2,942  |
| Energy (Electricity)                              | 11-000-262-622 | 36,500          | 1,301            | 37,801       | 37,800                              | 1      |
| Energy (Gasoline)                                 | 11-000-262-626 | 11,500          | (1,301)          | 10,199       | 4,246                               | 5,953  |
| Other Objects                                     | 11-000-262-800 | 2,000           | (77)             | 1,923        | 1,016                               | 907    |
| Total Other Operation & Maintenance of Plant      |                | 123,331         | (77)             | 123,254      | 111,399                             | 11,855 |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | ACCOUNT NUMBER | JUNE 30, 2016   |                               | POSITIVE (NEGATIVE) FINAL TO ACTUAL |
|--|----------------|-----------------|-------------------------------|-------------------------------------|
|  |                | ORIGINAL BUDGET | BUDGET TRANSFERS FINAL BUDGET |                                     |
| Security:  |                |                 |                               |                                     |
| General Supplies   | 11-000-266-610 | -               | 77                            | 77                                  |
| Total Security   |                | -               | 77                            | 77                                  |
| Student Transportation Services:   |                |                 |                               |                                     |
| Salaries for Pupil Transportation (Between Home & School) - Regular                | 11-000-270-160 | 28,060          | (10,912)                      | 17,148                              |
| Contracted Services - (Aid in Lieu) Nonpublic Schools                              | 11-000-270-503 | 4,000           | 420                           | 4,420                               |
| Contracted Services (Other Than Between Home & School) - Vendors                   | 11-000-270-512 | 3,500           | 325                           | 3,825                               |
| Contracted Services (Between Home & School) - Joint Agreement                      | 11-000-270-513 | 88,521          | (745)                         | 87,776                              |
| Contracted Services - (Special Education) - Vendors                                | 11-000-270-514 | 61,917          | (3,550)                       | 58,367                              |
| Total Student Transportation Services  |                | 185,998         | (14,462)                      | 171,536                             |
| Unallocated Benefits Employee Benefits:  |                |                 |                               |                                     |
| Social Security Contributions  | 11-000-291-220 | 28,500          | -                             | 28,500                              |
| Other Retirement Contributions- PERS   | 11-000-291-241 | 25,411          | 3,819                         | 29,230                              |
| Unemployment Compensation  | 11-000-291-250 | 8,000           | -                             | 8,000                               |
| Health Benefits  | 11-000-291-270 | 378,323         | (30,832)                      | 347,491                             |
| Other Employee Benefits  | 11-000-291-290 | 62,500          | (2,715)                       | 59,785                              |
| Total Unallocated Benefits - Employee Benefits                                     |                | 502,734         | (29,728)                      | 473,006                             |
| Nonbudgeted:   |                |                 |                               |                                     |
| On-Behalf TPAF Pension Contributions - Post Retirement Medical                     |                | -               | -                             | 107,118                             |
| On-Behalf TPAF Pension Contributions Reimbursed TPAF Social Security Contributions |                | -               | -                             | 89,960                              |
|  |                | -               | -                             | 89,503                              |



**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | ORIGINAL<br>BUDGET | JUNE 30, 2016<br>BUDGET<br>TRANSFERS | FINAL<br>BUDGET   | ACTUAL            | POSITIVE<br>(NEGATIVE)<br>FINAL TO<br>ACTUAL |
|---|--------------------|--------------------------------------|-------------------|-------------------|--|
| ACCOUNT<br>NUMBER   | BUDGET             | TRANSFERS                            | BUDGET            | ACTUAL            | ACTUAL                                       |
| Total Nonbudgeted   | -                  | -                                    | -                 | 286,581           | (286,581)                                    |
| Total Undistributed Expenditures                                | 1,487,139          | (33,534)                             | 1,453,605         | 1,648,746         | (195,141)                                    |
| Total Expenditures  | 2,631,793          | -                                    | 2,631,793         | 2,812,734         | (180,941)                                    |
| Excess/(Deficiency) of Revenues Over/(Under) After Expenditures | (103,753)          | -                                    | (103,753)         | 24,660            | 128,413                                      |
| Fund Balances, July 1 (Beginning)                               | 588,078            | -                                    | 588,078           | 588,078           | -  |
| Fund Balances, June 30 (Ending)                                 | <u>\$ 484,325</u>  | <u>\$ -</u>                          | <u>\$ 484,325</u> | <u>\$ 612,738</u> | <u>\$ 128,413</u>                            |

**Recapitulation of Fund Balance**

|   |                          |
|---|--------------------------|
| Restricted Fund Balance:  |                          |
| Maintenance Reserve   | \$ 100,000               |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | 127,186                  |
| Excess Surplus  | 55,110                   |
| Assigned Fund Balance:  |                          |
| Designated for Subsequent Year's Expenditures                           | 77,105                   |
| Unassigned Fund Balance   | <u>253,337</u>           |
| Subtotal  | 612,738                  |
| Reconciliation to Governmental Funds Statements (GAAP):                 |                          |
| Last Two State Aid Payments Not Recognized on GAAP Basis                | <u>(58,152)</u>          |
| Fund Balance per Governmental Funds (GAAP)                              | <u><u>\$ 554,586</u></u> |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

|   | JUNE 30, 2016      |                 | VARIANCE<br>POSITIVE/<br>(NEGATIVE)<br>FINAL TO<br>ACTUAL |
|---|--------------------|-----------------|---|
|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET |   |
| <b>REVENUES</b>   |                    |                 |   |
| State Sources   | \$ 35,430          | \$ 35,430       | \$ -  |
| Federal Sources   | 64,876             | 95,485          | -   |
| Local Sources   | -                  | 4,125           | -   |
| <b>Total Revenues</b>   | <b>100,306</b>     | <b>135,040</b>  | <b>-</b>  |
| <b>EXPENDITURES:</b>  |                    |                 |   |
| Instruction:  |                    |                 |   |
| Salaries of Teachers  | 56,993             | 60,185          | -   |
| General Supplies  | -                  | 20,170          | -   |
| <b>Total Instruction</b>  | <b>56,993</b>      | <b>80,355</b>   | <b>-</b>  |
| Support Services:   |                    |                 |   |
| Personal Services - Employee Benefits   | 1,763              | 5,607           | -   |
| Professional and Technical Services   | 41,550             | 49,078          | -   |
| Other Purchased Services  | -                  | -               | -   |
| <b>Total Support Services</b>   | <b>43,313</b>      | <b>54,685</b>   | <b>-</b>  |
| <b>Total Expenditures</b>   | <b>100,306</b>     | <b>135,040</b>  | <b>-</b>  |
| <b>Total Outflows</b>   | <b>100,306</b>     | <b>135,040</b>  | <b>-</b>  |
| <b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</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, 2016**

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

|  | GENERAL<br>FUND     | SPECIAL<br>REVENUE<br>FUND |
|--|---------------------|----------------------------|
| Sources/Inflows of Resources:  |                     |                            |
| Actual amounts (budgetary basis) "revenues"<br>from the budgetary comparison schedules   | \$ 2,837,394        | \$ 135,040                 |
| Difference - Budget to GAAP:   |                     |                            |
| State aid payment recognized for budgetary purposes,<br>not recognized for GAAP statements until the<br>subsequent year                  | (58,152)            | (3,543)                    |
| State aid payment recognized for GAAP statements<br>in the current year, previously recognized for<br>budgetary purposes                 | <u>62,775</u>       | <u>3,305</u>               |
| Total Revenues as Reported on the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances - Governmental<br>Funds. (B-2)    | <u>\$ 2,842,017</u> | <u>\$ 134,802</u>          |
| Uses/Outflows of Resources:  |                     |                            |
| Actual Amounts (Budgetary Basis) "Total Expenditures" From the<br>Budgetary Comparison Schedule  | <u>\$ 2,812,734</u> | <u>\$ 135,040</u>          |
| Total Expenditures as Reported on the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances - Governmental<br>Funds (B-2) | <u>\$ 2,812,734</u> | <u>\$ 135,040</u>          |



**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 THREE FISCAL YEARS**

|   | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|
| District's proportion of the net pension liability (asset)  | 0.00335%    | 0.00344%    | 0.00263%    |
| District's proportionate share of the net pension liability (asset)   | \$ 752,895  | \$ 643,361  | \$ 502,125  |
| District's covered-employee payroll   | \$ 157,644  | \$ 168,273  | \$ 206,897  |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 477.59%     | 382.33%     | 242.69%     |
| Plan fiduciary net position as a percentage of the total pension liability  | 52.08%      | 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 THREE FISCAL YEARS**

|  | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |
|--|---------------|---------------|---------------|
| Contractually required contribution                                  | \$ 22,365     | \$ 28,835     | 28,328        |
| Contributions in relation to the contractually required contribution | <u>22,365</u> | <u>28,835</u> | <u>28,328</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| District's covered-employee payroll                                  | \$ 157,644    | \$ 168,273    | 168,273       |
| Contributions as a percentage of covered-employee payroll            | 14.19%        | 17.14%        | 16.83%        |

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 THREE FISCAL YEARS**

|   | 2016         | 2015         | 2014         |
|---|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset)  | 0.01018%     | 0.00960%     | 0.01111%     |
| State's proportionate share of the net pension liability (asset) associated with the District                       | \$ 6,432,113 | \$ 5,132,182 | \$ 5,617,362 |
| District's covered-employee payroll   | \$ 1,185,375 | \$ 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%        | 0.00%        |
| Plan fiduciary net position as a percentage of the total pension liability  | 33.64%       | 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.



