

Comprehensive Annual Financial Report

of the

Egg Harbor Township Board of Education

Egg Harbor Township, New Jersey

For the Fiscal Year Ended June 30, 2017

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

Administration Offices
13 Swift Drive
Egg Harbor Township, NJ 08234

Dr. Kimberly A. Gruccio
Superintendent

Mrs. Chandra Anaya, CPA
Business Administrator/Board Secretary

November 30, 2017

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, 2017 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 2016-2017 school year, the District's schools were organized as follows:

H. R. Swift School – This school houses a portion of the preschool disabled 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 through grade three. 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 and all of the self contained six 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 eligible special education students
- Speech and language development services
- Occupational and physical therapy services
- Enrichment classes
- Computer instruction
- Art and music instruction
- STEAM and media instruction
- Library programs
- Health and physical education
- Social Studies
- 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 2016-2017 fiscal year with an enrollment of 7,409 students. The average daily enrollment for 2016-2017 was 7,395 students, which is 46 students above 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>
2016/2017	7,395	-0.62%
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%

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 high at 6.7% compared to the nation at 4.4%.

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 2016-17 school year, our calculated state aid was reduced by \$26,125,703 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 2016-17 school year was \$58,985,021 but the actual school property tax levy was \$74,445,720. 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 2016-2017 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.

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 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 21st Century and we will work to prepare students for the vast global society. We believe that working together as a community of learners will provide our students with best practices and relevant resources.

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. 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 2016-2017 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.
- Support and introduction of over 600 Chromebooks. This included expansion of our Wifi network to support these added wireless devices on top of the BYOD program where we continue to see growth. Egg Harbor Township School District experienced approximately 3,000 wireless connections per day during the 2016-27 school year.
- Continued replacement plan of District Data Network equipment such as switching devices and servers.

CONSTRUCTION:

- No construction projects occurred that required Information Technology assistance during the 2016-2017 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). This included the District's first ever Innovation Summit in March. This training focused largely on using technology and GSuite as well as addressed other curriculum related trainings. 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 2016-2017 school year, we fully utilized the hours the ETTC hours attributed to our district.
- The ITS Department conducted in-house department training covering the GSuite to assist us in supporting staff questions and the product.

EHT TV2:

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming during the 2016-2017 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 2016-2017 school year, EHT TV2 responded quickly to emergency snow closures, township notifications and information, as well as school events and programming.

SOFTWARE/ASSESSMENTS/PARCC:

- Continued expansion of the use of Google GSuite for Education. We continue to add more modules for use throughout the District as the product releases these free components as well as testing and controls improve, such as Google Sites.
- Successfully conducted the PARCC test District wide through the use of the District computer labs, network servers, and internet service. We successfully piloted the use of Chromebooks in 3 schools; the High School, Fernwood Middle School, and Swift Elementary. This has allowed us to plan the expansion of the use of Chrombooks for PARCC testing District wide for 2017-2018 and will shorten the amount of time needed to test.
- Moved the District Website to a hosted Content Management Solution, Schoolmessenger. This was done to gain a larger feature set and functionality as well as cost savings. This also resulted in a packaged solution which resulted in replacing our call notification as well as a providing us with the development of a customized app which we expect to launch in December of 2017.

SECURITY:

- Focus in security projects has dealt with the maintenance and replacement of aging cameras and DVRs. The current system is end of life by the end of the school year and there is very little parts available that support the aging system for us to continue to be able to maintain and keep it operational. We have begun to investigate replacement of the District Surveillance system
- 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 2016-2017 school year. Various updates were completed to Infinite Campus for new state reporting features, support of State and Federal program’s needs, and overall functionality of the product.

Individuals with Disabilities Education Act (IDEIA)

FY 2017

2016-2017

Grant Implementation

The FY 2017 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, However, the District voluntarily allocated 2% of the grant funds toward CEIS purchases in the amount of \$33,300 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.

FY 2017 IDEIA funds paid for approximately \$1,193,363 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 independent contractors to provide physical and occupational therapy services, independent contractors to provide assessment services and case management services for vacant CST and related service staff positions until they were filled with permanent staff members, translation services, independent evaluations, home instruction services, and substitute sign language interpreter services. 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 and to fund the Extended School Year program for those students who exhibit significant regression and require a long time to recoup the information.

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 2017
July 1, 2016-June 30, 2017
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 focused programs funded by ESEA-NCLB funds approved by the Board of Education:

1. A Title I after school program during the 2016-2017 school year for 122 Miller School Title I students to enhance reading and math academic achievement. This program ran for 2 hours per week from November 2016 through April 2017. Transportation services home from the after-school program was paid by Title I funds.
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 2016-2017.
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. Due to using a "free" website counter which apparently was re-set during the year, the exact number of "hits" for 16-17 is unknown. However, the website was widely used by Title I Parent Coordinators, Title I After School, During School and Summer School programs.
4. A Title I Summer Program was offered in July 2016. The program ran 11 days during July 2016. 190 identified Title I students attended the summer program. The program was designed to improve the ELA and math achievement of Title I students.

Program objectives were consistent with Egg Harbor Township district goals established by the Board of Education and the new QSAC regulations.

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 I teacher salaries and \$300,000 toward split funded Title I 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. Title I teachers assisted students in the reading and math skills needed to take the PARCC assessment.

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.

English Language Learners: Egg Harbor Township completed and received approval for its 2017-2020 Three Year Program Plan. During 2016-2017, 167 ELL students district-wide received ELL services consistent with Title III. We continue to implement 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.

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

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

On June 30, 2017, both Fernwood Avenue and Egg Harbor Township High School received notice that they met the criteria for exiting Focus School Status. Both schools received this designation as a result of having large achievement gaps within subgroups. They continued to receive ongoing visits from RAC Team 7 during 2016-2017.

Non-Public School ESEA Activities

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

Consistent with New Jersey’s nonpublic school regulations, the professional development needs of the non-public schools professionals, i.e. Atlantic Christian and, Islamic Academy, were met via agreed upon professional development. Multiple consultations with the non-public officials were held throughout the year.

STUDENT TESTING

SCHOLASTIC APTITUDE TEST (SAT) Mean Scores – Class of 2017

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
2016-2017	401	536	531	n/a*	1068

*College Board SAT scoring changes in March 2016: two sections with score range of 200-800, essay is now optional and based on a score range of 2-8.

2016-2017 SCHOLASTIC APTITUDE TEST (SAT) EHTHS COMPARISONS WITH NJ AND NATIONAL SCORES

	Test-Takers	MATH	READING
EHTHS	401	531	536
NEW JERSEY	73,525	537	539
NATIONAL	1,826,357	533	538

2017 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%	65%	5%
2016	52%	34%	5%	3%	6%
2017	52%	36%	4%	4%	4%

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting 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, 2017.

- 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, 2017, the District's outstanding debt issues included \$74,705,000 in refunding bonds and \$2,865,000 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,

Kimberly A. Guccio

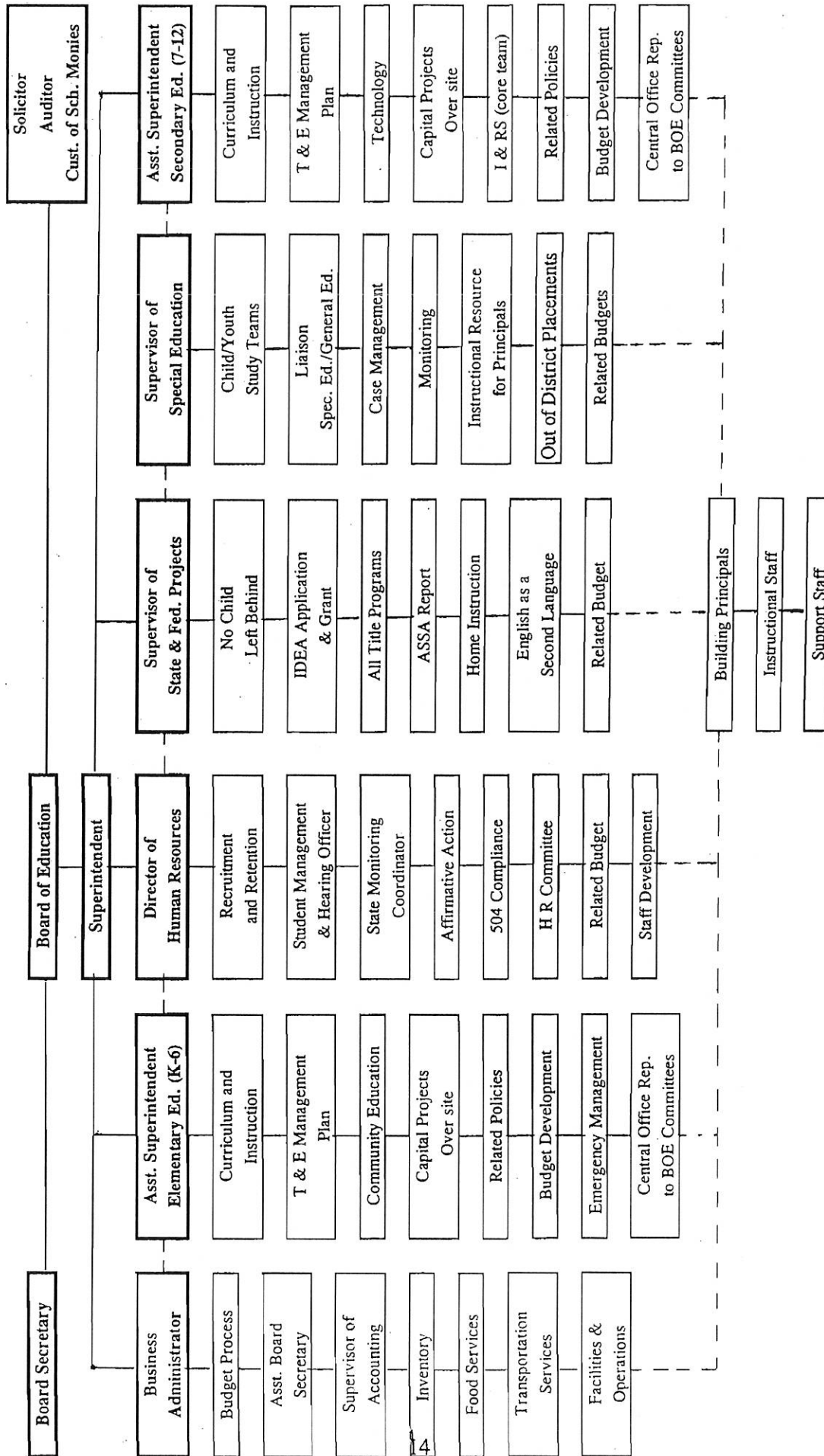
Kimberly A. Guccio, Ed. D.
Superintendent

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, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Louis Della Barca, President	2019
Barbara Szilagyi, Vice-President	2017
Pete Castellano	2018
Ray R. Ellis, Jr.	2019
John "Jack" Haines	2018
Christopher J. Moran	2017
Justin A. Riggs	2017
Marita Sullivan	2019
Amber Umphlett	2018

Other Officials

Fredrick P. Nickles, Interim Superintendent, through June 30, 2017

Kimberly Gruccio, Ed.D., Superintendent, effective July 1, 2017

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

Amy Houck-Elco, 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

OceanFirst 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

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, 2017, 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, 2017, 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 30, 2017 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 30, 2017

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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, 2017. 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 \$8,584,485. This decrease is the result of the District realizing expenditures in excess of revenues. The State of New Jersey continued to defer both June state aid payments until July 2015.
- The State of New Jersey reimbursed the District \$9,419,907 during the fiscal year ended June 30, 2017 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 \$4,685,946 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, 2017 the District had excess surplus of \$12,171,820, or approximately 9.6% of the district's general fund budget, of which \$6,313,178 was applied to the 2017-18 budget.
- During the fiscal year ended June 30, 2017, the District's General Fund revenue realized was \$1,728,512 less than total expenditures. The District realized more revenue due to unanticipated tuition revenue, unanticipated miscellaneous revenue, as well as an increase in property tax revenue. The District's 2016-17 budget anticipated using \$7,634,706 of surplus.
- In the District's business-type activities, net position decreased \$49,022 during fiscal year 2017 as compared to a net increase of \$5,904 in fiscal year 2016. The decrease is attributable to the excess costs incurred in the Latchkey program. In addition, to keep costs down, the food service program continued to enter into consortiums for the purchase of food and supplies. During the 2017 and 2016 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 \$112,847 for the fiscal year ended June 30, 2017.

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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 2016-2017 school year, net position for governmental activities decreased by \$8,584,485. This net decrease is due to the overall increase in revenue, in particular property taxes levied on properties within the District offset by depreciation expense. The expenditures of the District remained stable between the 2017 and 2016 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2017 fiscal year with \$5,858,642 in excess fund balance available to apply to the 2019 fiscal year budget.

The business-type activities net position decreased due to an excess of expenditures over revenue primarily in the Latchkey Program. Program revenue decreased by \$19,176 due to decreases in both the food service and after school program participation. Expenditures increased by \$25,905 primarily due to increased costs in the latch key program.

