

# **Comprehensive Annual Financial Report**

of the

Egg Harbor Township Board of Education

Egg Harbor Township, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Egg Harbor Township Board of Education

Business Administration



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## **Introductory Section**

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# Egg Harbor Township Schools

[www.eht.k12.nj.us](http://www.eht.k12.nj.us)

Administration Offices

13 Swift Drive

Egg Harbor Township, NJ 08234

Mr. Fredrick Nickles  
*Interim Superintendent*  
Dr. Kimberly A. Gruccio  
*Assistant Superintendent*  
Mrs. Donna Haye  
*Interim Assistant Superintendent*  
Dr. Carolyn Gibson  
*Director of Human Resources*

Mrs. Chandra Anaya, CPA  
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November 22, 2016

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

The comprehensive annual financial report of the Township of Egg Harbor School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996 and the US Office of Management and Budget Uniform Guidance, and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Township of Egg Harbor School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Egg Harbor Board of Education and all its schools constitute the District's reporting entity.

For the 2015-2016 school year, the District's schools were organized as follows:

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

E. H. Slaybaugh School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses the District's pre-kindergarten and a portion of kindergarten through first grade classes. The pre-kindergarten classes are for handicapped children and are subsidized through a Federal Grant. The classes are supplemented with general education children that are chosen by a lottery. The elementary school houses a portion of the District's second and third grade classes. The elementary school building was built in 1970 and was renovated in 1989 and 2003. The primary school building was constructed in 2007.

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

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

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

Fernwood Avenue Middle School – The District's remaining sixth, seventh and eighth grade classes are housed in this school. This school also has a large auditorium that is used by the community. This building was constructed in 1992.

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

Eagle Academy – This school is an alternative school for grades 7-12. The school building is just over 100 years old. The District officially received the property from the Township in March of 2015 and continues to undergo renovation.

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

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Occupational and physical therapy services
- Enrichment classes
- Computer instruction
- Art and music instruction
- STEM and media instruction
- Library programs
- Health and physical education
- Guidance and child study team services
- Full time nurses
- Before and after school child care (grades 1-5)

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The District provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational, as well as special education for handicapped children. The District completed the 2015-2016 fiscal year with an enrollment of 7,409 students. The average daily enrollment for 2015-2016 was 7,349 students, which is 140 students below the previous year's average daily enrollment. The following details the changes in the student enrollment in the District over the last ten years.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015/2016	7,349	-1.87%
2014/2015	7,489	-0.25%
2013/2014	7,508	-2.30%
2012/2013	7,685	-0.59%
2011/2012	7,731	-2.44%
2010/2011	7,924	2.71%
2009/2010	7,715	1.07%
2008/2009	7,633	0.71%
2007/2008	7,579	1.17%
2006/2007	7,491	2.80%

2) **ECONOMIC CONDITION AND OUTLOOK:** The severe economic down-turn has continued to have an impact on our school district. The past explosive growth in residential real estate development from 2000 through 2010 has seen a marked decrease and the area's economic engine, the Atlantic City Casino industry, has not been immune to the recession. Recent casino closings have severely impacted the Egg Harbor Township residents with thousands of residents unemployed. The unemployment rate in the district is very high at 8.1% compared to the nation at 5.5%.

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

The district has some exposure to the federal budget, as the Federal Aviation Administration employs about 3,500 people. The Air National Guard and US Coast Guard are also top employers in the district. There is some economic development, including a Walmart which is expected to be completed within the next 18 months adding to the commercial tax base.

Egg Harbor Township continues to be underfunded under the New Jersey state aid funding formula. Because of revenue caps that have been in existence under every funding formula since 2000, our district's state aid has not kept pace with the student population growth. During the 2015-16 school year, our calculated state aid was reduced by \$28,747,329 due to revenue caps and state aid freezes. This on-going state aid gap was financed through higher property taxes during this period. According to the funding formula, Egg Harbor Township's local fair share is for the 2015-16 school year was \$61,942,888 but the actual school property tax levy was \$72,896,000. The Governor's two percent tax levy cap coupled with current real estate market conditions are presenting challenges to maintaining student programs and current staffing levels.

3) **MAJOR INITIATIVES:** During the 2015-2016 school year the Egg Harbor Township School District successfully implemented the three major objectives as follows:

- A. To build capacity of all teachers to increase student engagement and learning through continued expansion and implementation of Science, Technology, Engineering, and Mathematics (STEM) across grades PK-12.

- B. To build capacity of all teachers to align instruction and assessment in preparation for and implementation of the ***Partnership for Assessment of Readiness for College and Careers (PARCC)***.
- C. To build capacity of all teachers to implement literacy strategies across all grade levels to improve student achievement.

In addition to meeting these goals, the district implemented a theme entitled – “Believe and Achieve.” The focus of this theme was to point students, teachers, staff, and administration to a focus on two key elements in our schools – student achievement and our character development program “Believe in You.” By marrying these two powerful concepts we saw improvements in academics due to focused attention on achievement.

The district implemented a variety of program components and emphasized using achievement data in both the formative and summative forms as well as through local, state and federal assessment tools and data.

The district also has continued to enjoy success in its energy conservation program by monitoring and modifying energy consumption. We have engaged in a multi-year program with Cenergistic, a national energy savings consulting firm, which resulted in over \$7 million in energy cost avoidance. We have enhanced that program with a new electricity demand response program through Enernoc, a national firm that works with utility companies to provide opportunities for payments in exchange for being on call to significantly reduce consumption during possible brownouts. Together these tools provide district leadership with valuable information that helps the district and its employees to save and maximize resources so we can continue to keep our focus on students and learning. Those efforts, beyond the direct cost avoidances, have brought grant money and positive recognition to the school district through a variety of media.

The Egg Harbor Township Board of Education and Administration continue to navigate the challenging times in our 21<sup>st</sup> Century as paradigms shift. We believe that working creatively, working efficiently, and working together as a community of learners we can and will continue to be “Proud to Be EHT!”

#### **Curriculum and professional development activities:**

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

Grade levels and/or departments were partnered. Teams utilized Professional Learning Community (PLC) time to collaborate to focus on student learning, data analysis, and discuss strategies for improved learning. The District continues to use a modified version (as agreed upon through collaboration with the District Evaluation Advisory Committee) of the ***Charlotte Danielson Framework for Teaching and Learning***. Partnerships have been developed with Atlantic Cape Community College, Richard Stockton College and Rowan University for teacher preparation. Additional partnerships include Southern Regional Institute & Educational Technology Training Center (SRI & ETTC) and online and on-site professional development course offerings from New Jersey Education Association.

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

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

A district objective to emphasize literacy across the curriculum has prompted us to partner with the American Reading Company to provide job embedded professional development in English Language Arts. Professional development models include fishbowls, whole group, and individual training.

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

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

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

5. The Egg Harbor School Township School District has increased contractual time for teachers to work in Professional Learning Communities by thirty minutes per week throughout all schools. Through this the District is able to support the development of productive team structures for teachers and administration to analyze data results to drive instruction.

6. The District plan is communicated to staff through school-based staff meetings and then posted on the District's common network server; which is accessible to all staff members. Furthermore, the plan is communicated to the community via [www.eht.k12.nj.us](http://www.eht.k12.nj.us). As part of a purposeful plan to increase and improve communication with the community, the District has created Egg Harbor Township Schools Facebook and Twitter accounts.

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

8. Two (2) in-service days in September, and one (1) in-service day in October and February, respectively, were provided aimed to address the district goal to build a culture that explores, embraces, measures and adapts to support individual student learning and achievement through STEM, PLC and literacy objectives..

### **Information Technology Services**

During the 2015-2016 school year, the Information Technology Services Department dedicated itself in the following areas:

#### **HARDWARE:**

- A district wide inventory of hardware with the focus of maintaining the minimum 5/1 student computer ratios across the district was performed. Over 4,000 Help Desk calls were received resulting in approximately 1000 documented repair tickets.
- Completed WAN Tower structural upgrades to meet new wind load requirements.
- Began the upgrading of wireless access points with newer generation equipment to handle more devices as well as increase wireless speeds.
- Continued replacement plan of District Data Network equipment such as switching devices and servers.
- Began investigating Chromebooks for use with staff and students with anticipated launch of devices for the 2016-2017 school year.
- Upgraded District Internet Bandwidth from 200 MB to 1GB

#### **CONSTRUCTION:**

- No construction projects occurred that required Information Technology assistance during the 2015-2016 school year.

## **TRAINING:**

- The district regularly conducts building level and district level technology training and coordination with the assistance of the Director of Human Resources and the cooperation from the Southern Regional Institute & Educational Technology Training Center (ETTC). Our district hosts and facilitates any requests from the ETTC in order to have our faculty and staff be able to participate in technology training within our own district facilities. During the 2015-2016 school year, we fully utilized the hours attributed to our district.

## **EHT TV2:**

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming during the 2015-2016 school year. These productions range from various High School sports and performing arts productions, informative sessions such as the "Superintendent's Round Table", and Township productions such as the "Mayor's Forum" and the filming of town hall meetings.
- The department utilizes the Telvue Video Message Board System and digital video servers for video programming. This also includes PEGTV video archives for distribution on the internet, live internet distribution of the EHTTV2 video channels and other emergency management features through the new interface. During the 2015-2016 school year, EHT TV2 responded quickly to emergency snow closures, township notifications and information, as well as school events and programming.

## **SOFTWARE/ASSESSMENTS/PARCC:**

- Launched Google Apps for Education (recently renamed to "G Suite". This involved developing a syncing method of Staff and Student network accounts as well as configuring G Suite with the tools and policies that will be utilized in the network.
- Completed the migration of the network and email systems from Novell to Microsoft Networks. This migration resulted in cost savings from licensing consolidation.
- Successfully conducted the PARCC test District wide through the use of the District computer labs, network servers, and internet service. Pilot testing was also done with wireless devices in the High School and Miller School.

## **SECURITY:**

- Focus in security projects has dealt with the maintenance and replacement of aging cameras and DVRs.
- Participation in crisis teams and continued evaluation of emergency procedures.

## **NJSMART (NJ Standards Measurement and Resource for Teaching)**

- Successfully completed, with little to no errors, all NJ Smart Reporting requirements such as Fall Submissions, Staff Submission, Evaluations, Course Roster, etc.

## **STUDENT INFORMATION SYSTEM:**

- Standard support and upgrades of Infinite Campus were conducted throughout the 2015-2016 school year. This current year, the backend SQL database system was updated to the most current version of SQL.

## **Individuals with Disabilities Education Act (IDEIA)**

**FY 2016**

**2015-2016**

### **Grant Implementation**

The FY 2016 IDEIA grant no longer required that the district allocate 15% of the grant to Coordinated Early Intervention Services (CEIS) due to an over-representation of minorities in the special education population. Despite not being mandated to allocate funds to CEIS, The District allocated 15% of the grant funds toward CEIS purchases in the amount of \$284,512 to support initiatives begun the previous school year. The District purchased 600 licenses of Think Through Math for use with students in grades 6-8 who scored partially proficient on the PARCC and the District allocated funds to purchase online course licenses for students in the Bridge Alternative Education program in the High School. The District also paid for professional development instructional materials for middle and high school alternative school teaching staff, literacy coaches and Basic Skills instructors in the area of reading instruction.

FY 2016 IDEIA funds again paid for approximately \$683,500 in out of district tuition placements for EHT disabled students from pre-school through grade 12. Such placements included Atlantic County Special Services School District, Cape May County Special Services, Gloucester County Special Services, Yale Academy, and Coastal Academy, among other private placements. As in the past, IDEIA funds also provided for an Out of District case manager for part of the school year, independent contractors to provide physical and occupational therapy services, independent contractors to provide assessment services and case management services for vacant CST staff positions until they were filled with permanent staff members, translation services, independent evaluations, home instruction services, substitute teachers to enable teachers to attend IEP meetings, substitute sign language interpreter services and two CST secretaries. Funds also were used to purchase special instructional materials for the lower functioning students who require unique books, curriculum, etc. as well as special equipment for disabled students.

In addition, IDEIA funds also were used to purchase testing supplies for the district's Child Study Teams and evaluation and instructional materials for the preschool disabled students. Funds also were used to pay for substitutes for teachers to attend annual review meetings as well as to provide for CST services throughout the summer for students referred late in the previous school year. Approximately \$257,500 was used to fund the Extended School Year program for those students who exhibit significant regression and require a long time to recoup the information and for summer CST services.

IDEA funds also were used to pay for professional development in the area of literacy and reading instruction for middle and high school special education staff and for Crisis Prevention training (CPI) of all new special education staff.

**ESEA-NCLB**  
**FY 2016**  
**July 1, 2015-June 30, 2016**  
**Title I, II-A, III**  
**Grant Implementation**

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

**Below are some exciting programs funded by ESEA-NCLB funds approved by the Board of Education:**

1. A Title 1 after school program during the 2015-2016 school year for 139 Miller School Title I students to enhance reading and math academic achievement. This program ran for 2 hours per week from November 2015 through April 2016. Transportation services home from the after-school program were also supplied for these Title I students.
2. Title I parent coordinators were hired at Davenport Primary/Elementary School (2) and Miller Elementary School (2) to educate Title I parents regarding the reading and math curricula and pacing guides in each grade level. They also instructed parents in PARCC, helping children with homework and how to meaningfully participate in parent-teacher conferences. Mandated Title I Needs Assessment, Parent-Student-Teacher compact, Parent's Right to Know and District/Building Board Policies on Parental Involvement were also discussed and received parental input. Over 500+ parents and children attended these trainings during 2015-2016.
3. The EHT ESEA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESEA/NCLB. PARCC results and Understanding PARCC results as well as the addition of Google translate for parents who are non-English speakers were added and other academic websites were updated to increase parent participation and knowledge of ESEA/NCLB as well as various resources. PARCC websites were added to increase parental awareness of the standards and test skills needed by their children. During 2015-2016, the ESEA-NCLB district website received over 5,200 hits!

Program objectives were consistent with Egg Harbor Township district goals established by the Board of Education and the new QSAC regulations. Consistent with New Jersey's nonpublic school regulations, the educational needs of the non-public schools, i.e. Atlantic Christian, Islamic Academy and English Creek Academy, were met via multiple consultations with the non-public officials.

**English Language Learners:** Egg Harbor Township completed and received approval for its 2014-2017 Three Year Program Plan. During 2015-2016, 172 ELL students district-wide received ELL services consistent with Title III. We have completed the development of a four year "cycle" for coursework with ELL high school students. This is designed to help ELL students meet required state test standards as well as the revised WIDA standards which are assessed by the ACCESS testing, additional state testing for ELL students.

**Focus School Status for Fernwood Avenue Middle School and EHT High School**

Based on state test data for three years (Spring 2009, 2010 and 2011), EHT High School and Fernwood Avenue Middle School continued to be designated as Focus Schools during 2015-2016. They received this designation as a result of having large achievement gaps within subgroups. They continued to receive ongoing visits from RAC Team 7 during 2015-2016.



**Title I programs were implemented** in the Targeted Assistance Title I Schools, i.e. Davenport and Miller Elementary Schools. Multiple assessment measures were used to determine eligibility. Examples of assessments used for eligibility and/or progress measurement were: American Reading Company EIRLA, trimester benchmark tests in ELA and Math and teacher recommendations. Title I funds contributed over \$400,000 toward split funded Davenport Title 1 teacher salaries and \$300,00 toward split funded Title 1 teachers at Miller. The programs were as follows:

Davenport (K-3) and Miller Schools (4-5)

Eligible students were serviced in an in-class support or pull-out structure from 2 to 5 times per week for 30 to 40 minute sessions. Title I teachers reinforced the reading and math skills introduced by way of the newly revised pacing guides in ELA and Math. The revised pacing guides are aligned with the CCCS and teaching the necessary skills prior to state testing dates. This was the second year of the PARCC assessment. Although Spring 2016 PARCC was a baseline assessment, Title I teachers assisted students in the reading and math skills needed to take the assessment. A Phonics First Morning Program for Title I students was conducted with a total of 26 second and third grade Title I students attending. An after-school program was provided for 139 Miller Title I students.

Title I parents were provided with workshops by parent coordinators (Davenport and Miller), to inform them of the Title I regulations, how to monitor their child's performance, and how to work with their child to improve achievement. At both schools, parents were also instructed in how to use the EHT ESEA/NCLB website for educational opportunities for their children.

**Title IIA** funds were utilized to fully fund one Class Size Reduction teacher. They were also used to pay for the following stipend positions: Grades K-5 ELA and Math Trimester Test Data Analysis professionals and Grades 6-8 and grade 11 ELA and Math Quarterly Test Data Analysis Professionals.

Test data analysts were hired through Title IIA funds. The purpose of these teacher data analysts was to identify student strengths and weaknesses on benchmark assessments to improve student test scores. Additional hours were given to Fernwood and the High School as they are identified RAC schools for 2015-2016.

**Title III** funds were utilized to pay for two split funded ELL teachers as well as for instructional supplies.

**Non-Public School NCLB Activities**

Title IIA funds were utilized to pay for professional development activities for Atlantic Christian School and for professional development supplies for Islamic Academy.

## STUDENT TESTING

### SCHOLASTIC APTITUDE TEST (SAT) Mean Scores – Class of 2016

Year	Test Takers	Reading	Math	Writing	Composite
2005-2006	275	478	493	n/a	971
2006-2007	314	477	486	n/a	963
2007-2008	295	481	503	486	1470
2008-2009	328	477	498	470	1445
2009-2010	338	493	507	484	1484
2010-2011	403	477	497	475	1449
2011-2012	393	488	507	479	1474
2012-2013	413	490	504	485	1479
2013-2014	409	482	504	473	1459
2014-2015	417	492	508	478	1478
2015-2016	396	497	508	485	1490

### 2015-2016 SCHOLASTIC APTITUDE TEST (SAT) EHTHS COMPARISONS WITH NJ AND NATIONAL SCORES

	Test-Takers	WRITING	MATH	READING
EHTHS	396	485	508	497
NEW JERSEY	84,954	492	514	495
NATIONAL	1,637,589	482	508	494

### 2016 GRADUATES CONTINUING EDUCATION

Year	Four-Year School	Two-Year School	Voc/Tech School	Military	Work
2006	43%	41%	5%		
2007	40%	43%	5%		
2008	41%	45%	5%	2%	7%
2009	43%	42%	4%	4%	7%
2010	42%	42%	4%	4%	7%
2011	44%	42%	5%	4%	5%
2012	43%	42%	5%	4%	6%
2013	44%	43%	5%	4%	6%
2014	49%	34%	5%	7%	5%
2015	53%	32%	4%	6%	5%
2016	52%	34%	5%	3%	6%

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.
- 7) **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues included \$78,770,000 in refunding bonds and \$4,200,000 in general obligation bonds. The proceeds of these bond issues were to provide funds for capital improvement to the District's buildings. These improvements include repairs and renovations to the High School, Davenport, Slaybaugh and Swift elementary schools, additions to the High School and Swift elementary school, the construction of two new elementary schools as well as another addition to the High School, boiler and chiller replacements, window replacements, roof replacements, solar panel installation, upgrades to the high school athletic complex, and the construction of a fueling canopy.
- 8) **OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC, CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

- 9) **ACKNOWLEDGMENTS**: We would like to express our appreciation to the members of the Egg Harbor Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