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

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**EAGLESWOOD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

**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)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

**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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.



**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, 2016**

|                                       | N.C.L.B           |                    | I.D.E.A. - PART B |                 |
|---------------------------------------|-------------------|--------------------|-------------------|-----------------|
|                                       | TITLE I<br>PART A | TITLE II<br>PART A | BASIC             | PRESCHOOL       |
| Revenues:                             |                   |                    |                   |                 |
| Federal Sources                       | \$ 27,170         | \$ 6,123           | \$ 42,955         | \$ 3,192        |
| Total Revenues                        | <u>\$ 27,170</u>  | <u>\$ 6,123</u>    | <u>\$ 42,955</u>  | <u>\$ 3,192</u> |
| Expenditures:                         |                   |                    |                   |                 |
| Instruction:                          |                   |                    |                   |                 |
| Salaries of Teachers                  | \$ 21,563         | \$ -               | \$ -              | \$ 3,192        |
| Total Instruction                     | <u>21,563</u>     | <u>-</u>           | <u>-</u>          | <u>3,192</u>    |
| Support Services:                     |                   |                    |                   |                 |
| Personal Services - Employee Benefits | 5,607             | -                  | -                 | -               |
| Professional and Technical Services   | -                 | 6,123              | 42,955            | -               |
| Total Support Services                | <u>5,607</u>      | <u>6,123</u>       | <u>42,955</u>     | <u>-</u>        |
| Total Expenditures                    | <u>\$ 27,170</u>  | <u>\$ 6,123</u>    | <u>\$ 42,955</u>  | <u>\$ 3,192</u> |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | PRESCHOOL<br>EDUCATION<br>AID | R.E.A.P.         | OCEAN<br>FIRST  | <u>TOTAL</u>      |
|--|-------------------------------|------------------|-----------------|-------------------|
| Revenues:                                |                               |                  |                 |                   |
| State Sources                            | \$ 35,430                     | \$ -             | \$ -            | \$ 35,430         |
| Federal Sources                          | -                             | 16,045           | -               | 95,485            |
| Local Sources                            | -                             | -                | 4,125           | 4,125             |
|  | <hr/>                         |                  |                 |                   |
| Total Revenues                           | <u>\$ 35,430</u>              | <u>\$ 16,045</u> | <u>\$ 4,125</u> | <u>\$ 135,040</u> |
| Expenditures:                            |                               |                  |                 |                   |
| Instruction:                             |                               |                  |                 |                   |
| Salaries of Teachers                     | \$ 35,430                     | \$ -             | \$ -            | \$ 60,185         |
| General Supplies                         | -                             | 16,045           | 4,125           | 20,170            |
|  | <hr/>                         |                  |                 |                   |
| Total Instruction                        | <u>35,430</u>                 | <u>16,045</u>    | <u>4,125</u>    | <u>80,355</u>     |
| Support Services:                        |                               |                  |                 |                   |
| Personal Services - Employee<br>Benefits | -                             | -                | -               | 5,607             |
| Professional and<br>Technical Services   | -                             | -                | -               | 49,078            |
|  | <hr/>                         |                  |                 |                   |
| Total Support Services                   | <u>-</u>                      | <u>-</u>         | <u>-</u>        | <u>54,685</u>     |
| Total Expenditures                       | <u>\$ 35,430</u>              | <u>\$ 16,045</u> | <u>\$ 4,125</u> | <u>\$ 135,040</u> |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|                      | 2016      |           |          |
|----------------------|-----------|-----------|----------|
|                      | BUDGETED  | ACTUAL    | VARIANCE |
| Expenditures:        |           |           |          |
| Instruction:         |           |           |          |
| Salaries of Teachers | \$ 35,430 | \$ 35,430 | \$ -     |
| Total Instruction    | 35,430    | 35,430    | -        |
| Total Expenditures   | \$ 35,430 | \$ 35,430 | \$ -     |

**CALCULATION OF BUDGET AND CARRYOVER**

|   |           |
|---|-----------|
| Total Revised 2015-2016 Preschool Education Aid Allocation                                    | \$ 35,430 |
| Add: Actual Preschool Education Aid Carryover (June 30, 2015)                                 | -         |
| Total Preschool Education Aid Funds Available for 2015-2016 Budget                            | 35,430    |
| Less: 2015-2016 Budgeted Preschool Education Aid<br>(Including prior year budgeted carryover) | (35,430)  |
| Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015                      | -         |
| Add: June 30, 2015 Unexpended Preschool Education Aid Funds                                   | -         |
| 2015-2016 Carryover - Preschool Education Aid Funds   | \$ -      |
| 2015-2016 Preschool Education Aid Funds Carryover Budgeted in 2016-2017                       | \$ -      |



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, 2016**

| PROJECT TITLE/ISSUE                                    | ORIGINAL<br>DATE | APPROPRIATIONS      | EXPENDITURES<br>TO DATE |                   | UNEXPENDED<br>BALANCE<br>JUNE 30,<br>2016 |
|--|------------------|---------------------|-------------------------|-------------------|---|
|  |                  |                     | PRIOR<br>YEARS          | CURRENT<br>YEAR   |   |
| Improvements & Renovations<br>to the Elementary School | 2006             | \$ 1,666,000        | \$ 1,663,611            | \$ -              | \$ 2,389                                  |
| Improvements & Renovations<br>to the Elementary School | 2016             | 4,393,000           | -                       | 261,029           | 4,131,971                                 |
| Total  |                  | <u>\$ 6,059,000</u> | <u>\$ 1,663,611</u>     | <u>\$ 261,029</u> | <u>\$ 4,134,360</u>                       |

**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, 2016**

|  |                     |
|--|---------------------|
| Revenues and Other Financing Sources:                        |                     |
| Bond proceeds and transfers                                  | \$ 4,393,000        |
| Local Income - Interest                                      | 584                 |
|  | <hr/>               |
| Total Revenues   | 4,393,584           |
|  | <hr/>               |
| Expenditures   |                     |
| Purchased Professional & Technical<br>Services               | 219,924             |
| General Supplies   | 41,105              |
|  | <hr/>               |
| Total Expenditures   | 261,029             |
|  | <hr/>               |
| Excess/(Deficiency) of Revenues<br>Over/(Under) Expenditures | 4,132,555           |
|  | <hr/>               |
| Other Financing Sources/(Uses):                              |                     |
| Transfer Out - Interest Earned in Capital Projects Fund      | (584)               |
|  | <hr/>               |
| Total Other Financing Sources/(Uses)                         | (584)               |
|  | <hr/>               |
| Net Change in Fund Balance                                   | 4,131,971           |
|  | <hr/>               |
| Fund Balance - June 30, 2014                                 | 2,389               |
|  | <hr/>               |
| Fund Balance - June 30, 2015                                 | <u>\$ 4,134,360</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, 2016**

|  | PRIOR<br>PERIODS | CURRENT<br>YEAR | TOTALS       | REVISED<br>AUTHORIZED<br>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                       |
| General Supplies   | -                | -               | -            | -                             |
| Total Expenditures   | 1,663,611        | -               | 1,663,611    | 1,666,000                     |
| Excess/(Deficiency) of Revenues<br>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%      |

**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, 2016**

|  | PRIOR<br>PERIODS | CURRENT<br>YEAR | TOTALS       | REVISED<br>AUTHORIZED<br>COST |
|--|------------------|-----------------|--------------|-------------------------------|
| Revenues & Other Financing Sources                           |                  |                 |              |                               |
| Bond Proceeds & Transfers                                    | \$ -             | \$ 4,393,000    | \$ 4,393,000 | \$ 4,393,000                  |
| Total Revenues   | -                | 4,393,000       | 4,393,000    | 4,393,000                     |
| Expenditures & Other Financing Uses:                         |                  |                 |              |                               |
| Purchased Professional & Technical Services                  | -                | 219,924         | 219,924      | 806,895                       |
| Construction Services  | -                | -               | -            | 3,545,000                     |
| General Supplies   | -                | 41,105          | 41,105       | 41,105                        |
| Total Expenditures   | -                | 261,029         | 261,029      | 4,393,000                     |
| Excess/(Deficiency) of Revenues<br>Over/(Under) Expenditures | \$ -             | \$ 4,131,971    | \$ 4,131,971 | \$ -                          |

**ADDITIONAL PROJECT INFORMATION**

|                            |             |
|----------------------------|-------------|
| Project Numbers            |             |
| Grant Date                 |             |
| Bond Authorization Date    | 5/26/2016   |
| Bonds Authorized           | \$4,390,000 |
| Bonds Issued               | \$4,390,000 |
| Original Authorized Cost   | \$4,390,000 |
| Additional Authorized Cost | \$0         |
| Revised Authorized Cost    | \$4,390,000 |
| Percentage Completion      | 5.95%       |