	Governmental Activities	Business- Type Activities	Total 2017	Governmental Activities	Business- Type Activities	Total 2016
Current and other assets	\$16,473,054	1,273,239	17,746,293	\$18,922,356	1,350,854	20,273,210
Capital assets	175,189,256	227,654	175,416,910	184,234,348	193,910	184,428,258
Total assets	191,662,310	1,500,893		203,156,704	1,515,648	204,701,468
Deferred outflows of resources	20,966,255		20,966,255	10,267,387		10,267,387
Long-term liabilities	141,123,177	29,064	141,152,241	132,124,918	55,653	132,180,571
Other liabilities	2,681,096	101,552	2,782,648	3,084,837	69,812	3,154,649
Total liabilities	143,804,273	130,616	143,934,889	135,209,755	125,465	135,335,220
Deferred inflows of resources	1,216,560		1,216,560	2,000,428		2,000,428
Net position						
Invested in capital assets	94,537,783	227,654	94,765,437	98,617,866	193,910	98,811,776
Restricted	335,375		335,375	342,304		342,304
Unrestricted	(28,846,773)	1,142,623	-27,704,150	(23,481,331)	1,225,389	(22,255,942)
Total net position	\$67,607,732	1,370,277	68,978,009	\$76,213,908	1,419,299	77,633,207

Changes in net position. The total governmental activities revenue of the District increased by \$16,267,925 when compared to the prior fiscal year. During the 2017 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 46.19% 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 24.10% 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>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	80,120,297	46.19%	\$78,737,186	50.09%
Federal and State aid				
Unrestricted	41,803,805	24.10%	40,948,861	26.05%
Restricted	3,269,108	1.88%	3,262,441	2.08%
Tuition	757,355	0.44%	717,238	0.46%
Operating grants and Contributions	46,519,012	26.82%	32,480,274	20.66%
Other	1,000,682	0.57%	1,056,334	0.66%
Totals	173,470,259	100.00%	\$157,202,334	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2017 and 2016 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2017 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2016 Total</u>
Revenues						
Program revenue						
Charges for srvs	\$757,355	1,439,164	2,196,519	\$717,238	1,546,213	2,263,451
Federal grants	3,532,315	2,057,424	5,589,739	3,763,699	1,972,260	5,735,959
State grants and Entitlements	42,986,697	36,636	43,023,333	69,665,436	33,927	69,699,363
General revenues						
Property taxes	80,120,297		80,120,297	78,737,186		78,737,186
State aid Entitlements	45,072,913		45,072,913	3,262,441		3,262,441
Other	1,000,682	1,642	1,002,324	1,056,334	1,753	1,058,087
Total revenues	173,470,259	3,534,866	177,005,125	\$157,202,334	3,554,153	160,756,487

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	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2017 Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2016 Total</u>
Expenses						
Instruction:						
Regular	\$70,490,116		70,490,116	\$62,992,932		62,992,932
Special Education	17,501,382		17,501,382	15,301,873		15,301,873
Other special instr.	3,772,492		3,772,492	3,597,262		3,597,262
Other Instruction	2,369,267		2,369,267	2,199,347		2,199,347
Nonpublic school programs	194,888		194,888	141,130		141,130
Support services:						
Tuition	4,862,379		4,862,379	8,518,177		8,518,177
Student & instr related services	28,170,831		28,170,831	26,161,293		26,161,293
School admin srvs	8,816,177		8,816,177	7,747,451		7,747,451
General & business admin services	5,701,273		5,701,273	5,308,159		5,308,159
Plant operations & maintenance	18,712,027		18,712,027	16,965,477		16,965,477
Pupil transport	14,027,054		14,027,054	12,675,554		12,675,554
Interest on Long Term Debt	3,966,799		3,966,799	4,359,240		4,359,240
Business-type Activities		3,583,888	3,583,888		3,557,983	3,557,983
Total expenses	178,584,685	3,583,888	182,168,573	165,967,895	3,557,983	169,525,878
Excess/(Deficit) Before special Items						
	(5,114,426)	(49,022)	(5,163,448)	(8,765,561)	(3,830)	(8,769,391)
Special items	(3,470,059)		(3,470,059)	(1,651,769)	9,734	(1,642,035)
Increase/(Decrease) in net position	(8,584,485)	(49,022)	(8,633,507)	(\$10,417,330)	5,904	(10,411,426)

Business-type Activities

Operating revenues of the District's business-type activities decreased \$19,176 from the previous year while expenses increased by \$25,905. Factors contributing to these results included:

- Slight decrease in student participation in the school lunch programs, however there was an increase in the number of families eligible for free and reduced lunches.
- Costs in the latch key program increased in 2016-17.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2017, the governmental funds reported a combined fund balance of \$15,361,050, which is \$1,735,441 lower than the beginning of the year. This decrease is due to additional revenues realized during the fiscal year, in particular additional taxes and tuition revenue, offset by current year expenditures.

The business-type enterprise fund reported a combined net position of \$1,370,277 as of June 30, 2017. This is \$49,022 lower 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 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$2,591,781. This is a result of additional extraordinary aid as well as realizing additional miscellaneous revenue and tuition. 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 \$7,119,648. 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 2017, the District had invested \$175.4, 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 \$9,011,348, or 5%, over last year. The decrease is due largely to current year depreciation expense.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2017 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2016 Total</u>
Land	\$1,837,900		1,837,900	\$1,837,900		1,837,900
Const in Progress	267,803		267,803	340,115		340,115
Buildings & Bldg improv	164,413,025		164,413,025	170,578,519		170,578,519
Machinery & equipment	3,502,564	227,654	3,730,218	7,179,199	193,910	7,373,109
Vehicles	5,167,964		5,167,964	4,298,615		4,298,615
Total	\$175,189,256	227,654	175,416,910	\$184,234,348	193,910	184,428,258

During the 2017 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. In addition, the District continued construction on the high school field house and concession stand renovations and expansion. 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 \$77,570,000 and obligations under capital leases of \$3,081,473.

	Balance 6/30/16	Issued	Retired/ Adjusted	Balance 6/30/17
Governmental Activities:				
Bonds payable	82,970,000		5,400,000	77,570,000
Obligations under				
Capital leases	2,646,482	1,217,258	782,267	3,081,473
Compensated absences				
Payable	2,985,309	198,433	1,916,777	1,266,965
Prem on Refunding Bonds	2,074,071		14,079	2,059,992
Net Pension Liability	41,449,056	15,695,691		57,144,747
Total Governmental Activities	<u>132,124,918</u>	<u>17,111,382</u>	<u>8,113,123</u>	<u>141,123,177</u>
Business-Type Activities				
Compensated absences				
Payable	55,653	5,292	31,881	29,064
Total Business-Type Activities	<u>55,653</u>	<u>5,292</u>	<u>31,881</u>	<u>29,064</u>
Total	<u>132,180,571</u>	<u>17,116,674</u>	<u>8,145,004</u>	<u>141,152,241</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 1000 students over the past 12 years, reflecting a 15% 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 2017-18 was \$41,838,3428 reflecting a \$1.45 million dollar increase from 2016-2017.

The district's 2017-18 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 2017-18 tax levy is \$75,615,712, which is an increase of about 1.5% over the 2016-17 tax levy and less than the 2% statutory cap due to an increase in state aid that was partially allocated by the Board for tax relief. The District's state aid of \$1,453,491 increased due to additional funding provided in July of 2017.

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 \$69,824,611, but the actual aid received was \$41,838,342. Under the school funding formula, the required local share to be raised by taxes for 2017-18 was \$58,097,486. The actual tax levy was \$75,615,712, which reflects an additional tax burden of \$17,518,226 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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,913,975	1,085,724	13,999,699
Receivables, net	1,064,692		1,064,692
Internal balances	18,392	(18,392)	-
Due from other governments	2,475,995	142,520	2,618,515
Inventory		63,387	63,387
Capital assets not being depreciated			
Construction in progress	267,803		267,803
Land	1,837,900		1,837,900
Capital assets, net	173,083,553	227,654	173,311,207
Total Assets	<u>191,662,310</u>	<u>1,500,893</u>	<u>193,163,203</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond issue refunding	3,627,341		3,627,341
Deferred outflows related to pensions	17,338,914		17,338,914
Total Deferred Outflows of Resources	<u>20,966,255</u>	<u>-</u>	<u>20,966,255</u>
LIABILITIES			
Accounts payable	700,492	57,041	757,533
Other liabilities	1,697,100		1,697,100
Due to Trust & Agency			-
Payable to state government	410		410
Unearned revenue	283,094	44,511	327,605
Noncurrent liabilities:			
Due within one year	6,283,320		6,283,320
Due beyond one year	77,695,110	29,064	77,724,174
Net Pension Liability	57,144,747		57,144,747
Total liabilities	<u>143,804,273</u>	<u>130,616</u>	<u>143,934,889</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on bond issue refunding	1,216,560		1,216,560
Deferred inflows related to pensions	-		-
Total Deferred Inflows of Resources	<u>1,216,560</u>	<u>-</u>	<u>1,216,560</u>
NET POSITION			
Invested in capital assets, net of related debt	94,537,783	227,654	94,765,437
Restricted for:			
Debt service	144,094		144,094
Capital projects	191,281		191,281
Unrestricted	(28,846,773)	1,142,623	(27,704,150)
Total net position	<u>\$ 67,607,732</u>	<u>1,370,277</u>	<u>68,978,009</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, 2017

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	\$ 53,547,351	16,942,765	757,355	20,253,246	(49,479,515)		(49,479,515)
Special educator	13,355,020	4,146,362		4,278,359	(13,223,023)		(13,223,023)
Other special instruction	2,838,707	933,785		963,512	(2,808,980)		(2,808,980)
Other instructor	1,880,062	489,205		504,778	(1,864,489)		(1,864,489)
Nonpublic school programs	194,888				(194,888)		(194,888)
Support services:							
Tuition	4,862,379	-		-	(4,862,379)		(4,862,379)
Student & instruction related services:	21,206,536	6,964,295		7,819,778	(20,351,053)		(20,351,053)
School administrative services	6,284,936	2,531,241		2,611,821	(6,204,356)		(6,204,356)
General and business administrative services:	4,231,015	1,470,258		1,517,063	(4,184,210)		(4,184,210)
Plant operations and maintenance	14,023,591	4,688,436		4,837,689	(13,874,338)		(13,874,338)
Pupil transportation	10,409,452	3,617,602		3,732,766	(10,294,288)		(10,294,288)
Unallocated benefits	41,783,949	(41,783,949)					
Interest on long-term deb	3,966,799				(3,966,799)		(3,966,799)
Total governmental activities:	178,584,685	-	757,355	46,519,012	(131,308,318)	-	(131,308,318)
Business-type activities:							
Food Service	3,205,149		1,173,642	2,094,060		62,553	62,553
Child Care	378,739		265,522	-		(113,217)	(113,217)
Total business-type activities	3,583,888		1,439,164	2,094,060		(60,664)	(60,664)
Total primary government	\$ 182,168,573		2,196,519	48,613,072	(131,308,318)	(50,664)	(131,358,982)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, ne					74,445,720		74,445,720
Taxes levied for debt service					5,674,577		5,674,577
Federal and State aid not restricted					41,803,805		41,803,805
Federal and State aid restrictec					3,269,108		3,269,108
Investment Earnings					75,759	1,642	77,401
Miscellaneous Income					924,923		924,923
Other financing sources/(uses):					(16,436)		(16,436)
Gain/(Loss) on disposal of capital assets					(3,453,623)		(3,453,623)
Adjustment to Capital Assets							
Total general revenues and special items					122,723,833	1,642	122,725,475
Change in Net Position					(8,584,485)	(49,022)	(8,633,507)
Net Position—beginning					76,192,217	1,419,299	77,611,516
Net Position—ending	\$				67,607,732	1,370,277	68,978,009

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, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 12,612,223	-	301,752	-	12,913,975
Receivables, net	686,474	378,218			1,064,692
Due from other funds	1,266,150		-		1,266,150
Receivables from other governments	1,255,745	-	-	1,220,250	2,475,995
Total assets	<u>15,820,592</u>	<u>378,218</u>	<u>301,752</u>	<u>1,220,250</u>	<u>17,720,812</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	634,391	66,101	-		700,492
Due to other governments		410			410
Due to other funds	-	61,131	110,471	1,076,156	1,247,758
Other liabilities	128,008				128,008
Unearned revenue	32,518	250,576		-	283,094
Total liabilities	<u>794,917</u>	<u>378,218</u>	<u>110,471</u>	<u>1,076,156</u>	<u>2,359,762</u>
Fund Balances:					
Restricted for:					
Excess Surplus	5,858,642				5,858,642
Excess Surplus - Designated for Subsequent Year's Expenditures	6,313,178				6,313,178
Capital Reserve Fund	592,274				592,274
Maintenance Reserve Fund	392,000				392,000
Capital Projects			191,281		191,281
Debt service fund				144,094	144,094
Assigned to:					
Encumbrances	1,581,347				1,581,347
Designated for subsequent year's expenditures	288,234			-	288,234
Unassigned, reported in:					
General fund	-				-
Total Fund balances	<u>15,025,675</u>	<u>-</u>	<u>191,281</u>	<u>144,094</u>	<u>15,361,050</u>
Total liabilities and fund balances	<u>\$ 15,820,592</u>	<u>378,218</u>	<u>301,752</u>	<u>1,220,250</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.	175,189,256
Deferred inflow of resources	
Gain on 10/1/04 refunding bond issue	(1,216,560)
Deferred outflows of resources	
Loss on 1/6/16 refunding bond issue	2,007,317
Loss on 6/1/16 refunding bond issue	1,530,451
Loss on 12/1/12 refunding bond issue	89,573
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(39,805,833)
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	(77,570,000)
Premium on Refunding Bonds	(2,059,992)
Capital leases	(3,081,473)
Accrued interest payable	(1,569,092)
Compensated absences	(1,266,965)
Net position of governmental activities	<u>\$ 67,607,732</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 74,445,720			5,674,577	80,120,297
Tuition Charges	757,355				757,355
Interest	75,759				75,759
Miscellaneous	1,133,544			5,149	1,138,693
Local sources		22,306			22,306
State sources	55,548,498	211,438		3,269,108	59,029,044
Federal sources	361,160	3,171,155			3,532,315
Total revenues	<u>132,322,036</u>	<u>3,404,899</u>	<u>-</u>	<u>8,948,834</u>	<u>144,675,769</u>
EXPENDITURES					
Current:					
Regular instruction	35,530,685	2,530,285			38,060,970
Special education instruction	9,369,001				9,369,001
Other special instruction	1,941,032				1,941,032
Other instruction	1,409,775				1,409,775
Nonpublic school programs		194,888			194,888
Support services and undistributed costs:					
Tuition	4,862,379				4,862,379
Student & instruction related services	13,877,777	633,779			14,511,556
School administrative services	3,851,581				3,851,581
Other administrative services	2,817,613				2,817,613
Plant operations and maintenance	9,516,462				9,516,462
Pupil transportation	6,931,748				6,931,748
Unallocated Benefits	41,783,949				41,783,949
Debt service:					
Principal				5,400,000	5,400,000
Interest and other charges				3,445,292	3,445,292
Capital outlay	3,375,804	45,947	110,471		3,532,222
Total expenditures	<u>135,267,806</u>	<u>3,404,899</u>	<u>110,471</u>	<u>8,845,292</u>	<u>147,628,468</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,945,770)</u>	<u>-</u>	<u>(110,471)</u>	<u>103,542</u>	<u>(2,952,699)</u>
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	1,217,258				1,217,258
Decrease in capital reserve	(1,478,960)				(1,478,960)
Withdrawal from Capital Reserve	1,478,960				1,478,960
Increase in Maintenance reserve	392,000				392,000
Deposit to Maintenance Reserve	(392,000)				(392,000)
Cancellation of prior year receivable					-
Total other financing sources and uses	<u>1,217,258</u>		<u>-</u>	<u>-</u>	<u>1,217,258</u>
Net change in fund balances	(1,728,512)	-	(110,471)	103,542	(1,735,441)
Fund balance—July 1	16,754,187	-	301,752	40,552	17,096,491
Fund balance—June 30	<u>\$ 15,025,675</u>	<u>-</u>	<u>191,281</u>	<u>144,094</u>	<u>15,361,050</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, 2017

Total net change in fund balances - governmental funds (from B-2) \$ (1,735,441)

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

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

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

	Depreciation expense	(8,583,037)	
	Loss on disposition of capital assets	(16,436)	
	Adjustment to Capital Assets	(3,453,623)	
	Capital outlays	<u>3,008,004</u>	(9,045,092)

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.