*Fredrick Nickles*

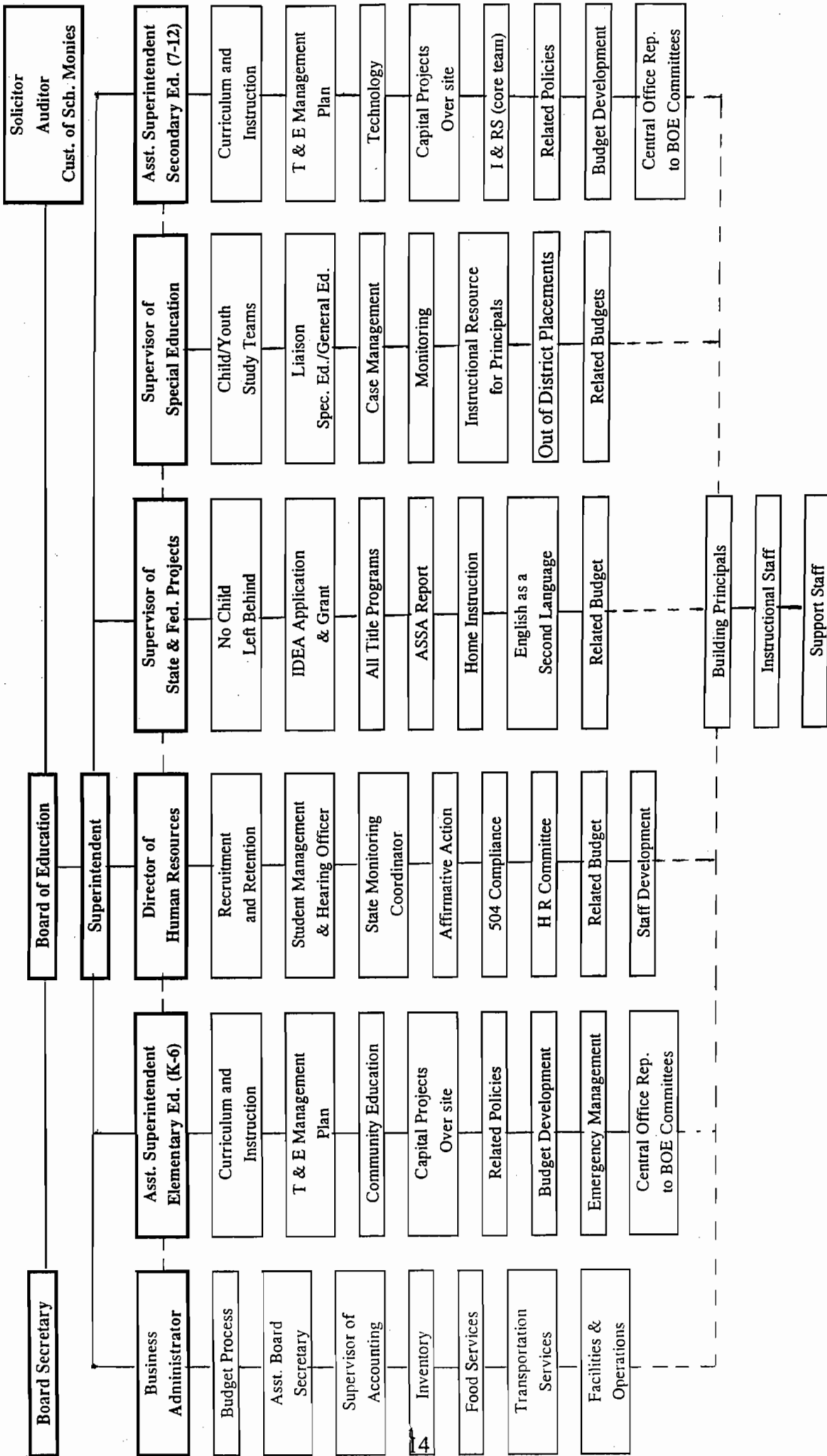
Fredrick Nickles  
Interim Superintendent

*Chandra D. Anaya*

Chandra D. Anaya, CPA  
School Business Administrator/  
Board Secretary

Board Policy 1110 Organizational Chart

EGG HARBOR TOWNSHIP PUBLIC SCHOOLS



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

**EGG HARBOR TOWNSHIP BOARD OF EDUCATION**

**EGG HARBOR TOWNSHIP, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2016

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
James W. Galvin, President	2016
Barbara Szilagyi, Vice-President	2017
Pete Castellano	2018
Louis Della Barca	2016
Ray R. Ellis, Jr.	2016
John "Jack" Haines	2018
Christopher J. Moran	2017
Justin A. Riggs	2017
Amber Umphlett	2018

**Other Officials**

Scott McCartney, Ed. D., Superintendent, through June 30, 2016

Fredrick P. Nickles, Interim Superintendent, effective July 1, 2016

Chandra D. Anaya, CPA, Board Secretary/Business Administrator

William Donio, Esq., Solicitor

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

**Architect**

The Spiezle Group  
120 Sanhican Drive  
Trenton, NJ 08618

**Audit Firm**

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

**Attorney**

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

**Engineer**

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

**Bond Counsel**

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

**Official Depository**

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

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## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of and for the fiscal year ended June 30, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Egg Harbor Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor Township School District's internal control over financial reporting and compliance.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*  
Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

November 22, 2016

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**Required Supplementary Information**  
**Part I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Egg Harbor Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- In the District's Governmental Activities, the net position of the District decreased \$10,439,021. This decrease is the result of the District realizing expenditures such as depreciation as well as the District's proportionate share of PERS and TPAF, as required by GASB 68. The State of New Jersey continued to defer both June state aid payments until July 2015.
- The State of New Jersey reimbursed the District \$3,810,122 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$8,608,118 on behalf of the District for TPAF Pension and Post-Employment Benefits Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unassigned fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in next year's budget as budgeted fund balance. As of June 30, 2016 the District had excess surplus of \$13,947,884, or approximately 11.3% of the district's general fund budget, of which \$7,634,706 was applied to the 2016-17 budget.
- During the fiscal year ended June 30, 2016, the District's General Fund revenue realized was \$416,215 less than total expenditures. The District realized more expenditures due to an increase in tuition to other Districts and health care costs. During the prior fiscal year, revenue realized was \$1,693,709 greater than total expenditures.
- In the District's business-type activities, net position increased \$5,904 during fiscal year 2016 as compared to a net decrease of \$39,802 in fiscal year 2015. Due to declining economic conditions in the region, more students were eligible for free or reduced price meals which resulted in an increase in federal and state reimbursements. In addition, to keep costs down, the food service program continued to enter into consortiums for the purchase of food and supplies. During the 2016 and 2015 fiscal years, the General Fund did not transfer funds to the Food Service Fund to cover operating deficits. The Enterprise Fund also includes the Kids Klub latchkey program which operated at a loss of \$34,679 for the fiscal year ended June 30, 2016.

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## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

## Government-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

The District has three kinds of funds:

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

from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** During the 2015-2016 school year, net position for governmental activities decreased by \$10,439,021. This net decrease is due to the overall increase in expenditures such as depreciation, health care costs, tuition, as well as the realization of the District's proportionate share of pension expense as required by GASB 68. The expenditures of the District remained stable between the 2016 and 2015 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2016 fiscal year with \$6,313,178 in excess fund balance available to apply to the 2018 fiscal year budget.

The business-type activities net position decreased due to an excess of expenditures over revenue primarily in the Latchkey Program. Although program revenue increased by \$8,742, this increase was offset with a decrease in federal and state funding for the school nutrition program in the amount of \$17,730. Expenditures decreased by \$43,817 primarily due to decreased cost of food and milk supplies.

	Governmental Activities	Business- Type Activities	Total 2016	Governmental Activities	Business- Type Activities	Total 2015
Current and other assets	\$18,922,356	1,350,854	20,273,210	\$19,190,603	1,346,547	20,537,150
Capital assets	184,234,348	193,910	184,428,258	193,797,790	169,101	193,966,891
Total assets	203,156,704	1,515,648	204,701,468	212,988,393	1,515,648	214,504,041
Deferred outflows of resources	10,267,387		10,267,387	5,435,538		5,435,538
Long-term liabilities	132,124,918	55,653	132,180,571	126,081,541	50,362	126,131,903
Other liabilities	3,106,528	69,812	3,176,340	2,231,493	51,891	2,283,384
Total liabilities	135,231,446	125,465	135,356,911	128,313,034	102,253	128,415,287
Deferred inflows of resources	2,000,428		2,000,428	3,479,659		3,479,659
Net position						
Invested in capital assets	98,617,866	193,910	98,811,776	104,910,948	169,101	105,080,049
Restricted	342,304		342,304	1,337,411		1,337,411
Unrestricted	(23,503,022)	1,225,389	(22,277,633)	(19,965,011)	1,244,294	(18,720,717)
Total net position	\$76,192,217	1,419,299	77,611,516	\$86,631,238	1,413,395	88,044,633

**Changes in net position.** The total governmental activities revenue of the District increased by \$9,685,107 when compared to the prior fiscal year. During the 2016 fiscal year, the District realized an increase in taxes levied on the property owners of the Township, as well as additional state aid revenue related to the implementation of GASB 68. The local tax levy is 50.09% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 26% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

**Governmental Activities**

	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$78,737,186	50.09%	\$76,726,909	52.02%
Federal and State aid				
Unrestricted	40,948,861	26.05%	40,923,098	27.75%
Restricted	3,262,441	2.08%	3,259,532	2.21%
Tuition	717,238	0.46%	786,941	0.53%
Operating grants and				
Contributions	32,480,274	20.66%	25,360,104	17.19%
Other	1,034,643	0.66%	438,952	0.30%
<b>Totals</b>	<b>\$157,180,643</b>	<b>100.00%</b>	<b>\$147,495,536</b>	<b>100.00%</b>

The following schedule summarizes the governmental and business-type activities of the District during the 2016 and 2015 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2016 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2015 Total</u>
<b>Revenues</b>						
Program revenue						
Charges for svcs	\$717,238	1,546,213	2,263,451	\$786,941	1,537,471	2,324,412
Federal grants	3,763,699	1,972,260	5,735,959	3,492,013	1,989,047	5,481,060
State grants and						
Entitlements	69,665,436	33,927	69,699,363	62,775,438	34,870	62,810,308
General revenues						
Property taxes	78,737,186		78,737,186	76,726,909		76,726,909
State aid						
Entitlements	3,262,441		3,262,441	3,259,532		3,259,532
Other	1,034,643	1,753	1,036,396	454,703	1,912	456,615
<b>Total revenues</b>	<b>\$157,180,643</b>	<b>3,554,153</b>	<b>160,734,796</b>	<b>\$147,495,536</b>	<b>3,563,300</b>	<b>151,058,836</b>

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	Governmental Activities	Business- Type Activities	2016 Total	Governmental Activities	Business- Type Activities	2015 Total
<b>Expenses</b>						
Instruction:						
Regular	\$62,992,932		62,992,932	\$54,824,412		54,824,412
Special Education	15,301,873		15,301,873	12,629,713		12,629,713
Other special instr.	3,597,262		3,597,262	3,499,661		3,499,661
Other Instruction	2,199,347		2,199,347	1,892,096		1,892,096
Nonpublic school programs	141,130		141,130	174,675		174,675
Support services:						
Tuition	8,518,177		8,518,177	7,960,177		7,960,177
Student & instr related services	26,161,293		26,161,293	22,037,455		22,037,455
School admin srvs	7,747,451		7,747,451	6,570,957		6,570,957
General & business admin services	5,308,159		5,308,159	4,581,496		4,581,496
Plant operations & maintenance	16,965,477		16,965,477	14,758,183		14,758,183
Pupil transport	12,675,554		12,675,554	11,138,585		11,138,585
Interest on Long Term Debt	4,359,240		4,359,240	4,565,316		4,565,316
Business-type Activities		3,557,983	3,557,983		3,601,800	3,601,800
<b>Total expenses</b>	<b>165,967,895</b>	<b>3,557,983</b>	<b>169,525,878</b>	<b>144,632,726</b>	<b>3,601,800</b>	<b>148,234,526</b>
Excess/(Deficit)						
Before special Items	(8,787,252)	(3,830)	(8,791,082)	2,862,810	(38,500)	2,824,310
Special items	(1,651,769)	9,734	(1,642,035)	(3,381)	(1,302)	(4,683)
<b>Increase/(Decrease) in net position</b>	<b>(\$10,439,021)</b>	<b>5,904</b>	<b>(10,433,082)</b>	<b>\$2,859,429</b>	<b>(39,802)</b>	<b>2,819,627</b>

### Business-type Activities

Operating revenues of the District's business-type activities decreased \$9,147 from the previous year while expenses decreased by \$43,814. Factors contributing to these results included:

- Slight decrease in student participation in the school lunch programs.
- The cost of food products and related shipping costs decrease as a result of the District participating in various consortiums which are able to obtain lower costs. The lunch prices are within New Jersey limits.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2016, the governmental funds reported a combined fund balance of \$17,096,491, which is \$1,411,322 lower than the beginning of the year. This decrease is due to higher tuition, health benefit costs, and current year capital expenditures.

The business-type enterprise fund reported a combined net position of \$1,419,299 as of June 30, 2016. This is \$5,904 higher than the prior fiscal year. Although the district saw significant savings in the cost of food and other supplies the revenue realized through operating these programs was not sufficient to offset those savings.

## General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$1,735,108. This is a result of additional extraordinary aid as well as realizing additional miscellaneous revenue. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by \$7,771,576. The most significant variances occurred as a result of the continued decreases in tuition costs to special services school districts, savings in energy costs, decreases in transportation costs, and decreases in employee health benefits.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2016, the District had invested \$184,428,258, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$9,339,532, or 4.82%, over last year. The decrease is due largely to current year depreciation expense.

	<b><u>Govern- Mental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>2016 Total</u></b>	<b><u>Govern- Mental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>2015 Total</u></b>
Land	\$1,837,900		1,837,900	1,847,000		1,847,000
Const in Progress	340,115		340,115	4,301,295		4,301,295
Buildings & Bldg improv	170,578,519		170,578,519	183,545,247		183,545,247
Machinery & equipment	7,179,199	193,910	7,373,109	373,249	169,101	542,350
Vehicles	4,298,615		4,298,615	3,730,999		3,730,999
<b>Total</b>	<b>\$184,234,348</b>	<b>193,910</b>	<b>184,428,258</b>	<b>193,797,790</b>	<b>169,101</b>	<b>193,966,891</b>

During the 2016 fiscal year the district continued to upgrade facilities and equipment for use throughout the district. These upgrades included renovations and upgrades at various schools, as well as the District as a whole. More detailed information about the District's capital assets is presented in the notes to the financial statements.



## Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$82,970,000 and obligations under capital leases of \$2,646,482.

	Balance 6/30/15	Issued	Retired/ Adjusted	Balance 6/30/16
<b>Governmental Activities:</b>				
Bonds payable	\$88,060,000	33,685,000	38,775,000	82,970,000
Obligations under Capital leases	826,842	2,676,358	856,718	2,646,482
Compensated absences Payable	3,053,362	1,533,948	1,602,001	2,985,309
Prem on Refunding Bonds	-	2,080,714	6,643	2,074,071
Net Pension Liability	34,141,337	7,307,719		41,449,056
Total Governmental Activities	<u>126,081,541</u>	<u>47,283,739</u>	<u>41,240,362</u>	<u>132,124,918</u>
<b>Business-Type Activities</b>				
Compensated absences Payable	50,362	15,974	10,683	55,653
Total Business-Type Activities	<u>50,362</u>	<u>15,974</u>	<u>10,683</u>	<u>55,653</u>
Total	<u>\$126,131,903</u>	<u>47,299,713</u>	<u>41,251,045</u>	<u>132,180,571</u>

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

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The student population in the District has increased by over 1,100 students over the past 12 years, reflecting an 18% enrollment growth, second highest in the state. This enrollment growth has resulted in a significant strain on the school district and the local taxpayers and despite slight decreases in student enrollments during the past three years, the District continues to provide a thorough and efficient education with significant under-funding of state support. Under the school funding formula, the District's categorical state aid for 2015-16 was \$40,025,978, reflecting a zero increase from the 2014-15.

The district's 2016-17 tax levy was not required to be approved by the voters due to the district moving the annual election to November, in accordance with State statute. The statute provides districts the option to move their school elections to the general election in November, and tax levies within the 2% statutory cap in increases did not require voter approval. The 2016-17 tax levy is \$74,445,720, which is at the statutory maximum tax levy increase of 2% over the 2015-16 tax levy plus an allowable tax levy adjustment for increases in health benefits. The District's state aid of \$40,684,851 increased due to a new additional aid allotted in various categories, as well as a new category for Professional Learning Community.

In addition, the district's share of state aid continues to be reduced because of revenue growth caps. The 2016-17 state aid calculated and uncapped should be \$66,510,554, but the actual aid received was \$40,384,851. Under the school funding formula, the required local share to be raised by taxes for 2015-16 was \$58,985,021. The actual tax levy was \$74,445,720, which reflects an additional tax burden of \$15,460,699 resulting from many years of flat funding and state aid caps, coupled with the mandated growth as a Pinelands High Density Growth area. The housing market and economy has slowed down the rate of student growth, but many developments have been approved and can be built out as the economy recovers.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,776,850	1,198,774	15,975,624
Other Assets - SREC	428,770		428,770
Receivables, net	1,156,928		1,156,928
Internal balances	44,476	(44,476)	-
Due from other governments	2,515,332	123,072	2,638,404
Inventory		73,484	73,484
Capital assets not being depreciated			
Construction in progress	340,115		340,115
Land	1,837,900		1,837,900
Capital assets, net	182,056,333	193,910	182,250,243
Total Assets	<u>203,156,704</u>	<u>1,544,764</u>	<u>204,701,468</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on bond issue refunding	3,662,574		3,662,574
Deferred outflows related to pensions	6,604,813		6,604,813
Total Deferred Outflows of Resources	<u>10,267,387</u>	<u>-</u>	<u>10,267,387</u>
<b>LIABILITIES</b>			
Accounts payable	1,433,038	16,595	1,449,633
Other liabilities	1,583,161		1,583,161
Due to Trust & Agency	5,005		5,005
Payable to state government	31,753		31,753
Unearned revenue	53,571	53,217	106,788
Noncurrent liabilities:			
Due within one year	6,046,346		6,046,346
Due beyond one year	84,629,516	55,653	84,685,169
Net Pension Liability	41,449,056		41,449,056
Total liabilities	<u>135,231,446</u>	<u>125,465</u>	<u>135,356,911</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Gain on bond issue refunding	1,334,007		1,334,007
Deferred inflows related to pensions	666,421		666,421
Total Deferred Inflows of Resources	<u>2,000,428</u>	<u>-</u>	<u>2,000,428</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	98,617,866	193,910	98,811,776
Restricted for:			
Debt service	40,552		40,552
Capital projects	301,752		301,752
Unrestricted	(23,503,022)	1,225,389	(22,277,633)
Total net position	<u>\$ 76,192,217</u>	<u>1,419,299</u>	<u>77,611,516</u>

The accompanying notes are an integral part of these financial statements

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 48,320,608	14,672,324	717,238	13,434,088	(48,841,606)		(48,841,606)
Special education	11,581,859	3,720,014		2,730,867	(12,571,006)		(12,571,006)
Other special instruction	2,688,292	908,970		667,276	(2,929,986)		(2,929,986)
Other instruction	1,774,226	425,121		312,082	(1,887,265)		(1,887,265)
Nonpublic school programs	141,130				(141,130)		(141,130)
Support services:							
Tuition	6,130,009	2,388,168		1,753,157	(6,765,020)		(6,765,020)
Student & instruction related services	19,927,056	6,234,237		5,600,895	(20,560,398)		(20,560,398)
School administrative services	5,542,949	2,204,502		1,618,327	(6,129,124)		(6,129,124)
General and business administrative services	3,984,735	1,323,424		971,527	(4,336,632)		(4,336,632)
Plant operations and maintenance	12,789,508	4,175,969		3,065,583	(13,899,894)		(13,899,894)
Pupil transportation	9,506,410	3,169,144		2,326,472	(10,349,082)		(10,349,082)
Unallocated benefits	39,221,873	(39,221,873)			(4,359,240)		(4,359,240)
Interest on long-term debt	4,359,240						
Total governmental activities	165,967,895	-	717,238	32,480,274	(132,770,383)	-	(132,770,383)
Business-type activities:							
Food Service	3,207,090		1,230,505	2,006,187		29,602	29,602
Child Care	350,893		315,708	-		(35,185)	(35,185)
Total business-type activities	3,557,983		1,546,213	2,006,187		(5,583)	(5,583)
Total primary government	\$ 169,525,878		2,263,451	34,486,461		(5,583)	(132,775,966)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					72,986,000		72,986,000
Taxes levied for debt service					5,751,186		5,751,186
Federal and State aid not restricted					40,948,861		40,948,861
Federal and State aid restricted					3,262,441		3,262,441
Investment Earnings					55,169	1,753	56,922
Miscellaneous Income					979,474		979,474
Other financing sources/(uses):							
Gain/(Loss) on disposal of capital assets					(1,447,170)	9,734	(1,437,436)
Bond Issue Costs					(204,599)		(204,599)
Cancellation of prior year liability							
Total general revenues and special items					122,331,362	11,487	122,342,849
Change in Net Position					(10,439,021)	5,904	(10,433,117)
Net Position—beginning (restated)					86,631,238	1,413,395	88,044,633
Net Position—ending	\$				76,192,217	1,419,299	77,611,516