## 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, 2016**

| ASSETS                  | BUSINESS-TYPE<br>ACTIVITIES -<br>ENTERPRISE FUNDS<br><u>AFTER</u><br>SCHOOL<br>PROGRAM | TOTAL                   |
|-------------------------|--|-------------------------|
| Current Assets:         |  |                         |
| Cash & Cash Equivalents | <u>\$ 32,955</u>   | <u>\$ 32,955</u>        |
| Total Assets            | <u>32,955</u>  | <u>32,955</u>           |
| <br>LIABILITIES         |  |                         |
| Accounts Payable        | <u>-</u>   | <u>-</u>                |
| Total Liabilities       | <u>-</u>   | <u>-</u>                |
| <br>NET POSITION        |  |                         |
| Unrestricted            | <u>32,955</u>  | <u>32,955</u>           |
| Total Net Position      | <u><u>\$ 32,955</u></u>  | <u><u>\$ 32,955</u></u> |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2016**

|                                  | BUSINESS-TYPE<br>ACTIVITIES -<br>ENTERPRISE FUNDS |             |
|----------------------------------|---|-------------|
|                                  | AFTER<br>SCHOOL<br>PROGRAM                        | TOTAL       |
| Operating Revenues:              |   |             |
| Charges for Services:            |   |             |
| Program Fees                     | \$ 24,546   | \$ 24,546   |
|                                  | <hr/>   | <hr/>       |
| Total Operating Revenues         | 24,546  | 24,546      |
|                                  | <hr/>   | <hr/>       |
| Operating Expenses:              |   |             |
| Salaries                         | 13,472  | 13,472      |
| General Supplies                 | 208   | 208         |
|                                  | <hr/>   | <hr/>       |
| Total Operating Expenses         | 13,680  | 13,680      |
|                                  | <hr/>   | <hr/>       |
| Operating Income/(Loss)          | 10,866  | 10,866      |
| Net Position - Beginning of Year | 22,089  | 22,089      |
|                                  | <hr/>   | <hr/>       |
| Net Position - End of Year       | \$ 32,955   | \$ 32,955   |
|                                  | <hr/> <hr/>                                       | <hr/> <hr/> |



**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
 ENTERPRISE FUND  
 COMBINING SCHEDULE OF CASH FLOWS  
 AS OF JUNE 30, 2016**

|   | BUSINESS-TYPE<br>ACTIVITIES -<br>ENTERPRISE FUNDS |             |
|---|---|-------------|
|   | <u>AFTER</u>                                      |             |
|   | SCHOOL  |             |
|   | PROGRAM   | TOTAL       |
| Cash Flows From Operating Activities:                 |   |             |
| Receipts from Customers                               | \$ 24,546   | \$ 24,546   |
| Payments to Suppliers                                 | (208)   | (208)       |
| Payments to Employees                                 | (13,472)  | (13,472)    |
|   | <hr/>   | <hr/>       |
| Net Cash Provided/(Used) by<br>Operating Activities   | 10,866  | 10,866      |
|   | <hr/>   | <hr/>       |
| Net Increase/(Decrease) in Cash &<br>Cash Equivalents | 10,866  | 10,866      |
| Balances - Beginning of Year                          | 22,089  | 22,089      |
|   | <hr/>   | <hr/>       |
| Balances - End of Year                                | \$ 32,955   | \$ 32,955   |
|   | <hr/> <hr/>                                       | <hr/> <hr/> |

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

|   |             |             |
|---|-------------|-------------|
| Operating Income/(Loss)   | \$ 10,866   | \$ 10,866   |
| Adjustments to Reconcile Operating<br>Income/(Loss) to Net Cash Provided/<br>(Used by Operating Activities: |             |             |
| Increase in Accounts Payable  | -           | -           |
|   | <hr/>       | <hr/>       |
| Total Adjustments   |             |             |
|   | <hr/>       | <hr/>       |
| Net Cash Provided/(Used) by<br>Operating Activities   | \$ 10,866   | \$ 10,866   |
|   | <hr/> <hr/> | <hr/> <hr/> |



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, 2016**

| ASSETS                               | AGENCY FUNDS |                     | TOTAL      |
|--------------------------------------|--------------|---------------------|------------|
|                                      | PAYROLL      | STUDENT<br>ACTIVITY |            |
| Cash & Cash Equivalents              | \$ 97,135    | \$ 7,810            | \$ 104,945 |
| Total Assets                         | 97,135       | 7,810               | 104,945    |
| LIABILITIES                          |              |                     |            |
| Payroll Deductions &<br>Withholdings | 89,585       | -                   | 89,585     |
| Due to Student Groups                | -            | 7,810               | 7,810      |
| Due to General Fund                  | 7,550        | -                   | 7,550      |
| Total Liabilities                    | 97,135       | 7,810               | 104,945    |
| Total Net Position                   | \$ -         | \$ -                | \$ -       |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

| ASSETS                  | BALANCE<br>JUNE 30,<br>2015 | RECEIPTS         | DISBURSEMENTS    | BALANCE<br>JUNE 30,<br>2016 |
|-------------------------|-----------------------------|------------------|------------------|-----------------------------|
| Cash & Cash Equivalents | \$ 7,081                    | \$ 19,865        | \$ 19,136        | \$ 7,810                    |
| Total Assets            | <u>\$ 7,081</u>             | <u>\$ 19,865</u> | <u>\$ 19,136</u> | <u>\$ 7,810</u>             |
| <br>                    |                             |                  |                  |                             |
| LIABILITIES             |                             |                  |                  |                             |
| Due to Student Groups   | \$ 7,081                    | \$ 19,865        | \$ 19,136        | \$ 7,810                    |
| Total Liabilities       | <u>\$ 7,081</u>             | <u>\$ 19,865</u> | <u>\$ 19,136</u> | <u>\$ 7,810</u>             |

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

| ASSETS                            | BALANCE<br>JUNE 30,<br>2015 | RECEIPTS            | DISBURSEMENTS       | BALANCE<br>JUNE 30,<br>2016 |
|-----------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| Cash & Cash Equivalents           | \$ 80,250                   | \$ 1,702,738        | \$ 1,685,853        | \$ 97,135                   |
| Total Assets                      | <u>\$ 80,250</u>            | <u>\$ 1,702,738</u> | <u>\$ 1,685,853</u> | <u>\$ 97,135</u>            |
| <br>                              |                             |                     |                     |                             |
| LIABILITIES                       |                             |                     |                     |                             |
| Payroll Deductions & Withholdings | \$ 75,425                   | \$ 804,339          | \$ 790,189          | \$ 89,575                   |
| Net Payroll                       |                             | 898,399             | 898,389             | 10                          |
| Due to General Fund               | 4,825                       | 7,550               | 4,825               | 7,550                       |
| Total Liabilities                 | <u>\$ 80,250</u>            | <u>\$ 1,710,288</u> | <u>\$ 1,693,403</u> | <u>\$ 97,135</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       | ISSUED     | BALANCE       |              |
|---|---------------|-----------------|-------------------|---------|---------------|---------------|------------|---------------|--------------|
|   |               |                 | DATE              | AMOUNT  |               | JUNE 30, 2015 |            | JUNE 30, 2016 |              |
| Improvements & Renovations to the Elementary School | 01/01/2007    | \$1,666,000     | 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%        | \$ 950,000    | \$ 120,000 | \$ 830,000    |              |
| Improvements & Renovations to the Elementary School | 05/25/2016    | \$4,393,000     | 09/15/2016        | -       | -             |               |            |               |              |
|   |               |                 | 09/15/2017        | 153,000 | 0.900%        |               |            |               |              |
|   |               |                 | 09/15/2018        | 165,000 | 1.050%        |               |            |               |              |
|   |               |                 | 09/15/2019        | 170,000 | 1.150%        |               |            |               |              |
|   |               |                 | 09/15/2020        | 170,000 | 1.150%        |               |            |               |              |
|   |               |                 | 09/15/2021        | 170,000 | 1.250%        |               |            |               |              |
|   |               |                 | 09/15/2022        | 185,000 | 1.350%        |               |            |               |              |
|   |               |                 | 09/15/2023        | 190,000 | 1.500%        |               |            |               |              |
|   |               |                 | 09/15/2024        | 195,000 | 1.650%        |               |            |               |              |
|   |               |                 | 09/15/2025        | 205,000 | 1.800%        |               |            |               |              |
|   |               |                 | 09/15/2026        | 210,000 | 1.950%        |               |            |               |              |
|   |               | 09/15/2027      | 220,000           | 2.200%  |               |               |            |               |              |
|   |               | 09/15/2028      | 225,000           | 2.300%  |               |               |            |               |              |
|   |               | 09/15/2029      | 235,000           | 2.350%  |               |               |            |               |              |
|   |               | 09/15/2030      | 245,000           | 2.500%  |               |               |            |               |              |
|   |               | 09/15/2031      | 250,000           | 2.600%  |               |               |            |               |              |
|   |               | 09/15/2032      | 260,000           | 2.700%  |               |               |            |               |              |
|   |               | 09/15/2033      | 270,000           | 2.800%  |               |               |            |               |              |
|   |               | 09/15/2034      | 280,000           | 2.900%  |               |               |            |               |              |
|   |               | 09/15/2035      | 290,000           | 3.000%  |               |               |            |               |              |
|   |               | 09/15/2036      | 305,000           | 3.050%  |               |               |            |               |              |
| Total   |               |                 |                   |         |               | \$ -          | \$ -       | \$ 4,393,000  | \$ 4,393,000 |
| Total   |               |                 |                   |         |               | \$ 950,000    | \$ 120,000 | \$ 4,393,000  | \$ 5,223,000 |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