6,182,267

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.

Capital lease proceeds

(1,217,258)

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 a subtraction in the reconciliation. (-)

(74,659)

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	1,714,095	
	Cost of benefits earned, net of employee contributions	<u>(6,009,264)</u>	(4,295,169)

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 (+).

		1,718,344	
Compensated absences		117,447	
Amortization of gain on 2004 refunding bond issue		(20,657)	
Amortization of loss on 2016 refunding bond issue		(14,576)	
Amortization of loss on 2012 refunding bond issue		14,079	
Amortization of premium on 2016 refunding bond issue			
Cost of Issuance on Refunding Bonds			

Change in net position of governmental activities

\$ (8,584,485)

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 890,797	194,927	1,085,724
Accounts receivable	125,448	17,072	142,520
Inventories	63,387		63,387
Total current assets	<u>1,079,632</u>	<u>211,999</u>	<u>1,291,631</u>
Noncurrent assets:			
Furniture, machinery & equipment	403,463		403,463
Less accumulated depreciation	<u>(175,809)</u>		<u>(175,809)</u>
Total noncurrent assets	<u>227,654</u>	<u>-</u>	<u>227,654</u>
Total assets	<u><u>1,307,286</u></u>	<u><u>211,999</u></u>	<u><u>1,519,285</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	55,779	1,262	57,041
Interfund payable	18,392	-	18,392
Deferred revenue	44,511	-	44,511
Total current liabilities	<u>118,682</u>	<u>1,262</u>	<u>119,944</u>
Noncurrent liabilities:			
Compensated absences	29,064		29,064
Total noncurrent liabilities	<u>29,064</u>	<u>-</u>	<u>29,064</u>
Total liabilities	<u>147,746</u>	<u>1,262</u>	<u>149,008</u>
NET POSITION			
Invested in capital assets	227,654		227,654
Unrestricted	931,886	210,737	1,142,623
Total net position	<u>\$ 1,159,540</u>	<u>210,737</u>	<u>1,370,277</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, 2017

	Business-type Activities - Enterprise Fund		Total
	Food Service	Non-Major Fund Latchkey Program	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 1,098,877		1,098,877
Daily sales - non-reimbursable programs	45,204		45,204
Special functions	29,561		29,561
Latchkey program revenue		265,522	265,522
Total operating revenues	<u>1,173,642</u>	<u>265,522</u>	<u>1,439,164</u>
Operating expenses:			
Cost of sales - Reimbursable	1,318,771		1,318,771
Cost of sales - Non-Reimbursable	18,670		18,670
Salaries	1,321,111	306,462	1,627,573
Employee benefits	439,951	45,521	485,472
General supplies & materials	80,941	25,103	106,044
Bad Debt Expense		1,653	1,653
Depreciation	25,705		25,705
Total Operating Expenses	<u>3,205,149</u>	<u>378,739</u>	<u>3,583,888</u>
Operating (loss)	<u>(2,031,507)</u>	<u>(113,217)</u>	<u>(2,144,724)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	36,636		36,636
Federal sources:			
National school lunch program	1,523,096		1,523,096
National school breakfast program	263,217		263,217
Special milk program	6,006		6,006
Food distribution program	265,105		265,105
Interest and investment revenue	1,272	370	1,642
Total nonoperating revenues	<u>2,095,332</u>	<u>370</u>	<u>2,095,702</u>
(Loss) before contributions & transfers	63,825	(112,847)	(49,022)
Other financing sources:			
Cancellation off prior year liability	-		-
Change in net position	63,825	(112,847)	(49,022)
Total net position—beginning	1,095,715	323,584	1,419,299
Total net position—ending	<u>\$ 1,159,540</u>	<u>210,737</u>	<u>1,370,277</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,173,642	246,797	1,420,439
Payments to employees	(1,321,111)	(306,462)	(1,627,573)
Payments for employee benefits	(466,540)	(45,521)	(512,061)
Payments to suppliers	(80,941)	(30,697)	(111,638)
Payments to cost of sales	(1,024,905)		(1,024,905)
Net cash (used for) operating activities	<u>(1,719,855)</u>	<u>(135,883)</u>	<u>(1,855,738)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	35,719		35,719
Federal Sources	1,790,860		1,790,860
Payments from other funds	(25,716)	(368)	(26,084)
Net cash provided by/(used for) non-capital financing activities	<u>1,800,863</u>	<u>(368)</u>	<u>1,800,495</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of capital assets	(59,449)		(59,449)
Net cash (used for) capital financing activities	<u>(59,449)</u>	<u>-</u>	<u>(59,449)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,272	370	1,642
Net cash provided by investing activities	<u>1,272</u>	<u>370</u>	<u>1,642</u>
Net (decrease) in cash and cash equivalents	22,831	(135,881)	(113,050)
Balances—beginning of year	867,966	330,808	1,198,774
Balances—end of year	<u>890,797</u>	<u>194,927</u>	<u>1,085,724</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:			
Operating (loss)	(2,031,507)	(113,217)	(2,144,724)
Adjustments to reconcile (loss) to net cash (used for) operating activities			
Depreciation and net amortization	25,705		25,705
Federal commodities	265,105		265,105
(Increase) in receivables		(17,072)	(17,072)
(Increase) in inventories	10,097		10,097
(Decrease) in accounts payable	46,040	(5,594)	40,446
Increase in deferred revenue	(8,706)		(8,706)
Increase in compensated absences	(26,589)		(26,589)
Total adjustments	<u>311,652</u>	<u>(22,666)</u>	<u>288,986</u>
Net cash (used for) operating activities	<u>\$ (1,719,855)</u>	<u>(135,883)</u>	<u>(1,855,738)</u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 1,190,160	595,172
Total assets	<u>1,190,160</u>	<u>595,172</u>
LIABILITIES		
Payable to student groups		415,103
Conduit activities payable		152,728
Payroll deductions and withholdings		27,341
Total liabilities	<u>-</u>	<u>595,172</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 1,190,160</u>	
Reserved for scholarships		

The accompanying notes are an integral part of these financial statements

Exhibit B-8

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017

		Unemployment Compensation Trust
ADDITIONS		
Contributions:		
Plan member	\$	122,682
Total Contributions		122,682
Investment earnings:		
Interest		1,692
Net investment earnings		1,692
Total additions		124,374
DEDUCTIONS		
Transferred to Education Foundation		
Unemployment claims		60,155
Total deductions		60,155
Change in net position		64,219
Net position—beginning of the year		1,125,941
Net position—end of the year	\$	1,190,160

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, 2017

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, 2017 of 7,395 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, 2017

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, 2017

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, 2017

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, 2017

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, 2016, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	53,507
Supplies		<u>9,880</u>
	\$	<u><u>63,387</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, 2017 is \$44,511.

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, 2017

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, 2017**

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 2017 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 1-5	(\$102,734)
Salaries of Teachers – Grades 6-8	(149,512)
Home Instruction – Salaries of Teachers	119,900
Undistributed Inst – Purch. Prof. – Ed. Services	911,360
Special Education – Instruction	
Learning and/or Language Disabilities – Salaries of Teachers	(217,747)
Auditory Impairments – Other Salaries for Instruction	115,342
Preschool Disabilities – Full Time – Salaries of Teachers	121,806
Preschool Disabilities – Full Time – Other Salaries for Instruction	501,182
Tuition to Other LEAs Within the State – Regular	214,387
Tuition to CSSD & Regional Day Schools	(596,430)
Tuition to Private Schools for the Disabled – w/in State	(183,500)
Other Support Services – Students – Extra Services	
Salaries	(587,057)
Other Support Services – Students – Child Study Team	
Purch. Prof. & Tech. Services	225,100
Improvement of Instruction Services	
Salaries of Other Professional Staff	(109,612)
Custodial Services	
Salaries	(123,374)
Rental of Land & Building Other than Lease Purch Agmt	(362,176)
Lease Purchase Pymts – Energy Savings Impr. Program	362,176
Student Transportation Services	
Sal for Pupil Transp (Between Home and School)-Reg.	(116,565)
Contracted Services – (Special Ed Students) - Vendors	183,500
Unallocated Benefits	
Social Security Contributions	118,758
Health Benefits	(741,723)
Other Employee Benefits	111,351
Equipment – Student Trans. – Non Instructional	327,110
Facilities Acquisition and Construction Services:	
Architectural/Engineering Services	259,750
Construction Services	1,837,511
Transfer to Charter Schools	306,000

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

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.

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 2016/17 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. 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.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

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 November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85 "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86 "Certain Debt Extinguishment Issues." This statement, which is effective for reporting periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2017, 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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

government deposits, or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2017, \$2,547,267 of the District's bank balance of \$19,846,216 was exposed to custodial credit risk.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2017</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$340,115	898,781	(971,093)	267,803
Land	1,837,900			1,837,900
Total capital assets not being depreciated	<u>2,178,015</u>	<u>898,781</u>	<u>(971,093)</u>	<u>2,105,703</u>
Bldg and bldg improve	288,585,197	1,206,941	(28,234)	289,763,904
Machinery & equipment	17,856,809	394,029	(5,097,508)	13,153,330
Vehicles	10,507,194	1,479,346		11,986,540
Total at historical cost	<u>316,949,200</u>	<u>3,080,316</u>	<u>(5,125,742)</u>	<u>314,903,774</u>
Less accum depr	<u>(134,892,867)</u>	<u>(8,583,037)</u>	<u>1,655,683</u>	<u>(141,820,221)</u>
Total capital assets being depr, net of accum depr	<u>182,056,333</u>	<u>(5,502,721)</u>	<u>(3,470,059)</u>	<u>173,083,553</u>
Governmental activities capital assets, net	<u>\$184,234,348</u>	<u>3,453,623</u>	<u>(4,441,152)</u>	<u>175,189,256</u>
Business-type activities:				
Equipment	\$344,014	59,449		403,463
Less accum depr for:				
Equipment	<u>(150,104)</u>	<u>(25,705)</u>		<u>(175,809)</u>
Business-type activities capital assets, net	<u>\$193,910</u>	<u>33,744</u>		<u>227,654</u>

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	3,480,293
Special education		851,724
Other special instruction		191,813
Other instruction		100,490
Student & instruction related services		1,430,569
School administrative expenses		519,954
General and business administration		302,013
Plant operations and maintenance		963,074
Student transportation services		743,107
	\$	8,583,037

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$3,445,292.

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 2017 fiscal year is as follows:

Beginning balance, July 1	\$	2,071,234
Interest earnings		2,000
Deposits – by resolution		500,000
Withdrawals		
Board resolution – 7/26/16 – High School Pool		(29,448)
Board resolution – 8/8/16 – Lintel Replacement Project at FMS		(11,786)
Board resolution – 9/13/16 – Various School Improvements		(142,141)
Board resolution – 4/11/17 – New Maintenance Building		(1,659,225)
Board resolution – 6/27/17 – HVAC Pool Ventilation		(138,360)
Ending balance, June 30	\$	592,274

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

NOTE 6. MAINTENANCE RESERVE ACCOUNT

New Jersey Statute 18A:7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account. Per resolution made on June 27, 2017, the district established a Maintenance Reserve Account and transferred current year surplus of \$392,000 to Maintenance Reserve. As of June 30, 2017 the District has reserved \$392,000 for maintenance.

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2017, the District transferred \$1,962,000 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>6/30/17</u>
High School Pool	\$	29,448
Lintel Replacement Project at FMS		11,786
Various School Improvements		142,141
New Maintenance Building		1,659,225
HVAC Pool Ventilation		<u>138,360</u>
	\$	<u>1,980,960</u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

NOTE 8. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance		Balance		Amounts
	06-30-16	Issued	Retired	6-30-17	Due Within
					One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$82,970,000	-	5,400,000	77,570,000	5,525,000
Obligations under capital Leases	2,646,482	1,217,258	782,267	3,081,473	753,279
	<u>85,616,482</u>	<u>1,217,258</u>	<u>6,182,267</u>	<u>80,651,473</u>	<u>6,278,279</u>
Other liabilities:					
Compensated absences Payable	2,985,309	198,433	1,916,777	1,266,965	-
Premium on Refunding Bonds	2,074,071	-	14,079	2,059,992	5,041
Net Pension Liability	41,449,056	15,695,691	-	57,144,747	-
Governmental activities long-Term liabilities	<u>132,124,918</u>	<u>17,111,382</u>	<u>8,113,123</u>	<u>141,123,177</u>	<u>6,283,320</u>
Business-type Activities:					
Compensated absences Payable	55,653	5,292	31,881	29,064	-
Business-type activities long-Term-liabilities	<u>\$55,653</u>	<u>5,292</u>	<u>31,881</u>	<u>29,064</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, 2017 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, 2017 was \$36,290,000.

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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

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, 2017 was \$2,865,000.

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, 2017 was \$5,070,000.

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, 2017 was \$14,195,000.

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, 2017 was \$19,150,000. Principal and interest due on serial bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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	6,620,000	2,182,950	8,802,950
2023-2027	34,205,000	5,714,439	39,919,439
2028-2030	13,095,000	644,894	13,739,894
	<u>\$ 77,570,000</u>	<u>20,201,296</u>	<u>97,771,296</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2017 the Board had authorized but not issued bonds in the amount of \$1,357.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$4,736,170 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 1.810% 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, 2017.

	Amount
Year ending June 30,	
2018	\$ 793,667
2019	793,667
2020	793,667
2021	298,758
2022	263,851
Thereafter	263,851
Total minimum lease payments	3,207,460
Less amount representing interest	125,987
Present value of lease payments	\$ 3,081,473

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

Description	Cost	Accumulated Depreciation	Remaining Value
Transportation Equipment	\$ 3,499,792	1,250,981	2,248,811
Equipment	1,766,358	353,272	1,413,086
Transportation Equipment	\$ 5,266,150	1,604,253	3,661,897

NOTE 9. PENSION PLANS

Description of Plans

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

Egg Harbor Township School District Notes to Financial Statements June 30, 2017

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 for the years ending June 30, 2017, 2016, and 2015 were \$5,610,972, \$3,929,349, and \$2,665,060, 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, 2017, 2016, and 2015 were \$1,729,747, \$1,587,450, and \$1,503,286, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2017, 2016, and 2015 was \$74,587,967, \$71,322,257, and \$71,226,718, covered payroll was \$52,830,893, \$51,825,604, and \$50,023,842 for TPAF; and \$14,455,418, \$13,586,006, and \$12,921,914 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.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

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

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to $\frac{1}{60}$ 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.

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 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At June 30, 2017, the District reported a liability of \$57,144,747 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

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, 2016, the District's proportion was 0.19294490750%, which was an increase of 4.50% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$4,295,169. At June 30, 2017, 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 expected and actual experience	\$ 1,062,719	
Changes of assumptions	11,837,339	
Net difference between projected and actual earnings on pension plan investments	2,178,981	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,259,875	
District contributions subsequent to the measurement date	1,729,747	
	<hr/>	<hr/>
Total	<u>\$ 19,068,661</u>	<u>\$ -</u>

\$1,729,747 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 3,923,904
2019	3,923,904
2020	4,485,829
2021	3,753,891
2022	1,251,386
Total	<u>\$ 17,338,914</u>

Egg Harbor Township School District
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Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 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 (7.65% at June 30, 2016) 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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Notes to Financial Statements
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Egg Harbor Township School District
Notes to Financial Statements
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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, 2016, 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:

	Decrease (2.98%)	Rate (3.98%)	Increase (4.98%)
District's proportionate share of the net pension liability	\$ 68,482,479	57,144,747	47,794,517

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 11. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2017, 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		386,076,269
Total	\$	386,076,269

The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

Egg Harbor Township School District
Notes to Financial Statements
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For the year ended June 30, 2017, the District recognized pension expense of \$25,099,719 and revenue of \$25,099,719 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 expected and actual experience	\$ 1,360,539	660,255
Changes of assumptions	77,065,456	
Net difference between projected and actual earnings on pension plan investments	7,041,315	
Changes in proportion and differences between District contributions and proportionate share of contributions	5,948,433	
District contributions subsequent to the measurement date	3,908,541	
 Total	 \$ 95,324,284	 660,255

\$3,908,541 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,			
2018	\$	13,332,396	
2019		13,332,396	
2020		15,618,640	
2021		14,606,884	
2022		12,338,779	
Thereafter		21,526,396	
Total	\$	90,755,491	

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging market equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate. The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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 3.22% 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 (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

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 12. LABOR CONTRACTS

As of June 30, 2017, the District's employees are organized in two collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 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 13. 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, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017

NOTE 14. 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 15. 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 16. 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 17. 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 18. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$15,820,592 General Fund balance at June 30, 2017, \$1,581,347 is committed for encumbrances (actual encumbrances of \$2,172,030 less deficit in unassigned fund balance of \$590,683); \$12,171,820 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$6,313,178 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, 2017**

revenue for the year ending June 30, 2018); \$592,274 has been restricted in the Capital Reserve Account; \$392,000 has been restricted in the Maintenance Reserve Account; \$288,234 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; and \$0 is unassigned.

Debt Service Fund – Of the \$144,094 Debt Service Fund balance at June 30, 2017, \$144,094 is restricted in accordance with N.J.S.A. 7F-41c(2).

NOTE 19. 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, 2017 is \$12,171,820, of which \$6,313,178 has been included in the 2017-18 budget.

NOTE 20. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State Aid to fund the District operations and debt service. During the 2016-17 fiscal year, 99% of the Districts operations were funded through property taxes and State aid.

NOTE 21. 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, 2017 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>
2016-2017	None	124,374	60,155	1,190,160
2015-2016	None	119,772	84,126	1,125,941
2014-2015	None	120,338	55,774	1,090,295

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.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2017**

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2017, \$0 was charged to the worker's compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2017 and 2016 was \$128,008 and \$88,728, 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
6/30/17	\$88,728	43,190	-	3,910	128,008
6/30/16	18,743	70,677	-	692	88,728
6/30/15	19,737	-	-	994	18,743

NOTE 22. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2017, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	\$61,131	
Capital Projects Fund	110,471	
Debt Service Fund	1,076,156	
Enterprise Fund	18,392	
Special Revenue Fund:		
General Fund		61,131
Capital Projects Fund:		
General Fund		110,471
Debt Service Fund:		
General Fund		1,076,156
Enterprise Fund:		
General Fund		18,392
	<u>\$1,266,150</u>	<u>1,266,150</u>

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.

NOTE 23. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 30, 2017, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 74,445,720		74,445,720	74,445,720	-
Tuition - Individuals	119,500		119,500	99,253	(20,247)
Tuition - Other LEA's within the State	-		-	658,102	658,102
Rents and Royalties	20,000		20,000	73,759	53,759
Interest Earned on Capital Reserve Funds	2,000		2,000	2,000	-
Miscellaneous	183,000		183,000	1,133,544	950,544
Total - Local Sources	74,770,220	-	74,770,220	76,412,378	1,642,158
State Sources:					
Equalization Aid	33,212,953		33,212,953	33,212,953	-
Categorical Special Education Aid	4,443,028		4,443,028	4,443,028	-
Categorical Transportation Aid	891,571		891,571	891,571	-
Under Adequacy Aid	70,558		70,558	70,558	-
Categorical Security Aid	1,547,671		1,547,671	1,547,671	-
Extraordinary Aid	300,000		300,000	983,602	683,602
PARCC Readiness	74,015		74,015	74,015	-
Per Pupil Growth Aid	74,015		74,015	74,015	-
Professional Learning Community Aid	71,040		71,040	71,040	-
Lead Water Testing for Schools Aid	-		-	9,247	9,247
Nonpublic School Transportation Aid	-		-	56,644	56,644
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	5,610,972	5,610,972
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)	-		-	4,675,215	4,675,215
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)	-		-	10,731	10,731
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	3,808,935	3,808,935
Total - State Sources	40,684,851	-	40,684,851	55,540,197	14,855,346
Federal Sources:					
Medical Assistance Program	161,030		161,030	344,198	183,168
ARR/SEMI Unrestricted	-		-	16,962	16,962
Total - Federal Sources	161,030	-	161,030	361,160	200,130
Total Revenues	115,616,101	-	115,616,101	132,313,735	16,697,634

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	317,728	10,615	328,343	328,343	-
Kindergarten	840,343	(83,761)	756,582	748,169	8,413
Grades 1-5	10,923,216	(102,734)	10,820,482	10,790,820	29,662
Grades 6-8	8,160,940	(149,512)	8,011,428	7,882,776	128,652
Grades 9-12	11,022,270	(78,269)	10,944,001	10,838,289	105,712
Regular Programs - Home Instruction:					
Salaries of Teachers	198,876	119,900	318,776	260,089	58,687
Purchased Professional - Educational Services	30,089	(18)	30,071	8,694	21,377
General Supplies		118	118	118	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	235,494	12,505	247,999	246,306	1,693
Purchased Professional - Educational Services	1,126,845	911,360	2,038,205	2,016,234	21,971
Other Purchased Services	20,500	-	20,500	5,112	15,388
General Supplies	1,274,636	(27,284)	1,247,352	1,211,653	35,699
Textbooks	101,108	2,960	104,068	97,899	6,169
Total Regular Programs	34,252,045	615,880	34,867,925	34,434,502	433,423
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	686,105	(217,747)	468,358	468,358	-
General Supplies	14,368	(3,146)	11,222	9,326	1,896
Textbooks	2,624	(2,294)	330	321	9
Total Learning and/or Language Disabilities	703,097	(223,187)	479,910	478,005	1,905
Auditory Impairments					
Salaries of Teachers	125,815	22,154	147,969	145,371	2,598
Other Salaries for Instruction	-	115,342	115,342	115,342	-
General Supplies	-	1,300	1,300	446	854
Total Auditory Impairments	125,815	138,796	264,611	261,159	3,452
Multiple Disabilities					
Salaries of Teachers	902,340	69,023	971,363	971,363	-
General Supplies	12,606	2,257	14,863	13,937	926
Textbooks	1,944	894	2,838	2,496	342
Total Multiple Disabilities	916,890	72,174	989,064	987,796	1,268

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	6,726,705	(23,592)	6,703,113	6,659,196	43,917
Other Salaries for Instruction	154,828	(74,771)	80,057	80,057	-
General Supplies	54,003	(56)	53,947	49,443	4,504
Textbooks	2,532	1,100	3,632	3,033	599
Total Resource Room/Resource Center	6,938,068	(97,319)	6,840,749	6,791,729	49,020
Preschool Disabilities - Part Time					
Salaries of Teachers	81,675	(81,675)	-	-	-
Other Salaries for Instruction	51,336	(51,336)	-	-	-
General Supplies	7,000	(4,800)	2,200	-	2,200
Total Preschool Disabilities - Part Time	140,011	(137,811)	2,200	-	2,200
Preschool Disabilities - Full Time					
Salaries of Teachers	217,201	121,806	339,007	339,007	-
Other Salaries for Instruction	-	501,182	501,182	501,182	-
General Supplies	2,200	7,923	10,123	10,123	-
Total Preschool Disabilities - Full Time	219,401	630,911	850,312	850,312	-
Total Special Education - Instruction	9,043,282	383,564	9,426,846	9,369,001	57,845
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,205,497	31,087	1,236,584	1,236,584	-
General Supplies	3,360	-	3,360	3,285	75
Total Basic Skills/Remedial - Instruction	1,208,857	31,087	1,239,944	1,239,869	75
Bilingual Education - Instruction:					
Salaries of Teachers	754,564	(55,698)	698,866	698,866	-
Purchased Professional - Educational Services	4,000	-	4,000	497	3,503
General Supplies	7,070	-	7,070	1,800	5,270
Total Bilingual Education - Instruction	765,634	(55,698)	709,936	701,163	8,773

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	274,040	12,684	286,724	286,724	-
Purchased Services	7,100	887	7,987	7,852	135
Supplies and Materials	12,000	5,563	17,563	17,562	1
Other Objects	1,000	-	1,000	480	520
Total School Sponsored Cocurricular Activities - Instruction	294,140	19,134	313,274	312,618	656
School-Sponsored Athletics - Instruction					
Salaries	445,207	-	445,207	425,440	19,767
Purchased Services	31,520	-	31,520	31,407	113
Supplies and Materials	123,068	(970)	122,098	115,871	6,227
Other Objects	23,800	17,000	40,800	37,545	3,255
Transfers to Cover Deficit (Agency Funds)	89,317	(20,685)	68,632	7,000	61,632
Total School-Sponsored Athletics - Instruction	712,912	(4,655)	708,257	617,263	90,994
Alternative Education Program					
Salaries	464,623	4,733	469,356	457,896	11,460
Purchased Professional & Technical Services	33,500	(6,000)	27,500	9,225	18,275
General Supplies	7,025	6,000	13,025	11,541	1,484
Textbooks	1,300	-	1,300	1,232	68
Total Alternative Education Program	506,448	4,733	511,181	479,894	31,287
Total Instruction	46,783,318	994,045	47,777,363	47,154,310	623,053
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	67,888	214,387	282,275	250,485	31,790
Tuition to Other LEAs Within the State - Special	918	69,175	70,093	53,657	16,436
Tuition to County Voc. School Dist. - Regular	932,779	-	932,779	932,779	-
Tuition to County Voc. School Dist. - Special	8,500	8,500	17,000	17,000	-
Tuition to CSSD & Regional Day Schools	2,496,072	(596,430)	1,899,642	1,601,228	298,414
Tuition to Private Schools for the Disabled - Within State	2,339,855	(183,500)	2,156,355	1,842,776	313,579
Tuition to Private Schools Disabled & Other LEAs-Special - Outside State	80,392	(2,228)	78,164	71,975	6,189
Tuition - State Facilities	92,479	-	92,479	92,479	-
Total Undistributed Expenditures - Instruction	6,018,883	(490,096)	5,528,787	4,862,379	666,408

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	250,976	3,735	254,711	253,028	1,683
Other Purchased Services	8,088	-	8,088	3,219	4,869
Supplies and Materials	1,700	-	1,700	1,619	81
Total Undistributed Expenditures - Attendance and Social Work	260,764	3,735	264,499	257,866	6,633
Undistributed Expenditures - Health Services:					
Salaries	935,676	(11,342)	924,334	896,493	27,841
Purchased Professional and Technical Services	51,272	1,509	52,781	35,799	16,982
Other Purchased Services	126	-	126	-	126
Supplies and Materials	16,719	397	17,116	15,593	1,523
Total Undistributed Expenditures - Health Services	1,003,793	(9,436)	994,357	947,885	46,472
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	1,206,296	(39,380)	1,166,916	1,117,176	49,740
Purchased Professional - Educational Services	203,594	-	203,594	154,025	49,569
Supplies and Materials	27,741	(17,000)	10,741	9,928	813
Total Undistributed Expenditures - Other Support Services - Students - Related Services	1,437,631	(56,380)	1,381,251	1,281,129	100,122
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	3,624,290	(587,057)	3,037,233	2,974,649	62,584
Purchased Professional - Educational Services	478,719	(21,700)	457,019	350,867	106,152
Supplies and Materials	30,000	-	30,000	6,880	23,120
Total Undistributed Expenditures - Other Support Services - Extra Services	4,133,009	(608,757)	3,524,252	3,332,396	191,856

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,162,757	(63,649)	2,099,108	2,022,180	76,928
Salaries of Secretarial and Clerical Assistants	199,073	6,830	205,903	204,572	1,331
Other Purchased Professional and Technical Services	14,322	-	14,322	6,018	8,304
Other Purchased Services	2,652	-	2,652	2,652	-
Supplies and Materials	29,561	52	29,613	22,285	7,328
Total Undistributed Expenditures - Other Support Services - Guidance	2,408,365	(56,767)	2,351,598	2,257,707	93,891
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,103,356	(41,284)	2,062,072	2,051,545	10,527
Salaries of Secretarial and Clerical Assistants	301,424	84,551	385,975	385,975	-
Other Salaries	-	1,000	1,000	1,000	-
Other Purchased Professional and Technical Services	12,800	225,100	237,900	186,179	51,721
Miscellaneous Purchased Services	29,024	18,000	47,024	43,020	4,004
Supplies and Materials	41,085	55,700	96,785	90,480	6,305
Total Undistributed Expenditures - Other Support Services - Child Study Teams	2,487,689	343,067	2,830,756	2,758,199	72,557
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	1,025,128	3,650	1,028,778	1,028,778	-
Salaries of Other Professional Staff	430,028	(109,912)	320,116	320,116	-
Total Undistributed Expenditures - Improv. of Instr. Services	1,455,156	(106,262)	1,348,894	1,348,894	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	862,501	(43,783)	818,718	810,904	7,814
Salaries of Technology Coordinators	91,580	2,664	94,244	94,244	-
Purchased Professional and Technical Services	220,587	21,951	242,538	188,097	54,441
Other Purchased Services	26,767	1,651	28,418	21,953	6,465
Supplies and Materials	263,364	(21,981)	241,383	228,331	13,052
Other Objects	19,000	-	19,000	1,778	17,222
Total Undistributed Expenditures - Educational Media Services - School Library	1,483,799	(39,498)	1,444,301	1,345,307	98,994
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	117,378	7,622	125,000	125,000	-
Salaries of Other Professional Staff	83,986	-	83,986	66,404	17,582
Purchased Professional - Educational Services	157,241	2,516	159,757	131,458	28,299
Other Purchased Services	11,000	18,350	29,350	23,409	5,941
Supplies and Materials	5,600	-	5,600	2,123	3,477
Total Undistributed Expenditures - Instructional Staff Training Srvc	375,205	28,488	403,693	348,394	55,299
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	681,457	-	681,457	591,335	90,122
Legal Services	260,000	-	260,000	247,417	12,583
Audit Fees	37,750	-	37,750	36,000	1,750
Architectural/Engineering Services	85,325	(21,355)	63,970	44,339	19,631
Other Purchased Professional Services	40,100	33,122	73,222	64,230	8,992
Communications/Telephone	243,808	(1,965)	241,843	217,869	23,974
Other Purchased Services	288,747	(16,707)	272,040	268,087	3,953
General Supplies	14,129	-	14,129	11,694	2,435
BOE In-House Training/Meeting Supplies	9,500	-	9,500	6,262	3,238
Miscellaneous Expenditures	19,600	-	19,600	12,398	7,202
BOE Membership Dues and Fees	37,000	(6,122)	30,878	27,924	2,954
Total Undistributed Expenditures - Support Services - Gen. Admin.	1,717,416	(13,027)	1,704,389	1,527,555	176,834

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison on Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	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	2,021,406	-	2,021,406	2,015,909	5,497
Salaries of Other Professional Staff	496,702	1,576	498,278	498,278	-
Salaries of Secretarial and Clerical Assistants	1,066,696	16,868	1,083,564	1,083,564	-
Purchased Professional and Technical Services	62,745	-	62,745	33,690	29,055
Other Purchased Services	140,515	-	140,515	132,166	8,349
Supplies and Materials	55,450	1,965	57,415	44,971	12,444
Other Objects	55,956	-	55,956	43,003	12,953
Total Undistributed Expenditures - Support Serv. - School Admin.	3,899,470	20,409	3,919,879	3,851,581	68,298
Undistributed Expenditures - Central Services					
Salaries	622,834	(3,303)	619,531	619,531	-
Purchased Technical Services	49,437	-	49,437	44,067	5,370
Miscellaneous Purchased Services (400-500 series)	203,770	-	203,770	151,030	52,740
Supplies and Materials	17,500	-	17,500	13,348	4,152
Other Objects	8,000	-	8,000	7,908	92
Total Undistributed Expenditures - Central Services	901,541	(3,303)	898,238	835,884	62,354
Undistributed Expenditures - Administrative Information Technology					
Salaries	301,916	18,756	320,672	315,917	4,755
Purchased Technical Services	81,302	2,250	83,552	83,550	2
Supplies and Materials	67,164	(3,900)	63,264	54,707	8,557
Total Undistributed Expenditures - Admin. Information Technology	450,382	17,106	467,488	454,174	13,314
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	679,242	4,780	684,022	661,234	22,788
Cleaning, Repair, and Maintenance Services	500,627	26,562	527,189	435,961	91,228
General Supplies	173,423	(7,045)	166,378	151,898	14,480
Other Objects	2,500	-	2,500	339	2,161
Total Undistributed Expenditures - Required Maint for School Facilities	1,355,792	24,297	1,380,089	1,249,432	130,657

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,237,064	(123,374)	4,113,690	4,091,077	22,613
Cleaning, Repair and Maintenance Services	259,221	(14,947)	244,274	180,489	63,785
Rental of Land & Building Other than Lease Purch Agmt	372,350	(362,176)	10,174	9,935	239
Lease Purchase Pymts	-	362,176	362,176	362,176	-
Other Purchased Property Services	184,800	-	184,800	162,522	22,278
Insurance	472,588	23,812	496,400	479,744	16,656
Miscellaneous Purchased Services	2,003	-	2,003	1,908	95
General Supplies	375,023	(9,257)	365,766	359,267	6,499
Energy (Natural Gas)	532,500	-	532,500	372,863	159,637
Energy (Electricity)	1,641,772	-	1,641,772	1,473,853	167,919
Energy (Oil)	12,000	-	12,000	3,501	8,499
Other Objects	2,800	-	2,800	1,151	1,649
Total Undistributed Expenditures - Custodial Services	8,092,121	(123,766)	7,968,355	7,498,486	469,869
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	379,666	17,451	397,117	397,117	-
Cleaning, Repair and Maintenance Services	55,447	-	55,447	47,223	8,224
General Supplies	98,364	(5,968)	92,396	84,690	7,706
Total Undistributed Expenditures - Care & Upkeep of Grounds	533,477	11,483	544,960	529,030	15,930
Undistributed Expenditures - Security					
Salaries	211,948	3,489	215,437	199,057	16,380
Cleaning, Repair and Maintenance Services	25,000	-	25,000	24,185	815
General Supplies	10,484	10,000	20,484	16,272	4,212
Other Objects	1,000	-	1,000	-	1,000
Total Undistributed Expenditures - Security	248,432	13,489	261,921	239,514	22,407
Total Undistributed Expenditures - Oper & Main of Plant Services	10,229,622	(74,497)	10,155,325	9,516,462	638,863
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,235,791	(116,565)	2,119,226	2,102,750	16,476
Sal for Pupil Transp (Between Home and School)-Sp Ed	256,939	-	256,939	246,408	10,531
Sal for Pupil Transp (Other than Bet. Home & School)	185,606	59,314	244,920	244,920	-
Other Purchased Professional and Technical Services	29,582	-	29,582	27,201	2,381
Cleaning, Repair, and Maintenance Services	262,334	-	262,334	172,252	90,082
Lease Purchase Payments - School Buses	459,671	582	460,253	460,253	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	423,255	15,236	438,491	420,517	17,974
Contracted Services - (Between Home and School) - Vendors	18,000	-	18,000	12,236	5,764
Contracted Services - (Special Ed Students) - Vendors	50,000	(7,736)	42,264	-	42,264
Contracted Services - (Special Ed Students) - Joint Agree.	2,006,239	183,500	2,189,739	2,140,438	49,301
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	135,252	(5,608)	129,644	83,596	46,048
Contracted Services - Aid in Lieu of Payments - Charter School	47,736	2,956	50,692	44,189	6,503
Contracted Services - Aid in Lieu of Payments - Choice School	27,404	2,652	30,056	28,288	1,768
Miscellaneous Purchased Services - Transportation	161,851	-	161,851	154,372	7,479
Supplies and Materials	8,402	-	8,402	7,434	968
Transportation Supplies	1,141,383	(9,001)	1,132,382	777,729	354,653
Miscellaneous Expenditures	9,947	(582)	9,365	9,165	200
Total Undistributed Expenditures - Student Transportation Serv.	7,459,392	124,748	7,584,140	6,931,748	652,392
Unallocated Benefits:					
Social Security Contributions	1,240,600	118,758	1,359,358	1,296,956	62,402
Other Retirement Contributions - PERS	1,821,770	-	1,821,770	1,781,417	40,353
Other Retirement Contributions - Regular	45,289	108	45,397	34,300	11,097
Workmen's Compensation	1,442,534	(12,750)	1,429,784	1,366,036	63,748
Health Benefits	24,150,387	(741,718)	23,408,669	22,112,329	1,296,340
Tuition Reimbursement	98,600	-	98,600	54,668	43,932
Other Employee Benefits	610,395	111,351	721,746	720,577	1,169
Unused Sick Payment to Terminated/Retired Staff	304,872	13,039	317,911	311,813	6,098
Total Unallocated Benefits	29,714,447	(511,212)	29,203,235	27,678,096	1,525,139
On-behalf TPAF Pension Contributions (non-budgeted)				5,610,972	(5,610,972)
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)				4,675,215	(4,675,215)
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)				10,731	(10,731)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,808,935	(3,808,935)
Total On-behalf Contributions	-	-	-	14,105,853	(14,105,853)
Total Undistributed Expenditures	75,436,764	(1,431,682)	74,005,082	83,641,509	(9,636,427)
Total Current Expense	122,220,082	(437,637)	121,782,445	130,795,819	(9,013,374)
Capital Outlay:					
Interest Deposit to Capital Reserve	2,000	-	2,000	-	2,000
Total Interest Deposit to Capital Reserve	2,000	-	2,000	-	2,000

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Grades 1-5	-	2,308	2,308	2,242	66
Grades 6-8	6,200	7,521	13,721	13,721	-
Grades 9-12	6,465	-	6,465	3,324	3,141
Undist. Expend. - Instruction	-	3,685	3,685	3,685	-
Undist. Expend. - Non-Instruction	-	9,301	9,301	9,301	-
Undist. Expend. - Admin Info Tech.	142,713	49,409	192,122	184,791	7,331
Undist. Expend. - Required Maint for School Facilities	7,404	19,838	27,242	27,242	-
Undist. Expend. - Custodial Services	-	17,131	17,131	17,131	-
Undist. Expend. - Care and Upkeep of Grounds	4,613	23,444	28,057	28,057	-
Undist. Expend. - Security	27,104	(10,000)	17,104	1,376	15,728
Undist. Expend. - Student Trans. - Non Ins	287,400	9,000	296,400	296,400	-
Total Equipment	481,899	131,637	613,536	587,270	26,266
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	32,750	250,620	283,370	100,648	182,722
Construction Services	1,005,586	1,730,340	2,735,926	927,487	1,808,439
Other Objects - Debt Service Assessment	543,141	-	543,141	543,141	-
Total Facilities Acquisition and Construction Services	1,581,477	1,980,960	3,562,437	1,571,276	1,991,161
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Instructional Equipment	-	-	-	1,217,258	(1,217,258)
Transportation	-	-	-	1,217,258	(1,217,258)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	1,217,258	(1,217,258)
Total Capital Outlay	2,065,376	2,112,597	4,177,973	3,375,804	802,169
Transfer to Charter Schools	797,925	306,000	1,103,925	1,096,183	7,742
Total Expenditures	125,083,383	1,980,960	127,064,343	135,267,806	(8,203,463)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,467,282)	(1,980,960)	(11,448,242)	(2,954,071)	8,494,171

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Increase in Capital Reserve	-	-	-	500,000	(500,000)
Withdrawal from Capital Reserve				1,478,960	(1,478,960)
Interest Deposit to Capital Reserve				2,000	(2,000)
Decrease in Capital Reserve				(1,980,960)	1,980,960
Increase in Maintenance Reserve				392,000	(392,000)
Deposit to Maintenance Reserve				(392,000)	392,000
Capital Leases (non-budgeted)				1,217,258	1,217,258
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(9,467,282)	(1,980,960)	(11,448,242)	(1,736,813)	9,711,429
Fund Balances, July 1	20,492,311		20,492,311	20,492,311	-
Fund Balances, June 30	\$ 11,025,029	(1,980,960)	9,044,069	18,755,498	9,711,429

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	5,858,642
Excess Surplus-Designated for Subsequent Year's Expenditures	6,313,178
Reserve for Capital Reserve	592,274
Reserve for Maintenance Reserve	392,000

Assigned Fund Balance:

Year-end Encumbrances	2,172,030
Designated for Subsequent Year's Expenditures	288,234

Unassigned Fund Balance

	3,139,140
	18,755,498

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

	(3,729,823)
\$	15,025,675

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	34,592	34,592	22,629	(11,963)
Total - Local Sources	-	34,592	34,592	22,629	(11,963)
State Sources:					
Nonpublic aid	119,349	92,499	211,848	211,438	(410)
Total - State Sources	119,349	92,499	211,848	211,438	(410)
Federal Sources:					
Title I	1,037,220	245,867	1,283,087	1,236,937	(46,150)
Title II	114,145	6,394	120,539	119,900	(639)
Title III	43,484	9,117	52,601	50,625	(1,976)
I.D.E.A., Part B	1,865,593	179,850	2,045,443	1,895,650	(149,793)
Vocational Education	139,717	(53,586)	86,131	81,371	(4,760)
Total - Federal Sources	3,200,159	387,642	3,587,801	3,384,483	(203,318)
Total Revenues	3,319,508	514,733	3,834,241	3,618,550	(215,691)
EXPENDITURES:					
Instruction					
Salaries of Teachers	3,276,309	(2,125,685)	1,150,624	1,087,307	63,317
Purchased Professional and Technical Services	-	370,780	370,780	316,614	54,166
Other Purchased Services (400-500 series)	-	1,195,077	1,195,077	1,194,006	1,071
General Supplies	-	90,723	90,723	77,605	13,118
Textbooks	13,493	4,549	18,042	17,972	70
Other objects	-	1,700	1,700	1,654	46
Total instruction	3,289,802	(462,856)	2,826,946	2,695,158	131,788

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors	-	348,353	348,353	332,343	16,010
Personal Services - Employee Benefits	-	274,217	274,217	271,172	3,045
Purchased Technical Services	23,562	76,525	100,087	89,043	11,044
Purchased Property Services	-	-	-	-	-
Travel	-	16,910	16,910	16,557	353
Other purchased Services (400-500 series)	-	181,990	181,990	138,422	43,568
Supplies & Materials	-	26,932	26,932	25,291	1,641
Other Objects	-	4,645	4,645	4,617	28
Total support services	23,562	929,572	963,134	877,445	75,689
Facilities acquisition and construction services:					
Instructional Equipment	6,144	33,717	39,861	31,647	8,214
Noninstructional Equipment	-	14,300	14,300	14,300	-
Total facilities acquisition and construction services	6,144	48,017	54,161	45,947	8,214
Transfers to Charter Schools					
		-	-	-	-
Total expenditures	3,319,508	514,733	3,834,241	3,618,550	215,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 132,313,735	3,618,550
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		15,303
Current year		(228,954)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,738,124	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,729,823)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	132,322,036	3,404,899
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	135,267,806	3,618,550
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		15,303
Current year		(228,954)
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	\$ 135,267,806	3,404,899

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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 Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.1929449075%	0.1846447919%	0.1823522927%	0.176276842%
District's proportionate of the net pension liability (asset)	\$ 57,144,747	\$ 32,618,264	\$ 34,141,337	\$33,690,007
District's covered payroll	\$ 13,586,006	\$ 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	420.61%	252.43%	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	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 four years. Additional years will be presented as they become available.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,587,450	\$ 1,407,927	\$ 1,328,210	\$1,223,404
Contributions in relation to the contractually required contribution	<u>\$ 1,587,450</u>	<u>\$ 1,407,927</u>	<u>\$ 1,328,210</u>	<u>\$1,223,404</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,586,006	\$ 12,921,914	\$ 12,372,353	\$12,234,369
Contributions as a percentage of covered-employee payroll	11.68%	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 four 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 Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	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>386,076,269</u>	<u>253,846,482</u>	<u>259,337,251</u>	<u>244,617,946</u>
Total	<u>\$ 386,076,269</u>	<u>\$ 253,846,482</u>	<u>\$ 259,337,251</u>	<u>\$244,617,946</u>
District's covered payroll	\$ 51,825,604	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	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 four 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, 2017