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 14,435,086	-	301,212	40,552	14,776,850
Other Assets - SRECS	215,000				215,000
Receivables, net	24,351	1,132,577			1,156,928
Due from other funds	861,391		540		861,931
Receivables from other governments	2,513,657	1,675	-		2,515,332
Total assets	<u>18,049,485</u>	<u>1,134,252</u>	<u>301,752</u>	<u>40,552</u>	<u>19,526,041</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	1,183,254	249,784	-		1,433,038
Due to other governments		31,753			31,753
Due to other funds	6,670	815,790	-		822,460
Other liabilities	88,728				88,728
Unearned revenue	16,646	36,925		-	53,571
Total liabilities	<u>1,295,298</u>	<u>1,134,252</u>	<u>-</u>	<u>-</u>	<u>2,429,550</u>
Fund Balances:					
Restricted for:					
Excess Surplus	6,313,178				6,313,178
Excess Surplus - Designated for Subsequent Year's Expenditures	7,634,706				7,634,706
Capital Reserve Fund	2,071,234				2,071,234
Capital Projects			206,281		206,281
Debt service fund				40,552	40,552
Committed for:					
Encumbrances			95,471		95,471
Assigned to:					
Encumbrances	735,069				735,069
Unassigned, reported in:					
General fund	-				-
Total Fund balances	<u>16,754,187</u>	<u>-</u>	<u>301,752</u>	<u>40,552</u>	<u>17,096,491</u>
Total liabilities and fund balances	<u>\$ 18,049,485</u>	<u>1,134,252</u>	<u>301,752</u>	<u>40,552</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	184,234,348
SREC balances not liquidated by September 30 of the subsequent year are not recorded as assets on the fund statements	213,770
Deferred inflow of resources Gain on 10/1/04 refunding bond issue	(1,334,007)
Deferred outflows of resources Loss on 1/6/16 refunding bond issue Loss on 6/1/16 refunding bond issue Loss on 12/1/12 refunding bond issue	2,014,388 1,544,037 104,149
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(35,510,664)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Bond payable Premium on Refunding Bonds Capital leases Accrued interest payable Compensated absences	(82,970,000) (2,074,071) (2,646,482) (1,494,433) (2,985,309)
Net position of governmental activities	<u>\$ 76,192,217</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local tax levy	\$ 72,986,000			5,751,186	78,737,186
Tuition Charges	717,238				717,238
Interest	55,169				55,169
Miscellaneous	765,704			-	765,704
Local sources		2,169			2,169
State sources	53,139,875	148,812		3,262,441	56,551,128
Federal sources	227,226	3,536,473			3,763,699
Total revenues	<u>127,891,212</u>	<u>3,687,454</u>	<u>-</u>	<u>9,013,627</u>	<u>140,592,293</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	34,495,985	2,493,184			36,989,169
Special education instruction	8,516,160				8,516,160
Other special instruction	1,939,201				1,939,201
Other instruction	1,423,881				1,423,881
Nonpublic school programs		141,130			141,130
Support services and undistributed costs:					
Tuition	4,161,898				4,161,898
Student & instruction related services	13,765,028	1,024,335			14,789,363
School administrative services	3,726,199				3,726,199
Other administrative services	2,894,089				2,894,089
Plant operations and maintenance	9,348,054				9,348,054
Pupil transportation	6,894,685				6,894,685
Unallocated Benefits	39,221,873				39,221,873
Debt service:					
Principal				5,030,000	5,030,000
Interest and other charges				3,956,659	3,956,659
Capital outlay	4,596,732	28,805	1,022,075		5,647,612
Total expenditures	<u>130,983,785</u>	<u>3,687,454</u>	<u>1,022,075</u>	<u>8,986,659</u>	<u>144,679,973</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,092,573)</u>	<u>-</u>	<u>(1,022,075)</u>	<u>26,968</u>	<u>(4,087,680)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)	2,676,358				2,676,358
Decrease in capital reserve	(1,433,766)				(1,433,766)
Withdrawal from Capital Reserve	1,433,766				1,433,766
Cancellation of prior year receivable					-
Total other financing sources and uses	<u>2,676,358</u>		<u>-</u>	<u>-</u>	<u>2,676,358</u>
Net change in fund balances	(416,215)	-	(1,022,075)	26,968	(1,411,322)
Fund balance—July 1	17,170,402	-	1,323,827	13,584	18,507,813
Fund balance—June 30	<u>\$ 16,754,187</u>	<u>-</u>	<u>301,752</u>	<u>40,552</u>	<u>17,096,491</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2016**

**Total net change in fund balances - governmental funds (from B-2)** \$ (1,411,322)

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(13,124,187)	
	Loss on disposition of capital assets	(1,447,170)	
	Capital outlays	<u>5,007,915</u>	(9,563,442)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 5,886,718

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. (2,676,358)

Capital lease proceeds

In the statement of activities, certain revenues are recorded on the full accrual basis, which differs from the fund accounting where revenues are recorded when realizable in cash. The balance of SREC revenue which was not liquidated by September 30 of the subsequent year is not recognized as revenue for fund reporting. 213,770

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 54,270

In the statement of activities, certain operating expenses, e.g. pension expense are measured under full accrual accounting. In the governmental funds, however, expenditures are reported on the amounts actually billed by the State.

	District pension contributions	1,587,450	
	Cost of benefits earned, net of employee contributions	<u>(4,479,850)</u>	(2,892,400)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Compensated absences	68,053	
Amortization of gain on 2004 refunding bond issue	111,014	
Amortization of loss on 2016 refunding bond issue	(16,969)	
Amortization of loss on 2012 refunding bond issue	(14,399)	
Amortization of premium on 2016 refunding bond issue	6,643	
Cost of Issuance on Refunding Bonds	(204,599)	

**Change in net position of governmental activities** \$ (10,439,021)

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 867,966	330,808	1,198,774
Accounts receivable	123,072		123,072
Interfund Receivable	1,125	-	1,125
Inventories	73,484		73,484
Total current assets	<u>1,065,647</u>	<u>330,808</u>	<u>1,396,455</u>
Noncurrent assets:			
Furniture, machinery & equipment	344,014		344,014
Less accumulated depreciation	(150,104)		(150,104)
Total noncurrent assets	<u>193,910</u>	<u>-</u>	<u>193,910</u>
Total assets	<u>1,259,557</u>	<u>330,808</u>	<u>1,590,365</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	9,739	6,856	16,595
Interfund payable	45,233	368	45,601
Deferred revenue	53,217	-	53,217
Total current liabilities	<u>108,189</u>	<u>7,224</u>	<u>115,413</u>
Noncurrent liabilities:			
Compensated absences	55,653		55,653
Total noncurrent liabilities	<u>55,653</u>	<u>-</u>	<u>55,653</u>
Total liabilities	<u>163,842</u>	<u>7,224</u>	<u>171,066</u>
<b>NET POSITION</b>			
Invested in capital assets	193,910		193,910
Unrestricted	901,805	323,584	1,225,389
Total net position	<u>\$ 1,095,715</u>	<u>323,584</u>	<u>1,419,299</u>

The accompanying notes are an integral part of these financial statements

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<b>Business-type Activities - Enterprise Fund</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 1,139,120		1,139,120
Daily sales - non-reimbursable programs	47,192		47,192
Special functions	44,193		44,193
Latchkey program revenue		315,708	315,708
Total operating revenues	<u>1,230,505</u>	<u>315,708</u>	<u>1,546,213</u>
Operating expenses:			
Cost of sales	1,353,731		1,353,731
Salaries	1,334,959	285,601	1,620,560
Employee benefits	420,621	29,079	449,700
General supplies & materials	78,040	36,213	114,253
Depreciation	19,739		19,739
Total Operating Expenses	<u>3,207,090</u>	<u>350,893</u>	<u>3,557,983</u>
Operating (loss)	<u>(1,976,585)</u>	<u>(35,185)</u>	<u>(2,011,770)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	33,927		33,927
Federal sources:			
National school lunch program	1,509,755		1,509,755
National school breakfast program	249,746		249,746
Special milk program	7,185		7,185
Food distribution program	205,574		205,574
Gain on disposal of fixed assets	9,734		9,734
Interest and investment revenue	1,247	506	1,753
Total nonoperating revenues	<u>2,017,168</u>	<u>506</u>	<u>2,017,674</u>
(Loss) before contributions & transfers	40,583	(34,679)	5,904
Other financing sources:			
Cancellation off prior year liability	-		-
Change in net position	40,583	(34,679)	5,904
Total net position—beginning	1,055,132	358,263	1,413,395
Total net position—ending	<u>\$ 1,095,715</u>	<u>323,584</u>	<u>1,419,299</u>

The accompanying notes are an integral part of these financial statements

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,230,505	315,708	1,546,213
Payments to employees	(1,334,959)	(285,601)	(1,620,560)
Payments for employee benefits	(415,330)	(29,079)	(444,409)
Payments to suppliers	(78,040)	(30,465)	(108,505)
Payments to cost of sales	(1,145,164)		(1,145,164)
Net cash (used for) operating activities	<u>(1,742,988)</u>	<u>(29,437)</u>	<u>(1,772,425)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	32,307		32,307
Federal Sources	1,803,958		1,803,958
Payments from other funds	84,345	7,247	91,592
Net cash provided by/(used for) non-capital financing activities	<u>1,920,610</u>	<u>7,247</u>	<u>1,927,857</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(34,814)		(34,814)
Net cash (used for) capital financing activities	<u>(34,814)</u>	<u>-</u>	<u>(34,814)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,247	506	1,753
Net cash provided by investing activities	<u>1,247</u>	<u>506</u>	<u>1,753</u>
Net (decrease) in cash and cash equivalents	144,055	(21,684)	122,371
Balances—beginning of year	723,911	352,492	1,076,403
Balances—end of year	<u>867,966</u>	<u>330,808</u>	<u>1,198,774</u>
<b>Reconciliation of operating (loss) to net cash (used) by operating activities:</b>			
Operating (loss)	(1,976,585)	(35,185)	(2,011,770)
Adjustments to reconcile (loss) to net cash (used for) operating activities			
Depreciation and net amortization	19,739		19,739
Federal commodities	205,574		205,574
(Increase) in inventories	(9,180)		(9,180)
(Decrease) in accounts payable	4,681	5,748	10,429
Increase in deferred revenue	7,492		7,492
Increase in compensated absences	5,291		5,291
Total adjustments	<u>233,597</u>	<u>5,748</u>	<u>239,345</u>
Net cash (used for) operating activities	<u>\$ (1,742,988)</u>	<u>(29,437)</u>	<u>(1,772,425)</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,125,941	-	588,270
Interfunds receivable	-	-	5,005
	<hr/>	<hr/>	<hr/>
Total assets	1,125,941	-	593,275
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Payable to student groups			411,884
Interfunds payable			-
Conduit activities payable			154,611
Payroll deductions and withholdings			26,780
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	593,275
	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	\$ 1,125,941		
	<hr/>		
Reserved for scholarships		-	
		<hr/>	

The accompanying notes are an integral part of these financial statements

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2016**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 118,160	
Total Contributions	<u>118,160</u>	<u>23,745</u>
Investment earnings:		
Interest	1,612	2
Net investment earnings	<u>1,612</u>	<u>2</u>
Total additions	<u>119,772</u>	<u>23,747</u>
<b>DEDUCTIONS</b>		
Transferred to Education Foundation		23,765
Unemployment claims	84,126	
Total deductions	<u>84,126</u>	<u>23,765</u>
Change in net position	35,646	(18)
Net position—beginning of the year	<u>1,090,295</u>	<u>18</u>
Net position—end of the year	<u>\$ 1,125,941</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements



## **Notes to the Financial Statements**

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**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. REPORTING ENTITY:**

The Egg Harbor Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Egg Harbor Township School District had an enrollment at June 30, 2016 of 7,409 students.

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

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

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

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

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

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

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

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

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

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

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School districts must report all governmental funds a major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

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

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Fund Balances – Governmental Funds**

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

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

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

**2. Proprietary Funds:**

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

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

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

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

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

**3. Fiduciary Funds:**

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

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

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

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

**2. Investments:**

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

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2015, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	64,924
Supplies		<u>8,560</u>
	\$	<u><u>73,484</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2016 is \$53,217.

**4. Capital Assets:**

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

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

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

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

**5. Revenues:**

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

**6. Expenditures:**

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

**7. Compensated Absences:**

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

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

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

**8. Interfund Activity:**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All funds internal activity is eliminated when carried to the Government-wide statements.



**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following significant budgetary appropriation transfers during the 2016 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 1-5	(\$771,583)
Salaries of Teachers – Grades 6-8	(262,900)
Salaries of Teachers – Grades 9-12	(623,800)
Undistributed Inst – Purch. Prof. – Ed. Services	1,731,755
Undistributed Inst – Textbooks	359,700
Tuition to Private Schools for the Disabled – w/in State	(148,046)
Other Support Services – Students – Extra Services	
Salaries	206,921
Purch. Prof. & Tech. Services	(389,302)
Other Support Services – Students – Child Study Team	
Salaries	(227,368)
Purch. Prof. & Tech. Services	269,011
Student Transportation Services	
Transportation Supplies	(314,183)
Unallocated Benefits	
Health Benefits	(735,662)
Other Employee Benefits	152,368
Equipment – Student Trans. – Non Instructional	327,110
Facilities Acquisition and Construction Services:	
Construction Services	1,395,127
Transfer to Charter Schools	258,135

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance 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.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

**10. Tuition Receivable**

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

**11. Tuition Payable**

Tuition charges for the fiscal year 2015/16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates**

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

**13. Allocation of Costs**

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

**14. 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 fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosure". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

**NOTE 2. INVESTMENTS**

As of June 30, 2016, the District had no investments.

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

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

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) which mandates the collateralization of all government deposits, or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$1,328,348 of the District's bank balance of \$20,041,817 was exposed to custodial credit risk.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
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**NOTE 4. CAPITAL ASSETS**

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

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Construction in progress	\$4,301,295	340,115	(4,301,295)	340,115
Land	1,847,000		(9,100)	1,837,900
Total capital assets not being depreciated	<u>6,148,295</u>	<u>340,115</u>	<u>(4,310,395)</u>	<u>2,178,015</u>
Bldg and bldg improve	284,846,442	2,307,877	1,430,878	288,585,197
Machinery & equipment	16,025,267	1,863,003	(31,461)	17,856,809
Vehicles	8,720,104	993,748	793,342	10,507,194
Total at historical cost	<u>309,591,813</u>	<u>5,164,628</u>	<u>2,192,759</u>	<u>316,949,200</u>
Less accum depr	<u>(121,942,318)</u>	<u>(13,124,187)</u>	<u>173,638</u>	<u>(134,892,867)</u>
Total capital assets being depr, net of accum depr	<u>187,649,495</u>	<u>(7,959,559)</u>	<u>2,366,397</u>	<u>182,056,333</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$193,797,790</u></u>	<u><u>(7,619,444)</u></u>	<u><u>(1,943,998)</u></u>	<u><u>184,234,348</u></u>
<b>Business-type activities:</b>				
Equipment	\$321,474	34,814	(12,274)	344,014
Less accum depr for:				
Equipment	<u>(152,373)</u>	<u>(19,739)</u>	<u>22,008</u>	<u>(150,104)</u>
<b>Business-type activities capital assets, net</b>	<u><u>\$169,101</u></u>	<u><u>15,075</u></u>	<u><u>9,734</u></u>	<u><u>193,910</u></u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	4,909,565
Special education		1,244,769
Other special instruction		304,154
Other instruction		142,251
Tuition		799,114
Student & instruction related services		2,086,063
School administrative expenses		737,657
General and business administration		442,836
Plant operations and maintenance		1,397,337
Student transportation services		1,060,441
	\$	<u><u>13,124,187</u></u>

**Egg Harbor Township School District**  
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No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$3,956,659.

**NOTE 5. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the 2016 fiscal year is as follows:

Beginning balance, July 1	\$ 2,501,000
Interest earnings	2,000
Deposits – by resolution	1,000,000
Withdrawals	
Board resolution – 7/28/15 – Renovations to the High School	(194,600)
Board resolution – 10/13/15 – Eagle Academy paving	(75,000)
Board resolution – 4/12/16 – Repairs at various schools	(214,000)
Board resolution – 5/24/16 – Various School Improvements	(250,221)
Board resolution – 6/14/16 – Various School Improvements	(412,945)
Board resolution – 6/28/16 – Upgrade control panel at FMS	(285,000)
Ending balance, June 30	<u>\$ 2,071,234</u>

**NOTE 6. TRANSFERS TO CAPITAL OUTLAY**

During the year ended June 30, 2016, the District transferred \$1,431,766 to the capital outlay accounts. The transfer was made from the general fund capital reserve account to fund the following projects at various buildings within the District.

	<u>6/30/16</u>
Renovations to the High School	\$ 194,600
Eagle Academy paving	75,000
Repairs at various schools	214,000
Various School Improvements	250,221
Various School Improvements	412,945
Upgrade control panel at FMS	285,000
	<u>\$ 1,431,766</u>

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**NOTE 7. GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Balance		Balance		Amounts
	06-30-15	Issued	Retired	6-30-16	Due Within
					One year
<b>Governmental Activities</b>					
Bonds & loans payable:					
School bonds	\$88,060,000	33,685,000	38,775,000	82,970,000	5,400,000
Obligations under capital Leases	826,842	2,676,358	856,718	2,646,482	632,267
	<u>88,886,842</u>	<u>36,361,358</u>	<u>39,631,718</u>	<u>85,616,482</u>	<u>6,032,267</u>
Other liabilities:					
Compensated absences Payable	3,053,362	1,533,948	1,602,001	2,985,309	-
Premium on Refunding Bonds	-	2,080,714	6,643	2,074,071	14,079
Net Pension Liability	<u>34,141,337</u>	<u>7,307,719</u>	<u>-</u>	<u>41,449,056</u>	<u>-</u>
Governmental activities long-Term liabilities	<u>126,081,541</u>	<u>47,283,739</u>	<u>41,240,362</u>	<u>132,124,918</u>	<u>6,046,346</u>
<b>Business-type Activities:</b>					
Compensated absences Payable	<u>50,362</u>	<u>15,974</u>	<u>10,683</u>	<u>55,653</u>	<u>-</u>
Business-type activities long-Term-liabilities	<u>\$50,362</u>	<u>15,974</u>	<u>10,683</u>	<u>55,653</u>	<u>-</u>

Bonds and loans payable are budgeted and paid through the general fund operating budget.

**A. Bonds Payable:**

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

**Long-term debt as of June 30, 2015 consisted of the following:**

\$50,735,000 Refunding Bonds dated October 1, 2004 payable in annual installments on January 15, 2005 and each July 15 thereafter commencing in 2012 and continuing through 2025. Semi-annual interest payments are due, at rates ranging from 3.00% to 5.75%, on January 15 and July 15, commencing January 15, 2005. The total savings to the District was \$1,588,925, or 3.021% as a result of refunding the 2001 bond issue. The refunding bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2016 was \$39,310,000.

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

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or after 4/1/16 at par, plus unpaid accrued interest to the date fixed for redemption. On January 6, 2016 the District, through a refunding bond issue, called the bonds maturing on 4/1/17 through 4/1/30 totaling \$14,675,000. The balance remaining as of June 30, 2016 was \$0.

\$27,924,000 School bonds dated 9/15/08 payable in annual installments beginning 9/15/12 and continuing through 9/15/28. Interest is paid semiannually at varying rates between 4.00% per annum and 4.25% per annum. Bonds maturing on or after 9/15/19 are redeemable at the option of the Board in whole or in part, on any date on or after 9/15/18 at par, plus unpaid accrued interest to the date fixed for redemption. On June 1, 2016 the District, through a refunding bond issue, called the bonds maturing on 9/15/19 through 9/15/28 totaling \$18,950,000. The balance remaining as of June 30, 2016 was \$4,200,000.