|  | JUNE 30, 2016      |                 |                | VARIANCE<br>POSITIVE/<br>(NEGATIVE)<br>FINAL TO<br>ACTUAL |
|--|--------------------|-----------------|----------------|---|
|  | ORIGINAL<br>BUDGET | FINAL<br>BUDGET | ACTUAL         |   |
| Revenues:  |                    |                 |                |   |
| Local Sources:   |                    |                 |                |   |
| Local Tax Levy   | \$ 104,771         | \$ 104,771      | \$ 104,771     | -   |
| State Sources:   |                    |                 |                |   |
| Debt Service Aid Type II   | 53,975             | 53,975          | 53,975         | -   |
| <b>Total Revenues</b>  | <b>158,746</b>     | <b>158,746</b>  | <b>158,746</b> | <b>-</b>  |
| Expenditures:  |                    |                 |                |   |
| Regular Debt Service:  |                    |                 |                |   |
| Interest on Bonds  | 38,750             | 38,750          | 38,750         | -   |
| Redemption of Principal  | 120,000            | 120,000         | 120,000        | -   |
| <b>Total Regular Debt Service</b>  | <b>158,750</b>     | <b>158,750</b>  | <b>158,750</b> | <b>-</b>  |
| <b>Total Expenditures</b>  | <b>158,750</b>     | <b>158,750</b>  | <b>158,750</b> | <b>-</b>  |
| Excess/(Deficiency) of Revenues Over/(Under)<br>Expenditures Before Other Financing Sources/(Uses) | (4)                | (4)             | (4)            | -   |
| Other Financing Sources/(Uses):  |                    |                 |                |   |
| Transfer In - Interest-Capital Projects Fund   | -                  | -               | 584            | (584)   |
| <b>Total Other Financing Sources/(Uses)</b>  | <b>-</b>           | <b>-</b>        | <b>584</b>     | <b>(584)</b>  |
| Excess/(Deficiency) of Revenues<br>& Other Financing Sources Over/<br>(Under) Expenditures         | (4)                | (4)             | 580            | (584)   |
| Fund Balance, July 1   | 7                  | 7               | 7              | -   |
| Fund Balance, June 30  | 3                  | 3               | 587            | (584)   |

**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.





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

|                                       | FISCAL YEAR ENDING JUNE 30, |                   |                     |                   |                   |                     |                     |                     |                     |                     |
|---------------------------------------|-----------------------------|-------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 2016                        | 2015              | 2014                | 2013              | 2012              | 2011                | 2010                | 2009                | 2008                | 2007                |
| <b>Governmental Activities:</b>       |                             |                   |                     |                   |                   |                     |                     |                     |                     |                     |
| Invested in Capital Assets,           |                             |                   |                     |                   |                   |                     |                     |                     |                     |                     |
| Net of Related Debt                   | \$ (3,321,193)              | \$ 753,135        | \$ 700,721          | \$ 653,746        | \$ 612,224        | \$ 1,518,757        | \$ 1,573,319        | \$ 1,565,976        | \$ 1,185,558        | \$ 299,818          |
| Restricted                            | 4,463,433                   | 313,960           | 255,147             | 195,204           | 296,059           | 2,739               | 23,816              | 165,407             | 648,660             | 1,565,810           |
| Unrestricted                          | (520,868)                   | (468,808)         | 37,026              | 51,031            | (158,438)         | (122,013)           | (176,359)           | (113,137)           | (21,200)            | (56,552)            |
| <b>Total Governmental Activities</b>  | <b>\$ 621,372</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>Business-Type Activities:</b>      |                             |                   |                     |                   |                   |                     |                     |                     |                     |                     |
| Unrestricted                          | \$ 32,955                   | \$ 22,089         | \$ 9,141            | \$ 3,978          | \$ 1,341          | \$ 281              | \$ 512              | \$ 2,258            | \$ 2,631            | \$ 4,256            |
| <b>Total Business-Type Activities</b> | <b>\$ 32,955</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>District-Wide:</b>                 |                             |                   |                     |                   |                   |                     |                     |                     |                     |                     |
| Invested in Capital Assets,           |                             |                   |                     |                   |                   |                     |                     |                     |                     |                     |
| Net of Related Debt                   | (3,321,193)                 | 753,135           | 700,721             | 653,746           | 612,224           | 1,518,757           | 1,573,319           | 1,565,976           | 1,185,558           | 299,818             |
| Restricted                            | 4,463,433                   | 313,960           | 255,147             | 195,204           | 296,059           | 2,739               | 23,816              | 165,407             | 648,660             | 1,565,810           |
| Unrestricted                          | (487,913)                   | (446,719)         | 46,167              | 55,009            | (157,097)         | (121,732)           | (175,847)           | (110,879)           | (18,569)            | (52,296)            |
| <b>Total District Net Position</b>    | <b>\$ 654,327</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> |

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

|  | 2016                | 2015                | 2014                | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                | 2007                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses:</b>                               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities</b>                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Instruction:</b>                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Regular  | \$ 782,949          | \$ 759,508          | \$ 782,546          | \$ 810,565          | \$ 743,708          | \$ 841,501          | \$ 839,434          | \$ 898,778          | \$ 836,120          | \$ 812,723          |
| Special Education                              | 288,604             | 234,155             | 262,333             | 202,222             | 220,726             | 148,319             | 150,194             | 160,240             | 256,666             | 215,252             |
| Other Instruction                              | 172,790             | 196,293             | 118,659             | 115,063             | 61,249              | 43,555              | 97,490              | 116,249             | 25,669              | 34,813              |
| <b>Support Services:</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Tuition  | 116,245             | 111,093             | 31,777              | 2,018               | 132,191             | 121,058             | 82,121              | 118,059             | 136,290             | 84,625              |
| Student & Instruction Related Services         | 306,413             | 336,432             | 319,782             | 305,282             | 199,717             | 241,531             | 317,223             | 193,997             | 130,662             | 171,194             |
| General Administrative Services                | 143,647             | 149,875             | 137,429             | 139,673             | 133,297             | 29,792              | 127,284             | 57,279              | 143,093             | 132,325             |
| School Administrative Services                 | 78,125              | 79,916              | 60,282              | 63,128              | 72,519              | 183,378             | 101,194             | 119,059             | 62,514              | 47,999              |
| Plant Operations & Maintenance                 | 155,309             | 168,808             | 167,951             | 160,282             | 148,204             | 211,341             | 198,211             | 177,820             | 181,525             | 200,301             |
| Pupil Transportation                           | 146,917             | 163,126             | 132,304             | 131,066             | 124,450             | 156,780             | 165,283             | 148,833             | 145,683             | 131,992             |
| Employee Benefits                              | 1,084,188           | 849,272             | 580,332             | 594,919             | 510,818             | 533,399             | 614,607             | 562,874             | 516,934             | 485,846             |
| Interest on Long-Term Debt                     | 50,290              | 41,050              | 45,550              | 49,850              | 81,925              | 59,950              | 63,750              | 67,390              | 69,565              | 6,525               |
| Unallocated Compensated Absences               | 10,850              | (19,350)            | 17,677              | 12,008              | 585                 | -                   | -                   | -                   | -                   | -                   |
| Unallocated Loss on Revaluation of Assets      | -                   | -                   | -                   | -                   | 938,564             | -                   | -                   | -                   | -                   | -                   |
| Unallocated Depreciation                       | 62,357              | 62,586              | 63,025              | 63,478              | 67,969              | 169,802             | 166,580             | 144,074             | 120,420             | 120,420             |
| <b>Total Governmental Activities Expenses</b>  | <b>3,398,684</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>Business-Type Activities:</b>               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Food Service                                   | -                   | -                   | -                   | -                   | -                   | -                   | 1,091               | 94,083              | 92,291              | 89,995              |
| School Store                                   | -                   | -                   | -                   | -                   | -                   | 2,456               | 3,039               | 3,609               | 1,386               | 3,171               |
| After School Program                           | 13,680              | 14,957              | 13,086              | 14,592              | 15,113              | -                   | -                   | -                   | -                   | -                   |
| <b>Total Business-Type Activities Expenses</b> | <b>13,680</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>Total District Expenses</b>                 | <b>\$ 3,412,364</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> |