	Nonpublic Textbooks	Nonpublic Auxiliary Aid		Examination & Classification	Nonpublic Handicapped Aid		Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total State Funds
		Compensatory Education	ESL		Corrective Speech	Supplemental Instruction				
REVENUES:										
State Sources	\$ 17,972	88,864	3,654	25,211	5,301	15,458	30,315	8,113	16,550	211,438
Federal Sources										
Local Sources										
Total revenues	17,972	88,864	3,654	25,211	5,301	15,458	30,315	8,113	16,550	211,438
EXPENDITURES:										
Instruction:										
Salaries of teachers										
Purchased prof. and technical services		88,864	3,654	25,211	5,301	15,458		8,113		138,488
Other purchased services										8,113
General supplies	17,972									17,972
Textbooks										
Other objects										
Total instruction	17,972	88,864	3,654	25,211	5,301	15,458	-	8,113	-	164,573
Support services:										
Salaries of program directors										
Personal services- employee benefits										
Purchased technical services							30,315			30,315
Purchased property services										
Miscellaneous purchased services										
Travel										
Supplies and materials									2,250	2,250
Other Objects										
Total support services	-	-	-	-	-	-	30,315	-	2,250	32,565
Facilities acquisition and const. serv.:										
Instructional equipment									14,300	14,300
Noninstructional equipment									14,300	14,300
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	28,600	28,600
Transfer to charter schools										
Total expenditures	\$ 17,972	88,864	3,654	25,211	5,301	15,458	30,315	8,113	16,550	211,438

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2017

	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	Title III Immigrant	Carl D. Perkins Vocational	Total Federal Funds
REVENUES:								
State Sources	\$ 1,832,913	62,737	1,236,937	119,900	41,893	8,732	81,371	3,384,483
Federal Sources								
Local Sources								
Total revenues	<u>1,832,913</u>	<u>62,737</u>	<u>1,236,937</u>	<u>119,900</u>	<u>41,893</u>	<u>8,732</u>	<u>81,371</u>	<u>3,384,483</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	75,461	28,156	873,371	67,428	30,000	6,621	3,598	1,081,037
Purchased prof. and technical services	172,509							176,107
Other purchased services	1,193,363	310	24,896		2,282	1,004	4,206	1,193,363
General supplies	36,050							68,748
Textbooks								
Other objects							1,654	1,654
Total Instruction	<u>1,477,383</u>	<u>28,466</u>	<u>898,267</u>	<u>67,428</u>	<u>32,282</u>	<u>7,625</u>	<u>9,458</u>	<u>2,520,909</u>
Support services:								
Salaries of program directors	174,257	29,835	91,457	21,258			15,536	332,343
Personal services- employee benefits	19,103	4,436	218,585	19,140	8,316	507	1,085	271,172
Purchased technical services	41,074		5,580	12,074				58,728
Purchased property services								
Miscellaneous purchased services	117,709		18,000		242		2,471	138,422
Travel							16,557	16,557
Supplies and materials	3,387		5,048		1,053	600	4,617	10,088
Other Objects								4,617
Total support services	<u>355,530</u>	<u>34,271</u>	<u>338,670</u>	<u>52,472</u>	<u>9,611</u>	<u>1,107</u>	<u>40,266</u>	<u>831,927</u>
Facilities acquisition and const. serv.:								
Instructional equipment							31,647	31,647
Noninstructional equipment								
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,647</u>	<u>31,647</u>
Transfer to charter schools								
Total expenditures	\$ <u>1,832,913</u>	<u>62,737</u>	<u>1,236,937</u>	<u>119,900</u>	<u>41,893</u>	<u>8,732</u>	<u>81,371</u>	<u>3,384,483</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, 2017

	Workforce Investment Board (WIB)	District Sustainable Grant	Total All Other Funds	Totals
REVENUES:				
State Sources	-	-	-	211,438
Federal Sources	-	-	-	3,384,483
Local Sources	9,676	12,953	22,629	22,629
Total revenues	<u>9,676</u>	<u>12,953</u>	<u>22,629</u>	<u>3,618,550</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	6,270	-	6,270	1,087,307
Purchased prof. and technical services	2,019	-	2,019	316,614
Other purchased services	643	-	643	1,194,006
General supplies	744	-	744	771,605
Textbooks	-	-	-	17,972
Other objects	-	-	-	1,654
Total instruction	<u>9,676</u>	<u>-</u>	<u>9,676</u>	<u>2,695,158</u>
Support services:				
Salaries of program directors	-	-	-	332,343
Personal services- employee benefits	-	-	-	271,172
Purchased technical services	-	-	-	89,043
Miscellaneous purchased services	-	-	-	138,422
Travel	-	-	-	16,557
Supplies and materials	-	12,953	12,953	25,291
Other Objects	-	-	-	4,617
Total support services	<u>-</u>	<u>12,953</u>	<u>12,953</u>	<u>877,445</u>
Facilities acquisition and const. serv.:				
Instructional equipment	-	-	-	31,647
Noninstructional equipment	-	-	-	14,300
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,947</u>
Transfer to charter schools	-	-	-	-
Total expenditures	<u>\$ 9,676</u>	<u>12,953</u>	<u>22,629</u>	<u>3,618,550</u>

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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, 2017**

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	21,479,093	-	191,281
SP#1310-005-08-1000	Various Repairs and Renovations at Swift/Slaybaugh Elementary Schools Roof Project	4/15/08	1,479,500	1,369,029	110,471	-
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	483,800	-	-
Totals			<u>\$ 24,587,445</u>	<u>24,285,693</u>	<u>110,471</u>	<u>191,281</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, 2017

Revenues and other Financing Sources

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	-
Transfer from capital outlay	-
Total revenues	<u>-</u>

Expenditures and other Financing Uses

Salaries	-
Purchased professional and technical services	-
Legal services	-
Land and improvements	-
Construction services	110,471
Equipment purchases	-
Total expenditures	<u>110,471</u>

Excess (deficiency) of revenues over (under) expenditures (110,471)

Fund balance - beginning 301,752

Fund balance - ending \$ 191,281

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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
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>
Expenditures and other Financing Uses				
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	20,555,254		20,555,254	20,746,535
Furniture & equipment purchases	770,214		770,214	770,214
Total expenditures	<u>21,479,093</u>	<u>-</u>	<u>21,479,093</u>	<u>21,670,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 191,281</u>	<u>-</u>	<u>191,281</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, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
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>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	51,570	-	51,570	97,230
Legal services			-	
Contingency			-	
Construction services	1,317,459	110,471	1,427,930	1,800,420
Furniture & equipment purchases			-	
Total expenditures	<u>1,369,029</u>	<u>110,471</u>	<u>1,479,500</u>	<u>1,897,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 110,471</u>	<u>(110,471)</u>	<u>-</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	77.96%
Original target completion date	6/30/09
Revised target completion date	6/30/17

FIDUCIARY FUNDS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2017

	Trust		Agency			Total Agency
	Unemployment Compensation	Total Trusts	Student Activity	Conduit	Payroll	
ASSETS:						
Cash and cash equivalents	\$ 1,190,160	1,190,160	415,103	152,728	27,341	595,172
Total Assets	<u>1,190,160</u>	<u>1,190,160</u>	<u>415,103</u>	<u>152,728</u>	<u>27,341</u>	<u>595,172</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Payroll deductions and withholdings			415,103		27,341	27,341
Due to student groups						415,103
Conduit activities payable				152,728		152,728
Total Liabilities	<u>-</u>	<u>-</u>	<u>415,103</u>	<u>152,728</u>	<u>27,341</u>	<u>595,172</u>
Net Position						
Reserved - Trust Unemployment	1,190,160	1,190,160				
Total net position	<u>1,190,160</u>	<u>1,190,160</u>				
Total net position	<u>\$ 1,190,160</u>	<u>1,190,160</u>				

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
June 30, 2017

H-2

	<u>Unemployment Compensation Trust</u>	<u>Total Trusts</u>
OPERATING REVENUES:		
Local sources:		
Interest on investments	\$ 1,692	1,692
Employee Contributions	122,682	122,682
	124,374	124,374
Total operating revenues		
OPERATING EXPENSES:		
Payments of unemployment claims	60,155	60,155
	60,155	60,155
Total operating expenses		
Operating (Loss)	64,219	64,219
	64,219	64,219
Net Income		
	64,219	64,219
	64,219	64,219
Net position, July 1	1,125,941	1,125,941
	1,125,941	1,125,941
Net position, June 30	\$ 1,190,160	1,190,160
	1,190,160	1,190,160

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017

H-3

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Interfund Receivable June 30, 2017	Balance June 30, 2017
Elementary and Middle Schools	\$ 116,349	141,528	120,785		137,092
Athletic Fund	55,092	18,024	73,044	-	72
High School Students	238,803	481,689	444,234		276,258
Eagle's Nest School Store	490	-	-		490
Alternative School (Grades 7-12)	1,150	1,036	995		1,191
Total all schools	\$ 411,884	642,277	639,058	-	415,103

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

H-4a

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and cash equivalents	\$ 26,780	80,219,250	80,218,689	27,341
Interfund accounts receivable	-	-	-	-
Total assets	26,780	80,219,250	80,218,689	27,341
LIABILITIES:				
Payroll deductions and withholdings	26,780	80,218,381	80,217,820	27,341
Due to general fund	-	869	869	-
Total liabilities	\$ 26,780	80,219,250	80,218,689	27,341

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Agency Fund - Conduit
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

H-4b

OPERATING REVENUES:

Local sources:	
Contributions	<u>\$ 51,668</u>
Total operating revenues	<u>51,668</u>

OPERATING EXPENSES:

Purchased professional services	<u>53,551</u>
Total operating expenses	<u>53,551</u>
Operating Income	(1,883)
Net position, July 1	<u>154,611</u>
Net position, June 30	<u><u>\$ 152,728</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, 2017

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Refunded/Retired	Balance June 30, 2017	
			Date	Amount						
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	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%	\$ 39,310,000		3,020,000	36,290,000	
	School Bonds	9/15/08	27,924,000	9/15/17	1,400,000	4.000%				
			9/15/18	1,465,000	4.000%	4,200,000		1,335,000	2,865,000	
General Obligation - Refunding Bonds	12/5/12	6,805,000	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%	5,895,000		825,000	5,070,000	
	General Obligation - Refunding Bonds	1/6/16	14,365,000	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%	14,245,000		50,000	14,195,000		
General Obligation - Refunding Bonds	6/1/16	19,320,000	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%						

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Refunded/Retired	Balance June 30, 2017
			Date	Amount					
	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%	19,320,000		170,000	19,150,000
	9/15/28		2,230,000		2.500%				
						<u>\$ 82,970,000</u>	<u>-</u>	<u>5,400,000</u>	<u>77,570,000</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2017

I-2

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2016	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2017
Blue Bird 54 passenger buses (3)	8/15/07	4.170%	\$ 530,000	28,000		28,000	-
29 passenger buses (3)							
25 passenger bus (1) with wheelchair lift							
Blue Bird 54 passenger buses (4)	1/14/14	1.810%	374,534	199,856		48,627	151,229
U.S. Bancorp 25 passenger wheelchair bus (1)							
54 passenger buses (4)	10/29/14	1.495%	468,000	310,268		75,849	234,419
TD Equipment Finance Various Equipment	7/15/15	1.430%	1,766,358	1,398,358		342,180	1,056,178
54 passenger buses (10)	7/15/15	1.570%	910,000	710,000		137,611	572,389
TD Equipment Finance 54 passenger buses (12)	12/15/16	1.600%	\$ 1,217,258		1,217,258	150,000	1,067,258
				\$ 2,646,482	1,217,258	782,267	3,081,473

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,674,577	-	5,674,577	5,674,577	-
Other Miscellaneous	5,674,577	-	5,674,577	5,679,726	5,149
	<u>3,269,108</u>	<u>-</u>	<u>3,269,108</u>	<u>3,269,108</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	3,269,108	-	3,269,108	3,269,108	-
Total - State Sources	<u>3,269,108</u>	<u>-</u>	<u>3,269,108</u>	<u>3,269,108</u>	<u>-</u>
Total Revenues	8,943,685	-	8,943,685	8,948,834	5,149
EXPENDITURES:					
Regular Debt Service:					
Interest	3,713,685	(170,000)	3,543,685	3,445,292	98,393
Redemption of Principal	5,230,000	170,000	5,400,000	5,400,000	-
Total Regular Debt Service	<u>8,943,685</u>	<u>-</u>	<u>8,943,685</u>	<u>8,845,292</u>	<u>98,393</u>
Total expenditures	8,943,685	-	8,943,685	8,845,292	98,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	103,542	103,542
Fund Balance, July 1	-	-	-	40,552	40,552
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,094</u>	<u>144,094</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures	-
Restricted Fund Balance	<u>144,094</u>
	<u>144,094</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	94,537,783
Restricted	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	1,916,722
Unrestricted*	(7,336,106)	(18,155,056)	(12,189,021)	(2,941,253)	3,448,528	5,512,921	(23,453,834)	(19,965,011)	(23,503,022)	(28,846,773)
Total governmental activities net position	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	67,607,732
Business-type activities										
Net investment in capital assets	64,568	154,785	139,764	124,316	113,406	147,741	151,742	169,101	193,910	227,654
Unrestricted	291,589	511,873	912,539	1,339,255	1,628,015	1,338,792	1,301,455	1,244,294	1,225,389	1,142,623
Total business-type activities net position	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	1,370,277
District-wide										
Net investment in capital assets	\$ 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	94,765,437
Restricted	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	1,916,722
Unrestricted	(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)	(27,704,150)
Total district net position	\$ 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	68,978,009

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	44,610,760	45,612,915	49,702,067	46,770,376	48,007,801	50,851,116	50,450,298	54,824,412	62,892,932	70,490,116
Special education	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	17,501,382
Other special education	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	3,772,492
Other instruction	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	2,369,267
Nonpublic school programs	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675	141,130	194,888
Support Services:										
Tuition	4,617,766	5,339,044	4,539,129	4,110,824	5,595,481	6,355,186	6,214,391	7,960,177	8,518,177	4,862,379
Student & instruction related services	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	28,170,831
General administrative services	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	5,701,273
School administrative services	4,100,130	4,312,650	5,093,246	5,118,734	5,484,702	6,006,631	5,867,838	6,570,957	7,747,451	8,816,177
Plant operations and maintenance	14,110,569	15,299,962	15,135,986	13,928,061	13,904,927	13,998,124	13,966,789	14,758,183	16,965,477	18,712,027
Pupil transportation	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	14,027,054
Special Schools	246,120	251,555	-	-	4,679,467	4,333,013	4,742,049	4,565,316	4,359,240	3,966,799
Interest on long-term debt	4,245,200	4,411,123	5,606,697	4,942,981	4,679,467	2,000	-	-	-	-
Capital Outlay	112,410,639	117,724,922	126,375,376	117,818,183	123,934,921	132,036,106	132,028,450	144,632,726	165,967,895	178,584,685
Total governmental activities expenses	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	3,205,149
Business-type activities:	379,271	395,166	354,299	312,264	319,206	342,188	329,321	347,520	350,893	378,739
Food service	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	3,583,888
Child Care	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	182,168,573
Total business-type activities expense	4,205	117,355	68,362	322,020	503,161	723,162	758,420	786,941	717,238	757,355
Total district expenses	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	46,519,012
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	86,606	117,355	68,362	322,020	503,161	723,162	758,420	786,941	717,238	757,355
Tuition	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	46,519,012
Operating grants and contributions	4,205	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	47,276,367

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services										
Food service	1,613,890	1,762,168	1,713,237	1,624,980	1,508,441	1,370,924	1,352,940	1,225,494	1,230,505	1,173,642
Child care	416,505	402,202	376,114	363,521	338,588	325,824	318,293	311,977	315,708	265,522
Operating grants and contributions	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	2,084,060
Total business type activities program revenues	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	3,533,224
Total district program revenues	14,825,998	12,869,353	14,257,494	14,538,632	15,692,177	18,136,940	16,897,603	29,708,433	36,749,912	50,809,591
Net (Expense)/Revenue										
Governmental activities	(100,896,301)	#####	(115,774,012)	(106,762,990)	(111,759,024)	(117,407,622)	(118,676,149)	(118,485,681)	(132,770,383)	(131,308,318)
Business-type activities	(384,273)	(137,868)	19,218	400,851	272,308	(257,715)	(91,566)	(40,412)	(5,583)	(50,664)
Total district-wide net expense	(101,280,574)	#####	(115,754,794)	(106,362,139)	(111,486,716)	(117,665,337)	(118,767,715)	(118,526,093)	(132,775,966)	(131,358,982)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	74,445,720
Taxes levied for debt service	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	5,674,577
Unrestricted grants and contributions	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	41,803,805
Federal and state aid restricted	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	3,269,108
Transportation charges										
Investment earnings	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339	55,169	75,759
Miscellaneous income	131,731	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613	979,474	924,923
Special items	25,067,305	157,653	203,043	(323,687)	433,797	(167,573)	(1,186,731)	(3,381)	(1,651,769)	(3,470,059)
Transfers	(393,401)	(385,033)	(357,161)							
Total governmental activities	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	122,723,833
Business-type activities:										
Investment earnings	24,918	7,917	9,266	10,417	5,542	2,827	2,265	1,912	1,753	1,642
Special items	393,401	55,419	357,161	-	-	-	55,965	(1,302)	9,734	-
Transfers	418,319	448,369	366,427	10,417	5,542	2,827	58,230	610	11,487	1,642
Total business-type activities	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	122,725,475
Total district-wide										

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Change in Net Position	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)	(8,584,485)
Governmental activities	34,046	310,501	365,645	411,268	277,850	411,268	277,850	(39,802)	5,904	(49,022)
Business-type activities										
Total district	<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>	<u>(8,633,507)</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted	\$			3,288,889	5,918,996	9,035,850	15,672,131	16,822,512	16,019,118	13,156,094
Committed			(1,187,551)	5,092,461	5,388,432	3,379,001	-	-	-	-
Assigned				301,863	471,036	152,937	-	347,890	735,069	1,869,581
Unassigned						(0)	(195,438)	-	-	-
Reserved	10,497,827	10,924,049	7,164,472							
Unreserved	1,340,851	(1,002,959)	(1,187,551)							
Total general fund	<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>	<u>15,025,675</u>
All Other Governmental Funds										
Restricted				2,225,921	2,731,142	3,149,561	453,308	191,301	246,833	335,375
Committed						749,999	2,144,542	1,132,546	95,471	-
Assigned				2,876,357	729,708	-	37,743	13,564	-	-
Unassigned						37,743	-	-	-	-
Reserved	924,018	9,141,444	3,193,406		2					
Unreserved, reported in:										
Special revenue fund	(28,577)	-	-							
Capital projects fund	21,886,172	10,102,784	3,689,589							
Debt service fund	8,626	-	-							
Total all other governmental funds	<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>	<u>335,375</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 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	80,120,297
Tuition charges	86,606	117,355	68,362	322,020	503,161	723,162	758,420	786,941	717,238	757,355
Transportation charges										
Interest earnings	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339	33,859	33,859
Rentals										
Miscellaneous	135,936	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613	731,845	1,104,834
Local sources	17,232	121,697	89,726	70,201	83,696	80,932	36,455	15,751	2,169	22,306
State sources	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	59,029,044
Federal sources	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	3,532,315
Total revenue	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	144,675,769
Expenditures										
Instruction										
Regular instruction	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	38,060,970
Special education instruction	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	9,369,001
Other special instruction	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	1,941,032
Other instruction	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	1,409,775
Nonpublic school programs	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675	141,130	194,888
Support Services:										
Tuition	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	4,862,379
Student & instruction related services	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	14,511,556
General administrative services	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	2,817,613
School Administrative services	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	3,851,581
Plant operations and maintenance	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	9,516,462
Pupil transportation	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	6,931,748
Unallocated employee benefits	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	41,783,949
Special Schools	174,998	179,675	-	-	-	-	-	-	-	-
Capital outlay	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	3,532,222
Debt service:										
Principal	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	5,400,000
Interest and other charges	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	3,445,292
Total expenditures	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	147,628,468
Excess (Deficiency) of revenues over (under) expenditures	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)	(2,952,699)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing sources (uses)										
Capital leases (non-budgeted)	530,000	700,000	255,000	(400,347)	-	-	374,534	468,000	2,676,358	1,217,258
Debt service assessment							(153,640)			
Cancellation of prior year receivables										
Cancellation of prior year payables										
Bond proceeds		13,137	14,854	1,101	79,016	3,654				
Proceeds of refunding debt		27,924,000								
Payment to refunded debt escrow agent						6,805,000				
Recoveries for storm damage						(6,805,000)				
Insurance						398,700				
FEMA						74,883				
Expenses related to storm damage						(398,700)				
Insurance						(74,883)				
FEMA						1,406,400				
Transfers in	60,000	1,431,704	106,822	1,657,522	466,600	1,406,400				
Transfers out	(453,401)	(1,816,737)	(463,983)	(1,657,522)	(466,600)	(1,406,400)				
Total other financing sources (uses)	136,599	28,252,104	(87,307)	(399,246)	79,016	3,654	220,894	468,000	2,676,358	1,217,258
Net change in fund balances	\$ 646,971	17,588,918	(16,305,403)	925,575	1,453,825	1,265,775	1,607,195	395,527	(1,411,322)	(1,735,441)
Debt service as a percentage of noncapital expenditures	6.65%	6.41%	7.23%	7.25%	6.82%	6.97%	6.98%	6.83%	6.46%	6.14%

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
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
2017		22,849		-			675,324	435,371	1,133,544

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
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	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	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	2,570,923,600	15,300	6,851,800	2,577,790,700	2.65	5,359,232,225
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	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	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	4,067,133,700	15,300	10,295,734	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	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	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	4,080,616,500	15,300	8,434,662	4,089,066,462	1.93	4,189,172,382
2017	144,125,200	3,098,196,000	5,122,700	713,700	755,978,515	43,120,500	16,192,000	4,063,448,615	4,063,448,615	15,300	8,514,802	4,071,978,717	2.00	4,104,024,465

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

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

b Tax rates are per \$100

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

	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
Fiscal Year Ended June 30,						
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
2017	1.863	0.139	2.002	0.570	0.559	3.131

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	2017			2008		
	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	28,000,000	1	0.69%			
English Creek Partners, LLC	15,500,000	2	0.38%	10,242,600	3	0.41%
Lowe's Home Centers, Inc.	14,700,000	3	0.36%	8,872,300	4	0.35%
Atlantcare Health Services, Inc.	13,682,100	4	0.34%			
Home Depot Development Co of MD	10,831,200	5	0.27%	7,397,100	6	0.29%
Margate Bridge Company	9,710,900	6	0.24%	5,914,000	9	0.23%
Hidden Creek Golf Club, LLC	9,621,200	7	0.24%	6,298,000	7	0.25%
The Hebrew Academy of Atlantic City	9,521,200	8	0.23%			0.00%
MCRS Egg Harbor, LLC	9,269,900	9	0.23%			0.00%
Trocki Hotels LP	9,003,000	10	0.22%			0.00%
Shore Mall Associates				34,083,600	1	1.35%
Atlantic City Electric Co.				11,172,900	2	0.44%
Cardiff Center LLC				7,500,000	5	0.30%
Heathcroft Shopping Center				6,294,200	8	0.25%
Spencer Gifts, Inc.				5,699,000	10	0.23%
Total	129,839,500		3.19%	103,473,700		4.10%

District Net Assessed Value

4,071,978,717

2,520,683,400

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	
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%	-
2017	80,120,297	80,120,297	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2008	87,140,000	4,273,454	55,419	55,419	91,468,873	5.77%	2,292
2009	111,879,000	3,942,669	55,965	55,965	115,877,634	7.33%	2,880
2010	108,614,000	3,264,010	55,965	55,965	111,933,975	6.50%	2,583
2011	105,214,000	2,284,177	55,965	55,965	107,554,142	6.03%	2,485
2012	101,804,000	1,530,055	55,965	55,965	103,390,020	5.63%	2,370
2013	97,495,000	964,674	55,965	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
2017	77,570,000	3,081,473	-	-	80,651,473	4.24%	1,854

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2017	77,570,000	-	77,570,000	1.90%	1,783

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, 2017
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Egg Harbor	\$ 32,967,970	100.00%	32,967,970
Other debt			
Egg Harbor Township Golf Corporation	7,665,000	100.00%	7,665,000
Atlantic County	152,426,901	13.03%	19,861,606
Subtotal, overlapping debt			60,494,576
Township of Egg Harbor School District debt	77,570,000	100.00%	77,570,000
Total direct and overlapping debt	\$		<u>138,064,576</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
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017					
Debt limit	\$ 177,740,688	197,042,918	204,248,254	199,868,338	189,401,983	178,813,680	173,469,679	169,614,370	168,846,486	165,525,868					
Total net debt applicable to limit	87,140,000	111,879,000	108,614,000	105,214,000	101,804,000	97,495,000	92,875,000	88,060,000	82,970,000	77,570,000					
Legal debt margin	\$ 90,600,688	85,163,918	95,634,254	94,654,338	87,597,983	81,318,680	80,594,679	81,554,370	85,876,486	87,955,868					
Total net debt applicable to the limit as a percentage of debt limit	49.03%	56.78%	53.18%	52.64%	53.75%	54.52%	53.54%	51.92%	49.14%	46.86%					

Average equalized valuation of taxable property															
Debt limit (4% of average)															4,096,181,992
Net bonded school debt															4,165,177,338
Legal debt margin															4,153,080,786
															12,414,440,116
															4,138,146,705

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2017	43,504	1,900,907	43,695	6.70%

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 17, 2016

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	2017			2008		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Federal Aviation Administration	3,500	1	16%	3,500	1	16%
Egg Harbor Township School District	1,168	2	5%	1,168	2	5%
AtlantiCare	546	3	2%	546	3	2%
Air National Guard	400	4	2%	400	4	2%
Boscov's	275	5	1%	275	5	1%
U.S. Coast Guard	255	6	1%	255	6	1%
Home Depot	248	7	1%	248	7	1%
Egg Harbor Township	246	8	1%	246	8	1%
Spencer Gifts	210	9	1%	210	9	1%
Lowe's	208	10	1%	208	10	1%
	<u>7,056</u>		<u>32%</u>	<u>7,056</u>		<u>32%</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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	484.0	499.6	491.6	457.6	450.0	454.0	474.0	461.5	466.0	467.5
Special education	103.2	100.8	109.0	107.0	118.5	131.5	160.0	162.0	169.5	176.0
Vocational	15.6	15.4	15.4	14.4	6.0	6.0	6.0	6.0	6.0	6.0
Other instruction	99.8	99.8	99.9	93.2	51.5	51.5	-	-	-	-
Support Services:										
Student & instruction related services	177.0	177.0	177.0	168.0	169.0	176.0	227.0	246.0	264.0	283.5
General administrative services	8.0	8.5	8.5	8.0	8.0	8.5	8.5	8.0	9.0	8.5
School administrative services	48.0	49.0	49.0	49.0	50.0	50.5	51.0	52.5	51.5	52.5
Central services	10.0	10.0	10.0	9.0	9.0	9.0	8.0	10.0	10.0	10.0
Administrative information technology	6.0	6.0	6.0	6.0	6.0	6.0	5.0	4.0	5.0	5.0
Plant operations and maintenance	104.0	111.0	106.0	113.0	117.5	122.5	117.5	119.0	127.0	125.0
Pupil transportation	115.0	115.0	115.0	118.0	123.0	120.5	116.5	115.5	111.0	109.5
Food Service	48.0	46.0	44.5	44.5	30.5	30.5	42.0	42.0	42.0	42.0
Total	1,218.6	1,238.1	1,231.9	1,187.7	1,139.0	1,166.5	1,215.5	1,226.5	1,261.0	1,285.5

1:1 paraprofessionals charged to Support Services: Student & instruction related services were not included as full-time equivalents prior to the 2014 fiscal year.

