

SCHOOL DISTRICT  
OF  
**EGG HARBOR**  
**TOWNSHIP**

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

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019



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## **Introductory Section**

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# Egg Harbor Township Schools

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

Administration Offices

13 Swift Drive

Egg Harbor Township, NJ 08234

Dr. Kimberly A. Gruccio  
*Superintendent*

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

December 12, 2019

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 Egg Harbor Township School District (District) for the fiscal year ended June 30, 2019 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 Egg Harbor Township School District is a pre-kindergarten through twelfth grade system of quality public education serving approximately 7500 students. There are three Pre-K to 3rd grade schools, one 4th and 5th grade school, two middle schools, and one high school that meets alternative school student needs. The school district covers over 64 square miles and is considered the largest school districts in Atlantic County. Egg Harbor Township is home to a diverse population, with housing ranging from million-dollar homes to federally funded housing units. The population consists of 44.34% white students, 21.87% Hispanic, 14.7% Asian, 9.52% black, 9.29% multi-racial. District data shows that at least 55 different languages are spoken in students' homes.

The district is governed by a nine-member Board of Education elected at large. Their mission is to partner with the student, family, and community to provide a safe learning environment that addresses rigorous and relevant 21st Century Learning standards and best practices. These standards and best practices look to develop academic scholarship, integrity, leadership, citizenship, and the unique learning style of each student while encouraging them to develop a strong work ethic and to act responsibly in their school community and everyday society. The district operates its own transportation, custodial, maintenance, technology, and food service departments.

2) **ECONOMIC CONDITION AND OUTLOOK:** Historically, the casino industry has generated job opportunities for residents. Economical changes and downfalls have caused the Atlantic County Economic Alliance to focus on aviation. The Egg Harbor Township School District recognizes the new mission of the Atlantic County Economic Alliance for business retention business growth and business attraction. They are looking to form different partnerships that are molding schools to meet the future economic needs of Atlantic County.

The FAA Technical Center and the Atlantic City International Airport, located here in Egg Harbor Township, along with the Embry Riddle Aeronautical University, are now focusing their efforts on building partnerships with advanced aviation sciences and job opportunities for Atlantic County residents. The future job market in this area has been predicted to increase from 2.1% to 19.5%.

3) **MAJOR INITIATIVES:** During the 2018-2019 school year the Egg Harbor Township School District began to implement a focus on student success, climate and culture, and community partnerships by implementing the following mission statement and district goals:

**Mission Statement:**

To build a culture and climate that embraces, engages and educates individual students and their learning needs.

**District Goals:**

- A. Improve Student Achievement – Prioritize Literacy for all; meet the social and emotional learning needs of individuals; create innovative learning experiences with STREAM education.
- B. Support Climate and Culture – Administrators, teachers, students, parents and community members will support positive learning environments, where all are recognized and rewarded for achievement, progress, good character, work ethic and a respect for diversity.
- C. Enhance Community Pride – Reach out to the community by creating partnerships and cultivating relationships with all stakeholders.

The district implemented a variety of program components and emphasized the use of student achievement data in both the formative and summative forms as well as through local, state and federal assessment tools and data. The Egg Harbor Township Board of Education and Administration continue to navigate the challenging times in our 21<sup>st</sup> Century and we will work to prepare students for the vast global society. We believe that this can be accomplished by building relationships with students and their families where we look to embrace their needs, engage students by providing relevant learning experiences, and offering an education that includes rigorous learning opportunities aligned with best practices and relevant resources.

**Curriculum and professional development activities:**

The curriculum is standards-driven and aligned to the New Jersey Student Learning Standards. A balanced literacy framework guides instruction in reading and writing. Math emphasizes problem -solving and authentic investigations. Science is aligned to the Next Generation Science standards and encompasses S.T.R.E.A.M. and the engineering design process. Social Studies is aligned to standards and offers relevant learning opportunities. World Languages curriculum offers instruction in Latin, German, Spanish, and French as well as a chance for students to earn a Seal of Biliteracy in their language of choice and Global Learning experiences during a study abroad summer program. Physical Education, Health, and Fine and Performing Arts are required courses for students to provide fitness, exploration, and to reveal student talent. Career and Technical Education program provides courses in computers, coding, technology, consumer science, woodworking, electricity, and automotive technology. Our high school offers four-year learning academies in Medical Science, Law and Business, and Communications. These academies offer relevant learning experiences in career related courses and prepare students for higher education and career opportunities.

Professional Learning Communities (PLCs) provide time to collaborate to focus on student learning, creation of common assessments, data analysis, and discuss strategies for improved learning.

The District continues to use a modified version of the ***Charlotte Danielson Framework for Teaching and Learning*** (as agreed upon through collaboration with the District Evaluation Advisory Committee).

Partnerships have been developed with Atlantic Cape Community College, Richard Stockton College of NJ 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.

## **Information Technology Services**

### **HARDWARE:**

- A district wide inventory of hardware with the focus of maintaining the minimum 2:1 student to computer ratios across the District was performed This was accomplished via desktop computers and over Chromebook utilizing the District WiFi network with approximately 99% coverage within the schools with access to over 240 access points.
- Repairs tickets documented in the IT Direct application totaled over 1100. The number of Help Desk calls during the 2018-2019 school year totaled over 2400.
- Focus continued on support of the growing wireless device movement and increasing the wireless network to be able to handle more density of devices with ability to cover 1:1 wireless devices or more.
- Continued replacement plan of District Data Network equipment such as Switching Devices and Servers.

### **COMMUNICATIONS**

- The District utilizes a combination of school messenger notification, the District and Building Websites, social media, etc. to communicate emergencies, school events, informational messages, etc.

### **ETTC:**

- The district regularly conducts building level and district level technology training and coordination with the assistance of the PD Committee and the cooperation from the Southern New Jersey Regional ETTC Training Center. During the 2018-2019 school year, we fully utilized the hours attributed to our district.

### **EHT TV2:**

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming 2018-2019 school These productions range from various High School sports and performing arts productions, informative sessions such as the “Pursuing Public Health” 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 2014-2015 school year, EHT TV2 responded quickly to emergency snow closures, township notifications and information, as well as school events and programming.
- The department utilizes other forms of communication for marketing, productions, and other district events, such as; YouTube, Facebook, and other social media services.

### **SOFTWARE/ASSESSMENTS/NJSLA:**

- Successfully supported the NJSLA testing via Chromebooks and desktop PC’s.
- Creation of data exports or data syncing for various software suites such as GSuite, Follett, LinkIT, etc.

### **SECURITY:**

- Installation of LobbyGuard visitor check-in systems at all school buildings and central office locations.
- Facilitated the installation/upgrade of the Middle School surveillance systems.
- Assisted with the installation of a pilot “man-trap” entry system. This system includes a two way communication and video device to vet visitors prior to allowing entry into the building.

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

- Successfully completed, with 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 2018-2019 school year. This included implementation of a data sync utility to allow for easier syncing of data to external systems, buildout of an online registration tool, and move to more paperless communications to parents via the Parent Portal.

## **Extended Enrichment**

The Office of Extended Enrichment K-5 is a newly created department within the district that implements and oversees the before and after school programs, Talent and Learning of NextGen Students and the After School Program for Instruction, Recreation and Enrichment. Both programs employ caring and nurturing school day teachers and paraprofessionals as well as community members and offer homework help a variety of extended enrichment opportunities that are aligned with school-day curricula. T.A.L.O.N.S. Talent and Learning of NextGen Students, T.A.L.O.N.S., is the district's fee for service before and after school enrichment program for Kindergarten through fifth grades. T.A.L.O.N.S. operates every day that school is open including ½ days. The hours of operation are 6:30am until the start of school at three locations. After school sessions begin at the end of the school day until 6:00pm at one location, the Dr. Joyanne D. Miller Elementary School. T.A.L.O.N.S includes an 8-week summer camp component which offers weekly themes and includes, Science, Technology, Engineering, Reading, Art, Math, Sports/Recreation and Cooking classes as well as weekly off-site educational field trips. T.A.L.O.N.S. participants are provided a complete supper meal through our partnership with the Community Food Bank of New Jersey and the Child and Adult Care Food Program funded by the USDA at no additional cost to the family. Average daily attendance for before and after school sessions is approximately 125 students each.

## **A.S.P.I.R.E.**

The Egg Harbor Township School District has implemented a comprehensive after school program funded by the 21st Century Community Learning Center grant at one location, the Dr. Joyanne D. Miller Elementary School and serves a minimum of 250 students in grades 4th and 5th. The After School Program for Instruction, Recreation, & Enrichment aka A.S.P.I.R.E offers academic remediation; homework help and tutoring, academic enrichment, health, nutrition and fitness education, culture and the arts, positive youth development and a parental involvement component.

A.S.P.I.R.E. employs school day and district staff in order to align itself with school and district goals and initiatives, including "Literacy for All" and STREAM. A.S.P.I.R.E. incorporates curriculum from several sources including Too Good for Drugs and Violence, NASA, and Engineering is Elementary. Science, Technology and Math are infused across the curriculum as we are a STREAM themed program.

A.S.P.I.R.E. operates on most days that school is open and running on a full day schedule as well as in the summer. The goals of this summer camp experience is to prevent "summer slide" and offers one hour each of English Language Arts and Math enrichment as well as organized recreation, art and technology. Summer camp operates four days a week, Monday through Thursday, five hours a day for four weeks and includes off-site educational field trips as well as breakfast and lunch at no cost to the family through our partnership with the Community Food Bank of New Jersey and the Child and Adult Care Food Program funded by the USDA.

## **Perkins/CTE Grant Implementation**

Perkins is a federal education program that invests in secondary career and technical education (CTE) programs. The purpose is to increase learner access to high quality programming with a focus on improvement, workforce, and economic development. FY 2019 Perkins/CTE funds paid for program supplies and professional development opportunities. The current programming includes graphics design, web design, CAD/engineering, telecommunications, networking, business, education & training, and culinary.

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

FY 2019 IDEIA funds paid for in out of district tuition placements for EHT disabled students from pre-school through grade 12. Funds were also 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.

## **ESSA-NCLB Grant Implementation**

An **ESSA-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 ESSA-NCLB funds approved by the Board of Education:**

1. An after school program at Miller School for Title I students in order to enhance reading and math academic achievement. This program ran for 2 hours per week from January through April. Transportation services home from the after-school program was paid by Title I funds.
2. A morning school program at Davenport School for Title I students in order to enhance reading academic achievement. This program ran for 2 hours per week from January through April.
3. Title I parent coordinators were hired at Davenport Primary/Elementary School and Miller Elementary School 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.
4. The Egg Harbor Township ESSA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESSA/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 ESSA/NCLB, along with various resources. PARCC websites were added to increase parental awareness of the standards and test skills needed by their children.
5. A Title I Summer Program was designed to improve the ELA and math achievement for all eligible Title I students to ensure continuity.

**Title IIA** funds were utilized for professional development activities and supplies. Activities covered areas specific to math and ELA, and data analysis.

**Title III** funds were utilized to pay for two split funded English Language Learners (ELL) teachers as well as for instructional supplies. During 2018-2019, 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.

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, 2019.

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, 2019, the District's outstanding debt issues included 66,290,000 in 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**:

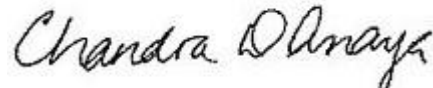
**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC, CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the 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 are 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



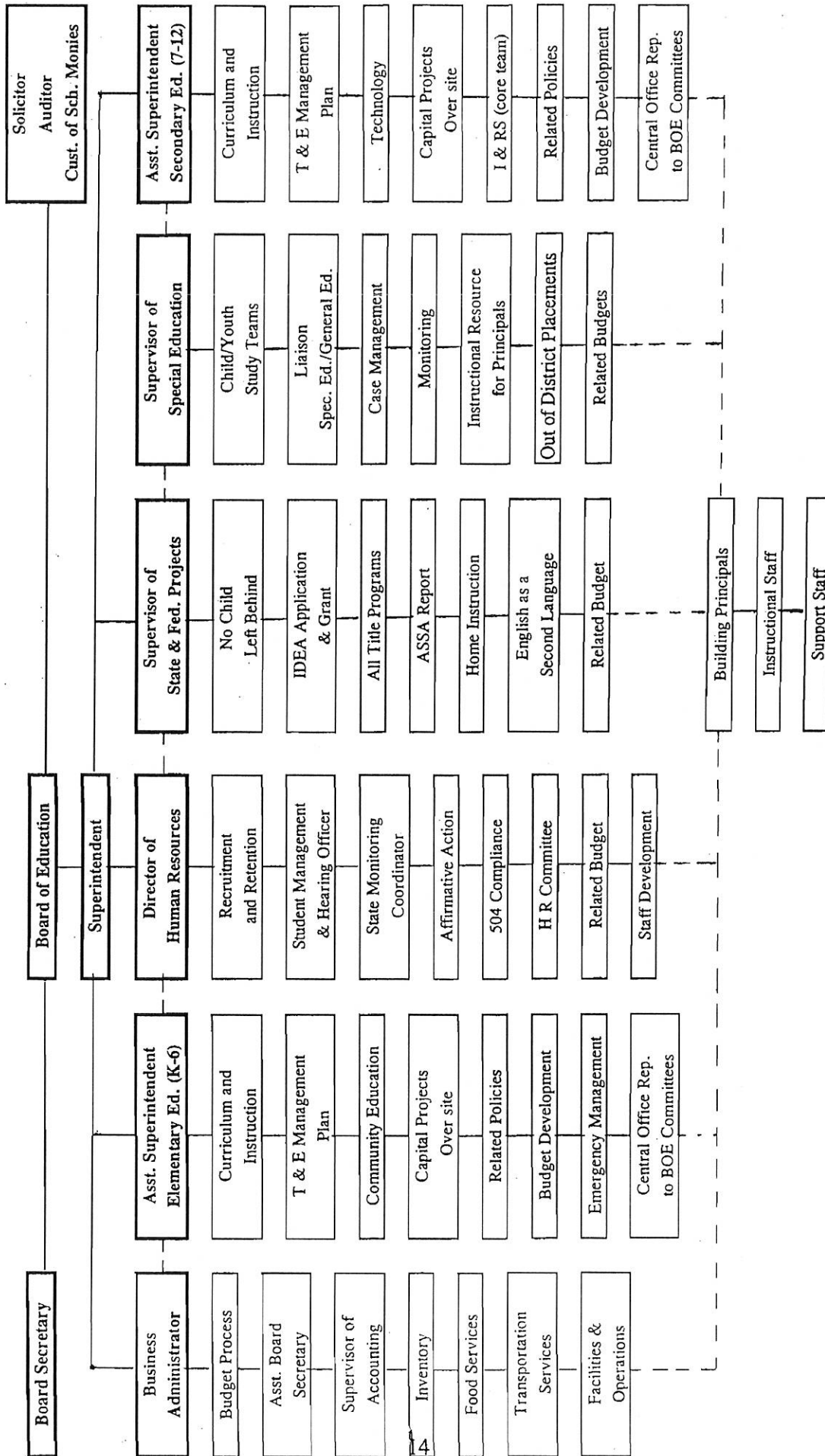
Kimberly A. Gruccio, Ed. D.  
Superintendent



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, 2019

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Lou Della Barca, President	2019
Ray R. Ellis, Jr, Vice-President	2019
Kristy Bird	2021
Pete Castellano	2021
Tamika Gilbert-Floyd	2020
Michael Price	2019
Marita Sullivan	2019
Amy Summer	2020
Barbara Szilagyi	2021
 <b><u>Other Officials</u></b>	
Kimberly Gruccio, Ed.D., Superintendent	
Chandra D. Anaya, CPA, Board Secretary/Business Administrator	
Amy Houck-Elco, Esq., Solicitor	



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

**Architect**

Fraytak Veisz Hopkins Duthie, PC  
1515 Lower Ferry Rd.  
Ewing, NJ 08616

**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

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

## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of and for the fiscal year ended June 30, 2019, 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, 2019, 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 December 12, 2019 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

December 12, 2019

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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, 2019. 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 \$3,154,474. 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 2019.
- The State of New Jersey reimbursed the District \$14,032,310 during the fiscal year ended June 30, 2019 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 \$4,561,843 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, 2019 the District had excess surplus of \$7,829,419, or approximately 6.0% of the district's general fund budget, of which \$4,829,419 was applied to the 2019-20 budget.
- During the fiscal year ended June 30, 2019, the District's General Fund revenue realized was \$3,775,610 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 2018-19 budget anticipated using \$6,499,471 of surplus.
- In the District's business-type activities, net position decreased \$251,285 during fiscal year 2019 as compared to a net decrease of \$114,700 in fiscal year 2018. The decrease is attributable to the excess costs incurred in the Food Service 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 2019 and 2018 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 \$54,537 for the fiscal year ended June 30, 2019.