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

|                                    | FISCAL YEAR ENDING JUNE 30, |                |                |                |                |                |                |                |                |                |
|------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                    | 2016                        | 2015           | 2014           | 2013           | 2012           | 2011           | 2010           | 2009           | 2008           | 2007           |
| Program Revenues:                  |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities:           |                             |                |                |                |                |                |                |                |                |                |
| Operating Grants & Contributions   | \$ 701,634                  | \$ 551,784     | \$ 304,895     | \$ 347,554     | \$ 113,551     | \$ 120,702     | \$ 148,604     | \$ 113,142     | \$ 213,700     | \$ 217,315     |
| Total Governmental Activities      | 701,634                     | 551,784        | 304,895        | 347,554        | 113,551        | 120,702        | 148,604        | 113,142        | 213,700        | 217,315        |
| Business-Type Activities:          |                             |                |                |                |                |                |                |                |                |                |
| Operating grants and contributions | -                           | -              | -              | -              | -              | -              | -              | 19,929         | 18,380         | 21,245         |
| Charges for Services               | 24,546                      | 27,905         | 18,249         | 17,229         | 16,454         | 2,224          | 3,413          | 27,063         | 22,691         | 26,713         |
| Total Business Type Activities     | 24,546                      | 27,905         | 18,249         | 17,229         | 16,454         | 2,224          | 3,413          | 46,992         | 41,071         | 47,958         |
| Program Revenues                   |                             |                |                |                |                |                |                |                |                |                |
| Total District Program Revenues    | \$ 726,180                  | \$ 579,689     | \$ 323,144     | \$ 364,783     | \$ 130,005     | \$ 122,926     | \$ 152,017     | \$ 160,134     | \$ 254,771     | \$ 265,273     |
| <b>Net (Expense)/Revenue</b>       |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities            | \$ (2,697,050)              | \$ (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) |
| Business-Type Activities           | 10,866                      | 12,948         | 5,163          | 2,637          | 1,341          | (232)          | (717)          | (50,700)       | (52,606)       | (45,208)       |
| Total District-Wide Net Expense    | \$ (2,686,184)              | \$ (2,568,032) | \$ (2,409,589) | \$ (2,299,363) | \$ (3,321,030) | \$ (2,619,936) | \$ (2,775,484) | \$ (2,702,210) | \$ (2,464,047) | \$ (2,271,908) |

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

|   | 2016                | 2015                | 2014                | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                | 2007                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL YEAR ENDING JUNE 30,                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General Revenues & Other Changes in Net Position: |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities:                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property Taxes Levied for General Purposes, Net   | \$ 1,863,858        | \$ 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        |
| Taxes Levied for Debt Service                     | 104,771             | 104,506             | 104,115             | 103,539             | 102,625             | 99,683              | 44,846              | 39,389              | 81,008              | 43,412              |
| Unrestricted Grants & Contributions               | 727,361             | 724,168             | 722,034             | 718,789             | 970,824             | 920,267             | 1,022,377           | 947,475             | 891,255             | 833,963             |
| Tuition Received                                  | 14,500              | 14,500              | 15,900              | 9,200               | 7,700               | -                   | -                   | -                   | -                   | -                   |
| Miscellaneous Income                              | 9,645               | 18,012              | 14,856              | 2,216               | 4,926               | 14,132              | 18,569              | 14,502              | 63,520              | 71,940              |
| Prior Year Receivable Cancelled                   | -                   | -                   | -                   | -                   | -                   | (3,059)             | (8,301)             | -                   | (17,207)            | -                   |
| Other Special Items                               | -                   | -                   | -                   | -                   | -                   | 11,840              | (25,937)            | -                   | -                   | -                   |
| Transfers   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | (50,327)            | (50,982)            | (45,679)            |
| <b>Total Governmental Activities</b>              | <b>2,720,135</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>    |
| Business-Type Activities                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Interest Earned                                   | -                   | -                   | -                   | -                   | -                   | -                   | 17                  | -                   | 10                  | 19                  |
| Transfers   | -                   | -                   | -                   | -                   | (281)               | -                   | (1,046)             | 50,327              | 50,972              | 45,679              |
| <b>Total Business-Type Activities</b>             | <b>-</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>Total District-Wide</b>                        | <b>\$ 2,720,135</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> |
| Change in Net Position:                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                           | \$ 23,085           | \$ 107,518          | \$ 92,913           | \$ 150,136          | \$ (649,637)        | \$ (21,293)         | \$ (197,470)        | \$ (194,771)        | \$ 3,941            | \$ 57,612           |
| Business-Type Activities                          | 10,866              | 12,948              | 5,163               | 2,637               | 1,060               | (232)               | (1,746)             | (373)               | (1,624)             | 490                 |
| <b>Total District</b>                             | <b>\$ 33,951</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>    |

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

|   | FISCAL YEAR ENDING JUNE 30, |                   |                   |                   |                   |                   |                    |                   |                   |                     |
|---|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|---------------------|
|   | 2016                        | 2015              | 2014              | 2013              | 2012              | 2011              | 2010               | 2009              | 2008              | 2007                |
| <b>General Fund:</b>                      |                             |                   |                   |                   |                   |                   |                    |                   |                   |                     |
| Restricted                                | \$ 282,296                  | \$ 330,263        | \$ 273,554        | \$ 216,680        | \$ 296,203        | \$ -              | \$ 30,000          | \$ 30,000         | \$ -              | \$ -                |
| Assigned                                  | 77,105                      | 676               | 870               | -                 | 23,394            | (3,933)           | (76,439)           | (26,587)          | 95,350            | 59,998              |
| Unassigned                                | 195,185                     | 194,364           | 187,976           | 184,700           | (37,063)          | -                 | -                  | -                 | -                 | -                   |
| <b>Total General Fund</b>                 | <b>\$ 554,586</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>All Other Governmental Funds:</b>      |                             |                   |                   |                   |                   |                   |                    |                   |                   |                     |
| Unassigned, Reported in:                  |                             |                   |                   |                   |                   |                   |                    |                   |                   |                     |
| Special Revenue Fund                      | \$ (3,543)                  | \$ (3,305)        | \$ (2,600)        | \$ (2,991)        | \$ (2,710)        | \$ -              | \$ -               | \$ -              | \$ -              | \$ -                |
| Capital Projects Fund                     | 4,134,360                   | 2,389             | 2,389             | 2,389             | 2,389             | 2,691             | 17,629             | 109,119           | 542,611           | 1,510,165           |
| Assigned, Reported in:                    |                             |                   |                   |                   |                   |                   |                    |                   |                   |                     |
| Debt Service Fund                         | 587                         | 7                 | 9                 | 5                 | 48                | 48                | 6,187              | 56,289            | 106,049           | 55,645              |
| <b>Total All Other Governmental Funds</b> | <b>\$ 4,131,404</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> |

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

|  | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues</b>                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Tax Levy                               | \$ 1,968,629     | \$ 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     |
| Bond Proceeds                          | 4,393,000        |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Other Local Revenue                    | 24,145           | 32,512           | 30,756           | 11,416           | 12,626           | 16,632           | 18,569           | 14,502           | 63,520           | 72,124           |
| State Sources                          | 1,047,890        | 992,413          | 937,497          | 983,580          | 997,920          | 935,116          | 1,003,938        | 975,001          | 1,016,256        | 937,323          |
| Federal Sources                        | 95,485           | 94,720           | 89,432           | 82,763           | 86,455           | 103,353          | 167,043          | 85,615           | 88,699           | 97,564           |
| <b>Total Revenue</b>                   | <b>7,529,149</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>Expenditures</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Instruction:                           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Regular Instruction                    | 782,949          | 759,508          | 782,546          | 810,565          | 743,708          | 841,501          | 839,434          | 898,778          | 836,120          | 812,723          |
| Special Education Instruction          | 288,604          | 234,155          | 262,333          | 202,222          | 220,726          | 148,319          | 150,194          | 160,240          | 256,666          | 215,252          |
| Other Instruction                      | 172,790          | 196,293          | 118,659          | 115,063          | 61,249           | 43,555           | 97,490           | 116,249          | 25,669           | 34,813           |
| Support Services:                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Instruction                            | -                | -                | -                | -                | -                | 121,058          | 138,744          | 118,059          | 136,290          | 84,625           |
| Tuition                                | 116,245          | 111,093          | 31,777           | 2,018            | 132,191          | 241,531          | 122,976          | 102,474          | 69,297           | 64,491           |
| Student & Instruction Related Services | 306,413          | 336,432          | 319,782          | 305,282          | 199,717          | 44,560           | 99,438           | 91,523           | 61,365           | 106,702          |
| General Administrative Services        | 143,647          | 149,875          | 137,429          | 139,673          | 133,297          | 138,819          | 101,194          | 119,059          | 143,093          | 132,325          |
| School Administrative Services         | 78,125           | 79,916           | 60,282           | 63,128           | 72,519           | 29,792           | 127,284          | 57,279           | 62,514           | 47,999           |
| Plant Operations & Maintenance         | 155,309          | 168,808          | 167,951          | 160,282          | 148,204          | 211,341          | 198,211          | 177,820          | 181,525          | 200,301          |
| Pupil Transportation                   | 146,917          | 163,126          | 132,304          | 131,066          | 124,450          | 156,780          | 165,283          | 148,833          | 145,683          | 131,992          |
| Employee Benefits                      | 756,775          | 631,711          | 580,332          | 594,919          | 510,818          | 533,399          | 652,793          | 562,874          | 516,935          | 485,845          |
| Capital Outlay                         | 261,029          | -                | -                | -                | -                | 15,240           | 91,490           | 433,492          | 946,159          | 157,430          |
| Debt Service:                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal                              | 120,000          | 115,000          | 110,000          | 105,000          | 100,000          | 100,000          | 95,000           | 91,000           | 60,000           | 60,000           |
| Interest & Other Charges               | 38,750           | 43,350           | 47,750           | 51,950           | 55,950           | 59,950           | 63,750           | 67,390           | 69,565           | 6,525            |
| <b>Total Expenditures</b>              | <b>3,367,553</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> |