Source: District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	7,779	103,279,800	13,277	12.77%	692	12.5:1	12.7:1	11.0:1	7,579	7,219	2.79%	95.25%
2009	7,901	107,404,347	13,594	2.39%	714	11.0:1	9.85:1	11.4:1	7,633	7,370	0.71%	96.55%
2010	7,894	114,962,684	14,563	7.13%	716	10.8:1	9.25:1	12.1:1	7,715	7,464	1.07%	96.75%
2011	7,962	107,193,803	13,463	-7.55%	672	10.6:1	9.00:1	12.2:1	7,924	7,536	2.71%	95.10%
2012	7,866	112,360,509	14,284	6.10%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	-2.42%	95.36%
2013	7,859	119,459,131	15,200	6.41%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-0.61%	95.30%
2014	7,715	119,729,131	15,519	2.10%	661	11.5:1	11.0:1	10.0:1	7,508	7,174	-2.30%	95.55%
2015	7,639	122,977,527	16,099	3.74%	711	11.5:1	11.0:1	10.0:1	7,489	7,130	-0.25%	95.21%
2016	7,429	130,045,702	17,505	8.74%	695	11.5:1	11.0:1	10.0:1	7,349	6,990	-1.87%	95.11%
2017	7,470	135,250,954	18,106	3.43%	650	11.6:1	11.2:1	10.3:1	7,395	7,026	0.63%	95.01%

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	489	510	467	471	461	448	485	470	438	432
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	77,730
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	432	432	482	480	438	476	457	413	400	389
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	470	494	431	456	448	428	402	396	452	466
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	404	424	434	429	428	473	479	506	401	391
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	410	406	425	434	478	417	402	378	390	387
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	1,162	1,112	1,131	1,197	1,206	1,176	1,140	1,175	1,150	1,140
<u>Middle School</u>										
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	1,007	1,045	973	958	986	997	950	934	920	959
Alder Avenue (1992, 2007)										
Square Feet	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174
Capacity (students)	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Enrollment	919	888	897	868	827	883	911	933	891	866

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>High School</u>										
EHT High School (1983, 2003., 2012)	321,715	321,715	321,715	321,715	444,715	444,715	444,715	444,715	444,715	444,715
Square Feet	1,680	1,680	1,680	1,680	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	2,320	2,441	2,502	2,518	2,458	2,446	2,399	2,323	2,279	2,319
Enrollment										
Eagle Academy										
Square Feet	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
Capacity (students)	60	60	60	60	60	60	60	60	60	60
Enrollment	52	49	44	54	53	39	22	37	39	37
<u>Other</u>										
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	-	-
District Warehouse (1976)										
(sold in 2016)										
Square Feet	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	7,400	7,400	7,400	7,400

Number of Schools at June 30, 2016
 Elementary = 6
 Middle School = 2
 High School = 2

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)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
H. Russell Swift Elementary School	N/A	\$ 76,933	\$ 55,707	\$ 79,675	\$ 91,498	69,403	54,377	93,557	72,007	72,019	50,732
E.H. Slaybaugh Elementary School	N/A	122,615	104,529	103,901	114,872	116,636	117,528	97,662	109,979	123,376	79,587
Clayton J. Davenport Elementary School	N/A	138,505	90,456	101,354	113,232	132,929	128,963	114,387	130,670	113,139	89,109
Joy D. Miller Elementary School	N/A	121,094	119,977	107,967	118,068	117,911	154,280	91,304	137,012	108,894	100,540
Fernwood Avenue Middle School	N/A	158,515	251,170	132,567	125,207	168,401	156,685	157,845	186,965	149,651	130,167
Alder Avenue Middle School	N/A	125,151	199,289	107,601	119,539	116,781	134,686	125,522	149,511	182,960	129,167
Eagle Academy	N/A	8,683	7,778								
Egg Harbor Township High School	N/A	438,310	323,047	287,826	413,320	274,289	393,555	286,400	294,829	335,473	285,355
Total School Facilities		1,189,806	1,151,953	920,891	1,095,736	996,350	1,140,074	966,677	1,080,973	1,085,512	864,657
Other Facilities		59,626	17,351	17,691	7,175	12,509	11,452	16,356	13,513	18,801	37,358
Grand Total		\$ 1,249,432	\$ 1,169,304	938,582	1,102,911	1,008,859	1,151,526	983,033	1,094,486	1,104,313	902,015

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

Insurance Schedule

June 30, 2017

Unaudited

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	175,000,000	
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	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Educator's Legal Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	175,000	
Members District Deductible		None

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
Unaudited

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

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

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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, 2017, 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 30, 2017.

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 30, 2017



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, 2017. 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, 2017.

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 30, 2017

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2017

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, 2016	Carryover Amount	Cash Received	Budgetary Expenditures		Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2017	
									Pass Through Source	Direct			(Accounts Receivable)	Deferred Revenue
U. S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	16161NJ004N1089	N/A	213,066	7/1/15 - 6/30/16	\$ 53,217	-	296,399	(53,217)	-	-	-	44,511	-
National School Breakfast Program	10.553	16161NJ004N1089	N/A	249,746	7/1/15 - 6/30/16	(17,778)	-	17,778	(263,217)	-	-	-	-	-
National School Lunch Program	10.555	16161NJ004N1089	N/A	1,509,555	7/1/15 - 6/30/16	(100,061)	-	100,061	(1,523,096)	-	-	-	(17,982)	-
National School Lunch Program	10.555	16161NJ004N1089	N/A	1,523,066	7/1/15 - 6/30/16	(644)	-	1,421,709	(1,523,096)	-	-	-	(101,387)	-
Special Milk Program	10.556	16161NJ004N1089	N/A	7,165	7/1/15 - 6/30/16	-	-	533	(6,006)	-	-	-	(473)	-
Special Milk Program	10.556	171NJ0304N1089	N/A	6,066	7/1/15 - 6/30/17	-	-	5,353	-	-	-	-	-	-
						(65,166)	-	2,047,259	(2,057,424)	-	-	-	(119,842)	44,511
Total U.S. Department of Agriculture														
U.S. Department of Health and Human Services														
Passed-through State Department of Health and Human Services:														
General Assistance Program	93.778	1609NJMAP	N/A	344,198	7/1/15 - 6/30/17	-	-	344,198	(344,198)	-	-	-	-	-
Medical Assistance Program - SEMI	93.778	1705NJMAP	N/A	16,982	7/1/15 - 6/30/17	-	-	16,982	(16,982)	-	-	-	-	-
						-	-	361,180	(361,180)	-	-	-	-	-
Total General Fund														
Special Revenue Fund:														
Title I, Part A	84.010	S010A160030	NCLB-1310-16	1,230,269	7/1/15 - 6/30/16	(3,462)	-	3,462	(1,236,937)	-	-	-	(21,347)	-
Title I, Part A	84.010	S010A160030	NCLB-1310-17	1,263,867	7/1/15 - 6/30/17	(3,462)	-	1,015,590	(1,236,937)	-	-	-	(21,347)	-
Total NCLB, Title I, Part A														
Title II, Part A	84.367A	S367A150029	NCLB-1310-16	134,288	7/1/15 - 6/30/16	(315)	-	315	(119,900)	-	-	-	-	-
Title II, Part A	84.367A	S367A150029	NCLB-1310-17	120,239	7/1/15 - 6/30/17	(315)	-	94,291	(119,900)	-	-	-	(25,609)	-
Total NCLB, Title II, Part A, Innovative Programs														
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-16	51,169	7/1/15 - 6/30/16	(57)	-	57	(41,893)	-	-	-	(8,394)	-
Title III, English Language Enhancement	84.365A	S365A150030	NCLB-1310-17	42,324	7/1/15 - 6/30/17	(57)	-	33,499	(41,893)	-	-	-	(8,394)	-
Title III, Immigrant	84.365	S365A160030	NCLB-1310-17	10,277	7/1/15 - 6/30/17	(57)	-	8,225	(8,732)	-	-	-	(507)	-
Total NCLB, Title III														
ID.E.A. Part B - Basic	84.027	H027A150100	IDEA2016	2,113,122	7/1/15 - 6/30/16	(1,024,074)	-	1,024,074	(1,832,919)	-	-	-	(102,164)	-
ID.E.A. Part B - Basic	84.173	H173A150114	IDEA2016	1,975,683	7/1/15 - 6/30/16	(13,506)	-	1,719,659	(1,832,919)	-	-	-	(4,337)	-
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA2017	69,840	7/1/15 - 6/30/17	(1,037,576)	-	59,300	(62,737)	-	-	-	(4,437)	-
Total IDEA Part B														
Carl Perkins Vocational PL #101-392	84.048	V048A140030	PERK012015	147,387	7/1/14 - 6/30/15	28,121	-	91,134	(81,371)	-	-	(26,121)	-	-
Carl Perkins Vocational PL #101-392	84.048	V048A150030	PERK012016	164,373	7/1/15 - 6/30/16	(91,134)	-	164,373	(81,371)	-	-	-	(15,409)	-
Carl Perkins Vocational PL #101-392	84.048	V048A160030	PERK012017	86,131	7/1/15 - 6/30/17	(62,019)	-	137,366	(81,371)	-	-	(23,121)	(13,459)	-
Total Carl Perkins Vocational PL #101-392														
Total Special Revenue Fund						(1,103,456)	-	4,138,842	(3,384,483)	-	-	(26,121)	(378,218)	-
Total Federal Financial Awards						(1,168,622)	-	6,547,261	(5,803,067)	-	-	(26,121)	(488,606)	44,511

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, 2017

K-4
Schedule B

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance at June 30, 2016			Balance at June 30, 2017			MEMO							
				Deferred Revenue (Acts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Transfer/ Adjustment		Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																	
General Fund:																	
Equalization Aid	17-495-034-5120-078	33,212,953	7/1/16-6/30/17	-	-	-	33,212,953	(33,212,953)									33,212,953
Categorical Special Education Aid	17-495-034-5120-089	4,443,028	7/1/16-6/30/17	-	-	-	4,443,028	(4,443,028)									4,443,028
Security Aid	17-495-034-5120-084	1,547,671	7/1/16-6/30/17	-	-	-	1,547,671	(1,547,671)									1,547,671
Under Adequacy Aid	17-495-034-5120-086	70,558	7/1/16-6/30/17	-	-	-	70,558	(70,558)									70,558
PARCC Readiness Aid	17-495-034-5120-088	74,015	7/1/16-6/30/17	-	-	-	74,015	(74,015)									74,015
Per Pupil Growth Aid	17-495-034-5120-097	74,015	7/1/16-6/30/17	-	-	-	74,015	(74,015)									74,015
Professional Learning Community Aid	17-495-034-5120-101	71,040	7/1/16-6/30/17	-	-	-	71,040	(71,040)									71,040
Total State Aid Public Cluster				-	-	-	39,493,280	(39,493,280)									39,493,280
Categorical Transportation Aid	17-495-034-5120-014	891,571	7/1/16-6/30/17	-	-	-	891,571	(891,571)									891,571
Local Transportation Services Aid	17-495-034-5120-104	9,247	7/1/16-6/30/17	-	-	-	9,247	(9,247)									9,247
Extracurricular Special Education Aid	16-100-034-5120-473	674,684	7/1/15-6/30/16	(674,684)	-	-	674,684	-	(674,684)								674,684
Extracurricular Special Education Aid	17-100-034-5120-473	983,602	7/1/16-6/30/17	-	-	-	983,602	(983,602)									983,602
Nonpublic School Transportation Aid	N/A	64,450	7/1/15-6/30/16	(64,450)	-	-	64,450	-									64,450
Nonpublic School Transportation Aid	N/A	56,644	7/1/16-6/30/17	-	-	-	56,644	(56,644)									56,644
Nonpublic School Transportation Aid	16-495-034-5095-002	3,810,122	7/1/15-6/30/16	(188,470)	-	-	188,470	-	(188,470)								3,810,122
Reimbursed TPAF Social Security Contributions	17-495-034-5095-002	3,808,935	7/1/16-6/30/17	(927,604)	-	-	44,932,598	(45,243,279)	(1,238,269)								3,808,935
Total General Fund				-	-	-	44,932,598	(45,243,279)	(1,238,269)								49,792,535
Special Revenue Fund:																	
New Jersey Nonpublic Aid:																	
Textbook Aid	16-100-034-5120-064	15,874	7/1/16-6/30/16	-	64	-	18,042	(17,972)		(64)							15,810
Auxiliary Services:																	
Compensatory Education	17-100-034-5120-067	88,864	7/1/16-6/30/17	-	-	-	88,864	(88,864)									88,864
ESL	17-100-034-5120-067	3,654	7/1/16-6/30/17	-	-	-	3,654	(3,654)									3,654
Handicapped Services:																	
Examination and Classification	17-100-034-5120-066	25,211	7/1/16-6/30/17	-	-	-	25,211	(25,211)									25,211
Corrective Speech	16-100-034-5120-066	4,180	7/1/15-6/30/16	-	1,672	-	5,301	(5,301)		(1,672)							2,508
Corrective Speech	17-100-034-5120-066	5,301	7/1/16-6/30/17	-	-	-	15,458	(15,458)									5,301
Supplemental Instruction	17-100-034-5120-066	15,458	7/1/16-6/30/17	-	-	-	15,458	(15,458)									15,458
Nursing	16-100-034-5120-070	27,720	7/1/15-6/30/16	-	617	-	30,330	(30,315)		(617)							26,885
Technology	16-100-034-5120-372	39,238	7/1/15-6/30/16	-	281	-	8,138	(8,113)		(281)							30,155
Technology	16-100-034-5120-372	4,138	7/1/16-6/30/17	-	-	-	8,138	(8,113)									8,113
Security	17-100-034-5120-509	7,700	7/1/15-6/30/16	-	18	-	16,850	(16,550)		(18)							7,882
Security	17-100-034-5120-509	16,850	7/1/16-6/30/17	-	-	-	211,848	(211,438)		(410)							16,550
Total Special Revenue Fund				-	2,632	-	3,289,108	(3,289,108)		(2,632)							271,290
Debt Service Fund:																	
Debt Service Aid Type II	17-495-034-5120-075	3,289,108	7/1/16-6/30/17	-	-	-	3,289,108	(3,289,108)									3,289,108
Total Debt Service Fund				-	-	-	3,289,108	(3,289,108)									
State Department of Agriculture																	
Emergency Fund:																	
State School Lunch Program	16-100-010-3350-023	33,927	7/1/15-6/30/16	(4,689)	-	-	4,689	-	(4,689)								33,927
State School Lunch Program	16-100-010-3350-023	36,636	7/1/16-6/30/17	-	-	-	31,030	(36,636)									36,636
Total State Financial Assistance				\$ (932,293)	\$ 2,632	-	48,449,263	(48,760,461)	(1,243,901)	(2,632)							53,403,496

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, 2017

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 \$10,305,219 for the general fund and (\$213,328) 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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$45,243,279	211,438	3,269,108	36,636	48,760,461
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	10,296,918				10,296,918
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).	8,301				8,301
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	\$55,548,498	211,438	3,269,108	36,636	59,065,680

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$361,160	3,384,483	2,057,424	5,803,067
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(213,328)		(213,328)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$361,160</u>	<u>3,171,155</u>	<u>3,057,424</u>	<u>6,589,739</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, 2017. 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, 2017.

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>
_____ 84.010 _____	_____ Title I, Part A _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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, 2017**

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>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-101</u>	<u>Prof Learning Comm Aid</u>
<u>17-100-034-5120-473</u>	<u>Extraordinary Special Education Aid</u>
_____	_____
_____	_____

N) Dollar threshold used to determine Type A programs: _____ \$1,462,814 _____

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, 2017**

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, 2017**

STATUS OF PRIOR YEAR FINDINGS

NONE