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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 2018-2019 school year, net position for governmental activities decreased by \$3,154,474. 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 2019 and 2018 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2019 fiscal year with \$3,000,000 in excess fund balance available to apply to the 2021 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 \$138,525 due to decreases in both the food service and after school program participation. Expenditures decreased by \$80,122 primarily due to increased monitoring of costs in both programs.

	Governmental Activities	Business- Type Activities	Total 2019	Governmental Activities	Business- Type Activities	Total 2018
Current and other assets	\$13,078,659	969,812	14,048,471	\$17,914,681	1,178,682	19,093,363
Capital assets	164,765,102	216,086	164,981,188	168,600,315	258,567	168,858,882
Total assets	177,843,761	1,185,898	179,029,659	186,514,996	1,437,249	187,952,245
Deferred outflows of resources	14,828,869		14,828,869	17,741,360		17,741,360
Long-term liabilities	115,120,322	59,789	115,180,111	128,137,191	53,988	128,191,179
Other liabilities	3,471,687	121,817	3,593,504	3,075,930	127,684	3,203,614
Total liabilities	118,592,009	181,606	118,773,615	131,213,121	181,672	131,394,793
Deferred inflows of resources	14,706,502		14,706,502	10,514,642		10,514,642
Net position						
Invested in capital assets	94,073,351	216,086	94,289,437	90,630,148	258,567	90,888,715
Restricted	561,482		561,482	387,165		387,165
Unrestricted	(35,260,714)	788,206	(34,472,508)	(28,488,720)	997,010	(27,491,710)
Total net position	\$59,374,119	1,004,292	60,378,411	\$62,528,593	1,255,577	63,784,170

**Changes in net position.** The total governmental activities revenue of the District decreased by \$7,073,721 when compared to the prior fiscal year. During the 2019 fiscal year, the District realized an increase in taxes levied on the property owners of the Township, offset with a reduction of the revenue recognized related to the implementation of GASB 68 and GASB 75. The local tax levy is 47.49% 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 25.89% 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>2019</u>		<u>2018</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	82,679,837	47.49%	81,181,571	44.81%
Federal and State aid				
Unrestricted	45,062,043	25.89%	42,802,324	23.63%
Restricted	3,229,297	1.86%	3,179,765	1.76%
Tuition	1,069,048	0.61%	1,100,072	0.61%
Operating grants and Contributions	41,125,290	23.62%	52,322,651	28.88%
Other	917,441	0.53%	570,294	0.31%
<b>Totals</b>	<b>174,082,956</b>	<b>100.00%</b>	<b>\$181,156,677</b>	<b>100.00%</b>

The following schedule summarizes the governmental and business-type activities of the District during the 2019 and 2018 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2019 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2018 Total</u>
<b>Revenues</b>						
Program revenue						
Charges for srvs	\$1,069,048	1,280,386	2,349,434	\$1,100,072	1,367,390	2,467,462
Federal grants	4,169,022	1,961,213	6,130,235	4,271,930	2,010,806	6,282,736
State grants and Entitlements	36,956,268	32,161	36,988,429	48,050,721	34,089	48,084,810
General revenues						
Property taxes	82,679,837		82,679,837	81,181,571		81,181,571
State aid Entitlements	48,291,340		48,291,340	45,982,089		45,982,089
Other	917,441	5,179	922,620	570,294	2,050	572,344
<b>Total revenues</b>	<b>174,082,956</b>	<b>3,278,969</b>	<b>177,361,895</b>	<b>181,156,677</b>	<b>3,414,335</b>	<b>184,571,012</b>

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	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2019 Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2018 Total</u>
<b>Expenses</b>						
Instruction:						
Regular	\$65,807,348		65,807,348	\$72,213,619		72,213,619
Special Education	17,135,710		17,135,710	18,030,639		18,030,639
Other special instr.	3,710,830		3,710,830	3,831,228		3,831,228
Other Instruction	2,545,964		2,545,964	2,417,604		2,417,604
Nonpublic school programs	152,145		152,145	194,769		194,769
Support services:						
Tuition	4,350,963		4,350,963	4,918,423		4,918,423
Student & instr related services	31,103,432		31,103,432	31,061,444		31,061,444
School admin srvs	8,230,590		8,230,590	9,020,644		9,020,644
General & business admin services	5,718,580		5,718,580	6,039,246		6,039,246
Plant operations & maintenance	19,964,864		19,964,864	19,893,048		19,893,048
Pupil transport	14,798,076		14,798,076	14,841,206		14,841,206
Interest on Long Term Debt	3,370,398		3,370,398	3,685,474		3,685,474
Business-type Activities		3,504,965	3,504,965		3,585,087	3,585,087
<b>Total expenses</b>	<b>176,888,900</b>	<b>3,504,965</b>	<b>180,393,865</b>	<b>186,147,344</b>	<b>3,585,087</b>	<b>189,732,431</b>
Excess/(Deficit)						
Before special Items	(2,805,944)	(226,026)	(3,031,970)	(4,990,667)	(170,752)	(5,161,419)
Special items	(348,530)	(25,259)	(373,789)	(88,472)	56,052	(32,420)
<b>Increase/(Decrease) in net position</b>	<b>(3,154,474)</b>	<b>(251,285)</b>	<b>(3,405,759)</b>	<b>(5,079,139)</b>	<b>(114,700)</b>	<b>(5,193,839)</b>

### Business-type Activities

Operating revenues of the District's business-type activities decreased \$135,396 from the previous year while expenses decreased by \$80,122. Factors contributing to these results included:

- Decreased participation in the food service program as well as increased personnel expenses as a result of negotiated salary increase of 4%.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Aste of the year ended June 30, 2019, the governmental funds reported a combined fund balance of \$10,970,604, which is \$3,812,252 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 \$1,004,292 as of June 30, 2019. This is \$251,285 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 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$2,008,318. 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 \$3,939,209. 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 2019, the District had invested \$164,981,188, 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 \$3,877,694, or 2%, over last year. The decrease is due largely to current year depreciation expense.

	<b><u>Govern- Mental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>2019 Total</u></b>	<b><u>Govern- Mental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>2018 Total</u></b>
Land	\$1,836,300		1,836,300	\$1,837,900		1,837,900
Const in Progress	708,970		708,970	605,946		605,946
Buildings & Bldg improv	152,675,469		152,675,469	157,396,451		157,396,451
Machinery & equipment	4,029,330	216,086	4,245,416	3,251,115	258,567	3,509,682
Vehicles	5,515,033		5,515,033	5,508,903		5,508,903
<b>Total</b>	<b>\$164,765,102</b>	<b>216,086</b>	<b>164,981,188</b>	<b>\$168,600,315</b>	<b>258,567</b>	<b>168,858,882</b>

During the 2019 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 \$66,290,000 and obligations under capital leases of \$4,401,751.

	Balance 6/30/18	Issued	Retired/ Adjusted	Balance 6/30/19
<b>Governmental Activities:</b>				
Bonds payable	72,045,000		5,755,000	66,290,000
Obligations under Capital leases	5,925,167		1,523,416	4,401,751
Compensated absences Payable	1,171,952	282,733	194,841	1,259,844
Prem on Refunding Bonds	2,054,951		4,764	2,050,187
Net Pension Liability	46,940,121		5,821,581	41,118,540
<b>Total Governmental Activities</b>	<u>128,137,192</u>	<u>282,733</u>	<u>13,299,602</u>	<u>115,120,322</u>
<b>Business-Type Activities</b>				
Compensated absences Payable	53,988	13,351	7,550	59,789
<b>Total Business-Type Activities</b>	<u>53,988</u>	<u>13,351</u>	<u>7,550</u>	<u>59,789</u>
<b>Total</b>	<u>128,191,180</u>	<u>296,084</u>	<u>13,307,152</u>	<u>115,180,111</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 district's 2019-20 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 statutory cap. The 2019-20 tax levy is \$79,449,051, which is an increase of about 3.0% over the 2018-19 levy due to the District utilizing banked cap. The District's state aid of \$48,558,989 increased by \$4,228,730 from the 2018-19 allocation due to additional funding required to ensure fair funding.

In addition, the district's share of state aid continues to be reduced because of revenue growth caps. The 2019-20 state aid calculated and uncapped should be \$76,458,959, but the actual aid received was \$48,558,989. Under the school funding formula, the required local share to be raised by taxes for 2019-20 was \$61,212,588. The actual tax levy was \$79,449,051, which reflects an additional tax burden of \$16,236,463 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, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,841,117	762,637	10,603,754
Other Assets - SREC	151,264		151,264
Receivables, net	1,155,089		1,155,089
Internal balances	18,392	(18,392)	-
Due from other governments	1,912,797	157,864	2,070,661
Inventory		67,703	67,703
Capital assets not being depreciated			
Construction in progress	708,970		708,970
Land	1,836,300		1,836,300
Capital assets, net	162,219,832	216,086	162,435,918
Total Assets	<u>177,843,761</u>	<u>1,185,898</u>	<u>179,029,659</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on bond issue refunding	3,578,015		3,578,015
Deferred outflows related to pensions	11,250,854		11,250,854
Total Deferred Outflows of Resources	<u>14,828,869</u>	<u>-</u>	<u>14,828,869</u>
<b>LIABILITIES</b>			
Accounts payable	1,885,322	27,680	1,913,002
Other liabilities	1,481,565	40,802	1,522,367
Payable to state government	25,439		25,439
Unearned revenue	79,361	53,335	132,696
Noncurrent liabilities:			
Due within one year	7,723,779		7,723,779
Due beyond one year	66,278,003	59,789	66,337,792
Net Pension Liability	41,118,540		41,118,540
Total liabilities	<u>118,592,009</u>	<u>181,606</u>	<u>118,773,615</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Gain on bond issue refunding	961,264		961,264
Deferred inflows related to pensions	13,745,238		13,745,238
Total Deferred Inflows of Resources	<u>14,706,502</u>	<u>-</u>	<u>14,706,502</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	94,073,351	216,086	94,289,437
Restricted for:			
Debt service	1		1
Capital projects	191,281		191,281
Other purposes	370,200		370,200
Unrestricted	(35,260,714)	788,206	(34,472,508)
Total net position	<u>\$ 59,374,119</u>	<u>1,004,292</u>	<u>60,378,411</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, 2019

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	\$ 47,350,259	18,457,089	1,069,048	17,385,515	(47,352,785)		(47,352,785)
Special education	12,334,170	4,801,540		3,709,998	(13,425,712)		(13,425,712)
Other special instruction	2,653,220	1,057,610		817,183	(2,893,647)		(2,893,647)
Other instruction	1,963,510	582,454		450,044	(2,095,920)		(2,095,920)
Nonpublic school programs	152,145				(152,145)		(152,145)
Support services:							
Tuition	4,350,963	-		-	(4,350,963)		(4,350,963)
Student & instruction related services	22,541,113	8,562,319		7,671,212	(23,432,220)		(23,432,220)
School administrative services	5,497,666	2,732,924		2,111,645	(6,118,945)		(6,118,945)
General and business administrative services	4,071,003	1,647,577		1,273,031	(4,445,549)		(4,445,549)
Plant operations and maintenance	14,231,647	5,733,217		4,429,876	(15,534,988)		(15,534,988)
Pupil transportation	10,557,206	4,240,870		3,276,786	(11,521,290)		(11,521,290)
Unallocated benefits	47,815,600	(47,815,600)					
Interest on long-term debt	3,370,398				(3,370,398)		(3,370,398)
Total governmental activities	176,888,900	-	1,069,048	41,125,290	(134,694,562)	-	(134,694,562)
Business-type activities:							
Food Service	3,221,677		1,052,374	1,993,374		(175,929)	(175,929)
Child Care	283,288		228,012	-		(55,276)	(55,276)
Total business-type activities	3,504,965		1,280,386	1,993,374		(231,205)	(231,205)
Total primary government	\$ 180,393,865		2,349,434	43,118,664		(231,205)	(134,925,767)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					77,128,026		77,128,026
Taxes levied for debt service					5,551,811		5,551,811
Federal and State aid not restricted					45,062,043		45,062,043
Federal and State aid restricted					3,229,297		3,229,297
Investment Earnings					3,000	5,179	8,179
Miscellaneous Income					914,441		914,441
Other financing sources/(uses):					(348,530)	(25,259)	(373,789)
Gain/(Loss) on disposal of capital assets							
Total general revenues and special items					131,540,088	(20,080)	131,520,008
Change in Net Position					(3,154,474)	(251,285)	(3,405,759)
Net Position—beginning					62,528,593	1,255,577	63,784,170
Net Position—ending	\$				59,374,119	1,004,292	60,378,411

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, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,649,835	-	191,281	1	9,841,117
Other Assets - SRECS	151,264				151,264
Receivables, net	89,422	1,065,667			1,155,089
Due from other funds	635,603		-		635,603
Receivables from other governments	1,899,753	13,044	-	-	1,912,797
Total assets	<u>12,425,877</u>	<u>1,078,711</u>	<u>191,281</u>	<u>1</u>	<u>13,695,870</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	1,500,820	384,502	-		1,885,322
Due to other governments		25,439			25,439
Due to other funds	-	617,211	-	-	617,211
Other liabilities	117,933				117,933
Unearned revenue	27,802	51,559		-	79,361
Total liabilities	<u>1,646,555</u>	<u>1,078,711</u>	<u>-</u>	<u>-</u>	<u>2,725,266</u>
Fund Balances:					
Restricted for:					
Excess Surplus	3,000,000				3,000,000
Excess Surplus - Designated for Subsequent Year's Expenditures	4,829,419				4,829,419
Capital Reserve Fund	1,801,449				1,801,449
Maintenance Reserve Fund	392,000				392,000
Capital Projects			191,281		191,281
Debt service fund				1	1
Assigned to:					
Encumbrances	370,200				370,200
Designated for subsequent year's expenditures	386,254			-	386,254
Unassigned, reported in:					
General fund	-				-
Total Fund balances	<u>10,779,322</u>	<u>-</u>	<u>191,281</u>	<u>1</u>	<u>10,970,604</u>
Total liabilities and fund balances	<u>\$ 12,425,877</u>	<u>1,078,711</u>	<u>191,281</u>	<u>1</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.	164,765,102
Deferred inflow of resources	
Gain on 10/1/04 refunding bond issue	(961,264)
Deferred outflows of resources	
Loss on 1/6/16 refunding bond issue	1,992,468
Loss on 6/1/16 refunding bond issue	1,525,655
Loss on 12/1/12 refunding bond issue	59,892
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(43,612,924)
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	(66,290,000)
Premium on Refunding Bonds	(2,050,187)
Capital leases	(4,401,751)
Accrued interest payable	(1,363,632)
Compensated absences	(1,259,844)
Net position of governmental activities	<u>\$ 59,374,119</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local tax levy	\$ 77,128,026			5,551,811	82,679,837
Tuition Charges	1,069,048				1,069,048
Interest	3,000				3,000
Miscellaneous	914,441			-	914,441
Local sources		29,903			29,903
State sources	63,425,888	204,430		3,229,297	66,859,615
Federal sources	230,308	3,945,349			4,175,657
Total revenues	<u>142,770,711</u>	<u>4,179,682</u>	<u>-</u>	<u>8,781,108</u>	<u>155,731,501</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	36,461,450	2,929,530			39,390,980
Special education instruction	9,452,324				9,452,324
Other special instruction	2,018,450				2,018,450
Other instruction	1,613,925				1,613,925
Nonpublic school programs		152,145			152,145
Support services and undistributed costs:					
Tuition	4,350,963				4,350,963
Student & instruction related services	16,346,698	1,055,378			17,402,076
School administrative services	3,857,385				3,857,385
Other administrative services	3,082,141				3,082,141
Plant operations and maintenance	10,790,616				10,790,616
Pupil transportation	8,011,872				8,011,872
Unallocated Benefits	47,815,600				47,815,600
Debt service:					
Principal				5,755,000	5,755,000
Interest and other charges				3,062,750	3,062,750
Capital outlay	2,744,897	42,629	-		2,787,526
Total expenditures	<u>146,546,321</u>	<u>4,179,682</u>	<u>-</u>	<u>8,817,750</u>	<u>159,543,753</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,775,610)</u>	<u>-</u>	<u>-</u>	<u>(36,642)</u>	<u>(3,812,252)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Increase in capital reserve	2,000				2,000
Deposit to Capital Reserve	1,027,985				1,027,985
Withdrawal from Capital Reserve	(1,029,985)				(1,029,985)
Total other financing sources and uses	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,775,610)	-	-	(36,642)	(3,812,252)
Fund balance—July 1	14,554,932	-	191,281	36,643	14,782,856
Fund balance—June 30	<u>\$ 10,779,322</u>	<u>-</u>	<u>191,281</u>	<u>1</u>	<u>10,970,604</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, 2019**

**Total net change in fund balances - governmental funds (from B-2)** \$ (3,812,252)

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	(8,869,416)	
	Loss on disposition of capital assets	(348,530)	
	Capital outlays	<u>3,839,488</u>	(5,378,458)

Proceeds of capital leases are recognized as a revenue and expenditure in the governmental funds, however the funds had not been received by June 30 and are recognized as a receivable in the statement of activities.