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

|  | 2016         | 2015      | 2014      | 2013       | 2012       | 2011      | 2010         | 2009         | 2008         | 2007         |
|--|--------------|-----------|-----------|------------|------------|-----------|--------------|--------------|--------------|--------------|
| Excess (Deficiency) of Revenues<br>Over/(Under) Expenditures | 4,161,596    | 62,196    | 61,415    | 118,522    | 283,456    | 24,487    | (183,142)    | (524,863)    | (813,610)    | (9,924)      |
| <b>Other Financing Sources/(Uses):</b>                       |              |           |           |            |            |           |              |              |              |              |
| Transfers In   | -            | -         | -         | -          | -          | -         | -            | -            | 4,188        | -            |
| Transfers Out  | -            | -         | -         | -          | -          | -         | -            | (50,327)     | (55,169)     | (45,699)     |
| Bond Proceeds  | -            | -         | -         | -          | -          | -         | -            | -            | -            | 1,645,000    |
| Cancellation of Prior Year<br>Accounts Receivable            | -            | -         | -         | -          | -          | (3,059)   | (8,301)      | -            | (17,207)     | -            |
| Total Other Financing Sources/<br>(Uses)                     | -            | -         | -         | -          | -          | (3,059)   | (8,301)      | (50,327)     | (68,188)     | 1,599,301    |
| Net Change in Fund Balances                                  | \$ 4,161,596 | \$ 62,196 | \$ 61,415 | \$ 118,522 | \$ 283,456 | \$ 21,428 | \$ (191,443) | \$ (575,190) | \$ (881,798) | \$ 1,589,377 |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 5.11%        | 5.30%     | 5.73%     | 5.85%      | 6.23%      | 5.99%     | 5.57%        | 5.84%        | 5.05%        | 2.79%        |

Source: District Records

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

| FISCAL<br>YEAR ENDING<br>JUNE 30, | BID<br>BOND<br>FORFEITED | INTEREST<br>EARNED | TUITION   | AFTER-CARE<br>CHARGES<br>(NET) | MISCELLANEOUS | TOTAL     |
|-----------------------------------|--------------------------|--------------------|-----------|--------------------------------|---------------|-----------|
| 2016                              | \$ -                     |                    | \$ 14,500 |                                | \$ 4,936      | \$ 19,436 |
| 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    |

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.



**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 |
|----------------------------|-------------|-------------|-----------|--------|------------|------------|-----------|----------------------|------------------|-----------------------|------------------------------|---|
| 2016                       | 26,046,300  | 177,811,600 | 268,900   | 43,100 | 29,041,400 | 4,440,200  | 319,200   | 237,970,700          | 0                | 237,970,700           | 1.537                        | 237,970,700                               |
| 2015                       | 25,145,900  | 178,845,900 | 268,900   | 63,100 | 29,983,700 | 4,440,200  | 319,200   | 242,369,800          | 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   | 242,194,800          | 434,584          | 242,629,384           | 1.411                        | 254,981,708                               |
| 2013                       | 25,860,200  | 182,014,100 | 268,900   | 52,400 | 29,239,800 | 4,440,200  | 318,200   | 242,193,800          | 434,584          | 242,628,384           | 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                               |

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

| FISCAL<br>YEAR<br>ENDED<br>JUNE 30, | SCHOOL DISTRICT DIRECT RATE |                                 |                 | OVERLAPPING RATES            |                 | TOTAL<br>DIRECT AND<br>OVERLAPPING<br>TAX RATE |
|-------------------------------------|-----------------------------|---------------------------------|-----------------|------------------------------|-----------------|--|
|                                     | LOCAL<br>SCHOOL             | PINELANDS<br>REGIONAL<br>SCHOOL | TOTAL<br>DIRECT | TOWNSHIP<br>OF<br>EAGLESWOOD | OCEAN<br>COUNTY |  |
| 2016                                | 0.902                       | 0.635                           | 1.537           | 0.406                        | 0.358           | 2.301  |
| 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  |

Source: Municipal Tax Collector

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

| TAXPAYER     | 2016                         |      |   |
|--------------|------------------------------|------|---|
|              | TAXABLE<br>ASSESSED<br>VALUE | RANK | % OF TOTAL<br>DISTRICT NET<br>ASSESSED<br>VALUE |
| Taxpayer #1  | \$4,234,700                  | 1    | 1.74%   |
| Taxpayer #2  | 2,949,200                    | 2    | 1.21%   |
| Taxpayer #3  | 2,568,500                    | 3    | 1.06%   |
| Taxpayer #4  | 1,902,500                    | 4    | 0.78%   |
| Taxpayer #5  | 1,743,200                    | 5    | 0.72%   |
| Taxpayer #6  | 1,456,200                    | 6    | 0.60%   |
| Taxpayer #7  | 1,363,500                    | 7    | 0.56%   |
| Taxpayer #8  | 1,303,700                    | 8    | 0.54%   |
| Taxpayer #9  | 1,286,900                    | 9    | 0.53%   |
| Taxpayer #10 | 1,239,100                    | 10   | 0.51%   |
| Total        | <u>\$20,047,500</u>          |      | <u>8.25%</u>                                    |

| Taxpayer | 2007                         |      |   |
|----------|------------------------------|------|---|
|          | TAXABLE<br>ASSESSED<br>VALUE | RANK | % OF TOTAL<br>DISTRICT NET<br>ASSESSED<br>VALUE |

NOT AVAILABLE

**Source:** Municipal Tax Assessor

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

| FISCAL<br>YEAR<br>ENDED<br>JUNE 30, | TAXES<br>LEVIED FOR<br>THE FISCAL<br>YEAR | COLLECTED WITHIN THE FISCAL<br>YEAR OF THE LEVY |                       |
|-------------------------------------|---|---|-----------------------|
|                                     |   | AMOUNT  | PERCENTAGE<br>OF LEVY |
| 2016                                | \$ 1,968,629                              | 1,968,629                                       | 100.00%               |
| 2015                                | 1,931,818                                 | 1,931,818                                       | 100.00%               |
| 2014                                | 1,721,931                                 | 1,721,931                                       | 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%               |

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

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.





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

| FISCAL<br>YEAR<br>ENDED<br>JUNE 20, | <u>GOVERNMENTAL ACTIVITIES</u> |                   | TOTAL<br>DISTRICT | COUNTY<br>PER CAPITA<br>INCOME | PERCENTAGE<br>OF<br>PER CAPITA<br>INCOME |
|-------------------------------------|--------------------------------|-------------------|-------------------|--------------------------------|--|
|                                     | GENERAL<br>OBLIGATION<br>BONDS | CAPITAL<br>LEASES |                   |                                |  |
| 2016                                | \$ 5,223,000                   | \$ -              | \$ 5,223,000      | N/A                            | N/A                                      |
| 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%                                    |

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

| FISCAL<br>YEAR<br>ENDED<br>JUNE 30, | GENERAL BONDED DEBT OUTSTANDING |            |   | PERCENTAGE<br>OF ACTUAL<br>TAXABLE<br>VALUE OF<br>PROPERTY | PER CAPITA |
|-------------------------------------|---------------------------------|------------|---|--|------------|
|                                     | GENERAL<br>OBLIGATION<br>BONDS  | DEDUCTIONS | NET<br>GENERAL<br>BONDED<br>DEBT<br>OUTSTANDING |  |            |
| 2016                                | \$ 5,223,000                    | \$ -       | \$ 5,223,000                                    | 2.19%  | N/A        |
| 2015                                | 950,000                         | -          | 950,000   | 0.40%  | N/A        |
| 2014                                | 1,065,000                       |            | 1,065,000                                       | 0.43%  | 712.12     |
| 2013                                | 1,175,000                       |            | 1,175,000                                       | 0.41%  | 775.76     |
| 2012                                | 1,280,000                       |            | 1,280,000                                       | 0.49%  | 775.76     |
| 2011                                | 1,380,000                       |            | 1,380,000                                       | 0.52%  | 857.14     |
| 2010                                | 1,480,000                       |            | 1,480,000                                       | 0.55%  | 923.27     |
| 2009                                | 1,575,000                       |            | 1,575,000                                       | 0.58%  | 924.84     |
| 2008                                | 1,666,000                       |            | 1,666,000                                       | 0.62%  | 992.26     |
| 2007                                | 1,726,000                       |            | 1,726,000                                       | 0.04%  | 1,047.33   |