On November 15, 2012 the District issued \$6,805,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in September 2012 which provided for the refunding of all or a portion of the callable portion of the \$23,052,000 issue dated April 1, 2005. The total savings to the District was \$403,186, or 6.03% as a result of refunding the 2005 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2016 and annually thereafter through April 1, 2024 and total \$6,685,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 4.00%, on April 1 and October 1, commencing April 1, 2013. The bonds will mature annually on April 1, commencing in 2013 through 2024. Refunding bonds maturing on or after April 1, 2023 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2022. The balance remaining as of June 30, 2016 was \$5,895,000.

On January 6, 2016 the District issued \$14,365,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in November 2015 which provided for the refunding of all or a portion of the callable portion of the \$15,410,000 issue dated December 5, 2006. The total savings to the District was \$1,013,330, or 7.05% as a result of refunding the 2006 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2017 and annually thereafter through April 1, 2030 and total \$14,675,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 5.00%, on April 1 and October 1, commencing April 1, 2016. The bonds will mature annually on April 1, commencing in 2016 through 2030. Refunding bonds maturing on or after April 1, 2026 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2025. The balance remaining as of June 30, 2016 was \$14,245,000.

On June 1, 2016 the District issued \$19,320,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in April 2016 which provided for the refunding of all or a portion of the callable portion of the \$27,924,000 issue dated September 15, 2008. The total savings to the District was \$1,138,616, or 6.01% as a result of refunding the 2008 bond issue. The callable portion refunded includes the bonds maturing on September 15, 2019 and annually thereafter through September 15, 2028 and total \$18,950,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 5.00%, on March 15 and September 15, commencing September 15, 2016. The bonds will mature annually on September 15, commencing in 2016 through 2028. The balance remaining as of June 30, 2016 was \$19,320,000.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
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Principal and interest due on serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2017	\$ 5,400,000	3,445,287	8,845,287
2018	5,525,000	3,328,075	8,853,075
2019	5,755,000	3,062,750	8,817,750
2020	6,040,000	2,784,663	8,824,663
2021	6,330,000	2,483,525	8,813,525
2022-2026	36,435,000	7,395,450	43,830,450
2027-2031	17,485,000	1,146,831	18,631,831
	<u>\$ 82,970,000</u>	<u>23,646,581</u>	<u>106,616,581</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016 the Board had authorized but not issued bonds in the amount of \$1,357.

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$5,244,892 under capital leases. Semiannual lease payments are made to First Niagara, SunTrust Leasing Co., U.S. Bank Corp., and TD Equipment Finance, and include interest at a rate of 1.430% to 4.1375% per annum. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2016.

	<u>Amount</u>
Year ending June 30,	
2017	\$ 672,834
2018	643,667
2019	643,667
2020	643,667
2021	148,758
Thereafter	-
Total minimum lease payments	<u>2,752,593</u>
Less amount representing interest	106,111
Present value of lease payments	<u>\$ 2,646,482</u>

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

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Remaining Value</u>
Transportation Equipment	\$ 3,478,534	1,937,134	1,541,400
Equipment	1,766,358	176,636	1,589,722
Transportation Equipment	<u>\$ 5,244,892</u>	<u>2,113,770</u>	<u>3,313,122</u>



**Egg Harbor Township School District**  
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NOTE 8. PENSION PLANS

Description of Plans

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

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Defined Contribution Retirement Program (DCRP)*

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.1% and the PERS rate is 11.92% of covered payroll. The School District's contributions to TPAF

## **Egg Harbor Township School District Notes to Financial Statements June 30, 2016**

for the years ending June 30, 2016, 2015, and 2014 were \$3,929,349, \$2,665,060, and \$2,052,704, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2016, 2015, and 2014 were \$1,587,450, \$1,503,286, and \$1,332,587, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2016, 2015, and 2014 was \$71,322,257, \$71,226,718, and \$66,708,087, covered payroll was \$51,825,604, \$50,023,842, and \$49,227,235 for TPAF; and \$13,586,006, \$12,921,914, and \$12,372,353 for PERS.

### Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PERS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

**NOTE 9. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

At June 30, 2016, the District reported a liability of \$41,449,056 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.18464479190%, which was an increase of 1.26% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,892,400. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 988,829	
Changes of assumptions	4,451,298	
Net difference between projected and actual earnings on pension plan investments		666,421
Changes in proportion and differences between District contributions and proportionate share of contributions	1,164,686	
District contributions subsequent to the measurement date	1,587,450	
Total	\$ 8,192,263	666,421

\$1,587,450 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30,		
2017	\$	1,110,085
2018		1,110,085
2019		1,110,085
2020		1,666,355
2021		941,782
Total	\$	5,938,392

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

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 Projections 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.9% 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 PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	5.12%

*Discount Rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, 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 municipal 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, 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 collective net pension liability of the participated employers as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 50,006,465	41,449,056	34,286,495

**Egg Harbor Township School District**  
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*Pension plan fiduciary net position.*

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

**NOTE 10. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		311,564,501
Total	\$	311,564,501

The net pension liability was measured as of June 30, 2015 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

For the year ended June 30, 2015, the District recognized pension expense of \$16,374,580 and revenue of \$16,374,580 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 1,583,473	93,856
Changes of assumptions	35,493,048	
Net difference between projected and actual earnings on pension plan investments		2,639,045
Changes in proportion and differences between District contributions and proportionate share of contributions	6,999,819	
District contributions subsequent to the measurement date	2,649,238	
Total	\$ 46,725,578	2,732,901

\$2,649,238 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2016**

Year ended June 30,		
2017	\$	4,856,748
2018		4,856,748
2019		4,856,748
2020		7,439,959
2021		6,296,782
Thereafter		13,036,455
Total	\$	<u>41,343,440</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2015 actuarial valuation was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

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 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.

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-estimated 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:

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2016**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	53.00%
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 - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

*Discount rate.* The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the 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 municipal 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.

*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 of 4.13% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net pension liability	\$ -	-	-



**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2016**

*Pension plan fiduciary net position.*

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

**NOTE 11. LABOR CONTRACTS**

As of June 30, 2016, the District's employees are organized in two collective bargaining units.

<b><u>Bargaining Unit</u></b>	<b><u>Employees Covered</u></b>	<b><u>Expiration</u></b>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 2019
Principals' and Supervisors' Association	All certified administrative personnel, excluding the Superintendent, Asst Superintendents, Business Administrator, and all employees considered confidential by law.	June 30, 2018

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

**NOTE 12. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

NOTE 13. SPECIAL PAY DEFERRAL PLAN

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

NOTE 14. DEFERRED COMPENSATION

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

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

NOTE 15. COMPENSATED ABSENCES

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

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

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

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

NOTE 16. LITIGATION

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

NOTE 17. FUND BALANCE APPROPRIATED

**General Fund (Exhibit B-1)** – Of the \$16,754,187 General Fund fund balance at June 30, 2016, \$735,069 is committed for encumbrances (actual encumbrances of \$1,716,275 less deficit in unassigned fund balance of \$981,206); \$13,947,884 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$7,634,706 of the total restricted for excess surplus has been appropriated and included as anticipated

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

revenue for the year ending June 30, 2017); \$2,071,234 has been restricted in the Capital Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; and \$0 is unassigned.

**Debt Service Fund** – Of the \$40,552 Debt Service Fund fund balance at June 30, 2016, \$40,552 is restricted in accordance with N.J.S.A. 7F-41c(2).

NOTE 18. CALCULATION OF EXCESS SURPLUS

The designation for Restricted 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 restrict 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 \$13,947,884, of which \$7,634,706 has been included in the 2016-17 budget.

NOTE 19. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State Aid to fund the District operations and debt service. During the 2015-16 fiscal year, 99% of the Districts operations were funded through property taxes and State aid.

NOTE 20. RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2015 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	None	119,772	84,126	1,125,941
2014-2015	None	120,338	55,774	1,090,295
2013-2014	None	115,308	157,958	1,025,731

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2016**

frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2016, \$0 was charged to the worker's compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2016 and 2015 was \$88,728 and \$18,743, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker's compensation fund.

Fiscal Year Ended	Balance Beginning of Year	Received From Carrier	Claims Incurred	Claims Paid	Balance End of Year
6/30/16	\$18,743	70,677	-	692	88,728
6/30/15	19,737	-	-	994	18,743
6/30/14	38,686	-	-	18,949	19,737

**NOTE 21. INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2016, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	\$815,790	
Capital Projects Fund		540
Enterprise Fund	45,601	
Trust and Agency Fund		5,005
Special Revenue Fund:		
General Fund		815,790
Capital Projects Fund:		
General Fund	540	
Enterprise Fund:		
General Fund		45,601
Trust and Agency Fund:		
General Fund	5,005	
	\$866,936	866,936

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2016**

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 22, 2016, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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**Required Supplementary Information**  
**Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 72,986,000		72,986,000	72,986,000	-
Tuition - Individuals	119,500		119,500	119,150	(350)
Tuition - Other LEA's within the State			-	598,088	598,088
Rents and Royalties	20,000		20,000	55,169	35,169
Miscellaneous	185,000	7,256	192,256	765,704	573,448
<b>Total - Local Sources</b>	<b>73,310,500</b>	<b>7,256</b>	<b>73,317,756</b>	<b>74,524,111</b>	<b>1,206,355</b>
State Sources:					
Equalization Aid	33,108,509		33,108,509	33,108,509	-
Categorical Special Education Aid	4,392,582		4,392,582	4,392,582	-
Categorical Transportation Aid	775,825		775,825	775,825	-
Under Adequacy Aid	70,558		70,558	70,558	-
Categorical Security Aid	1,530,474		1,530,474	1,530,474	-
Extraordinary Aid	300,000		300,000	674,684	374,684
PARCC Readiness	74,015		74,015	-	-
Per Pupil Growth Aid	74,015		74,015	74,015	-
Nonpublic School Transportation Aid			-	64,450	64,450
On-Behalf TPAF Pension Contributions (non-budgeted)			-	8,608,118	8,608,118
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	3,810,122	3,810,122
<b>Total - State Sources</b>	<b>40,325,978</b>	<b>-</b>	<b>40,325,978</b>	<b>53,183,352</b>	<b>12,857,374</b>
Federal Sources:					
Medical Assistance Program	137,607		137,607	227,226	89,619
ARRA(SEMI) Unrestricted			-	-	-
<b>Total - Federal Sources</b>	<b>137,607</b>	<b>-</b>	<b>137,607</b>	<b>227,226</b>	<b>89,619</b>
<b>Total Revenues</b>	<b>113,774,085</b>	<b>7,256</b>	<b>113,781,341</b>	<b>127,934,689</b>	<b>14,153,348</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	305,745	1,750	307,495	307,495	-
Kindergarten	854,905	(81,938)	772,967	772,967	-
Grades 1-5	11,323,840	(771,583)	10,552,257	10,514,398	37,859
Grades 6-8	8,153,302	(262,900)	7,890,402	7,882,210	8,192
Grades 9-12	11,159,589	(623,800)	10,535,789	10,530,547	5,242
Regular Programs - Home Instruction:					
Salaries of Teachers	198,223	-	198,223	190,519	7,704
Purchased Professional - Educational Services	30,472	-	30,472	21,578	8,894
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	212,415	11,544	223,959	223,959	-
Purchased Professional - Educational Services	75,375	1,731,755	1,807,130	1,752,099	55,031
Other Purchased Services	20,500	-	20,500	6,490	14,010
General Supplies	1,049,633	(11,228)	1,038,405	973,477	64,928
Textbooks	275,307	359,700	635,007	623,336	11,671
<b>Total Regular Programs</b>	<b>33,659,306</b>	<b>353,300</b>	<b>34,012,606</b>	<b>33,799,075</b>	<b>213,531</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	692,677	-	692,677	666,555	26,122
Other Salaries for Instruction	-	-	-	-	-
General Supplies	15,568	800	16,368	13,771	2,597
Textbooks	5,323	(799)	4,524	3,798	726
<b>Total Learning and/or Language Disabilities</b>	<b>713,568</b>	<b>1</b>	<b>713,569</b>	<b>684,124</b>	<b>29,445</b>
Auditory Impairments					
Salaries of Teachers	122,949	843	123,792	123,792	-
General Supplies	-	2,000	2,000	1,444	556
<b>Total Auditory Impairments</b>	<b>122,949</b>	<b>2,843</b>	<b>125,792</b>	<b>125,236</b>	<b>556</b>
Multiple Disabilities					
Salaries of Teachers	781,126	-	781,126	772,640	8,486
General Supplies	13,844	-	13,844	12,989	855
Textbooks	744	-	744	640	104
<b>Total Multiple Disabilities</b>	<b>795,714</b>	<b>-</b>	<b>795,714</b>	<b>786,269</b>	<b>9,445</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	6,581,439	-	6,581,439	6,431,569	149,870
Other Salaries for Instruction	180,672	-	180,672	89,165	91,507
General Supplies	53,853	2,487	56,340	51,043	5,297
Textbooks	4,950	(1,437)	3,513	2,755	758
<b>Total Resource Room/Resource Center</b>	<b>6,820,914</b>	<b>1,050</b>	<b>6,821,964</b>	<b>6,574,532</b>	<b>247,432</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	138,872	-	138,872	81,293	57,579
Other Salaries for Instruction	51,118	385	51,503	48,107	3,396
General Supplies	7,000	-	7,000	5,003	1,997
<b>Total Preschool Disabilities - Part Time</b>	<b>196,990</b>	<b>385</b>	<b>197,375</b>	<b>134,403</b>	<b>62,972</b>
Preschool Disabilities - Full Time					
Salaries of Teachers	165,644	50,000	215,644	209,291	6,353
General Supplies	2,200	298	2,498	2,305	193
<b>Total Preschool Disabilities - Full Time</b>	<b>167,844</b>	<b>50,298</b>	<b>218,142</b>	<b>211,596</b>	<b>6,546</b>
<b>Total Special Education - Instruction</b>	<b>8,817,979</b>	<b>54,577</b>	<b>8,872,556</b>	<b>8,516,160</b>	<b>356,396</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,417,762	(19,706)	1,398,056	1,204,118	193,938
General Supplies	3,360	-	3,360	3,292	68
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,421,122</b>	<b>(19,706)</b>	<b>1,401,416</b>	<b>1,207,410</b>	<b>194,006</b>
Bilingual Education - Instruction:					
Salaries of Teachers	706,089	18,478	724,567	724,567	-
Purchased Professional - Educational Services	4,000	(175)	3,825	-	3,825
General Supplies	7,070	175	7,245	7,224	21
<b>Total Bilingual Education - Instruction</b>	<b>717,159</b>	<b>18,478</b>	<b>735,637</b>	<b>731,791</b>	<b>3,846</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Co-curricular Activities - Instruction:					
Salaries	255,325	6,892	262,217	254,446	7,771
Purchased Services	7,100	3,300	10,400	9,918	482
Supplies and Materials	12,000	(2,186)	9,814	9,256	558
Other Objects	1,000	-	1,000	961	39
<b>Total School Sponsored Co-curricular Activities - Instruction</b>	<b>275,425</b>	<b>8,006</b>	<b>283,431</b>	<b>274,581</b>	<b>8,850</b>
School-Sponsored Athletics - Instruction					
Salaries	441,331	-	441,331	428,939	12,392
Purchased Services	20,390	11,510	31,900	21,154	10,746
Supplies and Materials	130,587	(512)	130,075	122,705	7,370
Other Objects	23,400	512	23,912	20,475	3,437
Transfers to Cover Deficit (Agency Funds)	88,841	-	88,841	88,841	-
<b>Total School-Sponsored Athletics - Instruction</b>	<b>704,549</b>	<b>11,510</b>	<b>716,059</b>	<b>682,114</b>	<b>33,945</b>
Alternative Education Program					
Salaries	438,628	3,250	441,878	441,878	-
Purchased Professional & Technical Services	33,500	(3,250)	30,250	16,315	13,935
General Supplies	7,358	2,292	9,650	8,302	1,348
Textbooks	1,300	-	1,300	691	609
<b>Total Alternative Education Program</b>	<b>480,786</b>	<b>2,292</b>	<b>483,078</b>	<b>467,186</b>	<b>15,892</b>
<b>Total Instruction</b>	<b>46,076,326</b>	<b>428,457</b>	<b>46,504,783</b>	<b>45,678,317</b>	<b>826,466</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	45,018	3,614	48,632	39,744	8,888
Tuition to Other LEAs Within the State - Special	15,996	(3,614)	12,382	1,160	11,222
Tuition to County Voc. School Dist. - Regular	783,000	-	783,000	765,600	17,400
Tuition to County Voc. School Dist. - Special	32,000	-	32,000	32,000	-
Tuition to CSSD & Regional Day Schools	2,216,269	-	2,216,269	1,575,123	641,146
Tuition to Private Schools for the Disabled - Within State	1,741,860	(148,046)	1,593,814	1,484,524	109,290
Tuition to Private Schools Disabled & Other LEAs-Special - Outside State	-	69,907	69,907	69,907	-
Tuition - State Facilities	193,836	4	193,840	193,840	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,027,979</b>	<b>(78,135)</b>	<b>4,949,844</b>	<b>4,161,898</b>	<b>787,946</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	250,583	-	250,583	240,742	9,841
Other Purchased Services	4,548	-	4,548	3,059	1,489
Supplies and Materials	2,000	-	2,000	1,829	171
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>257,131</b>	<b>-</b>	<b>257,131</b>	<b>245,630</b>	<b>11,501</b>
Undistributed Expenditures - Health Services:					
Salaries	930,295	-	930,295	910,703	19,592
Purchased Professional and Technical Services	51,857	(1,765)	50,092	35,534	14,558
Other Purchased Services	126	-	126	-	126
Supplies and Materials	16,477	118	16,595	15,348	1,247
<b>Total Undistributed Expenditures - Health Services</b>	<b>998,755</b>	<b>(1,647)</b>	<b>997,108</b>	<b>961,585</b>	<b>35,523</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	1,132,292	-	1,132,292	1,048,504	83,788
Purchased Professional - Educational Services	186,169	-	186,169	154,646	31,523
Supplies and Materials	27,341	(3,010)	24,331	23,603	728
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>1,345,802</b>	<b>(3,010)</b>	<b>1,342,792</b>	<b>1,226,753</b>	<b>116,039</b>
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	3,027,595	206,921	3,234,516	3,113,920	120,596
Purchased Professional - Educational Services	809,857	(389,302)	420,555	253,443	167,112
Supplies and Materials	30,000	(5,000)	25,000	10,064	14,936
<b>Total Undistributed Expenditures - Other Support Services - Extra Services</b>	<b>3,867,452</b>	<b>(187,381)</b>	<b>3,680,071</b>	<b>3,377,427</b>	<b>302,644</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,185,853	-	2,185,853	2,055,086	130,767
Salaries of Secretarial and Clerical Assistants	191,066	-	191,066	189,789	1,277
Other Purchased Professional and Technical Services	14,322	-	14,322	12,115	2,207
Other Purchased Services	2,652	-	2,652	2,652	-
Supplies and Materials	30,559	(1,000)	29,559	26,312	3,247
<b>Total Undistributed Expenditures - Other Support Services - Guidance</b>	<b>2,424,452</b>	<b>(1,000)</b>	<b>2,423,452</b>	<b>2,285,954</b>	<b>137,498</b>
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,028,187	(227,368)	1,800,819	1,800,818	1
Salaries of Secretarial and Clerical Assistants	368,893	(24,802)	344,091	299,747	44,344
Other Purchased Professional and Technical Services	12,800	269,011	281,811	281,764	47
Residential Costs	-	-	-	-	-
Miscellaneous Purchased Services	28,998	(1,000)	27,998	22,690	5,308
Supplies and Materials	39,405	8,680	48,085	45,992	2,093
<b>Total Undistributed Expenditures - Other Support Services - Child Study Teams</b>	<b>2,478,283</b>	<b>24,521</b>	<b>2,502,804</b>	<b>2,451,011</b>	<b>51,793</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	991,481	4,074	995,555	995,555	-
Salaries of Other Professional Staff	462,159	(4,074)	458,085	397,591	60,494
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>1,453,640</b>	<b>-</b>	<b>1,453,640</b>	<b>1,393,146</b>	<b>60,494</b>