-

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.

7,278,416

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. (-)

123,718

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	2,077,232	
	Cost of benefits earned, net of employee contributions	<u>(3,467,013)</u>	(1,389,781)

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

Compensated absences		(87,892)	
Amortization of gain on 2004 refunding bond issue		131,232	
Amortization of loss on 2016 refunding bond issue		(9,469)	
Amortization of loss on 2012 refunding bond issue		(14,752)	
Amortization of premium on 2016 refunding bond issue		4,764	

**Change in net position of governmental activities** \$ (3,154,474)

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 661,447	101,190	762,637
Accounts receivable	140,792	17,072	157,864
Inventories	67,703		67,703
Total current assets	<u>869,942</u>	<u>118,262</u>	<u>988,204</u>
Noncurrent assets:			
Furniture, machinery & equipment	971,122		971,122
Less accumulated depreciation	<u>(755,036)</u>		<u>(755,036)</u>
Total noncurrent assets	<u>216,086</u>	<u>-</u>	<u>216,086</u>
Total assets	<u><u>1,086,028</u></u>	<u><u>118,262</u></u>	<u><u>1,204,290</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	15,988	11,692	27,680
Interfund payable	18,392	-	18,392
Student Deposits	40,802		40,802
Deferred revenue	53,335	-	53,335
Total current liabilities	<u>128,517</u>	<u>11,692</u>	<u>140,209</u>
Noncurrent liabilities:			
Compensated absences	59,789		59,789
Total noncurrent liabilities	<u>59,789</u>	<u>-</u>	<u>59,789</u>
Total liabilities	<u>188,306</u>	<u>11,692</u>	<u>199,998</u>
<b>NET POSITION</b>			
Invested in capital assets	216,086		216,086
Unrestricted	681,636	106,570	788,206
Total net position	<u>\$ 897,722</u>	<u>106,570</u>	<u>1,004,292</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, 2019**

	<b>Business-type Activities - Enterprise Fund</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 987,225		987,225
Daily sales - non-reimbursable programs	46,468		46,468
Special functions	18,681		18,681
Latchkey program revenue		228,012	228,012
Total operating revenues	<u>1,052,374</u>	<u>228,012</u>	<u>1,280,386</u>
Operating expenses:			
Cost of sales - Reimbursable	1,192,029		1,192,029
Cost of sales - Non-Reimbursable	18,584		18,584
Salaries	1,450,599	219,105	1,669,704
Employee benefits	465,155	33,724	498,879
General supplies & materials	70,748	30,459	101,207
Depreciation	24,562		24,562
Total Operating Expenses	<u>3,221,677</u>	<u>283,288</u>	<u>3,504,965</u>
Operating (loss)	<u>(2,169,303)</u>	<u>(55,276)</u>	<u>(2,224,579)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	32,161		32,161
Federal sources:			
National school lunch program	1,457,219		1,457,219
National school breakfast program	242,043		242,043
Special milk program	4,922		4,922
Food distribution program	257,029		257,029
Loss on disposal of fixed assets	(25,259)		(25,259)
Interest and investment revenue	4,540	639	5,179
Total nonoperating revenues	<u>1,972,655</u>	<u>639</u>	<u>1,973,294</u>
(Loss) before contributions & transfers	<u>(196,648)</u>	<u>(54,637)</u>	<u>(251,285)</u>
Other financing sources:			
Cancellation off prior year liability	-		-
Change in net position	(196,648)	(54,637)	(251,285)
Total net position—beginning	1,094,370	161,207	1,255,577
Total net position—ending	<u>\$ 897,722</u>	<u>106,570</u>	<u>1,004,292</u>

The accompanying notes are an integral part of these financial statements

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Food Service</b>	<b>Non-Major Fund Latchkey Program</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,052,974	228,012	1,280,986
Payments to employees	(1,450,599)	(219,105)	(1,669,704)
Payments for employee benefits	(459,354)	(33,724)	(493,078)
Payments to suppliers	(70,748)	(33,502)	(104,250)
Payments to cost of sales	(949,063)		(949,063)
Net cash (used for) operating activities	<u>(1,876,790)</u>	<u>(58,319)</u>	<u>(1,935,109)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	32,274		32,274
Federal Sources	1,708,594		1,708,594
Payments from other funds	-	-	-
Net cash provided by/(used for) non-capital financing activities	<u>1,740,868</u>	<u>-</u>	<u>1,740,868</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(7,340)		(7,340)
Net cash (used for) capital financing activities	<u>(7,340)</u>	<u>-</u>	<u>(7,340)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	4,540	639	5,179
Net cash provided by investing activities	<u>4,540</u>	<u>639</u>	<u>5,179</u>
Net (decrease) in cash and cash equivalents	(138,722)	(57,680)	(196,402)
Balances—beginning of year	800,169	158,870	959,039
Balances—end of year	<u>661,447</u>	<u>101,190</u>	<u>762,637</u>
<b>Reconciliation of operating (loss) to net cash (used) by operating activities:</b>			
Operating (loss)	(2,169,303)	(55,276)	(2,224,579)
Adjustments to reconcile (loss) to net cash (used for) operating activities			
Depreciation and net amortization	24,562		24,562
Federal commodities	257,029		257,029
(Increase) in receivables	(974)	-	(974)
(Increase) in inventories	8,919		8,919
(Decrease) in accounts payable	1,574	(3,043)	(1,469)
Increase in student deposits	1,574		1,574
Increase in deferred revenue	(5,972)		(5,972)
Increase in compensated absences	5,801		5,801
Total adjustments	<u>292,513</u>	<u>(3,043)</u>	<u>289,470</u>
Net cash (used for) operating activities	<u>\$ (1,876,790)</u>	<u>(58,319)</u>	<u>(1,935,109)</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, 2019**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,347,043	655,711
Due from Employees	-	206
Total assets	<u>1,347,043</u>	<u>655,917</u>
<b>LIABILITIES</b>		
Payable to student groups		530,296
Conduit activities payable		104,756
Payroll deductions and withholdings		20,865
Total liabilities	<u>-</u>	<u>655,917</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 1,347,043</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, 2019**

		Unemployment Compensation Trust
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$	87,123
Total Contributions		87,123
Investment earnings:		
Interest		8,110
Net investment earnings		8,110
Total additions		95,233
<b>DEDUCTIONS</b>		
Transferred to Education Foundation		
Unemployment claims		10,896
Total deductions		10,896
Change in net position		84,337
Net position—beginning of the year		1,262,706
Net position—end of the year	\$	1,347,043

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, 2019**

**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, 2019 of 7,279 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, 2019**

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

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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.

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**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.



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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, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	60,084
Supplies		<u>7,619</u>
	\$	<u><u>67,703</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, 2019 is \$53,335.

**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.

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**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.

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**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 2019 fiscal year:

	<u>From</u>	<u>To</u>
Regular Programs - Inst. - Salaries - Kindergarten	299,182	
Regular Programs - Inst. - Salaries - Grades 9-12	254,061	
Regular Programs - Undist. Inst. - Other Salaries	204,063	
Regular Programs - Undist. Inst. - Purch. Prof-Ed		540,837
Regular Programs - Undist. Inst. - General Supplies	127,390	
Special Ed - LLD - Salaries of Teachers	318,946	
Special Ed - Multi Disabilities - Salaries of Teachers		231,292
Special Ed - Resource Room - Salaries of Teachers	180,674	
Special Ed - Preschool Dis. - Other Salaries	141,725	
Special Ed - Basic Skills - Salaries of Teachers	211,663	
Tuition to Private School for Disabled - W/in State	430,254	
Undist Expend - Related Svc - Salaries		127,946
Undist Expend - Related Svc - Other Salaries		255,262
Undist Expend - Related Svc - Purch Prof & Ed Svc		170,825
Undist Expend - Extra Svc - Salaries		150,306
Undist Expend - Extra Svc - Purch Prof & Ed Svc		530,316
Undist Expend - Guidance - Salaries	156,025	
Undist Expend - Required Maint. - Cleaning		177,834
Undist Expend - Custodial - Rental of Land or Bldg		236,637
Undist Expend - Custodial - Energy (Electricity)	259,399	
Undist Expend - Transportation - Supplies	229,955	
Undist Expend - Unallocated Benefits - Health Benefits	629,684	
Undist Expend - Unallocated Benefits - Other		336,056
Undist Expend - Equipment - Custodial Svc		315,023
Undist Expend - Equipment - Student Trans		293,938
Undist Expend - Facilities Acquisition - Const. Svc.		1,546,674

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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 2017/18 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 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.

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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.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period”. This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District’s financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, “Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61”. This statement, which is effective for fiscal period beginning after December 15, 2018, will not have any effect on the District’s financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District’s financial reporting.

**NOTE 2. INVESTMENTS**

As of June 30, 2019, the District had no investments.

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

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

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) which mandates the collateralization of all government deposits, or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2019, \$1,201,559 of the District’s bank balance of \$15,479,150 was exposed to custodial credit risk.

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**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2019</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Construction in progress	\$605,946	404,282	(301,258)	708,970
Land	1,837,900		(1,600)	1,836,300
Total capital assets not being depreciated	<u>2,443,846</u>	<u>404,282</u>	<u>(302,858)</u>	<u>2,545,270</u>
Bldg and bldg improve	290,112,322	2,736,029	(428,381)	292,419,970
Machinery & equipment	12,469,592	1,689,434	(2,103,245)	12,055,781
Vehicles	12,798,918	854,246	(1,354,867)	12,298,297
Total at historical cost	<u>315,380,832</u>	<u>5,279,709</u>	<u>(3,886,493)</u>	<u>316,774,048</u>
Less accum depr	<u>(149,224,363)</u>	<u>(8,869,416)</u>	<u>3,539,563</u>	<u>(154,554,216)</u>
Total capital assets being depr, net of accum depr	<u>166,156,469</u>	<u>(3,589,707)</u>	<u>(346,930)</u>	<u>162,219,832</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$168,600,315</u></u>	<u><u>(3,185,425)</u></u>	<u><u>(649,788)</u></u>	<u><u>164,765,102</u></u>
<b>Business-type activities:</b>				
Equipment	\$1,464,311	7,340	(500,529)	971,122
Less accum depr for:				
Equipment	<u>(1,205,744)</u>	<u>(24,562)</u>	<u>475,270</u>	<u>(755,036)</u>
<b>Business-type activities capital assets, net</b>	<u><u>\$258,567</u></u>	<u><u>(17,222)</u></u>	<u><u>(25,259)</u></u>	<u><u>216,086</u></u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	3,423,644
Special education		890,648
Other special instruction		196,178
Other instruction		108,041
Student & instruction related services		1,588,243
School administrative expenses		506,936
General and business administration		305,612
Plant operations and maintenance		1,063,467
Student transportation services		786,647
	\$	<u>8,869,416</u>

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No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$3,062,750.

**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 2019 fiscal year is as follows:

Beginning balance, July 1	\$	2,674,801
Deposits – by resolution		1,027,985
Interest Earned		2,000
Withdrawals		
Board resolution		<u>(1,903,337)</u>
Ending balance, June 30	\$	<u><u>1,801,449</u></u>

**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, 2019 the District has reserved \$392,000 for maintenance.

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**NOTE 7. TRANSFERS TO CAPITAL OUTLAY**

During the year ended June 30, 2019, the District transferred \$1,903,337 to the capital outlay accounts. The transfer was made from the general fund capital reserve account to fund various capital projects.

**NOTE 8. GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<b>Balance</b>		<b>Balance</b>		<b>Amounts</b>
	<b>06-30-18</b>	<b>Issued</b>	<b>Retired</b>	<b>6-30-19</b>	<b>Due Within</b>
					<b>One year</b>
<b>Governmental Activities</b>					
Bonds & loans payable:					
School bonds	\$72,045,000		5,755,000	66,290,000	6,040,000
Obligations under capital Leases	5,925,167		1,523,416	4,401,751	1,576,604
	77,970,167	-	7,278,416	70,691,751	7,616,604
Other liabilities:					
Compensated absences Payable	1,171,952	282,733	194,841	1,259,844	
Premium on Refunding Bonds	2,054,951		4,764	2,050,187	107,175
Net Pension Liability	46,940,121		5,821,581	41,118,540	
Governmental activities long-Term liabilities	128,137,191	282,733	13,299,602	115,120,322	7,723,779
<b>Business-type Activities:</b>					
Compensated absences Payable	53,988	13,351	7,550	59,789	
Business-type activities long-Term-liabilities	\$53,988	13,351	7,550	59,789	

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, 2019 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, 2019 was \$29,720,000.



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\$27,924,000 School bonds dated 9/15/08 payable in annual installments beginning 9/15/12 and continuing through 9/15/28. Interest is paid semiannually at varying rates between 4.00% per annum and 4.25% per annum. Bonds maturing on or after 9/15/19 are redeemable at the option of the Board in whole or in part, on any date on or after 9/15/18 at par, plus unpaid accrued interest to the date fixed for redemption. On June 1, 2016 the District, through a refunding bond issue, called the bonds maturing on 9/15/19 through 9/15/28 totaling \$18,950,000. The balance remaining as of June 30, 2019 was \$0.

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, 2019 was \$3,390,000.

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, 2019 was \$14,090,000.

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, 2019 was \$19,090,000.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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	6,905,000	1,847,738	8,752,738
2024	7,270,000	1,452,428	8,752,438
2025-2029	30,150,000	2,939,906	33,089,906
2030	2,975,000	89,250	3,064,250
	<u>\$ 66,290,000</u>	<u>13,810,469</u>	<u>80,100,469</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the Board had authorized but not issued bonds in the amount of \$1,357.

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$8,983,057 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, 2019.

	<u>Amount</u>
Year ending June 30,	
2020	\$ 1,660,843
2021	1,165,934
2022	881,028
2023	881,027
2024	-
Total minimum lease payments	<u>4,588,832</u>
Less amount representing interest	187,081
Present value of lease payments	<u>\$ 4,401,751</u>

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

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Remaining Value</u>
Transportation Equipment	\$ 3,786,562	1,598,357	2,188,205
Equipment	5,196,495	1,582,799	3,613,696
Transportation Equipment	<u>\$ 8,983,057</u>	<u>3,181,156</u>	<u>5,801,901</u>

**Egg Harbor Township School District**  
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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 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 7.5% 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 27.50% and the PERS rate is 14.11% of covered payroll. The School District's contributions to

## **Egg Harbor Township School District Notes to Financial Statements June 30, 2019**

TPAF for the years ending June 30, 2019, 2018, and 2017 were \$10,057,008, \$7,528,775, and \$5,610,972, 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, 2019, 2018, and 2017 were \$2,077,232, \$1,910,313, and \$1,729,747, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2019, 2018, and 2017 was \$78,003,413, \$74,644,384, and \$74,587,967, covered payroll was \$55,340,573, \$54,138,997, and \$52,830,893 for TPAF; and \$15,522,832, \$14,784,203, and \$14,455,418 for PERS.

### Significant Legislation

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

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

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

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

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

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

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

NOTE 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At June 30, 2019, the District reported a liability of \$41,118,540 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.20883484480%, which was an increase of 3.56% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2019, the District recognized pension expense of \$3,467,013. At June 30, 2019, 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	\$ 784,137	212,021
Changes of assumptions	6,775,654	13,147,523
Net difference between projected and actual earnings on pension plan investments		385,694
Changes in proportion and differences between District contributions and proportionate share of contributions	3,691,063	
District contributions subsequent to the measurement date	2,077,232	
Total	\$ 13,328,086	13,745,238

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\$2,077,232 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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,		
2019	\$	100,647
2020		(172,493)
2021		(1,106,364)
2022		(991,227)
2023		(324,947)
Total	\$	<u>(2,494,384)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

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 2013 using a generational approach based on the Conduent modified 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 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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

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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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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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, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 49,434,886	41,118,540	34,145,850

*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, 2019, 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		317,534,753
Total	\$	317,534,753

The net pension liability was measured as of June 30, 2018 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, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.



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For the year ended June 30, 2019, the District recognized pension expense of \$18,511,166 and revenue of \$18,511,166 for support provided by the State. At June 30, 2018, 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	\$ 7,088,816	480,310
Changes of assumptions	55,172,452	80,253,604
Net difference between projected and actual earnings on pension plan investments		28,919.00
Changes in proportion and differences between District contributions and proportionate share of contributions	12,051,325	
District contributions subsequent to the measurement date	7,545,086	
 Total	\$ 81,857,679	80,762,833

\$7,545,086 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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,		
2019	\$	698,788
2020		363,568
2021		(387,913)
2022		(259,670)
2023		(1,279,061)
Thereafter		(5,585,952)
Total	\$	(6,450,240)

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*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Risk Mitigation Services	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts Venture Capital	8.25%	13.08%

*Discount rate.* The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, 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 contributed 50% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
District's proportionate share of the net pension liability	\$ -	-	-

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*Pension plan fiduciary net position.*

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

**NOTE 12. LABOR CONTRACTS**

As of June 30, 2019, the District’s employees are organized in two collective bargaining units.

<b><u>Bargaining Unit</u></b>	<b><u>Employees Covered</u></b>	<b><u>Expiration</u></b>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 2022
Principals’ and Supervisors’ Association	All certified administrative personnel, excluding the Superintendent, Asst Superintendents, Business Administrator, and all employees considered confidential by law.	June 30, 2021

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. OTHER POST-RETIREMENT BENEFITS**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, and increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these

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benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Discount Rate:** The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2016, 2017, and 2018 are 2.58%, 3.58%, and 3.87%, respectively.

**Health Care Trend:** For pre-Medicare PPO medical benefits, the initial amount is 5.8% and decreases to 5.0% long term trend rate after 8 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after 8 years. For prescription drug benefits, the initial trend rate is 8% decreasing to a 5.0% long-term trend rate after 7 years.

**Salary Scale:** The salary scale assumptions in the calculation of Entry Age Normal (Level Percent) liability and normal costs will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on RP-2006 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2019**

Pre-retirement Healthy Mortality: RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

*Changes in the Total OPEB liability reported by the State of New Jersey:*

Balance at 6/30/17	\$	53,639,841,858
Changes for the year:		
Service cost		1,984,642,729
Interest		1,970,236,232
Differences between Expected & Actual Experiences		(5,002,065,740)
Changes in assumptions or other inputs		(5,291,448,855)
Contributions: Member		42,614,005
Benefit payments		<u>(1,232,987,247)</u>
Net changes		<u>(7,529,008,876)</u>
Balance at 6/30/18	\$	<u>46,110,832,982</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Total OPEB Liability (School Retirees)	54,512,391,175	46,110,832,982	39,432,461,816

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2019**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	38,113,289,045	46,110,832,982	56,687,891,003

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$12,248,051 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience		4,476,086,167
Changes of assumptions		10,335,978,867
Net difference between projected and actual earnings on investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date		
 Total	\$ -	14,812,065,034

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2019**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
Total	<u>\$ (14,812,065,034)</u>

(Contributions made after June 30, 2018 are reported as deferred outflow of resources but are not amortized in the expense.)

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

**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.



**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2019**

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 \$10,779,322 General Fund balance at June 30, 2019, \$370,200 is committed for encumbrances (actual encumbrances of \$1,187,656 less deficit in unassigned fund balance of \$817,456 ); \$7,829,419 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$4,829,419 of the total restricted for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$1,801,449 has been restricted in the Capital Reserve Account; \$392,000 has been restricted in the Maintenance Reserve Account; \$386,254 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$0 is unassigned.

**Debt Service Fund** – Of the \$1 Debt Service Fund balance at June 30, 2019, \$1 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, 2019 is \$7,829,419, of which \$4,829,419 has been included in the 2019-20 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 2018-19 fiscal year, 98% of the Districts operations were funded through property taxes and State aid.

**Egg Harbor Township School District  
Notes to Financial Statements  
June 30, 2019**

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, 2018 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>
2018-2019	None	95,233	10,896	1,347,043
2017-2018	None	122,127	51,994	1,262,707
2016-2017	None	124,374	60,155	1,190,160

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2019, \$0 was charged to the worker’s compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2019 and 2018 was \$65,729 and \$65,729, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker’s compensation fund.

<u>Fiscal Year Ended</u>	<u>Balance Beginning of Year</u>	<u>Received From Carrier</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Balance End of Year</u>
6/30/19	65,729	52,504	-	-	117,933
6/30/18	128,008	52,776	-	115,055	65,729
6/30/17	88,728	43,190	-	3,910	128,008

**Egg Harbor Township School District**  
**Notes to Financial Statements**  
**June 30, 2019**

NOTE 22. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2018, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	617,211	
Enterprise Fund	18,392	
Special Revenue Fund:		
General Fund		617,211
Enterprise Fund:		
General Fund		18,392
	\$635,603	635,603
	\$635,603	635,603

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 December 12, 2019, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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

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**BUDGETARY COMPARISON SCHEDULES**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 77,128,026		77,128,026	77,128,026	-
Tuition - Individuals	128,000		128,000	126,200	(1,800)
Tuition - Other LEA's within the State	292,962		292,962	877,065	584,103
Tuition from Other Government Sources	-		-	65,783	65,783
Rents and Royalties	20,000		20,000	82,146	62,146
Interest Earned on Capital Reserve Funds	2,000		2,000	2,000	-
Interest Earned on Maintenance Reserve Funds	1,000		1,000	1,000	-
Miscellaneous	384,066		384,066	832,295	448,229
<b>Total - Local Sources</b>	<b>77,956,054</b>	<b>-</b>	<b>77,956,054</b>	<b>79,114,515</b>	<b>1,158,461</b>
State Sources:					
Equalization Aid	34,666,444		34,666,444	34,666,444	-
Categorical Special Education Aid	4,443,028		4,443,028	4,443,028	-
Categorical Transportation Aid	3,273,116		3,273,116	3,273,116	-
Under Adequacy Aid	-		-	-	-
Categorical Security Aid	1,547,671		1,547,671	1,547,671	-
Extraordinary Aid	400,000		400,000	1,060,982	660,982
Nonpublic School Transportation Aid	-		-	112,576	112,576
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	10,057,008	10,057,008
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)	-		-	4,561,843	4,561,843
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)	-		-	8,362	8,362
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	3,966,940	3,966,940
<b>Total - State Sources</b>	<b>44,330,259</b>	<b>-</b>	<b>44,330,259</b>	<b>63,697,970</b>	<b>19,367,711</b>
Federal Sources:					
Medical Assistance Program	154,009		154,009	230,308	76,299
ARRA/SEMI Unrestricted	-		-	-	-
<b>Total - Federal Sources</b>	<b>154,009</b>	<b>-</b>	<b>154,009</b>	<b>230,308</b>	<b>76,299</b>
<b>Total Revenues</b>	<b>122,440,322</b>	<b>-</b>	<b>122,440,322</b>	<b>143,042,793</b>	<b>20,602,471</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	421,499	-	421,499	410,434	11,065
Kindergarten	920,416	(299,182)	621,234	621,234	-
Grades 1-5	11,628,080	(27,837)	11,600,243	11,600,243	-
Grades 6-8	8,225,024	(27,161)	8,197,863	8,191,611	6,252
Grades 9-12	11,151,020	(254,061)	10,896,959	10,895,282	1,677
Regular Programs - Home Instruction:					
Salaries of Teachers	288,087	(33,449)	254,638	254,638	-
Purchased Professional - Educational Services	29,909	(15,000)	14,909	2,051	12,858
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	447,010	(204,063)	242,947	242,947	-
Purchased Professional - Educational Services	1,157,775	540,837	1,698,612	1,686,163	12,449
Other Purchased Services	20,500	-	20,500	6,294	14,206
General Supplies	1,067,760	(127,390)	940,370	885,487	54,883
Textbooks	60,731	-	60,731	33,051	27,680
<b>Total Regular Programs</b>	<b>35,417,811</b>	<b>(447,306)</b>	<b>34,970,505</b>	<b>34,829,435</b>	<b>141,070</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	318,946	(318,946)	-	-	-
General Supplies	176	(176)	-	-	-
Textbooks	270	(270)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>319,392</b>	<b>(319,392)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Auditory Impairments					
Salaries of Teachers	60,261	(60,261)	-	-	-
Other Salaries for Instruction	48,318	(48,318)	-	-	-
General Supplies	2,000	(500)	1,500	471	1,029
<b>Total Auditory Impairments</b>	<b>110,579</b>	<b>(109,079)</b>	<b>1,500</b>	<b>471</b>	<b>1,029</b>
Multiple Disabilities					
Salaries of Teachers	1,248,748	231,292	1,480,040	1,480,040	-
General Supplies	31,719	381	32,100	28,545	3,555
Textbooks	3,647	269	3,916	2,717	1,199
<b>Total Multiple Disabilities</b>	<b>1,284,114</b>	<b>231,942</b>	<b>1,516,056</b>	<b>1,511,302</b>	<b>4,754</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	7,261,579	(180,674)	7,080,905	7,080,905	-
Other Salaries for Instruction	119,437	54,595	174,032	174,032	-
General Supplies	35,317	(8,802)	26,515	24,628	1,887
Textbooks	2,516	-	2,516	2,027	489
<b>Total Resource Room/Resource Center</b>	<b>7,418,849</b>	<b>(134,881)</b>	<b>7,283,968</b>	<b>7,281,592</b>	<b>2,376</b>
Preschool Disabilities - Full Time					
Salaries of Teachers	383,840	47,135	430,975	430,975	-
Other Salaries for Instruction	364,903	(141,725)	223,178	223,178	-
General Supplies	5,700	1,428	7,128	4,806	2,322
<b>Total Preschool Disabilities - Full Time</b>	<b>754,443</b>	<b>(93,162)</b>	<b>661,281</b>	<b>658,959</b>	<b>2,322</b>
<b>Total Special Education - Instruction</b>	<b>9,887,377</b>	<b>(424,572)</b>	<b>9,462,805</b>	<b>9,452,324</b>	<b>10,481</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,474,593	(211,663)	1,262,930	1,262,930	-
General Supplies	3,360	-	3,360	-	3,360
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,477,953</b>	<b>(211,663)</b>	<b>1,266,290</b>	<b>1,262,930</b>	<b>3,360</b>
Bilingual Education - Instruction:					
Salaries of Teachers	773,536	(11,393)	762,143	754,209	7,934
Purchased Professional - Educational Services	4,000	-	4,000	-	4,000
General Supplies	1,540	-	1,540	1,311	229
<b>Total Bilingual Education - Instruction</b>	<b>779,076</b>	<b>(11,393)</b>	<b>767,683</b>	<b>755,520</b>	<b>12,163</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	267,851	19,257	287,108	282,892	4,216
Purchased Services	6,710	600	7,310	6,906	404
Supplies and Materials	20,251	1,900	22,151	21,858	293
Other Objects	1,000	-	1,000	480	520
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>295,812</b>	<b>21,757</b>	<b>317,569</b>	<b>312,136</b>	<b>5,433</b>
School-Sponsored Athletics - Instruction					
Salaries	441,627	107,583	549,210	542,894	6,316
Purchased Services	22,490	18,067	40,557	40,549	8
Supplies and Materials	116,006	(8,000)	108,006	106,582	1,424
Other Objects	22,020	22,800	44,820	42,851	1,969
Transfers to Cover Deficit (Agency Funds)	80,830	(20,830)	60,000	60,000	-
<b>Total School-Sponsored Athletics - Instruction</b>	<b>682,973</b>	<b>119,620</b>	<b>802,593</b>	<b>792,876</b>	<b>9,717</b>
Alternative Education Program					
Salaries	495,426	-	495,426	495,426	-
Purchased Professional & Technical Services	15,500	-	15,500	4,394	11,106
General Supplies	19,719	(5,396)	14,323	9,093	5,230
Textbooks	500	-	500	-	500
<b>Total Alternative Education Program</b>	<b>531,145</b>	<b>(5,396)</b>	<b>525,749</b>	<b>508,913</b>	<b>16,836</b>
<b>Total Instruction</b>	<b>49,072,147</b>	<b>(958,953)</b>	<b>48,113,194</b>	<b>47,914,134</b>	<b>199,060</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	193,831	45,350	239,181	171,926	67,255
Tuition to Other LEAs Within the State - Special	71,204	-	71,204	44,869	26,335
Tuition to County Voc. School Dist. - Regular	1,517,602	(45,350)	1,472,252	1,247,332	224,920
Tuition to County Voc. School Dist. - Special	140,060	-	140,060	127,955	12,105
Tuition to CSSD & Regional Day Schools	835,428	(29,078)	806,350	755,201	51,149
Tuition to Private Schools for the Disabled - Within State	2,646,127	(430,254)	2,215,873	1,709,167	506,706
Tuition - State Facilities	294,513	-	294,513	294,513	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,698,765</b>	<b>(459,332)</b>	<b>5,239,433</b>	<b>4,350,963</b>	<b>888,470</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	277,678	-	277,678	272,009	5,669
Other Purchased Services	3,249	4,501	7,750	7,381	369
Supplies and Materials	1,950	500	2,450	2,205	245
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>282,877</b>	<b>5,001</b>	<b>287,878</b>	<b>281,595</b>	<b>6,283</b>
Undistributed Expenditures - Health Services:					
Salaries	972,850	1,584	974,434	974,434	-
Purchased Professional and Technical Services	49,040	-	49,040	38,358	10,682
Supplies and Materials	16,056	-	16,056	14,692	1,364
<b>Total Undistributed Expenditures - Health Services</b>	<b>1,037,946</b>	<b>1,584</b>	<b>1,039,530</b>	<b>1,027,484</b>	<b>12,046</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	1,228,622	127,946	1,356,568	1,356,568	-
Other Salaries		255,262	255,262	255,262	-
Purchased Professional - Educational Services	204,884	170,825	375,709	361,620	14,089
Supplies and Materials	27,341	(19,568)	7,773	7,773	-
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>1,460,847</b>	<b>534,465</b>	<b>1,995,312</b>	<b>1,981,223</b>	<b>14,089</b>
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	3,614,686	150,306	3,764,992	3,760,054	4,938
Purchased Professional - Educational Services	618,825	530,316	1,149,141	1,005,317	143,824
Supplies and Materials	20,000	(13,523)	6,477	3,453	3,024
<b>Total Undistributed Expenditures - Other Support Services - Extra Services</b>	<b>4,253,511</b>	<b>667,099</b>	<b>4,920,610</b>	<b>4,768,824</b>	<b>151,786</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,141,270	(156,025)	1,985,245	1,975,444	9,801
Salaries of Secretarial and Clerical Assistants	224,522	-	224,522	214,028	10,494
Other Purchased Professional and Technical Services	13,935	-	13,935	12,813	1,122
Other Purchased Services	2,526	(5)	2,521	1,931	590
Supplies and Materials	24,120	(2,700)	21,420	12,346	9,074
<b>Total Undistributed Expenditures - Other Support Services - Guidance</b>	<b>2,406,373</b>	<b>(158,730)</b>	<b>2,247,643</b>	<b>2,216,562</b>	<b>31,081</b>
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,376,616	(50,509)	2,326,107	2,325,581	526
Salaries of Secretarial and Clerical Assistants	448,232	3,309	451,541	451,541	-
Other Salaries	1,000	-	1,000	1,000	-
Other Purchased Professional and Technical Services	68,800	84,950	153,750	127,102	26,648
Miscellaneous Purchased Services	49,817	-	49,817	28,338	21,479
Supplies and Materials	50,805	(928)	49,877	40,027	9,850
<b>Total Undistributed Expenditures - Other Support Services - Child Study Teams</b>	<b>2,995,270</b>	<b>36,822</b>	<b>3,032,092</b>	<b>2,973,589</b>	<b>58,503</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	1,068,249	37,450	1,105,699	1,105,699	-
Salaries of Other Professional Staff	325,286	(15,007)	310,279	310,279	-
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>1,393,535</b>	<b>22,443</b>	<b>1,415,978</b>	<b>1,415,978</b>	<b>-</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	894,366	(604)	893,762	881,743	12,019
Salaries of Technology Coordinators	98,011	761	98,772	98,772	-
Purchased Professional and Technical Services	342,793	(8,370)	334,423	289,927	44,496
Other Purchased Services	19,332	275	19,607	12,323	7,284
Supplies and Materials	78,896	5,862	84,758	77,192	7,566
Other Objects	17,050	(1,407)	15,643	2,443	13,200
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>1,450,448</b>	<b>(3,483)</b>	<b>1,446,965</b>	<b>1,362,400</b>	<b>84,565</b>
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	129,979	-	129,979	129,979	-
Salaries of Other Professional Staff	94,983	(61,519)	33,464	33,464	-
Purchased Professional - Educational Services	128,635	29,034	157,669	148,819	8,850
Other Purchased Services	14,000	-	14,000	6,340	7,660
Supplies and Materials	2,000	-	2,000	441	1,559
<b>Total Undistributed Expenditures - Instructional Staff Training Srvc</b>	<b>369,597</b>	<b>(32,485)</b>	<b>337,112</b>	<b>319,043</b>	<b>18,069</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	772,956	-	772,956	725,880	47,076
Legal Services	245,000	36,734	281,734	281,734	-
Audit Fees	38,050	(2,050)	36,000	36,000	-
Architectural/Engineering Services	71,000	(62,926)	8,074	8,074	-
Other Purchased Professional Services	42,049	23,888	65,937	65,937	-
Communications/Telephone	191,622	18,640	210,262	194,451	15,811
Other Purchased Services	344,129	(5,916)	338,213	338,047	166
General Supplies	14,000	-	14,000	11,692	2,308
BOE In-House Training/Meeting Supplies	28,165	-	28,165	28,029	136
Miscellaneous Expenditures	19,600	-	19,600	13,453	6,147
BOE Membership Dues and Fees	37,000	-	37,000	28,710	8,290
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>1,803,571</b>	<b>8,370</b>	<b>1,811,941</b>	<b>1,732,007</b>	<b>79,934</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	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	2,086,918	(2,870)	2,084,048	2,073,286	10,762
Salaries of Other Professional Staff	372,424	2,870	375,294	375,293	1
Salaries of Secretarial and Clerical Assistants	1,144,036	-	1,144,036	1,140,916	3,120
Purchased Professional and Technical Services	58,120	-	58,120	56,104	2,016
Other Purchased Services	130,632	-	130,632	129,237	1,395
Supplies and Materials	51,446	-	51,446	39,875	11,571
Other Objects	55,680	-	55,680	42,674	13,006
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>3,899,256</b>	<b>-</b>	<b>3,899,256</b>	<b>3,857,385</b>	<b>41,871</b>
Undistributed Expenditures - Central Services					
Salaries	655,479	6,821	662,300	662,300	-
Purchased Technical Services	46,250	(3,244)	43,006	43,006	-
Miscellaneous Purchased Services (400-500 series)	210,103	8,784	218,887	218,875	12
Supplies and Materials	21,440	(21)	21,419	20,455	964
Other Objects	8,000	(2,440)	5,560	5,450	110
<b>Total Undistributed Expenditures - Central Services</b>	<b>941,272</b>	<b>9,900</b>	<b>951,172</b>	<b>950,086</b>	<b>1,086</b>
Undistributed Expenditures - Administrative Information Technology					
Salaries	332,349	8,045	340,394	340,394	-
Purchased Technical Services	30,771	(1,000)	29,771	25,149	4,622
Supplies and Materials	36,304	(1,000)	35,304	34,505	799
<b>Total Undistributed Expenditures - Admin. Information Technology</b>	<b>399,424</b>	<b>6,045</b>	<b>405,469</b>	<b>400,048</b>	<b>5,421</b>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	710,119	-	710,119	700,385	9,734
Cleaning, Repair, and Maintenance Services	450,584	177,834	628,418	623,418	5,000
General Supplies	175,900	(32,550)	143,350	143,252	98
Other Objects	2,500	-	2,500	1,075	1,425
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>1,339,103</b>	<b>145,284</b>	<b>1,484,387</b>	<b>1,468,130</b>	<b>16,257</b>



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Undistributed Expenditures - Custodial Services</b>					
Salaries	4,316,762	(32,647)	4,284,115	4,275,720	8,395
Cleaning, Repair and Maintenance Services	260,438	(1,744)	258,694	216,517	42,177
Rental of Land & Building Other than Lease Purch Agmt	724,526	236,637	961,163	929,764	31,399
Other Purchased Property Services	184,800	-	184,800	162,550	22,250
Insurance	401,708	102,640	504,348	500,098	4,250
Miscellaneous Purchased Services	2,000	-	2,000	159	1,841
General Supplies	377,250	(22,700)	354,550	321,197	33,353
Energy (Natural Gas)	532,500	-	532,500	489,250	43,250
Energy (Electricity)	1,658,919	(259,399)	1,399,520	1,399,422	98
Energy (Oil)	5,000	-	5,000	1,822	3,178
Other Objects	2,800	-	2,800	742	2,058
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>8,466,703</b>	<b>22,787</b>	<b>8,489,490</b>	<b>8,297,241</b>	<b>192,249</b>
<b>Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>					
Salaries	399,641	(15,326)	384,315	376,775	7,540
Cleaning, Repair and Maintenance Services	27,500	11,200	38,700	37,135	1,565
General Supplies	95,467	(10,766)	84,701	84,406	295
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>522,608</b>	<b>(14,892)</b>	<b>507,716</b>	<b>498,316</b>	<b>9,400</b>
<b>Undistributed Expenditures - Security</b>					
Salaries	223,566	144,745	368,311	368,311	-
Cleaning, Repair and Maintenance Services	258,723	(100,114)	158,609	138,200	20,409
General Supplies	13,880	5,600	19,480	19,418	62
Other Objects	1,000	-	1,000	-	1,000
<b>Total Undistributed Expenditures - Security</b>	<b>497,169</b>	<b>50,231</b>	<b>547,400</b>	<b>525,929</b>	<b>21,471</b>
<b>Total Undistributed Expenditures - Oper &amp; Main of Plant Services</b>	<b>10,825,583</b>	<b>203,410</b>	<b>11,028,993</b>	<b>10,789,616</b>	<b>239,377</b>
<b>Undistributed Expenditures - Student Transportation Services:</b>					
Sal for Pupil Transp (Between Home and School)-Reg.	2,247,286	95,828	2,343,114	2,343,114	-
Sal for Pupil Transp (Between Home and School)-Sp Ed	270,454	102,613	373,067	373,067	-
Sal for Pupil Transp (Other than Bet. Home & School)	201,468	-	201,468	181,042	20,426
Other Purchased Professional and Technical Services	24,937	2,226	27,163	27,163	-
Cleaning, Repair, and Maintenance Services	215,000	(45,549)	169,451	127,196	42,255
Lease Purchase Payments - School Buses	717,664	(16,168)	701,496	673,991	27,505

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	452,831	107,108	559,939	558,024	1,915
Contracted Services - (Between Home and School) - Vendors	17,000	4,500	21,500	17,600	3,900
Contracted Services - (Special Ed Students) - Vendors	50,000	(50,000)	-	-	-
Contracted Services - (Special Ed Students) - Joint Agree.	2,419,314	162,432	2,581,746	2,580,560	1,186
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	107,000	30,000	137,000	125,951	11,049
Contracted Services - Aid in Lieu of Payments - Charter School	29,000	2,000	31,000	29,656	1,344
Contracted Services - Aid in Lieu of Payments - Choice School	37,000	-	37,000	29,000	8,000
Miscellaneous Purchased Services - Transportation	167,728	(5,233)	162,495	156,203	6,292
Supplies and Materials	8,300	-	8,300	6,411	1,889
Transportation Supplies	1,058,257	(229,955)	828,302	776,108	52,194
Miscellaneous Expenditures	9,900	-	9,900	6,786	3,114
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>8,033,139</b>	<b>159,802</b>	<b>8,192,941</b>	<b>8,011,872</b>	<b>181,069</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	1,476,324	4,453	1,480,777	1,480,393	384
Other Retirement Contributions - PERS	2,171,645	(67,602)	2,104,043	2,091,802	12,241
Other Retirement Contributions - Regular	60,000	13,000	73,000	72,251	749
Workmen's Compensation	1,464,524	(81,800)	1,382,724	1,382,724	-
Health Benefits	23,879,876	(629,684)	23,250,192	22,544,124	706,068
Tuition Reimbursement	91,000	-	91,000	69,316	21,684
Other Employee Benefits	1,040,000	336,056	1,376,056	1,371,003	5,053
Unused Sick Payment to Terminated/Retired Staff	124,849	85,000	209,849	209,834	15
<b>Total Unallocated Benefits</b>	<b>30,308,218</b>	<b>(340,577)</b>	<b>29,967,641</b>	<b>29,221,447</b>	<b>746,194</b>
On-behalf TPAF Pension Contributions (non-budgeted)					
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)				10,057,008	(10,057,008)
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)				4,561,843	(4,561,843)
Reimbursed TPAF Social Security Contributions (non-budgeted)				8,362	(8,362)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,966,940</b>	<b>(3,966,940)</b>
<b>Total Undistributed Expenditures</b>	<b>77,559,632</b>	<b>660,334</b>	<b>78,219,966</b>	<b>94,254,275</b>	<b>(16,034,309)</b>
Interest Earned on Maintenance Reserve	1,000	-	1,000	1,000	-
<b>Total Current Expense</b>	<b>126,632,779</b>	<b>(298,619)</b>	<b>126,334,160</b>	<b>142,169,409</b>	<b>(15,835,249)</b>
<b>Capital Outlay:</b>					
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, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Equipment:</b>					
Undistributed Expenditures:					
Grades 1-5	5,400	-	5,400	2,868	2,532
Grades 9-12	6,500	2,730	9,230	6,630	2,600
Undist. Expend. - Instruction	-	36,706	36,706	36,705	1
Undist. Expend. - Business Office	-	4,078	4,078	4,077	1
Undist. Expend. - Admin Info Tech.	157,500	(88,707)	68,793	31,799	36,994
Undist. Expend. - Required Maint for School Facilities	31,882	58,370	90,252	69,593	20,659
Undist. Expend. - Custodial Services	21,055	315,023	336,078	334,721	1,357
Undist. Expend. - Care and Upkeep of Grounds	57,500	-	57,500	56,233	1,267
Undist. Expend. - Security	20,000	(5,500)	14,500	-	14,500
Undist. Expend. - Student Trans. - Non Ins	64,881	293,938	358,819	140,801	218,018
<b>Total Equipment</b>	<b>364,718</b>	<b>616,638</b>	<b>981,356</b>	<b>683,427</b>	<b>297,929</b>
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	30,288	41,640	71,928	48,888	23,040
Construction Services	747,603	1,546,674	2,294,277	1,467,441	826,836
Other Objects - Debt Service Assessment	543,141	-	543,141	543,141	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,321,032</b>	<b>1,588,314</b>	<b>2,909,346</b>	<b>2,059,470</b>	<b>849,876</b>
<b>Total Capital Outlay</b>	<b>1,687,750</b>	<b>2,204,952</b>	<b>3,892,702</b>	<b>2,744,897</b>	<b>1,147,805</b>
<b>Transfer to Charter Schools</b>	<b>1,664,515</b>	<b>-</b>	<b>1,664,515</b>	<b>1,632,015</b>	<b>32,500</b>
<b>Total Expenditures</b>	<b>129,985,044</b>	<b>1,906,333</b>	<b>131,891,377</b>	<b>146,546,321</b>	<b>(14,654,944)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,544,722)	(1,906,333)	(9,451,055)	(3,503,528)	5,947,527

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Increase from Capital Reserve	-	-	-	(1,029,985)	1,029,985
Deposit to Capital Reserve	-	-	-	1,027,985	(1,027,985)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,544,722)	(1,906,333)	(9,451,055)	(3,503,528)	5,947,527
Fund Balances, July 1	18,432,907	-	18,432,907	18,432,907	-
Fund Balances, June 30	\$ 10,888,185	(1,906,333)	8,981,852	14,929,379	5,947,527

**Recapitulation of Fund Balance:**

**Restricted Fund Balance:**

Reserve for Excess Surplus	3,000,000
Excess Surplus-Designated for Subsequent Year's Expenditures	4,829,419
Reserve for Capital Reserve	1,801,449
Reserve for Maintenance Reserve	392,000

**Assigned Fund Balance:**

Year-end Encumbrances	1,187,656
Designated for Subsequent Year's Expenditures	386,254

**Unassigned Fund Balance**

	3,332,601
	14,929,379

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

	(4,150,057)
<b>\$</b>	<b>10,779,322</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	-	28,984	28,984	28,983	(1)
Total - Local Sources	-	28,984	28,984	28,983	(1)
State Sources:					
Nonpublic aid	169,612	172,833	342,445	204,430	(138,015)
Total - State Sources	169,612	172,833	342,445	204,430	(138,015)
Federal Sources:					
Title I	937,580	383,246	1,320,826	1,316,694	(4,132)
Title II	174,766	195,439	370,205	264,903	(105,302)
Title III	33,596	7,691	41,287	39,109	(2,178)
Title IV - 21st Century	12,604	(12,604)	-	498,726	498,726
Title VI	500,000	266,595	766,595	-	(766,595)
I.D.E.A., Part B	1,335,759	520,490	1,856,249	1,765,147	(91,102)
Vocational Education	43,277	15,967	59,244	54,135	(5,109)
Total - Federal Sources	3,037,582	1,376,824	4,414,406	3,938,714	(475,692)
<b>Total Revenues</b>	<b>3,207,194</b>	<b>1,578,641</b>	<b>4,785,835</b>	<b>4,172,127</b>	<b>(613,708)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,701,823	(169,552)	1,532,271	1,341,219	191,052
Purchased Professional and Technical Services	143,587	143,587	143,587	120,596	22,991
Other Purchased Services (400-500 series)	1,505,371	83,905	1,589,276	1,475,752	113,524
General Supplies	100,201	100,201	100,201	69,391	30,810
Textbooks	20,292	20,292	20,292	20,262	30
Other objects	24,016	24,016	24,016	12,055	11,961
<b>Total instruction</b>	<b>3,207,194</b>	<b>202,449</b>	<b>3,409,643</b>	<b>3,039,275</b>	<b>370,368</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Support Services					
Salaries of Program Directors		420,429	420,429	352,441	67,988
Personal Services - Employee Benefits		382,512	382,512	353,023	29,489
Purchased Technical Services		239,601	239,601	181,347	58,254
Travel		16,063	16,063	14,910	1,153
Other purchased Services (400-500 series)		139,319	139,319	68,039	71,280
Supplies & Materials		156,354	156,354	118,949	37,405
Other Objects		1,514	1,514	1,514	-
<b>Total support services</b>	-	<b>1,355,792</b>	<b>1,355,792</b>	<b>1,090,223</b>	<b>265,569</b>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment		20,400	20,400	42,629	(22,229)
Noninstructional Equipment		-	-	-	-
<b>Total facilities acquisition and construction services</b>	-	<b>20,400</b>	<b>20,400</b>	<b>42,629</b>	<b>(22,229)</b>
<b>Transfers to Charter Schools</b>					
		-	-	-	-
<b>Total expenditures</b>	<b>3,207,194</b>	<b>1,578,641</b>	<b>4,785,835</b>	<b>4,172,127</b>	<b>613,708</b>
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, 2019**

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

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 143,042,793	4,172,127
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		7,555
Current year		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	3,877,975	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(4,150,057)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	142,770,711	4,179,682
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	146,546,321	4,172,127
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		7,555
Current year		-
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	\$ 146,546,321	4,179,682

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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 Six Fiscal Years**

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.2088348448%	0.2016466656%	0.1929449075%	0.1846447919%	0.1823522927%	0.1762768420%
District's proportionate of the net pension liability (asset)	\$ 41,118,540	\$ 46,940,121	\$ 57,144,747	\$ 32,618,264	\$ 34,141,337	\$ 33,690,007
District's covered payroll	\$ 14,784,203	\$ 14,455,418	\$ 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	278.12%	324.72%	420.61%	252.43%	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	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 six years. Additional years will be presented as they become available.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,077,232	\$ 1,868,041	\$ 1,587,450	\$ 1,407,927	\$ 1,328,210	\$ 1,223,404
Contributions in relation to the contractually required contribution	<u>\$ 2,077,232</u>	<u>\$ 1,868,041</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 14,784,203	\$ 14,455,418	\$ 13,586,006	\$ 12,921,914	\$ 12,372,353	\$ 12,234,369
Contributions as a percentage of covered-employee payroll	14.05%	12.92%	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 six 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 Six Fiscal Years**

	<u>2018</u>	<u>2017</u>	<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%	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>317,534,753</u>	<u>336,336,183</u>	<u>386,076,269</u>	<u>253,846,482</u>	<u>259,337,251</u>	<u>244,617,946</u>
<b>Total</b>	<b><u>\$ 317,534,753</u></b>	<b><u>\$ 336,336,183</u></b>	<b><u>\$ 386,076,269</u></b>	<b><u>\$ 253,846,482</u></b>	<b><u>\$ 259,337,251</u></b>	<b><u>\$ 244,617,946</u></b>
District's covered payroll	\$ 54,138,997	\$ 52,830,893	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	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 six 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 OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Three Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)		0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	<u>\$ 303,957,290</u>
Total	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	<u>\$ 303,957,290</u>
District's covered payroll	68,923,200	67,286,311	65,411,610
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	11,553,517	13,930,911	
Interest Cost	10,388,061	8,970,885	
Differences between Expected & Actual	(27,813,275)		
Changes in Assumptopns	(27,752,623)	(38,864,378)	
Member Contributions	223,502	240,267	
Benefit Payments	(6,466,779)	(6,525,001)	
Change in Total Opeb Liability	<u>(39,867,597)</u>	<u>(22,247,316)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>281,709,974</u>	<u>303,957,290</u>	
Ending Balance	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	350.89%	418.67%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.  
However, information is only currently available for three years.  
Additional years will be presented as they become available.

**SPECIAL REVENUE FUND**

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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
Special Revenue Fund  
**Combining Schedule of Program Revenue and Expenditure**  
Budgetary Basis  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Nonpublic Textbooks	Nonpublic Auxiliary/Aid Compensatory Education	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total State Funds
<b>REVENUES:</b>									
State Sources	\$ 20,262	24,822	26,510	5,714	25,772	35,971	13,094	52,285	204,430
Federal Sources									
Local Sources									
Total revenues	<u>20,262</u>	<u>24,822</u>	<u>26,510</u>	<u>5,714</u>	<u>25,772</u>	<u>35,971</u>	<u>13,094</u>	<u>52,285</u>	<u>204,430</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									
Purchased prof. and technical services		24,822	26,510	5,714	25,772				82,818
Other purchased services							13,094		13,094
General supplies	20,262								20,262
Textbooks									
Other objects									
Total instruction	<u>20,262</u>	<u>24,822</u>	<u>26,510</u>	<u>5,714</u>	<u>25,772</u>	<u>-</u>	<u>13,094</u>	<u>-</u>	<u>116,174</u>
Support services:									
Salaries of program directors									
Personal services- employee benefits									
Purchased technical services						25,208			25,208
Purchased property services									
Miscellaneous purchased services									
Travel									
Supplies and materials						10,763			63,048
Other Objects									
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,971</u>	<u>-</u>	<u>52,285</u>	<u>88,256</u>
Facilities acquisition and const. serv.:									
Instructional equipment									
Noninstructional equipment									
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools									
Total expenditures	<u>\$ 20,262</u>	<u>24,822</u>	<u>26,510</u>	<u>5,714</u>	<u>25,772</u>	<u>35,971</u>	<u>13,094</u>	<u>52,285</u>	<u>204,430</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, 2019**

	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	I.D.E.A. Part - B Supplemental	21st Century CLC Program	Total Federal Funds
<b>REVENUES:</b>										
State Sources	\$ 1,705,466	52,083	1,316,694	264,903	37,145	1,964	54,135	7,598	488,726	3,898,714
Federal Sources										
Local Sources										
Total revenues	<u>1,705,466</u>	<u>52,083</u>	<u>1,316,694</u>	<u>264,903</u>	<u>37,145</u>	<u>1,964</u>	<u>54,135</u>	<u>7,598</u>	<u>488,726</u>	<u>3,898,714</u>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of teachers	73,568	29,427	964,461	24,026	23,621	1,617	8,350	7,058	239,972	1,339,724
Purchased prof. and technical services									4,977	37,353
Other purchased services	1,473,698		18,001				1,370		2,054	1,475,752
General supplies									32,631	52,002
Textbooks										
Other objects							726		11,329	12,055
Total instruction	<u>1,547,266</u>	<u>29,427</u>	<u>982,462</u>	<u>24,026</u>	<u>23,621</u>	<u>1,617</u>	<u>10,446</u>	<u>7,058</u>	<u>290,963</u>	<u>2,916,886</u>
Support services:										
Salaries of program directors	97,439	18,954	29,320	79,077	4,743		4,611		118,297	352,441
Personal services- employee benefits	13,082	3,702	294,284	6,049	7,395	124	353	540	27,494	353,023
Purchased technical services	37,631			94,170			658		23,680	156,139
Purchased property services										
Miscellaneous purchased services	10,048		3,025	19,757	1,150	223	2,927		30,909	68,039
Travel			7,603	41,824	236		14,763		147	14,910
Supplies and materials									5,722	55,385
Other Objects									1,514	1,514
Total support services	<u>158,200</u>	<u>22,656</u>	<u>334,232</u>	<u>240,877</u>	<u>13,524</u>	<u>347</u>	<u>23,312</u>	<u>540</u>	<u>207,763</u>	<u>1,001,451</u>
Facilities acquisition and const. serv.:										
Instructional equipment							20,377			20,377
Noninstructional equipment										
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,377</u>	<u>-</u>	<u>-</u>	<u>20,377</u>
Transfer to charter schools										
Total expenditures	\$ 1,705,466	52,083	1,316,694	264,903	37,145	1,964	54,135	7,598	488,726	3,898,714

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Workforce Investment Board (WIB)	AlliantCare Grant	Community Partnership	Sustainable Schools	AA/ALL Grant	Total All Other Funds	Totals
<b>REVENUES:</b>							
State Sources	2,340						204,430
Federal Sources	2,340						3,938,714
Local Sources		2,108	23,482	516	537	28,983	28,983
Total revenues	<u>2,340</u>	<u>2,108</u>	<u>23,482</u>	<u>516</u>	<u>537</u>	<u>28,983</u>	<u>4,172,127</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	1,495					1,495	1,341,219
Purchased prof. and technical services	425					425	120,596
Other purchased services	-					-	1,475,752
General supplies	420	2,108	1,230		537	4,295	69,391
Textbooks						-	20,262
Other objects						-	12,056
Total instruction	<u>2,340</u>	<u>2,108</u>	<u>1,230</u>	<u>-</u>	<u>537</u>	<u>6,215</u>	<u>3,039,275</u>
Support services:							
Salaries of program directors							352,441
Personal services- employee benefits							353,023
Purchased technical services							181,347
Purchased property services							-
Miscellaneous purchased services							68,039
Travel							14,910
Supplies and materials				516		516	118,949
Other Objects							1,514
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>516</u>	<u>-</u>	<u>516</u>	<u>1,090,223</u>
Facilities acquisition and const. serv.:							
Instructional equipment			22,252			22,252	42,629
Noninstructional equipment							-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>22,252</u>	<u>-</u>	<u>-</u>	<u>22,252</u>	<u>42,629</u>
Transfer to charter schools							
Total expenditures	<u>\$ 2,340</u>	<u>2,108</u>	<u>23,482</u>	<u>516</u>	<u>537</u>	<u>28,983</u>	<u>4,172,127</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, 2019**

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	1,479,500	-	-
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	-	-
<b>Totals</b>			<u>\$ 24,587,445</u>	<u>24,396,164</u>	<u>-</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, 2019**

**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	-
Equipment purchases	-
Total expenditures	<u>-</u>

Excess (deficiency) of revenues over (under) expenditures	-
Fund balance - beginning	191,281
Fund balance - ending	<u>\$ 191,281</u>



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Construction of Dr. Joyanne D. Miller Elementary School**  
**From Inception and for the Year Ended June 30, 2019**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 21,670,374		21,670,374	21,670,374
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>21,670,374</u>	<u>-</u>	<u>21,670,374</u>	<u>21,670,374</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services	74,592		74,592	74,592
Legal services	21,528		21,528	21,528
Contingency	57,505		57,505	57,505
Construction services	20,555,254		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, 2019**

	Prior Periods	Current Year	Totals	Revised Authorized Costs
<b>Revenues and other Financing Sources</b>				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 1,479,500		1,479,500	1,897,650
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>1,479,500</u>	<u>-</u>	<u>1,479,500</u>	<u>1,897,650</u>
<b>Expenditures and other Financing Uses</b>				
Salaries			-	
Purchased professional and technical services	51,570	-	51,570	97,230
Legal services			-	
Contingency			-	
Construction services	1,427,930		1,427,930	1,800,420
Furniture & equipment purchases			-	
Total expenditures	<u>1,479,500</u>	<u>-</u>	<u>1,479,500</u>	<u>1,897,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</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, 2019**

	Trust		Agency				Total Agency
	Unemployment Compensation	Total Trusts	Student Activity	Conduit	Payroll		
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 1,347,043	1,347,043	530,296	104,756	20,659	655,711	
Due from Employees					206	206	
Total Assets	<u>1,347,043</u>	<u>1,347,043</u>	<u>530,296</u>	<u>104,756</u>	<u>20,865</u>	<u>655,917</u>	
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Payroll deductions and withholdings			530,296		20,865	20,865	20,865
Due to student groups						530,296	530,296
Conduit activities payable				104,756		104,756	104,756
Total Liabilities	<u>-</u>	<u>-</u>	<u>530,296</u>	<u>104,756</u>	<u>20,865</u>	<u>655,917</u>	
<b>Net Position</b>							
Reserved - Trust Unemployment	1,347,043	1,347,043					
Total net position	<u>1,347,043</u>	<u>1,347,043</u>					
Total net position	<u>\$ 1,347,043</u>	<u>1,347,043</u>					

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**June 30, 2019**

H-2

	<u>Unemployment Compensation Trust</u>	<u>Total Trusts</u>
<b>OPERATING REVENUES:</b>		
Local sources:		
Interest on investments	\$ 8,110	8,110
Employee Contributions	<u>87,123</u>	<u>87,123</u>
Total operating revenues	<u>95,233</u>	<u>95,233</u>
 <b>OPERATING EXPENSES:</b>		
Payments of unemployment claims	<u>10,896</u>	<u>10,896</u>
Total operating expenses	<u>10,896</u>	<u>10,896</u>
Operating (Loss)	<u>84,337</u>	<u>84,337</u>
Net Income	<u>84,337</u>	<u>84,337</u>
Net position, July 1	<u>1,262,706</u>	<u>1,198,487</u>
Net position, June 30	<u><u>\$ 1,347,043</u></u>	<u><u>1,282,824</u></u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2019**

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
Elementary and Middle Schools	\$ 127,921	174,203	159,460	142,664
Athletic Fund	12,375	38,946	33,815	17,506
High School Students	286,708	463,054	382,022	367,740
Eagle's Nest School Store	491	4		495
Alternative School (Grades 7-12)	2,109	1,842	2,060	1,891
<b>Total all schools</b>	<b>\$ 429,604</b>	<b>678,049</b>	<b>577,357</b>	<b>530,296</b>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2019**

H-4a

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 27,341	82,085,378	82,092,060	20,659
Due from Employees		206		206
<b>Total assets</b>	<u>26,780</u>	<u>82,085,584</u>	<u>82,092,060</u>	<u>20,865</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	27,341	82,085,562	82,092,038	20,865
Due to general fund	-	22	22	-
<b>Total liabilities</b>	<u>\$ 26,780</u>	<u>82,085,584</u>	<u>82,092,060</u>	<u>20,865</u>



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Agency Fund - Conduit**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2019**

H-4b

**OPERATING REVENUES:**

Local sources:	
Contributions	<u>\$ 15,087</u>
Total operating revenues	<u>15,087</u>

**OPERATING EXPENSES:**

Purchased professional services	<u>41,334</u>
Total operating expenses	<u>41,334</u>
Operating Income	(26,247)
Net position, July 1	<u>131,003</u>
Net position, June 30	<u><u>\$ 104,756</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, 2019**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Issued	Refunded/Retired	Balance June 30, 2019
			Date	Amount					
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	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%	\$ 33,095,000		3,375,000	29,720,000
School Bonds	9/15/08	27,924,000				1,465,000		1,465,000	-
General Obligation - Refunding Bonds	12/5/12	6,805,000	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%	4,225,000		835,000	3,390,000
General Obligation - Refunding Bonds	1/6/16	14,365,000	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%	14,140,000		50,000	14,090,000
General Obligation - Refunding Bonds	6/1/16	19,320,000	9/15/19	1,565,000	4.000%				
			9/15/20	1,650,000	5.000%				
			9/15/21	1,525,000	2.000%				
			9/15/21	190,000	4.000%				
			9/15/22	1,790,000	5.000%				
			9/15/23	1,890,000	5.000%				
			9/15/24	1,970,000	2.000%				
			9/15/25	2,020,000	2.125%				
			9/15/26	2,090,000	4.000%				
			9/15/27	2,170,000	2.375%				
			9/15/28	2,230,000	2.500%	19,120,000		30,000	19,090,000
						<u>\$ 72,045,000</u>	<u>-</u>	<u>5,755,000</u>	<u>66,290,000</u>

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations under Capital Leases**  
**June 30, 2019**

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2018	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2019
Blue Bird 54 passenger buses (4)	1/14/14	1.810%	\$ 374,534	101,721		50,404	51,317
U.S. Bancorp 25 passenger wheelchair bus (1) 54 passenger buses (4)	10/29/14	1.495%	468,000	157,436		78,134	79,302
TD Equipment Finance Various Equipment 54 passenger buses (10)	7/15/15 7/15/15	1.430% 1.570%	1,766,358 910,000	709,105 432,618		352,036 141,966	357,069 290,652
TD Equipment Finance 54 passenger buses (12)	12/15/16	1.600%	1,217,258	927,314		135,163	792,151
TD Equipment Finance Various buses, vehicles & equipment	10/13/17	1.700%	2,703,662	2,253,662		422,224	1,831,438
TD Equipment Finance 54 passenger buses (8) ITS Equipment	5/31/18 5/31/18	2.950% 2.773%	816,770 726,475	616,836 726,475		96,959 246,530	519,877 479,945
				\$ 5,925,167	-	1,523,416	4,401,751

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 5,551,811	-	5,551,811	5,551,811	-
Other Miscellaneous	5,551,811	-	5,551,811	5,551,811	-
State Sources:					
Debt Service Aid Type II	3,229,297	-	3,229,297	3,229,297	-
Total - State Sources	3,229,297	-	3,229,297	3,229,297	-
<b>Total Revenues</b>	<b>8,781,108</b>	<b>-</b>	<b>8,781,108</b>	<b>8,781,108</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	3,062,751	-	3,062,751	3,062,750	1
Redemption of Principal	5,755,000	-	5,755,000	5,755,000	-
Total Regular Debt Service	8,817,751	-	8,817,751	8,817,750	1
<b>Total expenditures</b>	<b>8,817,751</b>	<b>-</b>	<b>8,817,751</b>	<b>8,817,750</b>	<b>1</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,643)	-	(36,643)	(36,642)	1
Fund Balance, July 1	36,643	-	36,643	36,643	-
Fund Balance, June 30	-	-	-	1	1

**Recapitulation of Fund Balance:**

Designated for Subsequent Year's Expenditures	-
Restricted Fund Balance	1
	<u>1</u>

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# **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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 78,925,882	80,245,144	107,596,509	106,080,616	104,590,050	104,910,948	98,617,866	94,537,783	90,630,148	94,073,351
Restricted	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373	1,916,722	387,165	561,482
Unrestricted*	(12,189,021)	(2,941,253)	3,448,528	5,512,921	(23,453,834)	(19,965,011)	(23,503,022)	(28,846,773)	(28,488,720)	(35,260,714)
Total governmental activities net position	83,977,734	86,485,210	115,706,633	115,530,840	83,771,809	86,631,238	76,192,217	67,607,732	62,528,593	59,374,119
<b>Business-type activities</b>										
Net investment in capital assets	139,764	124,316	113,406	147,741	151,742	169,101	193,910	227,654	258,567	216,086
Unrestricted	912,539	1,339,255	1,628,015	1,338,792	1,301,455	1,244,294	1,225,389	1,142,623	997,010	788,206
Total business-type activities net position	1,052,303	1,463,571	1,741,421	1,486,533	1,453,197	1,413,395	1,419,299	1,370,277	1,255,577	1,004,292
<b>District-wide</b>										
Net investment in capital assets	79,065,646	80,369,460	107,709,915	106,228,357	104,741,792	105,080,049	98,811,776	94,765,437	90,888,715	94,289,437
Restricted	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373	1,916,722	387,165	561,482
Unrestricted	(11,276,482)	(1,601,998)	5,013,461	6,851,713	10,212,418	(18,720,717)	(22,277,633)	(27,704,150)	(27,491,710)	(34,472,508)
Total district net position	\$ 85,030,037	87,948,781	117,384,972	117,017,373	117,589,803	88,044,633	77,611,516	68,978,009	63,784,170	60,378,411

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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	49,702,067	46,770,376	48,007,801	50,851,116	50,450,298	54,824,412	62,992,932	70,490,116	72,213,619	65,807,348
Special education	10,975,613	9,832,790	10,277,868	11,368,892	11,493,725	12,629,713	15,301,873	17,501,382	18,030,639	17,135,710
Other special education	2,857,779	2,388,646	3,194,760	3,139,061	3,252,789	3,499,661	3,597,262	3,772,492	3,831,228	3,710,830
Other instruction	2,305,275	1,610,354	1,795,683	1,925,211	1,771,611	1,892,096	2,199,347	2,369,267	2,417,604	2,545,964
Nonpublic school programs	327,404	233,225	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145
Support Services:										
Tuition	4,539,129	4,110,824	5,595,481	6,355,186	6,214,391	7,960,177	8,518,177	4,862,379	4,918,423	4,350,963
Student & instruction related services	15,927,155	15,643,313	17,002,463	19,522,106	19,490,668	22,037,455	26,161,293	28,170,831	31,061,444	31,103,432
General administrative services	4,208,735	3,867,251	3,956,528	4,368,385	4,276,394	4,581,496	5,308,159	5,701,273	6,039,246	5,718,580
School administrative services	5,093,246	5,118,734	5,484,702	6,006,631	5,867,838	6,570,957	7,747,451	8,816,177	9,020,644	8,230,590
Plant operations and maintenance	15,135,986	13,928,061	13,904,927	13,998,124	13,966,789	14,758,183	16,965,477	18,712,027	19,893,048	19,964,864
Pupil transportation	9,696,290	9,371,628	9,806,929	10,075,822	10,273,699	11,138,585	12,675,554	14,027,054	14,841,206	14,798,076
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	5,606,697	4,942,981	4,679,467	4,333,013	4,742,049	4,565,316	4,359,240	3,966,799	3,685,474	3,370,398
Capital Outlay	-	-	-	2,000	-	-	-	-	-	-
Total governmental activities expenses	126,375,376	117,818,183	123,934,921	132,033,106	132,030,450	144,632,726	165,967,895	165,967,895	186,147,344	176,888,900
Business-type activities:										
Food service	3,282,613	2,770,324	2,924,766	3,423,983	3,307,547	3,254,280	3,207,090	3,205,149	3,265,814	3,221,677
Child Care	354,299	312,264	319,206	342,188	329,321	347,520	350,893	378,739	319,273	283,288
Total business-type activities expense	3,636,912	3,082,588	3,243,972	3,766,171	3,636,868	3,601,800	3,557,983	3,583,888	3,585,087	3,504,965
Total district expenses	130,012,288	120,900,771	127,178,893	135,799,277	135,667,318	148,234,526	169,525,878	169,525,878	189,732,431	180,393,865
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Special schools	-	-	-	-	-	-	-	-	-	-
Tuition	68,362	322,020	503,161	723,162	758,420	786,941	786,941	757,355	1,100,072	1,069,048
Operating grants and contributions	10,533,002	10,733,173	11,672,736	13,904,322	12,593,881	25,360,104	25,360,104	46,519,012	52,322,651	41,125,290
Total governmental activities program revenues	10,601,364	11,055,193	12,175,897	14,627,484	13,352,301	26,147,045	26,147,045	47,276,367	53,422,723	42,194,338

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Charges for services										
Food service	1,713,237	1,624,980	1,508,441	1,370,924	1,352,940	1,225,494	1,230,505	1,173,642	1,097,969	1,052,374
Child care	376,114	363,521	338,588	325,824	318,293	311,977	315,708	265,522	269,421	228,012
Operating grants and contributions	1,566,779	1,494,938	1,669,251	1,811,708	1,874,069	2,023,917	2,006,187	2,094,060	2,044,895	1,993,374
Total business type activities program revenues	3,656,130	3,483,439	3,516,280	3,508,456	3,545,302	3,561,388	3,552,400	3,533,224	3,412,285	3,273,760
Total district program revenues	14,257,494	14,538,632	15,692,177	18,135,940	16,897,603	29,708,433	29,699,445	50,809,591	56,835,008	45,468,098
<b>Net (Expense)/Revenue</b>										
Governmental activities	(106,762,990)	(106,762,990)	(111,759,024)	(118,678,149)	(118,485,681)	(139,820,850)	(118,691,528)	(131,308,318)	(132,724,621)	(134,694,562)
Business-type activities	573,542	400,851	272,308	(128,412)	(56,498)	3,405	(5,583)	(50,664)	(172,802)	(231,205)
Total district-wide net expense	(106,189,448)	(106,362,139)	(111,486,716)	(118,806,561)	(118,542,179)	(139,817,445)	(118,697,111)	(131,358,982)	(132,897,423)	(134,925,767)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	63,470,098	63,300,938	64,566,957	67,204,500	69,175,095	71,015,418	72,986,000	74,445,720	75,615,712	77,128,026
Taxes levied for debt service	4,892,610	5,208,360	5,115,855	5,738,984	5,731,780	5,711,491	5,751,186	5,674,577	5,565,859	5,551,811
Unrestricted grants and contributions	37,396,131	36,430,511	39,589,730	40,238,195	40,929,772	40,923,098	40,948,861	41,803,805	42,802,324	45,062,043
Federal and state aid restricted	4,051,939	3,176,748	30,542,358	3,250,869	3,253,736	3,259,532	3,262,441	3,269,108	3,179,765	3,229,297
Transportation charges										
Investment earnings	393,742	428,608	94,849	40,643	37,315	41,339	55,169	75,759	2,000	3,000
Miscellaneous income	29,240	1,048,988	573,821	926,211	1,340,948	397,613	979,474	924,923	568,294	914,441
Special items	203,043	(323,687)	433,797	(167,573)	(1,186,731)	(3,381)	(1,651,769)	(3,470,059)	(88,472)	(348,530)
Transfers	(357,161)									
Total governmental activities	110,079,642	109,270,466	140,917,367	117,231,829	119,281,915	121,345,110	122,331,362	122,723,833	127,645,482	131,540,088
Business-type activities:										
Investment earnings	9,266	10,417	5,542	2,827	2,265	1,912	1,753	1,642	2,050	5,179
Special items					55,965	(1,302)	9,734	-	56,052	(25,259)
Transfers	357,161	-	-	-	-	-	-	-	-	-
Total business-type activities	366,427	10,417	5,542	2,827	58,230	610	11,487	1,642	58,102	(20,080)
Total district-wide	110,446,069	109,280,883	140,922,909	117,234,656	119,340,145	121,345,720	122,342,849	122,725,475	127,703,584	131,520,008

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Change in Net Position</b>										
Governmental activities	2,507,476	29,158,343	(1,446,320)	2,507,476	29,158,343	3,639,834	(10,439,021)	(8,584,485)	(5,079,139)	(3,154,474)
Business-type activities	411,268	277,850	(125,585)	411,268	277,850	5,904	5,904	(49,022)	(114,700)	(251,285)
Total district	<u>2,918,744</u>	<u>29,436,193</u>	<u>(1,571,905)</u>	<u>2,918,744</u>	<u>29,436,193</u>	<u>3,645,738</u>	<u>(10,433,117)</u>	<u>(8,633,507)</u>	<u>(5,193,839)</u>	<u>(3,405,759)</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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted		3,288,889	5,918,996	9,035,850	15,672,131	16,822,512	16,019,118	13,156,094	13,754,862	10,022,868
Committed		5,092,461	5,388,432	3,379,001	-	-	-	-	-	-
Assigned		301,863	471,036	152,937	-	347,890	735,069	1,869,581	800,070	756,454
Unassigned				(0)	(195,438)	-	-	-	-	-
Reserved	7,164,472									
Unreserved	(1,187,551)									
Total general fund	<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>	<u>14,554,932</u>	<u>10,779,322</u>
All Other Governmental Funds										
Restricted		2,225,921	2,731,142	3,149,561	453,308	191,301	246,833	335,375	227,924	191,282
Committed				749,999	2,144,542	1,132,546	95,471	-	-	-
Assigned		2,876,357	729,708	-	37,743	13,564	-	-	-	-
Unassigned										
Reserved	3,193,406		2	37,743	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	3,689,589									
Debt service fund										
Total all other governmental funds	<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>	<u>227,924</u>	<u>191,282</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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 68,362,708	66,509,298	69,682,812	72,943,484	74,906,875	76,726,909	78,737,186	80,120,297	81,181,571	82,679,837
Tuition charges	68,362	322,020	503,161	723,162	758,420	786,941	717,238	757,355	1,100,072	1,069,048
Transportation charges										
Interest earnings	393,742	428,608	94,849	40,643	37,315	41,339	33,859	33,859	33,859	3,000
Rentals							55,169	75,759	2,000	
Miscellaneous	29,240	1,048,988	573,821	926,211	1,340,948	397,613	731,845	1,104,834	534,435	914,441
Local sources	89,726	70,201	83,696	80,932	36,455	15,751	2,169	22,306	4,266	29,903
State sources	42,424,817	46,333,813	76,949,960	53,791,957	53,384,159	54,745,251	56,551,128	59,029,044	62,259,611	66,859,615
Federal sources	9,466,529	3,936,418	4,771,168	3,520,497	3,356,773	3,492,013	3,763,699	3,532,315	4,271,930	4,175,657
Total revenue	120,835,124	120,649,346	152,659,467	132,026,886	133,820,945	136,205,817	140,592,293	144,675,769	149,387,744	155,731,501
<b>Expenditures</b>										
Instruction										
Regular instruction	35,679,871	34,419,675	34,587,035	35,102,304	35,205,925	35,101,944	36,989,169	38,060,970	38,511,889	39,390,980
Special education instruction	7,600,335	6,794,254	7,076,809	7,581,713	7,585,720	7,835,258	8,516,160	9,369,001	9,426,133	9,452,324
Other special instruction	1,926,862	1,648,521	2,197,648	2,032,077	2,075,277	2,057,868	1,939,201	1,941,032	1,934,150	2,018,450
Other instruction	1,757,760	1,243,611	1,355,886	1,417,191	1,313,499	1,316,270	1,423,881	1,409,775	1,458,668	1,613,925
Nonpublic school programs	327,404	233,225	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145
Support Services:										
Tuition	2,773,305	2,276,121	3,204,415	3,822,196	3,724,846	4,722,724	4,161,898	4,862,379	4,918,423	4,350,963
Student & instruction related services	11,068,011	10,847,890	11,809,563	13,168,955	13,233,770	13,793,357	14,789,363	14,511,556	16,166,263	17,402,076
General administrative services	2,806,420	2,554,836	2,618,284	2,808,404	2,839,377	2,778,659	2,894,089	2,817,613	2,958,324	3,082,141
School Administrative services	3,073,874	3,125,619	3,367,287	3,501,399	3,509,442	3,622,601	3,726,199	3,851,581	3,841,837	3,857,385
Plant operations and maintenance	10,310,439	9,356,191	9,136,762	8,802,111	9,266,653	8,783,610	9,348,054	9,516,462	9,778,417	10,790,616
Pupil transportation	6,573,305	6,471,752	6,558,242	6,524,541	6,838,838	6,550,746	6,894,685	6,931,748	7,208,272	8,011,872
Unallocated employee benefits	31,065,098	28,222,108	30,220,266	34,608,681	33,907,585	36,239,815	39,221,873	41,783,949	43,373,118	47,815,600
Special Schools										
Capital outlay	13,137,361	3,745,614	30,696,942	2,353,522	3,719,997	4,291,997	5,647,612	3,532,222	5,589,507	2,787,526
Debt service:										
Principal	3,265,000	3,400,000	3,410,000	4,429,226	4,620,000	4,815,000	5,030,000	5,400,000	5,525,000	5,755,000
Interest and other charges	5,688,175	4,985,108	4,817,207	4,522,886	4,365,516	4,193,766	3,956,659	3,445,292	3,328,075	3,062,750
Total expenditures	137,053,220	119,324,525	151,284,658	130,764,765	132,434,644	136,278,290	144,679,973	147,628,468	154,212,845	159,543,753
Excess (Deficiency) of revenues over (under) expenditures	(16,218,096)	1,324,821	1,374,809	1,262,121	1,386,301	(72,473)	(4,087,680)	(2,952,699)	(4,825,101)	(3,812,252)



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	255,000	-	-	-	374,534	468,000	2,676,358	1,217,258	4,246,907	-
Debt service assessment		(400,347)								
Cancellation of prior year receivables					(153,640)					
Cancellation of prior year payables	14,854	1,101	79,016	3,654						
Bond proceeds										
Proceeds of refunding debt				6,805,000						
Payment to refunded debt escrow agent				(6,805,000)						
Recoveries for storm damage										
Insurance				398,700						
FEMA				74,883						
Expenses related to storm damage				(398,700)						
Insurance				(74,883)						
FEMA										
Transfers in	106,822	1,657,522	466,600	1,406,400						
Transfers out	(463,983)	(1,657,522)	(466,600)	(1,406,400)						
Total other financing sources (uses)	(87,307)	(399,246)	79,016	3,654	220,894	468,000	2,676,358	1,217,258	4,246,907	-
Net change in fund balances	\$ (16,305,403)	925,575	1,453,825	1,265,775	1,607,195	395,527	(1,411,322)	(1,735,441)	(578,194)	(3,812,252)
Debt service as a percentage of noncapital expenditures	7.23%	7.25%	6.82%	6.97%	6.98%	6.83%	6.46%	6.14%	5.96%	5.63%

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		Refund of		Lawsuit Settlements	Use of Facilities	Sale of SRECS	Misc.	Total
	School Tuition		Prior Year Expenditures						
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			44,328	196,135	51,440	926,211
2014	2,790		1,046,090	621,319		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
2018			7,113				386,297	119,643	513,053
2019			104,248				539,644	188,403	832,295

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Charm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Class I Railroad	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
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	10,299,734	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
2018	128,740,600	3,090,670,100	5,577,800	784,400	777,298,250	40,806,400	15,841,500	4,059,719,050	4,059,719,050	-	8,661,779	4,068,380,829	2.02	4,050,620,528
2019	124,068,100	3,089,318,200	5,317,300	683,000	761,849,150	40,806,400	15,841,500	4,037,883,650	4,037,883,650	-	8,798,245	4,046,681,895	2.03	4,067,353,658

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***

Fiscal Year Ended June 30,	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct			
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
2018	1.878	0.138	2.016	0.585	0.541	3.142
2019	1.937	0.137	2.074	0.598	0.539	3.211

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	2019			2010		
	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 LLC	16,857,800	2	0.42%	14,942,900	3	0.58%
AHIP 3008 Properties	15,311,000	3	0.38%			
Lowe's Home Centers, Inc.	14,700,000	4	0.36%	8,976,700	6	0.35%
Atlanticare Health Services, Inc.	13,682,100	5	0.34%			
Home Depot Development Co of MD	10,500,000	6	0.26%	7,397,100	8	0.29%
Margate Bridge Company	9,710,900	7	0.24%			
Egg Harbor Associates, LLC	9,613,100	8	0.24%			
Cardiff Center LLC	9,450,000	9	0.23%	7,557,100	7	0.29%
AHIP 3022 Properties	9,269,900	10	0.23%			
Harbor Pines Golf LLC				19,593,700	1	0.76%
Atlantic City Electric Co.				14,951,200	2	0.58%
Bellevue Prop Group (6550 Delilah Rd.)				11,001,700	4	0.43%
Trocki Hotels LP				10,714,300	5	0.42%
Fire Road Associates LLC				7,290,200	9	0.28%
Hidden Creek Golf Club, LLC				7,270,300	10	0.28%
<b>Total</b>	<u>137,094,800</u>		<u>3.39%</u>	<u>109,695,200</u>		<u>4.26%</u>

District Net Assessed Value

4,046,681,895

2,577,790,700

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	
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%	-
2018	81,181,571	81,181,571	100%	-
2019	82,679,837	82,679,837	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases		Capital Leases				
2010	108,614,000	3,264,010		55,965		111,933,975	6.50%	2,583
2011	105,214,000	2,284,177		55,965		107,554,142	6.03%	2,485
2012	101,804,000	1,530,055		55,965		103,390,020	5.63%	2,370
2013	97,495,000	964,674		55,965		98,515,639	5.33%	2,246
2014	92,875,000	856,512		-		93,731,512	5.07%	2,136
2015	88,060,000	826,842		-		88,886,842	4.81%	2,026
2016	82,970,000	2,646,482		-		85,616,482	4.50%	1,951
2017	77,570,000	3,081,473		27,680		80,679,153	4.24%	1,855
2018	72,045,000	5,925,167		40,802		78,010,969	4.07%	1,802
2019	66,290,000	4,401,751		-		70,691,751	3.57%	1,660

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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	2,008
2016	82,970,000		82,970,000	2.03%	1,892
2017	77,570,000		82,970,000	1.90%	1,783
2018	72,045,000		72,045,000	1.77%	1,664
2019	66,290,000		66,290,000	1.64%	1,557

**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, 2019**  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Egg Harbor	\$ 32,048,473	100.00%	32,048,473
<b>Other debt</b>			
Egg Harbor Township Golf Corporation	6,390,000	100.00%	6,390,000
Atlantic County	148,371,554	13.07%	19,390,174
Subtotal, overlapping debt			57,828,647
<b>Township of Egg Harbor School District debt</b>	66,290,000	100.00%	66,290,000
<b>Total direct and overlapping debt</b>	\$		<u><u>124,118,647</u></u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2019**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 204,248,254	199,868,338	189,401,983	178,813,680	173,469,679	169,614,370	168,846,486	165,525,868	164,023,701	162,775,023
Total net debt applicable to limit	108,614,000	105,214,000	101,804,000	97,495,000	92,875,000	88,060,000	82,970,000	77,570,000	64,755,000	66,290,000
Legal debt margin	<u>95,634,254</u>	<u>94,654,338</u>	<u>87,597,983</u>	<u>81,318,680</u>	<u>80,594,679</u>	<u>81,554,370</u>	<u>85,876,486</u>	<u>85,876,486</u>	<u>99,268,701</u>	<u>96,485,023</u>
Total net debt applicable to the limit as a percentage of debt limit	53.18%	52.64%	53.75%	54.52%	53.54%	51.92%	49.14%	46.86%	39.48%	40.72%

Average equalized valuation of taxable property	4,071,526,477
Debt limit (4% of average)	162,775,023
Net bonded school debt	66,290,000
Legal debt margin	<u>96,485,023</u>

Equalized valuation basis	4,071,526,477
2018	4,040,418,231
2017	4,096,181,992
2016	<u>12,208,126,700</u>
	4,069,375,567

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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
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%
2018	43,296	1,916,021	44,254	6.40%
2019	42,578	1,982,304	46,557	5.30%

**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,**  
**Prior Year and Ten Years Ago**  
*Unaudited*

Employer	2018			2009		
	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 2018 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Official Statements

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

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Instruction										
Regular	491.6	457.6	450.0	454.0	474.0	461.5	466.0	467.5	445.0	436.0
Special education	109.0	107.0	118.5	131.5	160.0	162.0	169.5	176.0	174.0	165.0
Vocational	15.4	14.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other instruction	99.9	93.2	51.5	51.5	-	-	-	-	-	-
Support Services:										
Student & instruction related services	177.0	168.0	169.0	176.0	227.0	246.0	264.0	283.5	305.0	329.9
General administrative services	8.5	8.0	8.0	8.5	8.5	8.0	9.0	8.5	10.0	9.0
School administrative services	49.0	49.0	50.0	50.5	51.0	52.5	51.5	52.5	49.0	49.9
Central services	10.0	9.0	9.0	9.0	8.0	10.0	10.0	10.0	10.0	10.0
Administrative information technology	6.0	6.0	6.0	6.0	5.0	4.0	5.0	5.0	5.0	6.0
Plant operations and maintenance	106.0	113.0	117.5	122.5	117.5	119.0	127.0	125.0	118.0	125.5
Pupil transportation	115.0	118.0	123.0	120.5	116.5	115.5	111.0	109.5	110.0	106.0
Food Service	44.5	44.5	30.5	30.5	42.0	42.0	42.0	42.0	41.0	41.5
<b>Total</b>	<b>1,231.9</b>	<b>1,187.7</b>	<b>1,139.0</b>	<b>1,166.5</b>	<b>1,215.5</b>	<b>1,226.5</b>	<b>1,261.0</b>	<b>1,285.5</b>	<b>1,273.0</b>	<b>1,284.8</b>

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

**Source:** District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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	-1.87%	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	0.63%	95.11%
2017	7,470	135,250,964	18,106	3.43%	650	11.6:1	11.2:1	10.3:1	7,395	7,026	-0.16%	95.00%
2018	7,344	153,841,064	20,948	15.70%	650	11.6:1	11.7:1	11.7:1	7,383	7,014	-0.77%	94.81%
2019	7,279	147,938,477	20,324	-2.98%	607	12.2:1	11.7:1	11.9:1	7,326	6,946		

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*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	467	471	461	448	485	470	438	432	436	410
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,730	77,730	77,730
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	482	480	438	476	457	413	400	389	405	418
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	431	456	448	428	402	396	452	466	439	445
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	434	429	428	473	479	506	401	391	375	377
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	425	434	478	417	402	378	390	387	374	383
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	1,131	1,197	1,206	1,176	1,140	1,175	1,150	1,140	1,110	1,099
<b><u>Middle School</u></b>										
Fernwood Avenue (1992)										
Square Feet	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	973	958	986	997	950	934	920	959	970	911
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	897	868	827	883	911	933	891	866	877	851

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>High School</b>										
EHT High School (1983, 2003., 2012)	321,715	321,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715
Square Feet	1,680	1,680	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	2,502	2,518	2,458	2,446	2,399	2,323	2,279	2,319	2,309	2,346
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	44	54	53	39	22	37	39	37	49	39
<b>Other</b>										
Central Administration Building (1969)										
(sold in 2016)										
Square Feet	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	-	-	-	-
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	7,400	7,400	7,400	7,400	7,400	7,400

Number of Schools at June 30, 2019  
 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)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
H. Russell Swift Elementary School	N/A	\$ 64,555	\$ 58,768	\$ 76,933	\$ 55,707	\$ 79,675	\$ 91,498	69,403	54,377	93,557	72,007
E. H. Slaybaugh Elementary School	N/A	145,445	157,319	122,615	104,529	103,901	114,872	116,636	117,528	97,662	109,979
Clayton J. Davenport Elementary School	N/A	134,376	116,088	138,505	90,456	101,354	113,232	132,929	128,963	114,387	130,670
Joy D. Miller Elementary School	N/A	126,391	169,159	121,094	119,977	107,967	118,068	117,911	154,280	91,304	137,012
Fernwood Avenue Middle School	N/A	164,168	166,181	158,515	251,170	132,567	125,207	168,401	156,685	157,845	186,965
Alder Avenue Middle School	N/A	130,041	166,110	125,151	199,289	107,601	119,539	116,781	134,686	125,522	149,511
Eagle Academy	N/A	55,034	7,267	8,683	7,778						
Egg Harbor Township High School	N/A	613,447	440,310	438,310	323,047	287,826	413,320	274,289	393,555	286,400	294,829
<b>Total School Facilities</b>		<b>1,433,457</b>	<b>1,281,202</b>	<b>1,189,806</b>	<b>1,151,953</b>	<b>920,891</b>	<b>1,095,736</b>	<b>996,350</b>	<b>1,140,074</b>	<b>966,677</b>	<b>1,080,973</b>
Other Facilities		34,673	56,213	59,626	17,351	17,691	7,175	12,509	11,452	16,356	13,513
<b>Grand Total</b>		<b>\$ 1,468,130</b>	<b>\$ 1,337,415</b>	<b>\$ 1,249,432</b>	<b>1,169,304</b>	<b>938,582</b>	<b>1,102,911</b>	<b>1,008,859</b>	<b>1,151,526</b>	<b>983,033</b>	<b>1,094,486</b>

# TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

## Insurance Schedule

June 30, 2019

*Unaudited*

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2019**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
<b>Pollution Legal Liability/Mold Legal Liability</b>		
A. Limit of Liability		
Pollution	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		
Pollution		25,000
Mold		100,000
<b>Cyber Liability</b>		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000
<b>Violent Malicious Acts</b>		
Limit of Liability, each occurrence	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000
<b>Disaster Management Services</b>		
A. Limit of Liability	2,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000
<b>Student Activity Policy</b>		
All Students and Athletes	6,000,000	None
Student Disability	1,500,000	None
Athletic Disability	1,500,000	None

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

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## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## 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, 2019, and the related notes to the financial statements, which collectively comprise the Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated December 12, 2019.

### **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

December 12, 2019





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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

## Independent Auditor's Report

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

### **Report on 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, 2019. 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, 2019.

## 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

December 12, 2019

EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2019

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, 2019	Carryover Amount	Cash Received	Budgetary Expenditures			Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019		
									Pass Through	Direct	Total			(Accounts Receivable)	Deferred Revenue	
<b>U.S. Department of Agriculture</b>																
<b>Passed through State Department of Education:</b>																
<b>Enterprise Fund:</b>																
Food Distribution Program	10.550	181N304N1089	N/A	245,618	7/1/17 - 6/30/18	59,307	-	251,057	(59,307)	-	(59,307)	-	-	-	-	-
National School Breakfast Program	10.553	181N304N1089	N/A	251,057	7/1/18 - 6/30/19	(20,830)	-	230,227	(197,722)	-	(197,722)	-	-	53,335	-	
National School Lunch Program	10.555	181N304N1089	N/A	1,513,928	7/1/17 - 6/30/18	(118,868)	-	1,395,060	(642,043)	-	(642,043)	-	(19,579)	-	-	
National School Lunch Program	10.555	181N304N1089	N/A	1,457,219	7/1/18 - 6/30/19	(392)	-	1,456,827	(1,457,219)	-	(1,457,219)	-	(112,755)	-	-	
Special Milk Program	10.556	181N304N1089	N/A	6,008	7/1/17 - 6/30/18	(392)	-	5,616	(4,922)	-	(4,922)	-	(347)	-	-	
Special Milk Program	10.556	181N304N1089	N/A	4,922	7/1/18 - 6/30/19	(77,784)	-	1,959,651	(1,961,213)	-	(1,961,213)	-	(132,681)	-	53,335	
Total U.S. Department of Agriculture																
<b>U.S. Department of Health and Human Services</b>																
<b>Passed through State Department of Health and Human Services:</b>																
<b>General Fund:</b>																
Medical Assistance Program	93.778	180N5MAP	N/A	231,532	7/1/17 - 6/30/18	(8,961)	-	6,961	-	-	-	-	-	-	-	-
Medical Assistance Program	93.778	180N5MAP	N/A	230,308	7/1/18 - 6/30/19	-	-	228,691	(230,308)	-	(230,308)	-	(1,257)	-	-	-
Total General Fund																
<b>U.S. Department of Education</b>																
<b>Passed through State Department of Education:</b>																
<b>Special Education Fund:</b>																
Title I, Part A	84.010	S010A170030	ESSA-1310-18	1,313,082	7/1/17 - 6/30/18	(396,592)	-	396,592	-	-	-	-	-	-	-	-
Title I, Part A	84.010	S010A180030	ESSA-1310-19	1,320,828	7/1/18 - 6/30/19	(394,582)	-	1,237,752	(1,316,694)	-	(1,316,694)	-	(477,524)	-	-	-
Total ESSA, Title I, Part A																
Title II, Part A	84.367A	S307A170029	ESSA-1310-18	233,659	7/1/17 - 6/30/18	(60,151)	-	60,151	(64,003)	-	(64,003)	-	(49,846)	-	-	-
Title II, Part A	84.367A	S307A180029	ESSA-1310-19	370,255	7/1/18 - 6/30/19	(60,151)	-	275,100	(264,903)	-	(264,903)	-	(49,846)	-	-	-
Total ESSA, Title II, Part A, Innovative Programs																
Title III, English Language Enhancement	84.365A	S365A170030	ESSA-1310-18	36,989	7/1/17 - 6/30/18	(11,537)	-	11,537	(37,145)	-	(37,145)	-	(15,007)	-	-	-
Title III, English Language Enhancement	84.365A	S365A180030	ESSA-1310-19	39,323	7/1/18 - 6/30/19	(2,696)	-	2,696	(4,954)	-	(4,954)	-	(420)	-	-	-
Title III, Immigrant	84.365	S365A170030	ESSA-1310-18	9,632	7/1/17 - 6/30/18	(1,984)	-	1,984	(35,100)	-	(35,100)	-	(15,150)	-	-	-
Title III, Immigrant	84.365	S365A180030	ESSA-1310-19	1,984	7/1/18 - 6/30/19	(14,933)	-	36,172	-	-	-	-	-	-	-	-
Total ESSA, Title III																
I.D.E.A. Part B - Basic	84.027	H027A170100	IDEA2018	1,856,225	7/1/17 - 6/30/18	(423,135)	-	423,135	(1,705,466)	-	(1,705,466)	-	(370,698)	-	-	-
I.D.E.A. Part B - Basic	84.027	H027A180100	IDEA2019	1,750,466	7/1/18 - 6/30/19	(20,448)	-	1,334,768	(7,598)	-	(7,598)	-	(7,598)	-	-	-
I.D.E.A. Part B - Basic - 21st Century	84.173	H173A170114	IDEA2018	35,000	9/1/18 - 8/31/19	(4,405)	-	4,405	-	-	-	-	-	-	-	-
I.D.E.A. Part B - Preschool	84.173	H173A180114	IDEA2019	74,380	7/1/17 - 6/30/18	(42,754)	-	48,325	(52,083)	-	(52,083)	-	(3,702)	-	-	-
I.D.E.A. Part B - Preschool	84.173	H173A180114	IDEA2019	70,769	7/1/18 - 6/30/19	(88,375)	-	1,810,689	(1,765,147)	-	(1,765,147)	-	(381,998)	-	-	-
Total IDEA Part B																
Carl Perkins Vocational R. #101-392	84.048	V048A160030	PERK02017	86,131	7/1/16 - 6/30/17	59	-	20,448	-	-	-	-	(59)	-	-	-
Carl Perkins Vocational R. #101-392	84.048	V048A170030	PERK02018	56,691	7/1/17 - 6/30/18	(20,448)	-	43,813	(54,135)	-	(54,135)	-	(10,322)	-	-	-
Carl Perkins Vocational R. #101-392	84.048	V048A180030	PERK02019	59,244	7/1/18 - 6/30/19	(20,389)	-	62,261	(54,135)	-	(54,135)	-	(99)	-	-	-
Total Carl Perkins Vocational R. #101-392																
21st Century Community Learning Centers	84.287	S287C170030		500,000	9/1/17 - 8/31/18	(99,716)	-	171,416	(71,750)	50	(71,750)	50	(127,864)	-	-	-
21st Century Community Learning Centers	84.287	S287C180030		575,000	9/1/18 - 8/31/19	(99,716)	-	470,424	(498,726)	-	(498,726)	-	(127,864)	-	-	-
Total 21st Century Community Learning Centers																
Temporary Emergency Impact Aid for Displaced Students	84.938C	S893C180005	N/A	88,375	7/1/17 - 6/30/18	(88,375)	-	88,375	-	-	-	-	-	-	-	-
Temporary Emergency Impact Aid for Displaced Students	84.938C	S893C180005	N/A	88,375	7/1/18 - 6/30/19	(88,375)	-	88,375	-	-	-	-	-	-	-	-
Total Temporary Emergency Impact Aid for Displaced Students																
<b>Total Special Revenue Fund</b>																
<b>Total Federal Financial Awards</b>																
						\$ (1,198,711)	-	6,183,462	(6,130,235)	-	(6,130,235)	50	(61,928)	-	53,335	-



**Egg Harbor Township Board of Education**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2019**

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 (\$272,082) for the general fund and \$6,635 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, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b>State Assistance:</b>					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$63,697,970	204,430	3,229,297	32,161	67,163,858
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					-
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).	(272,082)				(272,082)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$63,425,888</u>	<u>204,430</u>	<u>3,229,297</u>	<u>32,161</u>	<u>66,891,776</u>

**Egg Harbor Township Board of Education  
Notes to the Schedules of Financial Assistance  
June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$230,308	3,938,714	1,961,213	6,130,235
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		6,635		6,635
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	\$230,308	3,945,349	1,961,213	6,136,870

**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 and OPEB – GASB 75 represent the amount paid by the State on behalf of the district for the year ended June 30, 2019. 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, 2019.

EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?                    yes       X       no

**Federal Awards Section**

Internal Control over major programs:

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

2) Significant deficiencies identified                    yes       X       none reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?       X       yes                    no



**EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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>
_____ 19-495-034-5120-078 _____	_____ Equalization Aid _____
_____ 19-495-034-5120-089 _____	_____ Special Education Aid _____
_____ 19-495-034-5120-084 _____	_____ Security Aid _____
_____ _____	_____ _____
_____ 19-495-034-5120-014 _____	_____ Categorical Transportation Aid _____
_____ _____	_____ _____
_____ 19-495-034-5095-003 _____	_____ Reimbursed TPAF Social Security Contributions _____
_____ _____	_____ _____
_____ _____	_____ _____
_____ _____	_____ _____

N) Dollar threshold used to determine Type A programs: \_\_\_\_\_ **\$1,576,099** \_\_\_\_\_

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, 2019**

*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, 2019**

*STATUS OF PRIOR YEAR FINDINGS*

NONE