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016**

| GOVERNMENTAL UNIT                      | DEBT<br>OUTSTANDING | ESTIMATED<br>PERCENTAGE<br>APPLICABLE | SHARE OF<br>OVERLAPPING<br>DEBT |
|--|---------------------|---------------------------------------|---------------------------------|
| Debt Repaid With Property Taxes:       |                     |                                       |                                 |
| Township of Eagleswood                 | \$759,799           | 100.00%                               | \$759,800                       |
| Couty of Ocean - Township's Share      | 222,651             | 0.278%                                | 619                             |
| Subtotal, Overlapping Debt             |                     |                                       | 760,419                         |
| Eagleswood School District Direct Debt |                     |                                       | 5,223,000                       |
| Total Direct & Overlapping Debt        |                     |                                       | \$5,983,419                     |

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  |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2016         | 2015         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         | 2006         |
| Debt Limit  | \$ 7,265,534 | 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 |
| Total Net Debt Applicable to Limit                                      | 5,223,000    | 950,000      | 1,065,000    | 1,175,000    | 1,280,000    | 1,380,000    | 1,480,000    | 1,575,000    | 1,666,000    | 1,726,000    |
| Legal Debt Margin   | \$ 2,042,534 | \$ 6,449,174 | \$ 6,614,451 | \$ 4,142,497 | \$ 6,858,261 | \$ 7,114,730 | \$ 7,396,950 | \$ 7,558,231 | \$ 6,585,477 | \$ 5,051,137 |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | 0.43%        | 0.46%        | 0.74%        | 0.52%        | 0.54%        | 0.56%        | 0.57%        | 0.67%        | 0.85%        |              |

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

|   |                      |
|---|----------------------|
| Equalized Valuation Basis                       |                      |
| 2016  | \$237,970,700        |
| 2015  | 241,946,058          |
| 2014  | 246,636,613          |
|   | <u>\$726,553,371</u> |
| Average Equalized Valuation of Taxable Property | <u>\$242,184,457</u> |
| Debt Limit (3 % of Average Equalization Value)  | \$7,265,534          |
| Net Bonded School Debt                          | <u>5,223,000</u>     |
| Legal Debt Margin                               | <u>\$2,042,534</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.



## 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.



**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) |
|------|----------------|---------------------|---------------------------------------|-----------------------|
| 2016 | N/A            | N/A                 | N/A                                   | N/A                   |
| 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%                 |

**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 TEN YEARS AGO**

|                               | 2016          |      | 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





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.



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

| Function/Program                | 2016      | 2015      | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Instruction:</b>             |           |           |           |           |           |           |           |           |           |           |
| Regular & Special Education     | 14        | 14        | 14        | 14        | 12        | 12        | 12        | 12        | 12        | 12        |
| Special                         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Other Support Services          | 4         | 6         | 5         | 4         | 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         | 2         | 5         | 5         | 5         | 5         | 5         |
| School Administration           | 2         | 2         | 2         | 2         | 2         | 5         | 5         | 5         | 5         | 5         |
| Operations & Maintenance        | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Total</b>                    | <b>30</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> |

**Source:** District Personnel Records

**EAGLEWOOD 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 |
|-------------|------------|------------------------|----------------|-------------------|----------------|---------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| 2016        | 153        | 2,890,849              | 18,894         | -5.39%            | 19             | 8.1                 | 152.3                          | 146.6                          | 10.20%                               | 96.26%                        |
| 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         | #DIV/0!           | 19             | 7.8                 | 144.0                          | 140.5                          | -                                    | 97.57%                        |

Sources: District records

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

| DISTRICT BUILDINGS    | 2016   | 2015   | 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)   | 153    | 143    | 143    | 137    | 141    | 131    | 148    | 141    | 142    | 148    |
| Enrollment            |        |        |        |        |        |        |        |        |        |        |

Number of Schools at June 30, 2015:  
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<br>ELEMENTARY |
|-------------------------|--------------------------|
| 2016                    | \$ 43,833                |
| 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                    | <u>21,999</u>            |
| Total School Facilities | <u><u>\$365,155</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    | 500,000                |
| Earthquake  | 50,000,000    | per occurrence         |
| Terrorism   | 1,000,000     |                        |
| <b>Electronic Data Processing:</b>  |               |                        |
| Blanket Hardware/Software   | 100,000       | per occurrence         |
| <b>Equipment:</b>   |               |                        |
| Combined Limit per Accident for Property Damage<br>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<br>And Property Damage | 10,000,000    |                        |
| <b>Automobile</b>   |               |                        |
| Combined Limit per Bodily Injury & Property Damage<br>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





**SINGLE AUDIT SECTION**

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**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, 2016, 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 25, 2016.

**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, and federal and state awarding agencies and pass-through entities, 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 25, 2016



HOLMAN | FRENIA  
ALLISON, P.C.

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## EXHIBIT K-2

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 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 Township School District's compliance with the types of compliance requirements described in the *OMB 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, 2016. Eagleswood Township School District'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 federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Eagleswood Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *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 Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain

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

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

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

In our opinion, Eagleswood Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

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

Management of Eagleswood Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Eagleswood Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major or 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 the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eagleswood Township School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 the Uniform Guidance and New Jersey OMB's Circular 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 25, 2016





EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| FEDERAL GRANTOR<br>PASS-THROUGH GRANTOR<br>PROGRAM TITLE                                 | FEDERAL<br>CFDA<br>NUMBER | FEDERAL AWARD<br>IDENTIFICATION<br>NUMBER | AWARD<br>AMOUNT | GRANT<br>PERIOD | BALANCE<br>AT<br>JUNE 30,<br>2015 | CASH<br>RECEIVED | BUDGETARY<br>EXPENDITURES | ADJUSTMENTS | (ACCOUNTS<br>RECEIVABLE)<br>AT JUNE 30,<br>2016 | DEFERRED<br>REVENUE<br>AT JUNE 30,<br>2016 | DUE TO<br>GRANTOR<br>JUNE 30,<br>2016 |
|--|---------------------------|---|-----------------|-----------------|-----------------------------------|------------------|---------------------------|-------------|---|--|---------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE PASSED-<br/>THROUGH STATE DEPARTMENT OF EDUCATION:</b> |                           |   |                 |                 |                                   |                  |                           |             |   |  |                                       |
| <b>Special Revenue Fund:</b>   |                           |   |                 |                 |                                   |                  |                           |             |   |  |                                       |
| Title I - Part A   | 84.010                    | S010A150030                               | 27,170          | 7/1/15-6/30/16  | -                                 | 17,251           | (27,170)                  | -           | (9,919)   | -  | -                                     |
| Title II - Part A  | 84.281                    | S367A150029                               | 6,123           | 7/1/15-6/30/16  | -                                 | 4,000            | (6,123)                   | -           | (2,123)   | -  | -                                     |
| Subtotal   |                           |   |                 |                 | -                                 | 21,251           | (33,293)                  | -           | (12,042)  | -  | -                                     |
| I.D.E.A. Part B  | 84.027A                   | H027A150100                               | 42,955          | 7/1/15-6/30/16  | -                                 | 34,365           | (42,955)                  | -           | (8,590)   | -  | -                                     |
| I.D.E.A. Part B, Preschool   | 84.027A                   | H173A150114                               | 3,192           | 7/1/15-6/30/16  | -                                 | 2,554            | (3,192)                   | -           | (638)   | -  | -                                     |
| Subtotal   |                           |   |                 |                 | -                                 | 36,919           | (46,147)                  | -           | (9,228)   | -  | -                                     |
| REAP   | 84.358A                   | S358B150030                               | 16,045          | 7/1/15-6/30/16  | -                                 | 9,278            | (16,045)                  | -           | (6,767)   | -  | -                                     |
| Subtotal   |                           |   |                 |                 | -                                 | 9,278            | (16,045)                  | -           | (6,767)   | -  | -                                     |
| Total Special Revenue Fund   |                           |   |                 |                 | -                                 | 67,448           | (95,485)                  | -           | (28,037)  | -  | -                                     |
| Total Federal Financial Assistance   |                           |   |                 |                 | \$ -                              | \$ 67,448        | \$ (95,485)               | \$ -        | \$ (28,037)                                     | \$ -                                       | \$ -                                  |