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	900,569	-	900,569	881,691	18,878
Salaries of Technology Coordinators	88,377	1,427	89,804	89,804	-
Purchased Professional and Technical Services	318,358	(8,020)	310,338	216,182	94,156
Other Purchased Services	26,709	22	26,731	20,220	6,511
Supplies and Materials	235,837	20,902	256,739	249,835	6,904
Other Objects	19,332	-	19,332	17,145	2,187
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>1,589,182</b>	<b>14,331</b>	<b>1,603,513</b>	<b>1,474,877</b>	<b>128,636</b>
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	111,262	2,174	113,436	113,436	-
Salaries of Other Professional Staff	73,190	29,155	102,345	77,331	25,014
Purchased Professional - Educational Services	189,103	(25,231)	163,872	142,092	21,780
Other Purchased Services	11,000	500	11,500	11,468	32
Supplies and Materials	5,600	-	5,600	4,318	1,282
Other Objects	-	-	-	-	-
<b>Total Undistributed Expenditures - Instructional Staff Training Svcs</b>	<b>390,155</b>	<b>6,598</b>	<b>396,753</b>	<b>348,645</b>	<b>48,108</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	674,691	3,930	678,621	678,088	533
Legal Services	263,779	40,000	303,779	285,750	18,029
Audit Fees	37,000	-	37,000	36,000	1,000
Architectural/Engineering Services	69,103	49,000	118,103	55,458	62,645
Other Purchased Professional Services	42,100	(4,600)	37,500	17,121	20,379
Communications/Telephone	304,079	(69,967)	234,112	206,972	27,140
Other Purchased Services	306,891	(44,399)	262,492	251,328	11,164
General Supplies	14,000	-	14,000	10,113	3,887
BOE In-House Training/Meeting Supplies	11,500	-	11,500	8,132	3,368
Miscellaneous Expenditures	19,600	-	19,600	18,934	666
BOE Membership Dues and Fees	37,000	(3,398)	33,602	30,632	2,970
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>1,779,743</b>	<b>(29,434)</b>	<b>1,750,309</b>	<b>1,598,528</b>	<b>151,781</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Dir	1,969,281	-	1,969,281	1,949,658	19,623
Salaries of Other Professional Staff	481,971	2	481,973	481,972	1
Salaries of Secretarial and Clerical Assistants	1,060,645	(1,381)	1,059,264	1,028,264	31,000
Purchased Professional and Technical Services	62,275	-	62,275	47,404	14,871
Other Purchased Services	137,576	-	137,576	128,535	9,041
Supplies and Materials	50,986	4,883	55,869	44,573	11,296
Other Objects	55,546	-	55,546	45,793	9,753
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>3,818,280</b>	<b>3,504</b>	<b>3,821,784</b>	<b>3,726,199</b>	<b>95,585</b>
Undistributed Expenditures - Central Services					
Salaries	605,251	25,463	630,714	628,612	2,102
Purchased Technical Services	51,138	-	51,138	42,409	8,729
Miscellaneous Purchased Services (400-500 series)	226,169	-	226,169	208,345	17,824
Supplies and Materials	20,914	-	20,914	13,059	7,855
Other Objects	8,000	-	8,000	6,500	1,500
<b>Total Undistributed Expenditures - Central Services</b>	<b>911,472</b>	<b>25,463</b>	<b>936,935</b>	<b>898,925</b>	<b>38,010</b>
Undistributed Expenditures - Administrative Information Technology					
Salaries	304,095	-	304,095	277,791	26,304
Purchased Technical Services	119,162	(29,985)	89,177	88,645	532
Supplies and Materials	30,964	(15)	30,949	30,200	749
<b>Total Undistributed Expenditures - Admin. Information Technology</b>	<b>454,221</b>	<b>(30,000)</b>	<b>424,221</b>	<b>396,636</b>	<b>27,585</b>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	661,883	-	661,883	642,385	19,498
Cleaning, Repair, and Maintenance Services	473,471	14,659	488,130	421,982	66,148
General Supplies	178,051	(71,628)	106,423	104,937	1,486
Other Objects	2,500	-	2,500	-	2,500
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>1,315,905</b>	<b>(56,969)</b>	<b>1,258,936</b>	<b>1,169,304</b>	<b>89,632</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,285,612	(52,790)	4,232,822	3,999,931	232,891
Cleaning, Repair and Maintenance Services	251,414	2,701	254,115	208,344	45,771
Rental of Land & Building Other than Lease Purch Agmt	10,150	-	10,150	9,741	409
Lease Purchase Pymts - Energy Savings Impr. Program	368,012	-	368,012	368,000	12
Other Purchased Property Services	184,800	-	184,800	170,316	14,484
Insurance	520,588	(13,000)	507,588	505,280	2,308
Miscellaneous Purchased Services	2,003	-	2,003	1,908	95
General Supplies	366,089	(2,830)	363,259	355,510	7,749
Energy (Natural Gas)	532,500	-	532,500	350,000	182,500
Energy (Electricity)	1,641,772	(1,100)	1,640,672	1,463,467	177,205
Energy (Oil)	10,500	-	10,500	2,672	7,828
Other Objects	2,800	-	2,800	807	1,993
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>8,176,240</b>	<b>(67,019)</b>	<b>8,109,221</b>	<b>7,435,976</b>	<b>673,245</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	374,485	6,861	381,346	380,923	423
Cleaning, Repair and Maintenance Services	53,898	35,140	89,038	60,296	28,742
General Supplies	74,955	33,690	108,645	103,227	5,418
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>503,338</b>	<b>75,691</b>	<b>579,029</b>	<b>544,446</b>	<b>34,583</b>
Undistributed Expenditures - Security					
Salaries	181,619	18,607	200,226	167,673	32,553
Cleaning, Repair and Maintenance Services	26,120	(2,600)	23,520	17,354	6,166
General Supplies	10,484	6,600	17,084	13,301	3,783
Other Objects	1,000	-	1,000	-	1,000
<b>Total Undistributed Expenditures - Security</b>	<b>219,223</b>	<b>22,607</b>	<b>241,830</b>	<b>198,328</b>	<b>43,502</b>
<b>Total Undistributed Expenditures - Oper &amp; Main of Plant Services</b>	<b>10,214,706</b>	<b>(25,690)</b>	<b>10,189,016</b>	<b>9,348,054</b>	<b>840,962</b>
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,290,105	(1,940)	2,288,165	2,087,606	200,559
Sal for Pupil Transp (Between Home and School)-Sp Ed	256,112	50,607	306,719	291,234	15,485
Sal for Pupil Transp (Other than Bet. Home & School)	189,718	46,966	236,684	200,252	36,432
Other Purchased Professional and Technical Services	29,582	-	29,582	26,865	2,717
Cleaning, Repair, and Maintenance Services	270,213	(69,896)	200,317	184,402	15,915
Lease Purchase Payments - School Buses	507,205	-	507,205	504,471	2,734

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	438,988	(51,502)	387,486	366,020	21,466
Contracted Services - (Between Home and School) - Vendors	36,000	(34,400)	1,600	-	1,600
Contracted Services - (Special Ed Students) - Vendors	50,000	(42,090)	7,910	7,245	665
Contracted Services - (Special Ed Students) - Joint Agree.	2,000,845	97,520	2,098,365	2,098,365	-
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	135,252	-	135,252	110,916	24,336
Contracted Services - Aid in Lieu of Payments - Charter School	9,724	33,592	43,316	35,373	7,943
Contracted Services - Aid in Lieu of Payments - Choice School	37,128	-	37,128	26,029	11,099
Miscellaneous Purchased Services - Transportation	157,228	53	157,281	157,124	157
Supplies and Materials	8,402	2,790	11,192	11,099	93
Transportation Supplies	1,342,656	(314,183)	1,028,473	776,725	251,748
Miscellaneous Expenditures	10,000	1,339	11,339	10,959	380
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>7,769,158</b>	<b>(281,144)</b>	<b>7,488,014</b>	<b>6,894,685</b>	<b>593,329</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	1,416,434	-	1,416,434	1,223,471	192,963
Other Retirement Contributions - PERS	1,740,293	2,000	1,742,293	1,587,450	154,843
Other Retirement Contributions - Regular	44,909	(17,101)	27,808	27,230	578
Workmen's Compensation	1,422,534	-	1,422,534	1,370,514	52,020
Health Benefits	23,595,404	(735,662)	22,859,742	21,313,089	1,546,653
Tuition Reimbursement	91,900	-	91,900	56,974	34,926
Other Employee Benefits	625,244	152,368	777,612	658,073	119,539
Unused Sick Payment to Terminated/Retired Staff	536,411	38,764	575,175	566,832	8,343
<b>Total Unallocated Benefits</b>	<b>29,473,129</b>	<b>(559,631)</b>	<b>28,913,498</b>	<b>26,803,633</b>	<b>2,109,865</b>
On-behalf TPAF Pension Contributions (non-budgeted)				8,608,118	(8,608,118)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,810,122	(3,810,122)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,418,240</b>	<b>(12,418,240)</b>
<b>Total Undistributed Expenditures</b>	<b>74,253,540</b>	<b>(1,122,655)</b>	<b>73,130,885</b>	<b>80,011,826</b>	<b>(6,880,941)</b>
<b>Total Current Expense</b>	<b>120,329,866</b>	<b>(694,198)</b>	<b>119,635,668</b>	<b>125,690,143</b>	<b>(6,054,475)</b>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	-	-	-	-	-
Total Interest Deposit to Capital Reserve	-	-	-	-	-

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Equipment:</b>					
Undistributed Expenditures:					
Grades 1-5	2,770	4,883	7,653	7,653	-
Grades 6-8	-	5,600	5,600	5,600	-
Grades 9-12	2,965	6,059	9,024	9,022	2
Support Services - Regular	-	11,645	11,645	11,645	-
Support Services - Student Transportation-Non Inst. Equip	27,468	(27,468)	-	-	-
Undist. Expend. - Business Office	4,622	-	4,622	4,622	-
Undist. Expend. - Admin Info Tech.	104,766	37,820	142,586	112,786	29,800
Undist. Expend. - Required Maint for School Facilities	-	24,464	24,464	8,153	16,311
Undist. Expend. - Custodial Services	10,000	3,606	13,606	13,606	-
Undist. Expend. - Care and Upkeep of Grounds	2,750	15,600	18,350	11,750	6,600
Undist. Expend. - Security	48,878	27,189	76,067	29,206	46,861
Undist. Expend. - Student Trans. - Non Ins	-	327,110	327,110	39,710	287,400
<b>Total Equipment</b>	<b>204,219</b>	<b>436,508</b>	<b>640,727</b>	<b>253,753</b>	<b>386,974</b>
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	-	45,450	45,450	12,700	32,750
Construction Services	703,740	1,395,127	2,098,867	1,110,781	988,086
Supplies and Materials	-	-	-	-	-
Other Objects - Debt Service Assessment	543,141	-	543,141	543,140	1
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,246,881</b>	<b>1,440,577</b>	<b>2,687,458</b>	<b>1,666,621</b>	<b>1,020,837</b>
<b>Assets Acquired Under Capital Leases (non-budgeted):</b>					
Undistributed Expenditures:					
Instructional Equipment	-	-	-	1,766,358	(1,766,358)
Transportation	-	-	-	910,000	(910,000)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,676,358</b>	<b>(2,676,358)</b>
<b>Total Capital Outlay</b>	<b>1,451,100</b>	<b>1,877,085</b>	<b>3,328,185</b>	<b>4,596,732</b>	<b>(1,268,547)</b>
<b>Transfer to Charter Schools</b>	<b>438,775</b>	<b>258,135</b>	<b>696,910</b>	<b>696,910</b>	<b>-</b>
<b>Total Expenditures</b>	<b>122,219,741</b>	<b>1,441,022</b>	<b>123,660,763</b>	<b>130,983,785</b>	<b>(7,323,022)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,445,656)	(1,433,766)	(9,879,422)	(3,049,096)	6,830,326

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Increase in Capital Reserve	(2,000)	2,000	-	(1,000,000)	1,000,000
Withdrawal from Capital Reserve				1,433,766	(1,433,766)
Interest Deposit to Capital Reserve				(2,000)	2,000
Decrease in Capital Reserve				(431,766)	431,766
Capital Leases (non-budgeted)				2,676,358	2,676,358
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,447,656)	(1,431,766)	(9,879,422)	(372,738)	9,506,684
Fund Balances, July 1	20,865,049		20,865,049	20,865,049	-
Fund Balances, June 30	\$ 12,417,393	(1,431,766)	10,985,627	20,492,311	9,506,684

**Recapitulation of Fund Balance:**

**Restricted Fund Balance:**

Reserve for Excess Surplus	6,313,178
Excess Surplus-Designated for Subsequent Year's Expenditures	7,634,706
Reserve for Capital Reserve	2,071,234

**Assigned Fund Balance:**

Year-end Encumbrances	1,716,275
Designated for Subsequent Year's Expenditures	-

**Unassigned Fund Balance**

	2,756,918
	20,492,311

Reconciliation to Governmental Funds Statements (GAAP)  
 Last State Aid Payment Not Recognized on GAAP Basis

	(3,738,124)
<b>\$</b>	<b>16,754,187</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ -	2,169	2,169	2,169	-
Total - Local Sources	-	2,169	2,169	2,169	-
State Sources:					
Nonpublic aid	142,204	9,240	151,444	148,812	(2,632)
Total - State Sources	142,204	9,240	151,444	148,812	(2,632)
Federal Sources:					
Title I	775,499	444,760	1,220,259	1,129,060	(91,199)
Title II	108,008	26,280	134,288	122,666	(11,622)
Title III	43,912	7,246	51,158	50,629	(529)
I.D.E.A., Part B	1,533,686	661,129	2,194,815	1,942,749	(252,066)
Vocational Education	125,279	39,094	164,373	141,358	(23,015)
Total - Federal Sources	2,586,384	1,178,509	3,764,893	3,386,462	(378,431)
<b>Total Revenues</b>	<b>2,728,588</b>	<b>1,189,918</b>	<b>3,918,506</b>	<b>3,537,443</b>	<b>(381,063)</b>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	2,586,384	(1,227,314)	1,359,070	1,248,685	110,385
Purchased Professional and Technical Services	97,919	203,103	301,022	272,140	28,882
Other Purchased Services (400-500 series)	-	833,735	833,735	833,735	-
General Supplies	-	261,528	261,528	228,711	32,817
Textbooks	12,813	3,061	15,874	15,810	64
Other objects	-	1,900	1,900	1,757	143
<b>Total instruction</b>	<b>2,697,116</b>	<b>76,013</b>	<b>2,773,129</b>	<b>2,600,838</b>	<b>172,291</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Support Services					
Salaries of Program Directors	-	339,028	339,028	266,372	72,656
Personal Services - Employee Benefits	-	279,076	279,076	251,403	27,673
Purchased Technical Services	24,590	174,614	199,204	140,670	58,534
Purchased Property Services	-	22,750	22,750	22,750	-
Travel	-	19,500	19,500	16,452	3,048
Other purchased Services (400-500 series)	-	217,923	217,923	187,073	30,850
Supplies & Materials	-	32,207	32,207	17,761	14,446
Other Objects	-	5,739	5,739	5,319	420
<b>Total support services</b>	<b>24,590</b>	<b>1,090,837</b>	<b>1,115,427</b>	<b>907,800</b>	<b>207,627</b>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment	6,882	16,418	23,300	22,161	1,139
Noninstructional Equipment	-	6,650	6,650	6,644	6
<b>Total facilities acquisition and construction services</b>	<b>6,882</b>	<b>23,068</b>	<b>29,950</b>	<b>28,805</b>	<b>1,145</b>
<b>Transfers to Charter Schools</b>					
		-	-	-	-
<b>Total expenditures</b>	<b>2,728,588</b>	<b>1,189,918</b>	<b>3,918,506</b>	<b>3,537,443</b>	<b>381,063</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-



## **Notes to the Required Supplementary Information**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2016**

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

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 127,934,689	3,537,443
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		165,314
Current year		(15,303)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	3,694,647	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(3,738,124)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	127,891,212	3,687,454
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	130,983,785	3,537,443
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		165,314
Current year		(15,303)
Pension expense recognized for GAAP but not for budgetary purposes.		
	-	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 130,983,785	3,687,454

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**Required Supplementary Information**  
**Part III**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Three Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.1846447919%	0.1823522927%	0.1762768420%
District's proportionate of the net pension liability (asset)	\$ 32,618,264	\$ 34,141,337	\$ 33,690,007
District's covered payroll	\$ 12,921,914	\$ 12,372,353	\$ 12,234,369
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	252.43%	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only available for three years. Additional years will be presented as they become available.

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,407,927	\$ 1,328,210	\$ 1,223,404
Contributions in relation to the contractually required contribution	<u>\$ 1,407,927</u>	<u>\$ 1,328,210</u>	<u>\$ 1,223,404</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 12,921,914	\$ 12,372,353	\$ 12,234,369
Contributions as a percentage of covered-employee payroll	10.90%	10.74%	10.00%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only available for three years. Additional years will be presented as they become available.



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>253,846,482</u>	<u>259,337,251</u>	<u>244,617,946</u>
Total	<u>\$ 253,846,482</u>	<u>\$ 259,337,251</u>	<u>\$ 244,617,946</u>
District's covered payroll	\$ 50,023,842	\$ 49,227,235	\$ 49,131,489
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	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only available for two years. Additional years will be presented as they become available.

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**SPECIAL REVENUE FUND**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2016**

	Nonpublic Textbooks	Nonpublic Auxiliary Aid Compensatory Education	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total State Funds
<b>REVENUES:</b>									
State Sources	\$ 15,810	60,382	15,513	2,508	12,847	27,103	6,967	7,682	148,812
Federal Sources									
Local Sources									
Total revenues	<u>15,810</u>	<u>60,382</u>	<u>15,513</u>	<u>2,508</u>	<u>12,847</u>	<u>27,103</u>	<u>6,967</u>	<u>7,682</u>	<u>148,812</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									-
Purchased prof. and technical services									91,250
Other purchased services									6,967
General supplies							6,967		15,810
Textbooks	15,810								-
Other objects									-
Total instruction	<u>15,810</u>	<u>60,382</u>	<u>15,513</u>	<u>2,508</u>	<u>12,847</u>	<u>-</u>	<u>6,967</u>	<u>-</u>	<u>114,027</u>
Support services:									
Salaries of program directors									-
Personal services- employee benefits									-
Purchased technical services						27,103			27,103
Purchased property services									-
Miscellaneous purchased services									-
Travel									-
Supplies and materials								1,038	1,038
Other Objects									-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,103</u>	<u>-</u>	<u>1,038</u>	<u>28,141</u>
Facilities acquisition and const. serv.:									
Instructional equipment									-
Noninstructional equipment								6,644	6,644
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,644</u>	<u>6,644</u>
Transfer to charter schools									-
Total expenditures	\$ 15,810	60,382	15,513	2,508	12,847	27,103	6,967	7,682	148,812

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2016**

	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title I Part A	Title II Part A	Title III English Language Enhancement	Carl D. Perkins Vocational	Total Federal Funds
<b>REVENUES:</b>							
State Sources	\$ 1,869,144	73,605	1,129,060	122,666	50,629	141,358	3,386,462
Federal Sources							
Local Sources							
Total revenues	<u>1,869,144</u>	<u>73,605</u>	<u>1,129,060</u>	<u>122,666</u>	<u>50,629</u>	<u>141,358</u>	<u>3,386,462</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	257,956	56,766	831,972	64,142	36,440	9,140	1,247,276
Purchased prof. and technical services	171,510						180,650
Other purchased services	833,449	6,770			2,725	49,953	833,449
General supplies	162,062						221,510
Textbooks							
Other objects						1,757	1,757
Total instruction	<u>1,424,977</u>	<u>63,536</u>	<u>831,972</u>	<u>64,142</u>	<u>39,165</u>	<u>60,850</u>	<u>2,484,642</u>
Support services:							
Salaries of program directors	138,088	4,343	80,494	18,246		29,564	266,372
Personal services- employee benefits	25,300		193,017	17,393	9,088	2,262	251,403
Purchased technical services	104,517		2,350	6,700			113,567
Purchased property services	22,750						22,750
Miscellaneous purchased services	150,277		18,000	12,570	1,476	4,750	187,073
Travel			3,227	3,615	900	16,452	16,452
Supplies and materials	3,255	5,726				5,319	16,723
Other Objects							5,319
Total support services	<u>444,167</u>	<u>10,069</u>	<u>297,088</u>	<u>58,524</u>	<u>11,464</u>	<u>58,347</u>	<u>879,659</u>
Facilities acquisition and const. serv.:							
Instructional equipment						22,161	22,161
Noninstructional equipment							
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,161</u>	<u>22,161</u>
Transfer to charter schools							
Total expenditures	\$ <u>1,869,144</u>	<u>73,605</u>	<u>1,129,060</u>	<u>122,666</u>	<u>50,629</u>	<u>141,358</u>	<u>3,386,462</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2016**

	Workforce Investment Board (WIB)	Total All Other Funds	Totals
<b>REVENUES:</b>			
State Sources		-	148,812
Federal Sources		-	3,386,462
Local Sources	2,169	2,169	2,169
<b>Total revenues</b>	<b>2,169</b>	<b>2,169</b>	<b>3,537,443</b>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	1,409	1,409	1,248,685
Purchased prof. and technical services	240	240	272,140
Other purchased services	286	286	833,735
General supplies	234	234	228,711
Textbooks	-	-	15,810
Other objects	-	-	1,757
<b>Total instruction</b>	<b>2,169</b>	<b>2,169</b>	<b>2,600,838</b>
Support services:			
Salaries of program directors	-	-	266,372
Personal services- employee benefits	-	-	251,403
Purchased technical services	-	-	140,670
Purchased property services	-	-	22,750
Miscellaneous purchased services	-	-	187,073
Travel	-	-	16,432
Supplies and materials	-	-	17,761
Other Objects	-	-	5,319
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>907,800</b>
Facilities acquisition and const. serv.:			
Instructional equipment	-	-	22,161
Noninstructional equipment	-	-	6,644
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>28,805</b>
Transfer to charter schools			
<b>Total expenditures</b>	<b>2,169</b>	<b>2,169</b>	<b>3,537,443</b>

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**CAPITAL PROJECTS FUND**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
Year Ended June 30, 2016**

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
SP#200324	Construction of elementary school	3/28/00	\$ 21,670,374	21,433,507	45,587	191,280
SP#1310-005-08-1000	Various Repairs and Renovations at Swift/Slaybaugh Elementary Schools Roof Project	4/15/08	1,479,500	418,149	950,879	110,472
SP#1310-035-10-1003	Various Repairs and Renovations at Slaybaugh Elementary	8/26/10	953,771	953,771	-	-
N/A	Swift Elementary School Modular Building Project	6/11/13	483,800	458,191	25,609	-
<b>Totals</b>			<u>\$ 24,587,445</u>	<u>23,263,618</u>	<u>1,022,075</u>	<u>301,752</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2016**

**Revenues and other Financing Sources**

State sources -	
School Facilities Grant Program	\$ -
NJ Department of Treasury Grant	-
NJ Economic Development Authority	(233,291)
Bond proceeds and transfers	-
Township of Egg Harbor	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	<u>(233,291)</u>

**Expenditures and other Financing Uses**

Salaries	-
Purchased professional and technical services	6,340
Legal services	-
Land and improvements	-
Construction services	1,015,735
Equipment purchases	-
Total expenditures	<u>1,022,075</u>
Excess (deficiency) of revenues over (under) expenditures	(1,255,366)
Fund balance - beginning	1,557,118
Fund balance - ending	<u>\$ 301,752</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Construction of Dr. Joyanne D. Miller Elementary School**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 21,670,374		21,670,374	21,670,374
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>21,670,374</u>	<u>-</u>	<u>21,670,374</u>	<u>21,670,374</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services	74,592		74,592	74,592
Legal services	21,528		21,528	21,528
Contingency	57,505		57,505	57,505
Construction services	20,509,668	45,587	20,555,255	20,746,535
Furniture & equipment purchases	770,214		770,214	770,214
Total expenditures	<u>21,433,507</u>	<u>45,587</u>	<u>21,479,094</u>	<u>21,670,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 236,867</u>	<u>(45,587)</u>	<u>191,280</u>	<u>-</u>

**Additional project information:**

Project number	SP-200324
Grant Date	N/A
Bond Authorization Date	3/28/00
Bonds Authorized	21,800,000
Bonds Issued	21,800,000
Original Authorized Cost	21,800,000
Additional/Reduction in Authorized Cost	(129,626)
Revised Authorized Cost	21,670,374

Percentage Increase over Original Authorized Cost	-0.59%
Percentage Completion	100.00%
Original target completion date	9/1/03
Revised target completion date	6/30/17

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Swift and Slaybaugh Elementary Schools Roof Project**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 1,479,500		1,479,500	1,897,650
Township of Egg Harbor			-	
Transfer from capital reserve			-	-
Transfer from capital outlay			-	
Total revenues	<u>1,479,500</u>	<u>-</u>	<u>1,479,500</u>	<u>1,897,650</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services	45,230	6,340	51,570	97,230
Legal services			-	
Contingency			-	
Construction services	372,920	944,539	1,317,459	1,800,420
Furniture & equipment purchases			-	
Total expenditures	<u>418,150</u>	<u>950,879</u>	<u>1,369,029</u>	<u>1,897,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,061,350</u>	<u>(950,879)</u>	<u>110,471</u>	<u>-</u>

**Additional project information:**

Project number	01-1310-005-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	
Bonds Issued	-
Original Authorized Cost	1,479,500
Additional Authorized Cost	-
Revised Authorized Cost	1,479,500
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	72.14%
Original target completion date	6/30/09
Revised target completion date	6/30/17

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Repairs and Renovations at Slaybaugh Elementary School**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program	\$ 363,076		363,076	596,368
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay	590,695		590,695	590,695
Total revenues	<u>953,771</u>	<u>-</u>	<u>953,771</u>	<u>1,187,063</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services	69,879		69,879	69,879
Legal services			-	
Contingency			-	
Construction services	883,892		883,892	1,117,184
Furniture & equipment purchases			-	
Total expenditures	<u>953,771</u>	<u>-</u>	<u>953,771</u>	<u>1,187,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Additional project information:**

Project number	01-1310-035-10-1003
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	1,307,425
Additional Authorized Cost	(115,689)
Revised Authorized Cost	1,191,736

## Percentage Increase over Original

Authorized Cost	-8.85%
Percentage Completion	100.00%
Original target completion date	8/31/11
Revised target completion date	6/30/13

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Swift School Modular Building Project**  
**From Inception and for the Year Ended June 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	\$ 483,800		483,800	483,800
Transfer from capital outlay			-	
Total revenues	<u>483,800</u>	<u>-</u>	<u>483,800</u>	<u>483,800</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services			-	
Legal services			-	
Contingency			-	
Construction services	458,191	25,609	483,800	483,800
Furniture & equipment purchases			-	
Total expenditures	<u>458,191</u>	<u>25,609</u>	<u>483,800</u>	<u>483,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 25,609</u>	<u>(25,609)</u>	<u>-</u>	<u>-</u>

**Additional project information:**

Project number	N/A
Grant date	N/A
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	483,800
Additional Authorized Cost	-
Revised Authorized Cost	483,800
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original target completion date	6/30/14
Revised target completion date	6/30/16



**FIDUCIARY FUNDS**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2016**

H-1

	Trust		Agency				Total Agency
	Unemployment Compensation	Private Purpose	Total Trusts	Student Activity	Conduit	Payroll	
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 1,125,941	-	1,125,941	406,879	154,611	26,780	588,270
Interfunds receivable			-	5,005		-	5,005
<b>Total Assets</b>	<b>1,125,941</b>	<b>-</b>	<b>1,125,941</b>	<b>411,884</b>	<b>154,611</b>	<b>26,780</b>	<b>593,275</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Payroll deductions and withholdings						26,780	26,780
Interfunds payable						-	-
Due to student groups				411,884			411,884
Conduit activities payable					154,611		154,611
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411,884</b>	<b>154,611</b>	<b>26,780</b>	<b>593,275</b>
<b>Net Position</b>							
Reserved - Trust			1,125,941				
Unemployment	1,125,941	-	-				
Scholarship							
<b>Total net position</b>	<b>1,125,941</b>	<b>-</b>	<b>1,125,941</b>				
<b>Total net position</b>	<b>\$ 1,125,941</b>	<b>-</b>	<b>1,125,941</b>				

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2016**

H-2

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total Trusts
<b>OPERATING REVENUES:</b>			
Local sources:			
Interest on investments	\$ 1,612	2	1,614
Scholarship Contribution		23,745	23,745
Employee Contributions	118,160		118,160
Total operating revenues	119,772	23,747	143,519
<b>OPERATING EXPENSES:</b>			
Transferred to Education Foundation		23,765	23,765
Payments of unemployment claims	84,126		84,126
Total operating expenses	84,126	23,765	107,891
Operating (Loss)	35,646	(18)	35,628
Net Income	35,646	(18)	35,628
Net position, July 1	1,090,295	18	1,090,313
Net position, June 30	\$ 1,125,941	-	1,125,941

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2016**

H-3

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Interfund Receivable June 30, 2016	Balance June 30, 2016
Elementary and Middle Schools	\$ 134,845	103,113	121,609		116,349
Athletic Fund	12,055	123,056	85,024	5,005	55,092
High School Students	308,246	425,828	495,271		238,803
Eagle's Nest School Store	500	45	55		490
Alternative School (Grades 7-12)	463	946	259		1,150
<b>Total all schools</b>	<b>\$ 456,109</b>	<b>652,988</b>	<b>702,218</b>	<b>5,005</b>	<b>411,884</b>
			Less Interfund Receivable	<u>(5,005)</u>	
			Cash Balance June 30, 2016		<u><u>406,879</u></u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2016**

H-4a

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 15,490	78,257,493	78,246,203	26,780
Interfund accounts receivable	956	-	956	-
<b>Total assets</b>	<u>16,446</u>	<u>78,257,493</u>	<u>78,247,159</u>	<u>26,780</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	5,440	78,256,543	78,235,203	26,780
Due to general fund	11,006	950	11,956	-
<b>Total liabilities</b>	<u>\$ 16,446</u>	<u>78,257,493</u>	<u>78,247,159</u>	<u>26,780</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Agency Fund - Conduit**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2016**

H-4b

**OPERATING REVENUES:**

Local sources:	
Contributions	<u>\$ 50,727</u>
Total operating revenues	<u>50,727</u>

**OPERATING EXPENSES:**

Purchased professional services	<u>50,605</u>
Total operating expenses	<u>50,605</u>
Operating Income	122
Net position, July 1	<u>154,489</u>
Net position, June 30	<u><u>\$ 154,611</u></u>

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**LONG-TERM DEBT**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Issued	Refunded/Retired	Balance June 30, 2016
			Date	Amount					
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	7/15/16	3,020,000	5.500%				
			7/15/17	3,195,000	5.500%				
			7/15/18	3,375,000	5.500%				
			7/15/19	3,570,000	5.500%				
			7/15/20	3,775,000	5.500%				
			7/15/21	3,995,000	5.500%				
			7/15/22	4,220,000	5.500%				
			7/15/23	4,460,000	5.500%				
			7/15/24	4,715,000	5.750%				
			7/15/25	4,985,000	5.750%	\$ 42,175,000		2,865,000	39,310,000
General Obligation - Refunding Bonds	12/5/06	15,410,000				14,750,000	14,750,000	-	
School Bonds	9/15/08	27,924,000	9/15/16	1,335,000	4.000%				
			9/15/17	1,400,000	4.000%				
			9/15/18	1,465,000	4.000%	24,425,000	20,225,000	4,200,000	
General Obligation - Refunding Bonds	12/5/12	6,805,000	4/1/17	825,000	3.000%				
			4/1/18	845,000	3.000%				
			4/1/19	835,000	3.000%				
			4/1/20	850,000	3.000%				
			4/1/21	850,000	3.000%				
			4/1/23	835,000	4.000%				
			4/1/24	855,000	3.500%	6,710,000	815,000	5,895,000	
General Obligation - Refunding Bonds	1/6/16	14,365,000	4/1/17	50,000	2.000%				
			4/1/18	55,000	2.000%				
			4/1/19	50,000	2.000%				
			4/1/20	55,000	2.000%				
			4/1/21	55,000	2.000%				
			4/1/22	910,000	5.000%				
			4/1/23	60,000	2.000%				
			4/1/24	65,000	2.000%				
			4/1/25	995,000	5.000%				
			4/1/26	955,000	5.000%				
			4/1/27	2,300,000	4.000%				
			4/1/28	2,515,000	3.000%				
			4/1/29	3,205,000	3.000%				
		4/1/30	2,975,000	3.000%		14,365,000	120,000	14,245,000	

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Issued	Refunded/Retired	Balance June 30, 2016
			Date	Amount					
General Obligation - Refunding Bonds	6/1/16	19,320,000	9/15/16	170,000	2.000%				
			9/15/17	30,000	3.000%				
			9/15/18	30,000	3.000%				
			9/15/19	1,565,000	4.000%				
			9/15/20	1,650,000	5.000%				
			9/15/21	1,525,000	2.000%				
			9/15/21	190,000	4.000%				
			9/15/22	1,790,000	5.000%				
			9/15/23	1,890,000	5.000%				
			9/15/24	1,970,000	2.000%				
			9/15/25	2,020,000	2.125%				
			9/15/26	2,090,000	4.000%				
			9/15/27	2,170,000	2.375%				
		9/15/28	2,230,000	2.500%					
						-	19,320,000		19,320,000
						<u>\$ 88,060,000</u>	<u>33,685,000</u>	<u>38,775,000</u>	<u>82,970,000</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations under Capital Leases**  
**June 30, 2016**

I-2

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2015	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2016
Blue Bird 54 passenger buses (14)	8/15/06	4.155%	\$ 941,000	99,222		99,222	-
Blue Bird 54 passenger buses (3) 29 passenger buses (3) 25 passenger bus (1) with wheelchair lift	8/15/07	4.170%	530,000	55,000		27,000	28,000
International 54 passenger buses (2) 29 passenger buses (1)	9/9/09	4.250%	255,000	40,000		40,000	-
Blue Bird 54 passenger buses (4)	1/14/14	1.810%	374,534	247,620		47,764	199,856
U.S. Bancorp 25 passenger wheelchair bus (1) 54 passenger buses (4)	10/29/14	1.495%	468,000	385,000		74,732	310,268
TD Equipment Finance Various Equipment 54 passenger buses (10)	7/15/15 7/15/15	1.430% 1.570%	1,766,358 \$ 910,000	-	1,766,358 910,000	368,000 200,000	1,398,358 710,000
				<u>\$ 826,842</u>	<u>2,676,358</u>	<u>856,718</u>	<u>2,646,482</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 5,751,186	-	5,751,186	5,751,186	-
Other Miscellaneous	5,751,186	-	5,751,186	5,751,186	-
State Sources:					
Debt Service Aid Type II	3,262,441	-	3,262,441	3,262,441	-
Total - State Sources	3,262,441	-	3,262,441	3,262,441	-
<b>Total Revenues</b>	<b>9,013,627</b>	<b>-</b>	<b>9,013,627</b>	<b>9,013,627</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	3,997,191	-	3,997,191	3,956,659	40,532
Redemption of Principal	5,030,000	-	5,030,000	5,030,000	-
Total Regular Debt Service	9,027,191	-	9,027,191	8,986,659	40,532
<b>Total expenditures</b>	<b>9,027,191</b>	<b>-</b>	<b>9,027,191</b>	<b>8,986,659</b>	<b>40,532</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,564)	-	(13,564)	26,968	40,532
Fund Balance, July 1	13,584	-	13,584	13,584	-
Fund Balance, June 30	20	-	20	40,552	40,532

**Recapitulation of Fund Balance:**

Designated for Subsequent Year's Expenditures	-
Restricted Fund Balance	40,552
	<u>40,552</u>

# **Statistical Section**

## **Financial Trends (J-1 through J-5)**

These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.

## **Revenue Capacity (J-6 through J-9)**

These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.

## **Debt Capacity (J-10 through J-13)**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

## **Demographic and Economic Information (J-14 and J-15)**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

## **Operating Information (J-16 through J-20)**

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 38,524,993	65,409,682	68,517,439	78,925,882	80,245,144	107,596,509	106,080,616	104,590,050	104,910,948	98,617,866
Restricted	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373
Unrestricted*	(9,020,267)	(7,336,108)	(18,155,056)	(12,189,021)	(2,941,253)	3,448,528	5,512,921	(23,453,834)	(19,965,011)	(23,503,022)
Total governmental activities net position	64,639,265	92,314,235	89,672,104	83,977,734	86,485,210	115,706,633	115,530,840	83,771,809	86,631,238	76,192,217
<b>Business-type activities</b>										
Net investment in capital assets	59,631	64,568	154,785	139,764	124,316	113,406	147,741	151,742	169,101	193,910
Unrestricted	262,480	291,589	511,873	912,539	1,339,255	1,628,015	1,338,792	1,301,455	1,244,294	1,225,389
Total business-type activities net position	322,111	356,157	666,658	1,052,303	1,463,571	1,741,421	1,486,533	1,453,197	1,413,395	1,419,299
<b>District-wide</b>										
Net investment in capital assets	38,584,624	65,474,250	68,672,224	79,065,646	80,369,460	107,709,915	106,228,357	104,741,792	105,080,049	98,811,776
Restricted	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373
Unrestricted	(8,757,787)	(7,044,519)	(17,643,183)	(11,276,482)	(1,601,998)	5,013,461	6,851,713	10,212,418	(18,720,717)	(22,277,633)
Total district net position	\$ 64,961,376	92,670,392	90,338,762	85,030,037	87,948,781	117,384,972	117,017,373	117,589,803	88,044,633	77,611,516

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 68, the District has restated the June 30, 2014 Governmental Activities Unrestricted net position. The restatement resulted in a decrease of \$32,364,797 to net position.

Source: CAFR Schedule A-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	35,755,679	44,610,760	45,612,915	49,702,067	46,770,376	48,007,801	50,851,116	50,450,298	54,824,412	62,992,932
Special education	9,243,100	10,447,761	10,359,391	10,975,613	9,832,790	10,277,868	11,368,892	11,493,725	12,629,713	15,301,873
Other special education	1,833,470	2,022,923	2,845,120	2,857,779	2,388,646	3,194,760	3,139,061	3,252,789	3,499,661	3,597,262
Other instruction	1,341,128	1,592,984	1,627,343	2,305,275	1,610,354	1,795,683	1,925,211	1,771,611	1,892,096	2,199,347
Nonpublic school programs	247,722	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675	141,130
Support Services:										
Tuition	4,326,100	4,617,756	5,339,044	4,539,129	4,110,824	5,595,481	6,355,186	6,214,391	7,960,177	8,518,177
Student & instruction related services	11,211,589	13,284,517	14,216,429	15,927,155	15,643,313	17,002,463	19,522,106	19,490,668	22,037,455	26,161,293
General administrative services	3,824,605	3,984,247	4,064,643	4,208,735	3,867,251	3,956,528	4,368,385	4,276,394	4,581,496	5,308,159
School administrative services	3,874,447	4,100,130	4,312,650	5,093,246	5,118,734	5,484,702	6,006,631	5,867,938	6,570,957	7,747,451
Plant operations and maintenance	12,201,742	14,110,569	15,299,962	15,135,986	13,928,061	13,904,927	13,996,124	13,966,789	14,758,183	16,965,477
Pupil transportation	9,445,930	8,821,333	9,113,711	9,696,290	9,371,628	9,806,929	10,075,822	10,273,699	11,138,585	12,675,554
Special Schools	198,060	246,120	251,555	-	-	4,679,467	4,333,013	4,742,049	4,565,316	4,359,240
Interest on long-term debt	4,385,934	4,245,200	4,411,123	5,606,697	4,942,981	4,679,467	2,000	-	-	-
Capital Outlay	309,664	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	98,199,170	112,410,639	117,724,922	126,375,376	117,818,183	123,934,921	132,035,106	132,028,450	144,632,726	165,967,895
Business-type activities:										
Food service	2,904,526	3,316,662	3,367,972	3,282,613	2,770,324	2,924,766	3,423,983	3,307,547	3,254,280	3,207,090
Child Care	333,692	379,271	395,166	354,299	312,264	319,206	342,188	329,321	347,520	350,893
Total business-type activities expense	3,238,218	3,695,933	3,763,138	3,636,912	3,082,588	3,243,972	3,766,171	3,636,868	3,601,800	3,557,983
Total district expenses	101,437,388	116,106,572	121,488,060	130,012,288	120,900,771	127,178,893	135,801,277	135,665,318	148,234,526	169,525,878
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Special schools	4,695	4,205	-	-	-	503,161	723,162	758,420	786,941	717,238
Tuition	54,619	86,606	117,355	68,362	322,020	11,672,736	13,904,322	12,593,881	25,360,104	32,480,274
Operating grants and contributions	10,608,785	11,423,527	9,126,728	10,533,002	10,733,173	11,672,736	13,904,322	12,593,881	25,360,104	32,480,274
Total governmental activities program revenues	10,668,099	11,514,338	9,244,083	10,601,364	11,055,193	12,175,897	14,627,484	13,352,301	26,147,045	33,197,512

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities:</b>										
Charges for services										
Food service	1,519,027	1,613,990	1,762,168	1,713,237	1,624,980	1,508,441	1,370,924	1,352,940	1,225,494	1,230,505
Child care	418,344	416,505	402,202	376,114	363,521	338,588	325,824	318,293	311,977	315,708
Operating grants and contributions	1,109,599	1,281,265	1,460,900	1,566,779	1,494,938	1,669,251	1,811,708	1,874,069	2,023,917	2,006,187
Total business type activities program revenues	3,046,970	3,311,660	3,625,270	3,656,130	3,483,439	3,516,280	3,508,456	3,545,302	3,561,388	3,552,400
Total district program revenues	13,715,069	14,825,998	12,869,353	14,257,494	14,538,632	15,692,177	18,135,940	16,897,603	29,708,433	36,749,912
<b>Net (Expense)/Revenue</b>										
Governmental activities	(87,531,071)	(100,896,301)	(108,480,839)	(115,774,012)	(106,762,990)	(111,759,024)	(117,407,622)	(118,676,149)	(118,485,681)	(132,770,383)
Business-type activities	(191,248)	(384,273)	(137,868)	19,218	400,851	272,308	(257,715)	(91,566)	(40,412)	(5,583)
Total district-wide net expense	(87,722,319)	(101,280,574)	(108,618,707)	(115,754,794)	(106,362,139)	(111,486,716)	(117,665,337)	(118,767,715)	(118,526,093)	(132,775,966)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	50,843,214	63,222,982	59,739,242	63,470,098	63,300,938	64,566,957	67,204,500	69,175,095	71,015,418	72,986,000
Taxes levied for debt service	4,222,368	4,139,846	4,178,493	4,892,610	5,208,360	5,115,855	5,738,984	5,731,780	5,711,491	5,751,186
Unrestricted grants and contributions	29,933,028	30,931,744	37,998,580	37,396,131	36,430,511	39,589,730	40,238,195	40,929,772	40,923,098	40,948,861
Federal and state aid restricted	3,929,213	3,152,322	3,297,657	4,051,939	3,176,748	30,542,358	3,250,869	3,253,736	3,259,532	3,262,441
Transportation charges										
Investment earnings	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339	55,169
Miscellaneous income	301,994	131,731	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613	979,474
Special items	(2,091,837)	25,067,305	157,653	203,043	(323,687)	433,797	(167,573)	(1,186,731)	(3,381)	(1,651,769)
Transfers	(393,000)	(393,401)	(385,033)	(357,161)						
Total governmental activities	87,623,220	128,571,271	105,838,708	110,079,642	109,270,466	140,917,367	117,231,829	119,281,915	121,345,110	122,331,362
Business-type activities:										
Investment earnings	34,920	24,918	7,917	9,266	10,417	5,542	2,827	2,265	1,912	1,753
Special items			55,419					55,965	(1,302)	9,734
Transfers	393,000	393,401	385,033	357,161						
Total business-type activities	427,920	418,319	448,369	366,427	10,417	5,542	2,827	58,230	610	11,487
Total district-wide	88,051,140	128,989,590	106,287,077	110,446,069	109,280,883	140,922,909	117,234,656	119,340,145	121,345,720	122,342,849

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Change in Net Position</b>										
Governmental activities	92,149	27,674,970	(2,642,131)	(5,694,370)	2,507,476	29,158,343	2,507,476	29,158,343	2,859,429	(10,439,021)
Business-type activities	236,672	34,046	310,501	385,645	411,268	277,850	411,268	277,850	(39,802)	5,904
Total district	<u>328,821</u>	<u>27,709,016</u>	<u>(2,331,630)</u>	<u>(5,308,725)</u>	<u>2,918,744</u>	<u>29,436,193</u>	<u>2,918,744</u>	<u>29,436,193</u>	<u>2,819,627</u>	<u>(10,433,117)</u>

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

Source: CAFR Schedule A-2

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted					3,288,889	5,918,996	9,035,850	15,672,131	16,822,512	16,019,118
Committed				(1,187,551)	5,092,461	5,388,432	3,379,001	-	-	-
Assigned					301,863	471,036	152,937	-	347,890	735,069
Unassigned							(0)	(195,438)	-	-
Reserved	7,524,256	10,497,827	10,924,049	7,164,472						
Unreserved	1,124,179	1,340,851	(1,002,958)	(1,187,551)						
Total general fund	<u>8,648,435</u>	<u>11,838,678</u>	<u>9,921,091</u>	<u>5,976,921</u>	<u>8,683,213</u>	<u>11,778,464</u>	<u>12,567,788</u>	<u>15,476,693</u>	<u>17,170,402</u>	<u>16,754,187</u>
All Other Governmental Funds										
Restricted					2,225,921	2,731,142	3,149,561	453,308	191,301	246,833
Committed							749,999	2,144,542	1,132,546	95,471
Assigned					2,876,357	729,708	-	37,743	13,564	-
Unassigned						2	37,743	-	-	-
Reserved	2,248,195	924,018	9,141,444	3,193,406						
Unreserved, reported in:										
Special revenue fund	(28,577)	(28,577)	-	-						
Capital projects fund	23,090,766	21,886,172	10,102,784	3,689,589						
Debt service fund	23,127	8,626	-	-						
Total all other governmental funds	<u>25,333,511</u>	<u>22,790,239</u>	<u>19,244,228</u>	<u>6,882,995</u>	<u>5,102,278</u>	<u>3,460,852</u>	<u>3,937,303</u>	<u>2,635,593</u>	<u>1,337,411</u>	<u>342,304</u>

The requirements related to reporting fund balances in all governmental funds were modified by the Governmental Accounting Standards Board (GASB) starting with fiscal year ending June 30, 2011.

Source: CAFR Schedule B-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 55,065,582	67,362,828	63,917,735	68,362,708	68,509,298	69,682,812	72,943,484	74,906,875	76,726,909	78,737,186
Tuition charges	54,619	86,606	117,355	68,362	322,020	503,161	723,162	758,420	786,941	717,238
Transportation charges										
Interest earnings	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339	33,859
Rentals										55,169
Miscellaneous	306,689	135,936	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613	731,845
Local sources	16,129	17,232	121,697	89,726	70,201	83,696	80,932	36,455	15,751	2,169
State sources	42,079,421	43,014,597	47,695,428	42,424,817	46,333,813	76,949,960	53,791,957	53,384,159	54,745,251	56,551,128
Federal sources	2,375,476	2,475,764	2,605,840	9,466,529	3,936,418	4,771,168	3,520,497	3,356,773	3,492,013	3,763,699
Total revenue	100,776,156	115,411,705	115,310,171	120,835,124	120,649,346	152,659,467	132,026,886	133,820,945	136,205,817	140,592,293
<b>Expenditures</b>										
Instruction										
Regular instruction	28,151,621	33,128,570	33,559,452	35,679,871	34,419,675	34,587,035	35,102,304	35,205,925	35,101,944	36,989,169
Special education instruction	6,603,506	7,399,402	7,360,619	7,600,335	6,794,254	7,076,809	7,581,713	7,585,720	7,835,258	8,516,160
Other special instruction	1,290,177	1,411,857	2,017,871	1,926,862	1,648,521	2,197,648	2,032,077	2,075,277	2,057,868	1,939,201
Other instruction	955,992	1,127,189	1,155,686	1,757,760	1,243,611	1,355,886	1,417,191	1,313,499	1,316,270	1,423,881
Nonpublic school programs	247,722	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675	141,130
Support Services:										
Tuition	2,689,298	2,950,776	3,364,205	2,773,305	2,276,121	3,204,415	3,822,196	3,724,846	4,722,724	4,161,898
Student & instruction related services	8,407,953	9,765,885	10,418,560	11,068,011	10,847,890	11,809,563	13,168,955	13,233,770	13,793,357	14,789,363
General administrative services	2,682,231	2,716,949	2,775,962	2,806,420	2,554,836	2,618,284	2,808,404	2,839,377	2,778,659	2,894,089
School Administrative services	2,776,309	2,883,757	3,061,745	3,073,874	3,125,619	3,367,287	3,501,399	3,509,442	3,622,601	3,726,199
Plant operations and maintenance	8,599,212	9,872,178	10,704,263	10,310,439	9,356,191	9,136,762	8,802,111	9,266,653	8,783,610	9,348,054
Pupil transportation	7,140,085	6,091,422	6,286,850	6,573,305	6,471,752	6,558,242	6,524,541	6,838,838	6,550,746	6,894,685
Unallocated employee benefits	20,602,086	25,430,478	26,248,423	31,065,098	28,222,108	30,220,266	34,608,681	33,907,585	36,239,815	39,221,873
Special Schools	140,268	174,998	179,675	-						
Capital outlay	5,728,646	4,264,995	11,211,686	13,137,361	3,745,614	30,696,942	2,353,522	3,719,997	4,291,997	5,647,612
Debt service:										
Principal	2,980,000	3,035,000	3,185,000	3,265,000	3,400,000	3,410,000	4,429,226	4,620,000	4,815,000	5,030,000
Interest and other charges	4,362,454	4,321,538	4,172,324	5,688,175	4,985,108	4,817,207	4,522,886	4,365,516	4,193,766	3,956,659
Total expenditures	103,357,560	114,901,333	125,973,357	137,053,220	119,324,525	151,284,658	130,764,765	132,434,644	136,278,290	144,679,973
Excess (Deficiency) of revenues over (under) expenditures	(2,581,404)	510,372	(10,663,186)	(16,218,096)	1,324,821	1,374,809	1,262,121	1,386,301	(72,473)	(4,087,680)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	1,645,382	530,000	700,000	255,000	-	-	-	374,534	468,000	2,676,358
Debt service assessment					(400,347)					
Cancellation of prior year receivables										
Cancellation of prior year payables	32,080		13,137	14,854	1,101	79,016	3,654	(153,640)		-
Bond proceeds			27,924,000							
Proceeds of refunding debt	13,572,000						6,805,000			
Payment to refunded debt escrow agent	(13,572,000)						(6,805,000)			
Recoveries for storm damage										
Insurance							398,700			
FEMA							74,883			
Expenses related to storm damage							(398,700)			
Insurance							(74,883)			
FEMA							1,406,400			
Transfers in	3,057,611	60,000	1,431,704	106,822	1,657,522	466,600	1,406,400			
Transfers out	(3,450,611)	(453,401)	(1,816,737)	(463,983)	(1,657,522)	(466,600)	(1,406,400)			
Total other financing sources (uses)	1,284,462	136,599	28,252,104	(87,307)	(399,246)	79,016	3,654	220,894	468,000	2,676,358
Net change in fund balances	\$ (1,296,942)	646,971	17,588,918	(16,305,403)	925,575	1,453,825	1,265,775	1,607,195	395,527	(1,411,322)
Debt service as a percentage of noncapital expenditures	7.52%	6.65%	6.41%	7.23%	7.25%	6.82%	6.97%	6.98%	6.83%	6.46%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Adult Evening School Tuition	Refund of Prior Year Expenditures	Lawsuit Settlements	Use of Facilities	Gain/Loss on Sale of Capital Assets	Easement Fees	Sale of SRECS	Misc.	Total
2007	4,695	74,997		32,839		170,000		24,158	306,689
2008	4,205	83,476		7,975				40,280	135,936
2009	-	259,784		11,587				9,000	280,371
2010	919	26,492		350				395,221	422,982
2011	1,845	20,054		26,358			998,538	430,802	1,477,597
2012	2,032	17,455		44,143			475,378	34,813	573,821
2013	2,025	10,964	621,319	44,328			196,135	51,440	926,211
2014	2,790	1,046,090		88,597			172,175	17,732	1,327,384
2015		106,761		82,979			184,200	23,653	397,593
2016		26,631		-			564,170	196,594	787,395

Source: District Records



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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Charm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Class I Railroad	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2007	159,294,300	1,800,348,500	2,783,000	399,800	444,702,400	-	8,452,000	2,415,980,000		15,300	6,354,500	2,422,349,800	2.53	4,228,224,472
2008	137,144,000	1,911,350,500	3,363,500	508,400	426,413,900	27,295,200	8,210,400	2,514,285,900		15,300	6,382,200	2,520,683,400	2.60	4,945,425,544
2009	125,401,800	1,971,682,300	3,875,800	527,000	423,293,700	28,633,700	8,210,400	2,561,624,700		15,300	7,020,900	2,568,660,900	2.58	5,395,212,980
2010	118,169,900	1,988,870,600	3,888,200	527,000	422,623,800	28,633,700	8,210,400	2,570,923,600		15,300	6,851,800	2,577,790,700	2.65	5,369,232,225
2011	113,010,400	1,989,216,200	3,707,300	529,100	427,410,800	28,633,700	8,210,400	2,570,717,900		15,300	6,202,900	2,576,936,100	2.68	5,046,878,378
2012	108,161,300	1,980,745,900	3,730,300	439,800	430,765,500	28,633,700	8,210,400	2,560,686,900		15,300	6,465,890	2,567,168,090	2.52	4,739,095,606
2013	177,625,200	3,022,057,300	5,717,200	535,300	797,608,100	47,398,600	16,192,000	4,067,133,700		15,300	10,293,734	4,077,448,734	1.79	7,045,876,506
2014	166,478,000	3,046,695,000	5,084,900	554,100	798,150,900	43,509,200	16,192,000	4,076,664,100		15,300	8,175,829	4,084,855,229	1.83	4,188,735,879
2015	151,264,300	3,060,824,300	5,457,400	734,300	787,632,800	43,509,200	16,192,000	4,065,614,300		15,300	8,586,762	4,074,216,362	1.90	4,166,224,052
2016	141,631,800	3,079,654,400	5,116,300	819,700	793,693,100	43,509,200	16,192,000	4,080,616,500		15,300	8,434,662	4,089,066,462	1.93	4,189,172,382

Source: District records Tax, list summary & Municipal Tax Assessor

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

\* Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct			
Fiscal Year Ended June 30,						
2007	2.354	0.172	2.526	0.448	0.605	3.579
2008	2.439	0.163	2.602	0.518	0.605	3.725
2009	2.398	0.182	2.580	0.606	0.624	3.810
2010	2.459	0.189	2.648	0.706	0.619	3.973
2011	2.481	0.201	2.682	0.755	0.664	4.101
2012	2.609	0.224	2.833	0.754	0.641	4.228
* 2013	1.646	0.167	1.813	0.519	0.481	2.813
2014	1.717	0.141	1.858	0.538	0.508	2.904
2015	1.768	0.140	1.908	0.550	0.505	2.963
2016	1.783	0.141	1.924	0.560	0.523	3.007

Source: District Records and Municipal Tax Collector

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

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

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
US Realty Financial Corp	35,259,200	1	0.86%	34,083,600	1	1.41%
Shore Mall Associates						
English Creek Partners, LLC	15,500,000	2	0.38%	10,242,600	3	0.42%
Lowe's Home Centers, Inc.	15,393,900	3	0.38%	8,872,300	4	
Egg Harbor Associates, LLC	15,038,400	4	0.37%			
Atlantic City Electric Co.				11,172,900	2	0.46%
Atlanticare Health Services, Inc.	13,682,100	5	0.33%			
Home Depot Development Co of MD	10,831,200	6	0.26%	7,397,100	6	0.31%
Margate Bridge Company	9,710,900	7	0.24%	5,914,000	10	0.24%
Hidden Creek Golf Club, LLC	9,621,200	8	0.24%	6,021,400	8	0.25%
The Hebrew Academy of Atlantic City	9,521,200	9	0.23%			
MCRS Egg Harbor, LLC	9,269,900	10	0.23%			
Cardiff Center LLC	-			7,500,000	5	0.31%
Heathercroft Shopping Center				6,294,200	7	0.26%
Eagle Creek Partners, LLC				5,916,600	9	0.24%
<b>Total</b>	<b>143,828,000</b>		<b>3.52%</b>	<b>103,414,700</b>		<b>3.90%</b>

District Net Assessed Value 2,422,349,800

4,089,066,462

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 55,065,582	55,065,582	100%	-
2008	67,362,828	67,362,828	100%	-
2009	63,917,735	63,917,735	100%	-
2010	68,362,708	68,362,708	100%	-
2011	68,509,298	68,509,298	100%	-
2012	69,682,812	69,682,812	100%	-
2013	72,943,484	72,943,484	100%	-
2014	74,906,875	74,906,875	100%	-
2015	76,726,909	76,726,909	100%	-
2016	78,737,186	78,737,186	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2007	90,175,000	4,631,798	59,618	94,866,416	6.20%	2,406	
2008	87,140,000	4,273,454	55,419	91,468,873	5.77%	2,292	
2009	111,879,000	3,942,669	55,965	115,877,634	7.33%	2,880	
2010	108,614,000	3,264,010	55,965	111,933,975	6.50%	2,583	
2011	105,214,000	2,284,177	55,965	107,554,142	6.03%	2,485	
2012	101,804,000	1,530,055	55,965	103,390,020	5.63%	2,370	
2013	97,495,000	964,674	55,965	98,515,639	5.33%	2,246	
2014	92,875,000	856,512	-	93,731,512	5.07%	2,136	
2015	88,060,000	826,842	-	88,886,842	4.81%	2,026	
2016	82,970,000	2,646,482	-	85,616,482	4.50%	1,951	

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	90,175,000	-	90,175,000	3.72%	2,287
2008	87,140,000	-	87,140,000	3.46%	2,184
2009	111,879,000	-	111,879,000	4.36%	2,780
2010	108,614,000	-	108,614,000	4.21%	2,506
2011	105,214,000	-	105,214,000	4.08%	2,431
2012	101,804,000	-	101,804,000	3.97%	2,333
2013	97,495,000	-	97,495,000	2.39%	2,222
2014	92,875,000	-	92,875,000	2.27%	2,117
2015	88,060,000	-	88,060,000	2.16%	2,007
2016	82,970,000	-	82,970,000	2.03%	1,891

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

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

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

**TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
 As of June 30, 2016  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Egg Harbor	\$ 34,104,765	100.00%	34,104,765
<b>Other debt</b>			
Egg Harbor Township Golf Corporation	12,798,510	100.00%	12,798,510
Atlantic County	164,136,199	11.46%	18,815,971
Subtotal, overlapping debt			65,719,246
<b>Township of Egg Harbor School District debt</b>	82,970,000	100.00%	82,970,000
<b>Total direct and overlapping debt</b>	\$		<u><u>148,689,246</u></u>

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

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

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





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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	39,431	1,529,410	38,787	4.80%
2008	39,900	1,584,389	39,709	5.10%
2009	40,239	1,580,950	39,289	6.20%
2010	43,341	1,721,114	39,711	11.00%
2011	43,288	1,782,903	41,187	11.30%
2012	43,628	1,836,695	42,099	11.60%
2013	43,872	1,846,967	42,099	12.20%
2014	43,872	1,846,967	42,099	10.80%
2015	43,851	1,860,379	42,425	9.70%
2016	43,882	1,901,670	43,336	8.70%

**Source:**

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

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

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, November 21, 2013

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

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

Employer	2016			2007		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Federal Aviation Administration	3,500	1	16%	3,220	1	16%
Egg Harbor Township School District	1,168	2	5%	1,100	2	6%
AtlantiCare	546	3	3%	561	3	3%
Air National Guard	400	4	2%	400	4	2%
Bosco's	275	5	1%	300	5	2%
U.S. Coast Guard	255	6	1%	299	6	2%
Home Depot	248	7	1%	280	7	1%
Egg Harbor Township	246	8	1%	225	8	1%
Spencer Gifts	210	9	1%	215	9	1%
Lowe's	208	10	1%	210	10	1%
	<u>7,056</u>		<u>33%</u>	<u>6,810</u>		<u>34%</u>

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2016 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Official Statements

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Instruction										
Regular	432.0	484.0	499.6	491.6	457.6	450.0	454.0	452.0	455.5	453.5
Special education	98.0	103.2	100.8	109.0	107.0	118.5	131.5	131.0	170.1	175.0
Vocational	13.0	15.6	15.4	15.4	14.4	6.0	6.0	6.0	6.0	6.0
Other instruction	87.0	99.8	99.8	99.9	93.2	51.5	51.5	50.0	50.0	-
Support Services:										
Student & instruction related services	142.0	177.0	177.0	177.0	168.0	169.0	176.0	226.0	267.9	294.9
General administrative services	8.0	8.0	8.5	8.5	8.0	8.0	8.5	8.5	8.5	9.0
School administrative services	46.0	48.0	49.0	49.0	49.0	50.0	50.5	52.0	52.5	52.2
Central services	10.0	10.0	10.0	10.0	9.0	9.0	9.0	10.0	10.0	10.0
Administrative information technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Plant operations and maintenance	92.0	104.0	111.0	106.0	113.0	117.5	122.5	122.5	124.5	125.0
Pupil transportation	112.0	115.0	115.0	115.0	118.0	123.0	120.5	118.5	118.5	115.5
Food Service	47.0	48.0	46.0	44.5	44.5	30.5	30.5	42.0	35.1	36.0
<b>Total</b>	<b>1,093.0</b>	<b>1,218.6</b>	<b>1,238.1</b>	<b>1,231.9</b>	<b>1,187.7</b>	<b>1,139.0</b>	<b>1,166.5</b>	<b>1,224.5</b>	<b>1,303.6</b>	<b>1,282.1</b>

1:1 paraprofessionals charged to Support Services: Student & instruction related services were not included as full-time equivalents prior to the 2014 fiscal year. Also, the hours of part-time food service employees were increased during the 2014 fiscal year which resulted in additional full-time equivalents.

**Source:** District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2007	7,869	90,286,460	11,474	4.49%	690	12.5:1	12.7:1	11.0:1	7,490	7,100	2.79%	94.79%
2008	7,982	103,279,800	12,939	12.77%	692	12.5:1	12.7:1	11.0:1	7,579	7,219	1.19%	95.25%
2009	7,978	107,404,347	13,463	4.05%	714	11.0:1	9.85:1	11.4:1	7,633	7,370	0.71%	96.55%
2010	7,984	114,962,684	14,399	6.96%	716	10.8:1	9.25:1	12.1:1	7,715	7,464	1.07%	96.75%
2011	7,875	107,193,803	13,612	-5.47%	672	10.6:1	9.00:1	12.2:1	7,924	7,536	2.71%	95.10%
2012	8,109	112,360,509	13,856	1.80%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	-2.42%	95.36%
2013	7,804	119,459,131	15,307	10.47%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-0.61%	95.30%
2014	7,648	119,729,131	15,655	2.27%	661	11.5:1	11.0:1	10.0:1	7,508	7,174	-2.90%	95.55%
2015	7,565	122,977,527	16,256	3.84%	711	11.5:1	11.0:1	10.0:1	7,489	7,130	-3.14%	95.21%
2016	7,409	130,045,702	17,552	7.97%	695	11.5:1	11.0:1	10.0:1	7,349	6,990	-4.37%	95.11%

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

Note: Enrollment based on annual October district count.

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

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

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	432	504	467	476	471	499	448	485	459	436
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	553	438	426	494	480	462	476	457	416	415
E. H. Slaybaugh Primary School (2007)										
Square Feet	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	476	476	487	442	456	472	428	402	398	467
C. J. Davenport School (1976)										
Square Feet	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718
Capacity (students)	657	657	657	657	657	657	657	657	657	657
Enrollment	638	412	439	449	429	468	473	479	484	414
C. J. Davenport Primary School (2007)										
Square Feet	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	418	418	420	441	434	519	417	402	356	402
Dr. Joy Miller Elementary School (2003)										
Square Feet	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538
Capacity (students)	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,126	1,170	1,131	1,143	1,197	1,261	1,176	1,140	1,169	1,156
<b><u>Middle School</u></b>										
Fernwood Avenue (1992)										
Square Feet	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	1,301	1,023	973	966	958	1,025	997	950	930	917
Alder Avenue (1992, 2007)										
Square Feet	147,334	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174
Capacity (students)	989	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Enrollment	1,233	913	897	893	868	871	883	911	925	885

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>High School</b>										
EHT High School (1983, 2003, 2012)	321,715	321,715	321,715	321,715	321,715	444,715	444,715	444,715	444,715	444,715
Square Feet	1,680	1,680	1,680	1,680	1,680	2,800	2,800	2,800	2,800	2,800
Capacity (students)	2,207	2,392	2,478	2,543	2,492	2,532	2,492	2,422	2,353	2,272
Enrollment										
<b>Other</b>										
Central Administration Building (1969)										
(sold in 2016)										
Square Feet	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	-
District Warehouse (1976)										
(sold in 2016)										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	-
Transportation (1980)										
Square Feet	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495
Maintenance Building (1980)										
Square Feet	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Grounds Building (1980)										
Square Feet	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360
High School Field House (1995, 2014)										
Square Feet	5,200	5,200	5,200	5,200	5,200	5,200	5,200	7,400	7,400	7,400
Eagle Academy										
Square Feet	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
<b>Number of Schools at June 30, 2016</b>										
Elementary = 6										
Middle School = 2										
High School = 1										
Other = 1										

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

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

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

School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
H. Russell Swift Elementary School	N/A	\$ 55,707	\$ 79,675	\$ 91,498	69,403	54,377	93,557	72,007	72,019	50,732	50,363
E.H. Slaybaugh Elementary School	N/A	104,529	103,901	114,872	116,636	117,528	97,662	109,979	123,376	79,587	163,289
Clayton J. Davenport Elementary School	N/A	90,456	101,354	113,232	132,929	128,963	114,387	130,670	113,139	89,109	84,286
Joy D. Miller Elementary School	N/A	119,977	107,967	118,068	117,911	154,280	91,304	137,012	108,894	100,540	88,335
Fernwood Avenue Middle School	N/A	251,170	132,567	125,207	168,401	156,685	157,845	186,965	149,651	130,167	128,894
Alder Avenue Middle School	N/A	199,289	107,601	119,539	116,781	134,686	125,522	149,511	182,960	129,167	103,041
Eagle Academy	N/A	7,778									
Egg Harbor Township High School	N/A	323,047	287,826	413,320	274,289	393,555	286,400	294,829	335,473	285,355	197,851
<b>Total School Facilities</b>		<b>1,151,953</b>	<b>920,891</b>	<b>1,095,736</b>	<b>996,350</b>	<b>1,140,074</b>	<b>966,677</b>	<b>1,080,973</b>	<b>1,085,512</b>	<b>864,657</b>	<b>816,059</b>
Other Facilities		17,351	17,691	7,175	12,509	11,452	16,356	13,513	18,801	37,358	26,206
<b>Grand Total</b>		<b>\$ 1,169,304</b>	<b>938,582</b>	<b>1,102,911</b>	<b>1,008,859</b>	<b>1,151,526</b>	<b>983,033</b>	<b>1,094,486</b>	<b>1,104,313</b>	<b>902,015</b>	<b>842,265</b>

## TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

### Insurance Schedule

June 30, 2016

*Unaudited*

	Coverage	Deductible
<b>Property, Inland Marine and Automobile Physical Damages</b>		
A. Limit of Liability	150,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
<b>Boiler and Machinery</b>		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
<b>Crime</b>		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
<b>General and Automobile Liability</b>		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
<b>Workers' Compensation</b>		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
<b>Educator's Legal Liability</b>		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	175,000	
Members District Deductible		None



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2016**  
***Unaudited***

	<u>Coverage</u>	<u>Deductible</u>
<b>Pollution Legal Liability/Mold Legal Liability</b>		
A. Limit of Liability		
Pollution	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		
Pollution		25,000
<b>Cyber Liability</b>		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000
<b>Violent Malicious Acts</b>		
Limit of Liability, each occurrence	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000
<b>Student Activity Policy</b>		
All Students and Athletes	6,000,000	None
Student Disability	1,500,000	None
Athletic Disability	1,500,000	None

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF)).

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## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated November 22, 2016.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Egg Harbor Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

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

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*  
Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

November 22, 2016



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

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

### **Report on Compliance for Each Major Federal & State Program**

We have audited the Egg Harbor Township School District's compliance with the types of compliance requirements described in the Uniform Guidance and NJ OMB 15-08 that could have a direct and material effect on each of the Egg Harbor Township School District's major federal and state programs for the year ended June 30, 2016. The Egg Harbor Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Egg Harbor Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, New Jersey Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Egg Harbor Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

## Report on Internal Control Over Compliance

Management of the Egg Harbor Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 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 the Egg Harbor Township School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Leon P. Costello*  
Leon P. Costello  
Certified Public Accountant  
Licensed Public School Accountant  
No. 767

November 22, 2016



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures		MEMO Pass Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016		
									Pass Through Source	Direct				(Accounts Receivable)	Deferred Revenue	Due to Grantor
<b>U. S. Department of Agriculture</b>																
<b>Passed-through State Department of Education:</b>																
Emergency Food Distribution Program	10.550	16161NJ304N1089	N/A	233,204	7/1/14 - 6/30/15	\$ 45,725	-	213,066	(45,725)	-	-	-	-	-	-	
National School Breakfast Program	10.553	16161NJ304N1089	N/A	213,066	7/1/15 - 6/30/15	(23,407)	-	23,407	(159,848)	-	-	-	-	53,217	-	
National School Lunch Program	10.555	16161NJ304N1089	N/A	249,746	7/1/15 - 6/30/16	(131,558)	-	231,968	(249,746)	-	-	-	-	(17,778)	-	
National School Lunch Program	10.555	16161NJ304N1089	N/A	1,498,142	7/1/14 - 6/30/15	(690)	-	1,409,694	(1,509,755)	-	-	-	-	(100,061)	-	
Special Milk Program	10.556	16161NJ304N1089	N/A	3,657	7/1/15 - 6/30/15	(7,185)	-	680	-	-	-	-	-	(544)	-	
Special Milk Program	10.556	16161NJ304N1089	N/A	7,185	7/1/15 - 6/30/16	-	-	6,841	-	-	-	-	-	-	-	
Total U.S. Department of Agriculture																
				227,226		(108,930)	-	2,017,024	(1,972,260)	-	-	-	-	(118,383)	53,217	-
<b>U.S. Department of Health and Human Services</b>																
<b>Passed-through State Department of Health and Human Services:</b>																
Medical Assistance Program	93.778	1608NJ5MAP	N/A	227,226	7/1/15 - 6/30/16	-	-	227,226	(227,226)	-	(227,226)	-	-	-	-	-
Total General Fund																
Special Revenue Fund:																
Title I, Part A	84.010	S010A150030	NCLB-1310-15	961,320	7/1/14 - 6/30/15	(212,389)	-	212,389	(1,120,090)	-	(1,120,090)	-	-	(3,462)	-	-
Title I, Part A	84.010	S010A150030	NCLB-1310-16	1,220,259	7/1/15 - 6/30/16	(212,389)	-	1,237,957	(1,120,090)	-	(1,120,090)	-	-	(3,462)	-	-
Total NCLB, Title I, Part A																
Title II, Part A	84.367A	S367A150029	NCLB-1310-15	132,775	7/1/14 - 6/30/15	(39,204)	-	39,204	(122,666)	-	(122,666)	-	-	(315)	-	-
Title II, Part A	84.367A	S367A150029	NCLB-1310-16	134,288	7/1/15 - 6/30/16	(39,204)	-	122,350	(122,666)	-	(122,666)	-	-	(315)	-	-
Total NCLB, Title II, Part A, Innovative Programs																
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-15	57,303	7/1/14 - 6/30/15	(15,007)	-	15,007	(50,630)	-	(50,630)	-	-	(67)	-	-
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-16	51,168	7/1/15 - 6/30/16	(2,083)	-	50,572	-	-	-	-	-	(67)	-	-
Title III, Immigrant	84.365	S365A150030	NCLB-1310-15	12,518	7/1/14 - 6/30/15	(17,090)	-	2,083	(50,630)	-	(50,630)	-	-	(67)	-	-
Total NCLB, Title III																
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2015	2,072,011	7/1/14 - 6/30/15	(248,136)	-	248,136	(1,889,144)	-	(1,889,144)	-	-	(1,024,074)	-	-
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2016	2,113,022	7/1/15 - 6/30/16	(31,682)	-	945,072	(1,889,144)	-	(1,889,144)	-	(2)	-	-	-
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA2015	102,815	7/1/14 - 6/30/15	(73,695)	-	60,300	(73,695)	-	(73,695)	-	-	(13,595)	-	-
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA2016	73,693	7/1/15 - 6/30/16	(73,695)	-	60,300	(73,695)	-	(73,695)	-	-	(13,595)	-	-
Total IDEA Part B																
Carl Perkins Vocational PL #101-392	84.048	V048A140030	PERK012015	147,387	7/1/14 - 6/30/15	(97,249)	-	97,249	(141,358)	-	(141,358)	-	-	(9,134)	29,121	-
Carl Perkins Vocational PL #101-392	84.048	V048A140030	PERK012016	164,373	7/1/15 - 6/30/16	(97,249)	-	50,216	(141,358)	-	(141,358)	-	-	(9,134)	29,121	-
Total Carl Perkins Vocational PL #101-392																
Total Special Revenue Fund																
				147,387		(645,750)	-	2,899,628	(3,398,462)	-	(3,398,462)	-	-	(1,132,577)	-	-
Total Federal Financial Awards																
				5,143,878		(755,689)	-	5,143,878	(5,595,948)	-	(5,595,948)	-	-	(1,250,360)	53,217	29,121

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2015		Balance at June 30, 2016		Defered Revenue/ Interfund Payable	Repayment of Prior Years Balances	(Accounts Receivable)	Transfer/ Adjustment	Budgetary Expenditures	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenue (Acts Receivable)	Due to Grantor	Cash Received	Carryover Amount								
<b>State Department of Education</b>															
General Fund:															
Equalization Aid	16-495-034-5120-078	33,108,509	7/1/15-6/30/16			33,108,509						(33,108,509)		3,092,085	33,108,509
Category 1 Special Education Aid	16-495-034-5120-089	4,392,582	7/1/15-6/30/16			4,392,582						(4,392,582)		410,234	4,392,582
Security Aid	16-495-034-5120-084	1,530,474	7/1/15-6/30/16			1,530,474						(1,530,474)		142,935	1,530,474
Under Adequacy Aid	16-495-034-5120-086	70,558	7/1/15-6/30/16			70,558						(70,558)		6,590	70,558
PARCC Readiness Aid	16-495-034-5120-088	74,015	7/1/15-6/30/16			74,015						(74,015)		6,912	74,015
Per Pupil Growth Aid	16-495-034-5120-097	74,015	7/1/15-6/30/16			74,015						(74,015)		6,912	74,015
Total State Aid Public Cluster						39,250,153						(39,250,153)		3,065,668	39,250,153
Categorical Transportation Aid	16-495-034-5120-014	775,825	7/1/15-6/30/16			775,825						(775,825)		72,456	775,825
Extracurricular Special Education Aid	16-100-034-5120-473	475,238	7/1/15-6/30/16			475,238	(475,238)							624,36	475,238
Nonpublic School Transportation Aid	16-100-034-5120-473	67,884	7/1/15-6/30/16			67,884						(67,884)		674,884	67,884
Nonpublic School Transportation Aid	N/A	52,273	7/1/14-6/30/15			52,273	(62,273)							(64,460)	64,460
Nonpublic School Transportation Aid	N/A	64,460	7/1/15-6/30/16			64,460						(64,460)		64,460	64,460
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	3,872,293	7/1/14-6/30/15			-	(187,904)							3,872,293	3,872,293
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	3,810,122	7/1/15-6/30/16			3,621,652						(3,810,122)		(188,470)	3,810,122
Total General Fund						44,175,141	(715,415)					(44,575,234)		3,738,124	49,018,285
Special Revenue Fund:															
New Jersey Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	15,074	7/1/14-6/30/15	54		15,874			(54)			(15,810)		-	15,020
Textbook Services:	16-100-034-5120-064	13,874	7/1/15-6/30/16											64	13,874
Compensatory Education:															
Handicapped Services:															
Examination and Classification	16-100-034-5120-066	15,513	7/1/15-6/30/16			60,382						(60,382)		-	60,382
Corrective Speech	16-100-034-5120-066	4,180	7/1/15-6/30/16			15,513						(15,513)		15,513	15,513
Supplemental Instruction	16-100-034-5120-066	12,847	7/1/15-6/30/16			12,847						(12,847)		1,672	2,508
Nursing	15-100-034-5120-070	28,929	7/1/14-6/30/15	2,044		27,720			(2,044)					26,885	28,929
Nursing	16-100-034-5120-070	27,720	7/1/15-6/30/16			27,720						(27,720)		617	27,720
Technology	15-100-034-5120-373	8,096	7/1/14-6/30/15	214		7,228			(214)			(7,067)		7,881	8,096
Technology	16-100-034-5120-373	7,228	7/1/15-6/30/16			7,228						(7,067)		6,967	7,228
Security	16-100-034-5120-509	7,700	7/1/15-6/30/16			151,444						(148,912)		18	7,682
Total Special Revenue Fund						151,444	-		(2,312)			(148,912)		2,632	188,568
Debt Service Fund:															
Debt Service Aid Type II	16-495-034-5120-075	3,262,441	7/1/15-6/30/16			3,262,441						(3,262,441)		-	3,262,441
Total Debt Service Fund						3,262,441						(3,262,441)		-	3,262,441
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	15-100-010-3350-023	34,870	7/1/14-6/30/15			3,069	(3,069)					(3,069)		-	36,155
State School Lunch Program	16-100-010-3350-023	33,927	7/1/15-6/30/16			29,238						(33,927)		(4,689)	33,927
Total State Financial Assistance						47,621,333	(718,484)		(2,312)	(932,293)		(46,020,414)	2,632	3,738,124	52,548,406

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

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payment in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes that 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 revenue fund also recognizes the last state aid payment in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is \$8,564,641 for the general fund and \$150,011 for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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**Egg Harbor Township Board of Education  
Notes to the Schedules of Financial Assistance  
June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b>State Assistance:</b>					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$44,575,234	148,812	3,262,441	33,927	48,020,414
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					-
On-behalf payments recognized for GAAP statements but not included in the Schedule of Expenditures of State Financial Assistance	8,608,118				6,895,842
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(43,477)				(43,477)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$53,139,875</u>	<u>148,812</u>	<u>3,262,441</u>	<u>33,927</u>	<u>56,585,055</u>

**Egg Harbor Township Board of Education  
Notes to the Schedules of Financial Assistance  
June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$227,226	3,386,462	1,972,260	5,585,948
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		150,011		150,011
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$227,226</u>	<u>3,536,473</u>	<u>1,972,260</u>	<u>5,735,959</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

2) Significant deficiencies identified \_\_\_\_\_ yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	<b><u>Special Education Cluster</u></b>
84.027	I.D.E.A. Part B - Basic
84.173	I.D.E.A. Part B - Preschool
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs: \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I -- Summary of Auditor's Results*

**State Awards Section**

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<b>State Aid - Public Cluster:</b>
_____	_____
16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-096	Under Adequacy Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid
_____	_____
16-495-034-5095-002	Reimbursed TPAF Social Security Contributions
_____	_____

N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$1,440,612  \_\_\_\_\_

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

NONE

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

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*STATUS OF PRIOR YEAR FINDINGS*

NONE