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| STATE GRANTOR/<br>PROGRAM TITLE   | GRANT OR<br>STATE PROJECT<br>NUMBER | AWARD<br>AMOUNT | GRANT<br>PERIOD | BALANCE<br>JUNE 30,<br>2015 | CASH<br>RECEIVED | BUDGETARY<br>EXPENDITURES | (ACCOUNTS<br>RECEIVABLE)<br>AT JUNE 30,<br>2016 | DEFERRED<br>REVENUE<br>AT JUNE 30,<br>2016 | DUE TO<br>GRANTOR<br>JUNE 30,<br>2016 | MEMO                    |                                     |
|---|-------------------------------------|-----------------|-----------------|-----------------------------|------------------|---------------------------|---|--|---------------------------------------|-------------------------|-------------------------------------|
|   |                                     |                 |                 |                             |                  |                           |   |  |                                       | BUDGETARY<br>RECEIVABLE | CUMULATIVE<br>TOTAL<br>EXPENDITURES |
| State Department of Education (State Aid):                                |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| General Fund:   |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Equalization Aid  | 16-495-034-5120-078                 | \$447,437       | 7/1/15-6/30/16  | \$ -                        | \$ 447,437       | \$ (447,437)              | \$ -  | \$ -                                       | \$ -                                  | \$ 39,175               | \$ 447,437                          |
| Transportation Aid  | 16-495-034-5120-014                 | 59,476          | 7/1/15-6/30/16  | -                           | 59,476           | (59,476)                  | -   | -  | -                                     | 5,207                   | 59,476                              |
| Special Education Aid   | 16-495-034-5120-089                 | 73,426          | 7/1/15-6/30/16  | -                           | 73,426           | (73,426)                  | -   | -  | -                                     | 6,429                   | 73,426                              |
| Security Aid  | 16-495-034-5120-084                 | 18,682          | 7/1/15-6/30/16  | -                           | 18,682           | (18,682)                  | -   | -  | -                                     | 1,636                   | 18,682                              |
| Adjustment Aid  | 16-495-034-5120-085                 | 58,181          | 7/1/15-6/30/16  | -                           | 58,181           | (58,181)                  | -   | -  | -                                     | 5,094                   | 58,181                              |
| Additional Adjustment Aid   | 16-495-034-5120-085                 | 4,540           | 7/1/15-6/30/16  | -                           | 4,540            | (4,540)                   | -   | -  | -                                     | 397                     | 4,540                               |
| PARCC Readiness Aid   | 16-495-034-5120-098                 | 1,220           | 7/1/15-6/30/16  | -                           | 1,220            | (1,220)                   | -   | -  | -                                     | 107                     | 1,220                               |
| Per Pupil Growth Aid  | 16-495-034-5120-097                 | 1,220           | 7/1/15-6/30/16  | -                           | 1,220            | (1,220)                   | -   | -  | -                                     | 107                     | 1,220                               |
| Additional Nonpublic School   |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Transportation Aid  | 15-495-034-5120-014                 | 1,998           | 7/1/14-6/30/15  | (1,998)                     | 1,998            | -                         | -   | -  | -                                     | -                       | -                                   |
| Transportation Aid  | 16-495-034-5120-014                 | 1,580           | 7/1/15-6/30/16  | -                           | -                | (1,580)                   | -   | -  | -                                     | -                       | 1,580                               |
| Extraordinary Aid   | 15-495-034-5120-044                 | 5,141           | 7/1/14-6/30/15  | (5,141)                     | 5,141            | -                         | -   | -  | -                                     | -                       | -                                   |
| Extraordinary Aid   | 16-495-034-5120-044                 | 1,757           | 7/1/15-6/30/16  | -                           | -                | (1,757)                   | -   | -  | -                                     | -                       | 1,757                               |
| On Behalf TPAF Pension  | 16-495-034-5095-001                 | 107,118         | 7/1/15-6/30/16  | -                           | 107,118          | (107,118)                 | -   | -  | -                                     | -                       | 107,118                             |
| Contributions - PRM   |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| On Behalf TPAF Pension  | 16-495-034-5095-006                 | 89,960          | 7/1/15-6/30/16  | -                           | 89,960           | (89,960)                  | -   | -  | -                                     | -                       | 89,960                              |
| Contributions   |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| TPAF Social Security  |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Contributions   | 15-495-034-5095-002                 | 107,118         | 7/1/14-6/30/15  | (4,513)                     | 4,513            | -                         | -   | -  | -                                     | -                       | -                                   |
| TPAF Social Security  |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Contributions   | 16-495-034-5095-002                 | 89,503          | 7/1/15-6/30/16  | -                           | 80,771           | (89,503)                  | (8,732)   | -  | -                                     | -                       | 89,503                              |
| Total General Fund  |                                     |                 |                 | (11,652)                    | 953,683          | (954,100)                 | (12,069)  | -  | -                                     | 58,152                  | 954,100                             |
| Special Revenue Fund:   |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Preschool Education Aid   | 15-495-034-5120-086                 | 33,068          | 7/1/14-6/30/15  | (3,305)                     | 3,305            | -                         | -   | -  | -                                     | -                       | -                                   |
| Preschool Education Aid   | 16-495-034-5120-086                 | 35,430          | 7/1/15-6/30/16  | -                           | 35,430           | (35,430)                  | -   | -  | -                                     | 3,543                   | 35,430                              |
| Total Special Revenue Fund  |                                     |                 |                 | (3,305)                     | 38,735           | (35,430)                  | -   | -  | -                                     | 3,543                   | 35,430                              |
| Debt Service Fund:  |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Debt Service Aid Type II  | 16-495-034-5120-125                 | 53,975          | 7/1/15-6/30/16  | -                           | 53,975           | (53,975)                  | -   | -  | -                                     | -                       | 53,975                              |
| Total Debt Service Fund   |                                     |                 |                 | -                           | 53,975           | (53,975)                  | -   | -  | -                                     | -                       | 53,975                              |
| Total State Financial Assistance  |                                     |                 |                 | \$ (14,957)                 | \$ 1,046,393     | \$ (1,043,505)            | \$ (12,069)                                     | \$ -                                       | \$ -                                  | \$ 61,695               | \$ 1,043,505                        |
| Less: Grants Not Subject to New Jersey OMB Circular 15-08:                |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| On Behalf TPAF Pension  |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Contributions - PRM   | 16-495-034-5095-001                 | 107,118         | 7/1/15-6/30/16  |                             |                  | \$ 107,118                |   |  |                                       |                         |                                     |
| On Behalf TPAF Pension  |                                     |                 |                 |                             |                  |                           |   |  |                                       |                         |                                     |
| Contributions   | 16-495-034-5095-006                 | 89,960          | 7/1/15-6/30/16  |                             |                  | 89,960                    |   |  |                                       |                         |                                     |
| Total State Financial Assistance subject to New Jersey OMB Circular 15-08 |                                     |                 |                 |                             |                  | \$ (846,427)              |   |  |                                       |                         |                                     |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2016**

**Note 1: General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Eagleswood Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from 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: Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Eagleswood Township School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Eagleswood Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

**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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2016**

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

revenue fund also recognizes the one or more state aid June payments 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 (\$4,623) for the general fund and \$238 for the special revenue fund. See Exhibit C-3, notes to required supplementary information 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:

|                                | <b>State</b>           | <b>Federal</b>       | <b>Total</b>           |
|--------------------------------|------------------------|----------------------|------------------------|
| General Fund                   | \$ 958,723             | \$ -                 | \$ 958,723             |
| Special Revenue Fund           | 35,192                 | 95,485               | 130,677                |
| Debt Service Fund              | <u>53,975</u>          | <u>-</u>             | <u>53,975</u>          |
| <br>Total Financial Assistance | <br><u>\$1,047,890</u> | <br><u>\$ 95,485</u> | <br><u>\$1,143,375</u> |

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

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

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. 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, 2016.

**Note 6: Federal and State Loans Outstanding**

The Eagleswood Township School District had no loan balances outstanding at June 30, 2016.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**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?  | None Reported     |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported     |
| Noncompliance material to basic financial Statements noted?                               | None Reported     |

**Federal Awards – NOT APPLICABLE**

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

**Identification of major programs:**

| <b>CFDA Number(s)</b> | <b>FAIN Number(s)</b> | <b>Name of Federal Program or Cluster</b> |
|-----------------------|-----------------------|---|
|                       |                       | NOT APPLICABLE                            |

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section I – Summary of Auditor’s Results**

**State Awards**

|  |                   |
|--|-------------------|
| Dollar threshold used to distinguish between type A and type B programs:   | \$750,000         |
| Auditee qualified as low-risk auditee?   | Yes               |
| Internal Control over major programs:  |                   |
| 1) Material weakness(es) identified?   | None Reported     |
| 2) Significant deficiencies identified that are not considered<br>To be material weaknesses?   | None Reported     |
| Type of auditor’s report issued on compliance for major programs   | <u>Unmodified</u> |
| Any audit findings disclosed that are required to be reported in accordance<br>With 2 CFR 200 Section .516(a) of the Uniform Guidance or<br>NJOMB Circular Letter 15-08 as applicable? | None Reported     |

**Identification of major programs:**

| <b>State Grant/Project Number(s)</b> | <b>Name of State Program</b>        |
|--------------------------------------|-------------------------------------|
| 495-034-5120-078                     | Equalization Aid                    |
| 495-034-5120-084                     | Security Aid                        |
| 495-034-5120-089                     | Special Educational Categorical Aid |
| 495-034-5120-085                     | Adjustment Aid                      |
| 495-034-5120-096                     | Under Adequacy Aid                  |
| 495-034-5120-097                     | Per Pupil Growth Aid                |
| 495-034-5120-098                     | PARCC Readiness                     |

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued)  
For the Fiscal Year Ended June 30, 2016**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

**Section III – Schedule of Federal Award Findings & Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

**Section IV –State Financial Assistance Findings & Questioned Costs**

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

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, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings