

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, 2020

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	10-12
Required Supplementary Information - Part I	
Management's Discussion and Analysis	13-22
Basic Financial Statements	
A District-wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B Fund Financial Statement	
Governmental Funds:	
B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds:	
B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses, and Changes in Net Position	29
B-6 Statement of Cash Flows	30
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	31
B-8 Statement of Changes in Fiduciary Net Position	32
Notes to the Financial Statements	33-63

TABLE OF CONTENTS (continued)

Required Supplemental Information - Part II		Page
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	64-75
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	76-77
	Notes to the Required Supplementary Information	
	C-3 Budget-to-GAAP Reconciliation	78
	Required Supplementary Information - Part III	
L	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	79
	L-2 Schedule of District Contributions (PERS)	80
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	81
M	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
	M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability - PERS & TPAF	82
	Other Supplementary Information	
D	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis	83-85
	E-2 Preschool Education aid Schedule of Expenditures - Budgetary Basis	N/A
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	86
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	87
	F-2a -	
	F-2b Schedules of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	88
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Net Position	N/A
	G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-3 Combining Statement of Cash Flows	N/A

TABLE OF CONTENTS (continued)

		Page
	Internal Service Fund:	
	G-4 Combining Statement of Net Position	N/A
	G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-6 Combining Statement of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	89
	H-2 Combining Statement of Changes in Fiduciary Net Position	90
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	91
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	92-93
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	94
	I-2 Schedule of Obligations under Capital Leases	95
	I-3 Debt Service Fund Budgetary Comparison Schedule	96
 STATISTICAL SECTION (Unaudited) 		
	Introduction to the Statistical Section	
	Financial Trends	
	J-1 Net Position by Component	97
	J-2 Changes in Net Position	98-100
	J-3 Fund Balances - Governmental Funds	101
	J-4 Changes in Fund Balances - Governmental Funds	102-103
	J-5 General Fund Other Local Revenue by Source	104
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	105
	J-7 Direct and Overlapping Property Tax Rates	106
	J-8 Principal Property Taxpayers	107
	J-9 Property Tax Levies and Collections	108
	Debt Capacity	
	J-10 Ratios of Outstanding Debt by Type	109
	J-11 Ratios of General Bonded Debt Outstanding	110
	J-12 Direct and Overlapping Governmental Activities Debt	111
	J-13 Legal Debt Margin Information	112

TABLE OF CONTENTS (continued)

	Page
STATISTICAL SECTION (Unaudited) - continued	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	113
J-15 Principal Employers	114
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	115
J-17 Operating Statistics	116
J-18 School Building Information	117-118
J-19 Schedule of Required Maintenance Expenditures by School Facility	119
J-20 Insurance Schedule	120-121
SINGLE AUDIT SECTION	
K-1 Report on Internal Controls over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards	122-123
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and New Jersey OMB Circular Letter 15-08	124-125
K-3 Schedule of Expenditures of Federal Awards, Schedule A	126
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	127
K-5 Notes to the Schedules of Awards and Financial Assistance	128-130
K-6 Schedule of Findings and Question Costs	
Part 1 - Summary of Auditor's Results	131-132
Part 2 - Schedule of Financial Statement Findings	133
Part 3 - Schedule of State Award Findings and Questioned Costs	133
K-7 Summary Schedule of Prior Audit Findings	133

Introductory Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Egg Harbor Township Schools

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

January 26, 2021

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, 2020 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 district 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 2019-2020 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 21st 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. The World Language 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 computer science and programming, business, family and consumer science, industrial technology, engineering, and aviation. Our high school offers four-year learning academies in Medical Science, Law and Business, Communications, and Aviation. 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 student 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 2019-2020 school year totaled over 2400.
- Focus shifted to support and growth of Hybrid and Remote Instruction due to COVID-19 and planning for possible remote and hybrid instruction to continue for the 2020-2021 School Year. This included planned projects such as Wi-Fi system upgrades and access points, upgrades to the Wide Area Network, Fiber Backbone increase, and Internet Bandwidth Increase from 2Gbps to 5Gbps. To meet remote learning and hybrid instruction demands, we also began increasing Wi-Fi Density with any available access points.
- 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 and instructional training in coordination and with the assistance of the professional development committee and cooperation from the Southern New Jersey Regional Educational Technology Training Center (ETTC). During the 2019-2020 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 2019-2020 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 2019-2020 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, and student, parent, and staff training such as; YouTube, Facebook, and other social media services.

SOFTWARE/ASSESSMENTS/NJSLA:

- Support of software assessments used for Benchmark assessments and other testing such as WIDA ELL, DLM, etc.

SECURITY:

- Installation of new school vestibule visitor door camera/buzzer visitor system.
- Facilitated the installation/upgrade of the Miller School Surveillance System.

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 2019-2020 school year. This included implementation of the Online Registration System.

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 skill, high wage, and in demand occupations. FY 2020 Perkins/CTE funds paid for program supplies and professional development opportunities for staff. The current programming includes Graphics Design, Web Design, CAD/Engineering, Telecommunications and Networking, Business Administration, Child Development, and Culinary Arts.

Individuals with Disabilities Education Act (IDEIA) Grant Implementation

FY 2020 IDEIA funds paid for in out of district tuition placements for EHT disabled students from preschool 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. Two part-time Title 1 teachers were hired to service students at Alder Avenue and Fernwood Avenue Middle Schools in the areas of ELA and Math. This additional personnel addressed learning gaps and needs for students who transitioned from Title 1 programs in elementary school into middle school.
2. 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 NJSLA, 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.
3. The Egg Harbor Township ESSA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESSA/NCLB. NJSLA results and Understanding NJSLA results, as well as, the addition of Google translate for parents who are non-English speakers and other academic websites were updated to increase parent participation and knowledge of ESSA/NCLB, along with various resources. NJSLA information increases parental awareness of the standards and test skills needed by their children.

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 2019-2020, 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, 2020.

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, 2020, the District's outstanding debt issues included 60,250,000 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,



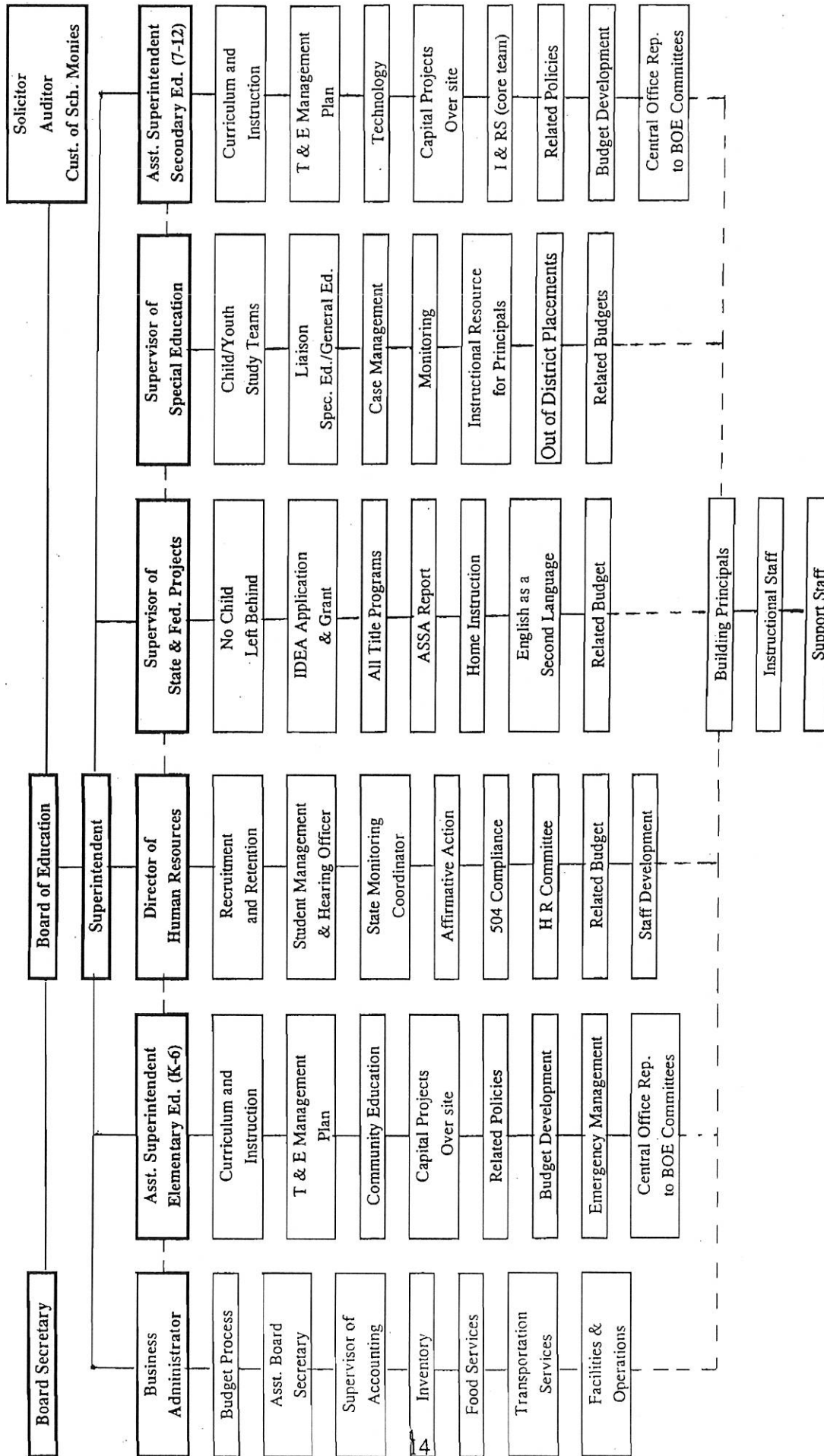
Kimberly A. Gruccio, Ed. D.
Superintendent



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, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Pete Castellano, President	2021
Kristy Bird, Vice-President	2021
Lou Della Barca	2022
Ray R. Ellis, Jr.	2022
Tamika Gilbert-Floyd	2020
Michael Price	2020
Marita Sullivan	2022
Amy Summer	2020
Barbara Szilagyi	2021

Other Officials

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Financial Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of and for the fiscal year ended June 30, 2020, 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, 2020, 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 January 26, 2021 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

January 26, 2021

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Required Supplementary Information
Part I

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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, 2020. 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 \$1,232,636. 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 2020.
- The State of New Jersey reimbursed the District \$15,524,792 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 \$4,192,198 on behalf of the District for TPAF 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, 2020 the District had excess surplus of \$8,596,864, or approximately 6.0% of the district's general fund budget, of which \$3,000,000 was applied to the 2020-21 budget.
- During the fiscal year ended June 30, 2020, the District's General Fund revenue realized was \$1,929,214 more 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 2019-20 budget anticipated using \$5,215,673 of surplus.
- In the District's business-type activities, net position decreased \$358,738 during fiscal year 2020 as compared to a net decrease of \$251,285 in fiscal year 2019. 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 2020 and 2019 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 profit of \$89,368 for the fiscal year ended June 30, 2020. During 2020 the District created a new enterprise fund titled Eagle Enterprises.

{This space intentionally left blank}

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.

{This space intentionally left blank}

**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 2019-2020 school year, net position for governmental activities decreased by \$1,232,636. 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 2020 and 2019 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2020 fiscal year with \$5,596,864 in excess fund balance available to apply to the 2022 fiscal year budget.

The business-type activities net position decreased due to an excess of expenditures over revenue primarily in the Food Service Program. Program revenue decreased by \$602,833 due to decreases in both the food service and after school program participation related to the closure of schools in March. Expenditures decreased by \$425,642 primarily due to increased monitoring of costs in both programs and the closure of schools in March.

	Governmental Activities	Business- Type Activities	Total 2020	Governmental Activities	Business- Type Activities	Total 2019
Current and other assets	\$15,400,658	688,815	16,089,473	\$13,078,659	969,812	14,048,471
Capital assets	158,699,701	205,422	158,905,123	164,765,102	216,086	164,981,188
Total assets	174,100,359	894,237	174,994,596	177,843,761	1,185,898	179,029,659
Deferred outflows of resources	11,264,135		11,264,135	14,828,869		14,828,869
Long-term liabilities	108,539,329	60,268	108,599,597	115,120,322	59,789	115,180,111
Other liabilities	3,749,236	188,415	3,937,651	3,471,687	121,817	3,593,504
Total liabilities	112,288,565	248,683	112,537,248	118,592,009	181,606	118,773,615
Deferred inflows of resources	14,934,446		14,934,446	14,706,502		14,706,502
Net position						
Invested in capital assets	91,851,310	205,422	92,056,732	94,073,351	216,086	94,289,437
Restricted	473,736		473,736	561,482		561,482
Unrestricted	(34,183,563)	440,132	(33,743,431)	(35,260,714)	788,206	(34,472,508)
Total net position	\$58,141,483	645,554	58,787,037	\$59,374,119	1,004,292	60,378,411

Changes in net position. The total governmental activities revenue of the District decreased by \$646,888 when compared to the prior fiscal year. During the 2020 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 49.03% 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 28.42% 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>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	85,038,452	49.03%	82,679,837	47.49%
Federal and State aid				
Unrestricted	49,285,702	28.42%	45,062,043	25.89%
Restricted	3,235,262	1.87%	3,229,297	1.86%
Tuition	586,091	0.34%	1,069,048	0.61%
Operating grants and Contributions	34,423,905	19.84%	41,125,290	23.62%
Other	866,656	0.50%	917,441	0.53%
Totals	173,436,068	100.00%	174,082,956	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2020 and 2019 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2019 Total</u>
Revenues						
Program revenue						
Charges for srvs	\$586,091	982,751	1,568,842	\$1,069,048	1,280,386	2,349,434
Federal grants	4,274,627	1,657,762	5,932,389	4,169,022	1,961,213	6,130,235
State grants and Entitlements	30,149,278	30,414	30,179,692	36,956,268	32,161	36,988,429
General revenues						
Property taxes	85,038,452		85,038,452	82,679,837		82,679,837
State aid Entitlements	52,520,964		52,520,964	48,291,340		48,291,340
Other	866,656	9,658	876,314	917,441	5,179	922,620
Total revenues	173,436,068	2,680,585	176,116,653	174,082,956	3,278,969	177,361,895

{This space intentionally left blank}

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2019 Total</u>
Expenses						
Instruction:						
Regular	\$67,402,875		67,402,875	\$65,807,348		65,807,348
Special Education	17,807,976		17,807,976	17,135,710		17,135,710
Other special instr.	3,769,208		3,769,208	3,710,830		3,710,830
Other Instruction	2,328,317		2,328,317	2,545,964		2,545,964
Nonpublic school programs	170,125		170,125	152,145		152,145
Support services:						
Tuition	5,041,378		5,041,378	4,350,963		4,350,963
Student & instr related services	29,799,591		29,799,591	31,103,432		31,103,432
School admin srvs	7,417,681		7,417,681	8,230,590		8,230,590
General & business admin services	5,143,538		5,143,538	5,718,580		5,718,580
Plant operations & maintenance	18,960,802		18,960,802	19,964,864		19,964,864
Pupil transport	13,712,720		13,712,720	14,798,076		14,798,076
Interest on Long Term Debt	3,114,493		3,114,493	3,370,398		3,370,398
Business-type Activities		3,079,323	3,079,323		3,504,965	3,504,965
Total expenses	174,668,704	3,079,323	177,748,027	176,888,900	3,504,965	180,393,865
Excess/(Deficit)						
Before special Items	(1,232,636)	(398,738)	(1,631,374)	(2,805,944)	(226,026)	(3,031,970)
Special items	-	-	-	(348,530)	(25,259)	(373,789)
Increase/(Decrease) in net position	(1,232,636)	(398,738)	(1,631,374)	(3,154,474)	(251,285)	(3,405,759)

Business-type Activities

Operating revenues of the District's business-type activities decreased \$638,384 from the previous year while expenses decreased by \$425,642. Factors contributing to these results included:

- Decreased participation in the food service program, lack of paid lunch sales due to COVID and the State of NJ passed regulation to prevent collections for unpaid lunches. There was also an increase in personnel expenses as a result of negotiated salary increase of 4.1%.

In May of 2020, The District resolved to create an Eagle Enterprise Fund. The purpose of this fund is to allow online sales of merchandise sold from the school store, Eagle's Nest and allow staff to work after school and during closures to fulfill orders.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For of the year ended June 30, 2020, the governmental funds reported a combined fund balance of \$12,899,819, which is \$1,929,215 higher than the beginning of the year. This increase 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 \$645,554 as of June 30, 2020. This is \$358,738 lower than the prior fiscal year. Although the district saw significant increase in the net position for the TALONS program, the decrease in participation for food service with the same personnel costs caused the combined net position decrease.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$2,638,449. This is a result of additional extraordinary aid as well as realizing additional miscellaneous revenue and tuition. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by \$7,434,275. 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 2020, the District had invested \$158,905,124, 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 \$6,076,064, or 4%, over last year. The decrease is due largely to current year depreciation expense.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2019 Total</u>
Land	\$1,836,300		1,836,300	\$1,836,300		1,836,300
Const in Progress	1,142,940		1,142,940	708,970		708,970
Buildings & Bldg improv	146,226,987		146,226,987	152,675,469		152,675,469
Machinery & equipment	3,519,766	205,422	3,725,188	4,029,330	216,086	4,245,416
Vehicles	5,973,708		5,973,708	5,515,033		5,515,033
Total	\$158,699,701	205,422	158,905,123	\$164,765,102	216,086	164,981,188

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 6/30/19	Issued	Retired/ Adjusted	Balance 6/30/20
Governmental Activities:				
Bonds payable	66,290,000		6,040,000	60,250,000
Obligations under Capital leases	4,401,751	4,508,244	2,311,604	6,598,391
Compensated absences Payable	1,259,844	186,531	119,245	1,327,130
Prem on Refunding Bonds	2,050,187		107,175	1,943,012
Net Pension Liability	41,118,540		2,697,744	38,420,796
Total Governmental Activities	<u>115,120,322</u>	<u>4,694,775</u>	<u>11,275,768</u>	<u>108,539,329</u>
Business-Type Activities				
Compensated absences Payable	59,789	9,291	8,812	60,268
Total Business-Type Activities	<u>59,789</u>	<u>9,291</u>	<u>8,812</u>	<u>60,268</u>
Total	<u>115,180,111</u>	<u>4,704,066</u>	<u>11,284,580</u>	<u>108,599,597</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 2020-21 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 2020-21 tax levy is \$81,038,032, which is an increase of about 2.0% over the 2018-19 levy due to the District utilizing banked cap. The District's state aid of \$50,072,707 increased by \$1,113,718 from the 2019-20 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 \$79,449,051, but the actual aid received was \$50,072,707. Under the school funding formula, the required local share to be raised by taxes for 2020-21 was \$64,481,174. The actual tax levy was \$81,038,032, which reflects an additional tax burden of \$16,556,858 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 have stabilized over the past few years. In 2020-21, district began operating full day kindergarten program versus the historical half day program as well as implementing full day preschool.

EFFECTS OF COVID-19 ON THE DISTRICT'S OPERATIONS

There has been a significant delay in learning and the District recognizes the making up the learning loss in our students due to school virtual and hybrid learning for about a year. This will require additional intervention and resources to support the students during afterschool and summers.

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,979,358	495,300	12,474,658
Other Assets - SREC	151,264		151,264
Receivables, net	1,318,173		1,318,173
Internal balances	18,392	(18,392)	-
Due from other governments	1,933,471	89,805	2,023,276
Inventory		122,102	122,102
Capital assets not being depreciated			
Construction in progress	1,142,940		1,142,940
Land	1,836,300		1,836,300
Capital assets, net	155,720,461	205,422	155,925,883
Total Assets	<u>174,100,359</u>	<u>894,237</u>	<u>174,994,596</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond issue refunding	3,430,147		3,430,147
Deferred outflows related to pensions	7,833,988		7,833,988
Total Deferred Outflows of Resources	<u>11,264,135</u>	<u>-</u>	<u>11,264,135</u>
LIABILITIES			
Accounts payable	2,273,838	8,679	2,282,517
Other liabilities	1,368,280	86,868	1,455,148
Payable to state government	29,506		29,506
Unearned revenue	77,612	92,868	170,480
Noncurrent liabilities:			
Due within one year	8,466,197		8,466,197
Due beyond one year	61,652,336	60,268	61,712,604
Net Pension Liability	38,420,796		38,420,796
Total liabilities	<u>112,288,565</u>	<u>248,683</u>	<u>112,537,248</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on bond issue refunding	822,496		822,496
Deferred inflows related to pensions	14,111,950		14,111,950
Total Deferred Inflows of Resources	<u>14,934,446</u>	<u>-</u>	<u>14,934,446</u>
NET POSITION			
Invested in capital assets, net of related debt	91,851,310	205,422	92,056,732
Restricted for:			
Debt service	2		2
Capital projects	191,281		191,281
Other purposes	282,453		282,453
Unrestricted	(34,183,563)	440,132	(33,743,431)
Total net position	<u>\$ 58,141,483</u>	<u>645,554</u>	<u>58,787,037</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, 2020

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	\$ 49,899,817	17,503,058	586,091	14,753,362	(52,063,422)	(496,122)	(52,063,422)
Special educator	12,966,276	4,841,700		3,203,134	(14,604,842)	87,726	(14,604,842)
Other special instruction	2,711,987	1,057,221		699,428	(3,069,780)		(3,069,780)
Other instructor	1,803,098	525,219		347,470	(1,980,847)		(1,980,847)
Nonpublic school programs	170,125				(170,125)		(170,125)
Support services:							
Tuition	5,041,378	-		-	(5,041,378)		(5,041,378)
Student & instruction related services:	21,709,054	8,090,537		6,455,081	(23,344,510)	(496,122)	(23,344,510)
School administrative services	4,925,951	2,491,730		1,648,459	(5,769,222)		(5,769,222)
General and business administrative services:	3,667,298	1,476,240		976,639	(4,166,899)		(4,166,899)
Plant operations and maintenance	13,468,254	5,492,548		3,633,716	(15,327,086)		(15,327,086)
Pupil transportation	9,621,533	4,091,187		2,706,616	(11,006,104)		(11,006,104)
Unallocated benefits	45,569,440	(45,569,440)					
Interest on long-term deb	3,114,493				(3,114,493)		(3,114,493)
Total governmental activities:	174,668,704	-	586,091	34,423,905	(139,658,708)	-	(139,658,708)
Business-type activities:							
Food Service	2,889,665		705,367	1,688,176		(496,122)	(496,122)
Child Care	189,658		277,384	-		87,726	87,726
Total business-type activities	3,079,323		982,751	1,688,176		(408,396)	(408,396)
Total primary government	\$ 177,748,027		1,568,842	36,112,081	(139,658,708)	(408,396)	(140,067,104)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, ne					79,449,051		79,449,051
Taxes levied for debt service					5,589,401		5,589,401
Federal and State aid not restricted					49,285,702		49,285,702
Federal and State aid restrictec					3,235,262		3,235,262
Investment Earnings					3,000	9,658	12,658
Miscellaneous Income					1,491,844		1,491,844
Other financing sources/(uses):							
Gain/(Loss) on disposal of capital assets					(628,188)	-	(628,188)
Transfer from Agency Funds						40,000	40,000
Total general revenues and special items					138,426,072	49,658	138,475,730
Change in Net Position					(1,232,636)	(358,738)	(1,591,374)
Net Position—beginning					59,374,119	1,004,292	60,378,411
Net Position—ending	\$				58,141,483	645,554	58,787,037

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 11,788,075	-	191,281	2	11,979,358
Other Assets - SRECS	151,264				151,264
Receivables, net	416,635	901,538			1,318,173
Due from other funds	488,691		-		488,691
Receivables from other governments	1,915,436	18,035	-	-	1,933,471
Total assets	<u>14,760,101</u>	<u>919,573</u>	<u>191,281</u>	<u>2</u>	<u>15,870,957</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,910,205	363,633	-		2,273,838
Due to other governments		29,506			29,506
Due to other funds	-	470,299	-	-	470,299
Other liabilities	119,883				119,883
Unearned revenue	21,477	56,135		-	77,612
Total liabilities	<u>2,051,565</u>	<u>919,573</u>	<u>-</u>	<u>-</u>	<u>2,971,138</u>
Fund Balances:					
Restricted for:					
Excess Surplus	5,596,864				5,596,864
Excess Surplus - Designated for Subsequent Year's Expenditures	3,000,000				3,000,000
Capital Reserve Fund	2,437,219				2,437,219
Maintenance Reserve Fund	392,000				392,000
Emergency Reserve	1,000,000				1,000,000
Capital Projects			191,281		191,281
Debt service fund				2	2
Assigned to:					
Encumbrances	282,453				282,453
Designated for subsequent year's expenditures	-			-	-
Unassigned, reported in:					
General fund	-				-
Total Fund balances	<u>12,708,536</u>	<u>-</u>	<u>191,281</u>	<u>2</u>	<u>12,899,819</u>
Total liabilities and fund balances	<u>\$ 14,760,101</u>	<u>919,573</u>	<u>191,281</u>	<u>2</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. 158,699,701

Deferred inflow of resources

Gain on 10/1/04 refunding bond issue (822,496)

Deferred outflows of resources

Loss on 1/6/16 refunding bond issue 1,984,690

Loss on 6/1/16 refunding bond issue 1,400,582

Loss on 12/1/12 refunding bond issue 44,875

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds (44,698,758)

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 (60,250,000)

Premium on Refunding Bonds (1,943,012)

Capital leases (6,598,391)

Accrued interest payable (1,248,397)

Compensated absences (1,327,130)

Net position of governmental activities \$ 58,141,483

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 79,449,051			5,589,401	85,038,452
Tuition Charges	586,091				586,091
Interest	3,000				3,000
Miscellaneous	1,491,844			-	1,491,844
Local sources		25,433			25,433
State sources	68,763,680	222,525		3,235,262	72,221,467
Federal sources	246,151	4,028,476			4,274,627
Total revenues	<u>150,539,817</u>	<u>4,276,434</u>	<u>-</u>	<u>8,824,663</u>	<u>163,640,914</u>
EXPENDITURES					
Current:					
Regular instruction	38,501,210	2,968,267			41,469,477
Special education instruction	10,772,118				10,772,118
Other special instruction	2,232,876				2,232,876
Other instruction	1,565,079				1,565,079
Nonpublic school programs		170,125			170,125
Support services and undistributed costs:					
Tuition	5,041,378				5,041,378
Student & instruction related services	16,939,985	1,102,607			18,042,592
School administrative services	3,796,751				3,796,751
Other administrative services	2,998,297				2,998,297
Plant operations and maintenance	10,979,147				10,979,147
Pupil transportation	7,767,492				7,767,492
Unallocated Benefits	45,569,440				45,569,440
Debt service:					
Principal				6,040,000	6,040,000
Interest and other charges				2,784,662	2,784,662
Capital outlay	6,955,074	35,435	-		6,990,509
Total expenditures	<u>153,118,847</u>	<u>4,276,434</u>	<u>-</u>	<u>8,824,662</u>	<u>166,219,943</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,579,030)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(2,579,029)</u>
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	4,508,244				4,508,244
Increase in capital reserve	(2,000,000)				(2,000,000)
Deposit to Capital Reserve	2,000,000				2,000,000
Total other financing sources and uses	<u>4,508,244</u>		<u>-</u>	<u>-</u>	<u>4,508,244</u>
Net change in fund balances	1,929,214	-	-	1	1,929,215
Fund balance—July 1	10,779,322	-	191,281	1	10,970,604
Fund balance—June 30	<u>\$ 12,708,536</u>	<u>-</u>	<u>191,281</u>	<u>2</u>	<u>12,899,819</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, 2020

Total net change in fund balances - governmental funds (from B-2) \$ 1,929,215

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	(9,074,658)	
	Loss on disposition of capital assets	(628,188)	
	Capital outlays	<u>3,637,445</u>	(6,065,401)

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.

8,351,604

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. (-)

115,235

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	2,074,099	
	Cost of benefits earned, net of employee contributions	<u>(3,159,933)</u>	(1,085,834)

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		(67,286)	
Change in worker's compensation claims		-	
Amortization of gain on 2004 refunding bond issue		138,768	
Amortization of loss on 2016 refunding bond issue		(132,851)	
Amortization of loss on 2012 refunding bond issue		(15,017)	
Amortization of premium on 2016 refunding bond issue		107,175	
Cost of Issuance on Refunding Bonds			

Change in net position of governmental activities \$ (1,232,636)

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			
	Food Service	Latchkey Program	Eagle Enterprises	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 253,542	201,758	40,000	495,300
Accounts receivable	83,844	5,961		89,805
Inventories	122,102			122,102
Total current assets	459,488	207,719	40,000	707,207
Noncurrent assets:				
Furniture, machinery & equipment	985,728			985,728
Less accumulated depreciation	(780,306)			(780,306)
Total noncurrent assets	205,422	-	-	205,422
Total assets	664,910	207,719	40,000	912,629
LIABILITIES				
Current liabilities:				
Accounts payable	6,308	2,371		8,679
Interfund payable	18,392	-		18,392
Student Deposits	77,458	9,410		86,868
Deferred revenue	92,868	-		92,868
Total current liabilities	195,026	11,781	-	206,807
Noncurrent liabilities:				
Compensated absences	60,268			60,268
Total noncurrent liabilities	60,268	-	-	60,268
Total liabilities	255,294	11,781	-	267,075
NET POSITION				
Invested in capital assets	205,422			205,422
Unrestricted	204,194	195,938	40,000	440,132
Total net position	\$ 409,616	195,938	40,000	645,554

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, 2020

	Business-type Activities - Enterprise Fund			Total
	Food Service	Latchkey Program	Eagle Enterprises	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 652,723			652,723
Daily sales - non-reimbursable programs	28,899			28,899
Special functions	23,745			23,745
Latchkey program revenue		277,384		277,384
Total operating revenues	<u>705,367</u>	<u>277,384</u>	<u>-</u>	<u>982,751</u>
Operating expenses:				
Cost of sales - Reimbursable	1,021,353			1,021,353
Cost of sales - Non-Reimbursable	12,609			12,609
Salaries	1,400,126	158,888		1,559,014
Employee benefits	345,152	17,486		362,638
General supplies & materials	85,155	13,284		98,439
Depreciation	25,270			25,270
Total Operating Expenses	<u>2,889,665</u>	<u>189,658</u>	<u>-</u>	<u>3,079,323</u>
Operating income/(loss)	<u>(2,184,298)</u>	<u>87,726</u>	<u>-</u>	<u>(2,096,572)</u>
Nonoperating revenues:				
State sources:				
State school lunch program	30,414			30,414
Federal sources:				
National school lunch program	1,119,819			1,119,819
National school breakfast program	261,587			261,587
Special milk program	3,046			3,046
Food distribution program	273,310			273,310
Interest and investment revenue	8,016	1,642		9,658
Total nonoperating revenues	<u>1,696,192</u>	<u>1,642</u>	<u>-</u>	<u>1,697,834</u>
Gain/(Loss) before contributions & transfers	<u>(488,106)</u>	<u>89,368</u>	<u>-</u>	<u>(398,738)</u>
Other financing sources:				
Transfer in from Student Activities	-		40,000	40,000
Change in net position	(488,106)	89,368	40,000	(358,738)
Total net position—beginning	897,722	106,570	-	1,004,292
Total net position—ending	<u>\$ 409,616</u>	<u>195,938</u>	<u>40,000</u>	<u>645,554</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities -			Total
	Enterprise Funds			
	Food Service	Latchkey Program	Eagle Enterprises	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 740,929	297,905		1,038,834
Payments to employees	(1,400,126)	(158,888)		(1,559,014)
Payments for employee benefits	(344,673)	(17,486)		(362,159)
Payments to suppliers	(85,155)	(22,605)		(107,760)
Payments to cost of sales	(785,198)			(785,198)
Net cash (used for) operating activities	<u>(1,874,223)</u>	<u>98,926</u>	<u>-</u>	<u>(1,775,297)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	(44,225)			(44,225)
Federal Sources	1,517,133			1,517,133
Payments from other funds	-	-	40,000	40,000
Net cash provided by/(used for) non-capital financing activities	<u>1,472,908</u>	<u>-</u>	<u>40,000</u>	<u>1,512,908</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	(14,606)			(14,606)
Net cash (used for) capital financing activities	<u>(14,606)</u>	<u>-</u>	<u>-</u>	<u>(14,606)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	8,016	1,642		9,658
Net cash provided by investing activities	<u>8,016</u>	<u>1,642</u>	<u>-</u>	<u>9,658</u>
Net (decrease) in cash and cash equivalents	(407,905)	100,568	40,000	(267,337)
Balances—beginning of year	661,447	101,190	-	762,637
Balances—end of year	<u>253,542</u>	<u>201,758</u>	<u>40,000</u>	<u>495,300</u>
Reconciliation of operating (loss) to net cash (used)				
by operating activities:				
Operating (loss)	(2,184,298)	87,726	-	(2,096,572)
Adjustments to reconcile (loss) to net cash (used for) operating activities				
Depreciation and net amortization	25,270			25,270
Federal commodities	273,310			273,310
(Increase) in receivables	(1,094)	11,111		10,017
(Increase) in inventories	(54,399)			(54,399)
(Decrease) in accounts payable	(9,680)	(9,321)		(19,001)
Increase in student deposits	36,656	9,410		46,066
Increase in deferred revenue	39,533			39,533
Increase in compensated absences	479			479
Total adjustments	<u>310,075</u>	<u>11,200</u>	<u>-</u>	<u>321,275</u>
Net cash (used for) operating activities	<u>\$ (1,874,223)</u>	<u>98,926</u>	<u>-</u>	<u>(1,775,297)</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 1,461,562	514,068
Due from Employees	-	206
	<hr/>	<hr/>
Total assets	1,461,562	514,274
	<hr/>	<hr/>
LIABILITIES		
Payable to student groups		399,067
Due to the State of New Jersey	66,663	-
Conduit activities payable		95,578
Payroll deductions and withholdings		19,629
	<hr/>	<hr/>
Total liabilities	66,663	514,274
	<hr/>	<hr/>
NET POSITION		
Held in trust for unemployment claims and other purposes	\$ 1,394,899	
Reserved for scholarships		
	<hr/>	

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, 2020

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 132,983
Total Contributions	132,983
Investment earnings:	
Interest	17,804
Net investment earnings	17,804
Total additions	150,787
DEDUCTIONS	
Transferred to Education Foundation	
Unemployment claims	102,931
Total deductions	102,931
Change in net position	47,856
Net position—beginning of the year	1,347,043
Net position—end of the year	\$ 1,394,899

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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, 2020 of 7,113 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, 2020

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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

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

Fund Balances – Governmental Funds

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

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

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

2. Proprietary Funds:

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

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

3. Fiduciary Funds:

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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	\$	112,831
Supplies		<u>9,271</u>
	\$	<u><u>122,102</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, 2020 is \$92,868.

4. Capital Assets:

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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 2020 fiscal year:

	<u>From</u>	<u>To</u>
Regular Programs - Inst. - Salaries - Kindergarten		193,509
Special Ed - Resource Room - Salaries of Teachers		227,063
Special Ed - Preschool Dis. - Other Salaries		273,369
Tuition to Other LEAs within the State - Regular		121,231
Tuition to Private Schools for the Disabled - Within State		372,778
Undist Expend - Extra Svc - Salaries	245,137	
Undist Expend - Guidance - Salaries		141,461
Undist Expend - School Admin - Salaries	142,829	
Undist Expend - Custodial - Energy (Electricity)	230,600	
Undist Expend - Transportation - Lease Purchase Pmt		312,941
Undist Expend - Trans - Special Ed Students - Joint Agree.	187,196	
Undist Expend - Transportation - Supplies	146,239	
Undist Expend - Unallocated Benefits - PERS	220,000	
Undist Expend - Unallocated Benefits - Other	820,500	
Undist Expend - Equipment - Admin Info Tech		180,490
Undist Expend - Equipment - Student Trans		
Undist Expend - Facilities Acquisition - Const. Svc.		1,321,230
Transfer to Charter Schools	260,000	

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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 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 is effective for fiscal periods beginning after December 15, 2019, 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.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement is effective for fiscal periods beginning after June 15, 2020, with the

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement is effective for fiscal periods beginning after June 15, 2020, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private Partnerships and Availability Payment Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This statement is effective upon issuance and will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements". This statement is effective for fiscal periods beginning after June 15, 2022 and will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement is effective for fiscal periods beginning after June 15, 2021, with certain exceptions, and will not have any effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2020, 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, \$1,505,273 of the District's bank balance of \$15,940,088 was exposed to custodial credit risk.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2020</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$708,970	616,204	(182,234)	1,142,940
Land	1,836,300			1,836,300
Total capital assets not being depreciated	<u>2,545,270</u>	<u>616,204</u>	<u>(182,234)</u>	<u>2,979,240</u>
Bldg and bldg improve	292,419,970	1,111,809		293,531,779
Machinery & equipment	12,055,781	740,879	(764,839)	12,031,821
Vehicles	12,298,297	1,350,787	(155,994)	13,493,090
Total at historical cost	<u>316,774,048</u>	<u>3,203,475</u>	<u>(920,833)</u>	<u>319,056,690</u>
Less accum depr	<u>(154,554,216)</u>	<u>(9,074,658)</u>	<u>292,645</u>	<u>(163,336,229)</u>
Total capital assets being depr, net of accum depr	<u>162,219,832</u>	<u>(5,871,183)</u>	<u>(628,188)</u>	<u>155,720,461</u>
Governmental activities capital assets, net	<u><u>\$164,765,102</u></u>	<u><u>(5,254,979)</u></u>	<u><u>(810,422)</u></u>	<u><u>158,699,701</u></u>
Business-type activities:				
Equipment	\$971,122	14,606		985,728
Less accum depr for:				
Equipment	<u>(755,036)</u>	<u>(25,270)</u>		<u>(780,306)</u>
Business-type activities capital assets, net	<u><u>\$258,567</u></u>	<u><u>(10,664)</u></u>		<u><u>205,422</u></u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	3,485,544
Special education		964,172
Other special instruction		210,534
Other instruction		104,592
Student & instruction related services		1,611,142
School administrative expenses		496,201
General and business administration		293,977
Plant operations and maintenance		1,093,781
Student transportation services		814,715
	\$	<u><u>9,074,658</u></u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$2,784,662.

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 2020 fiscal year is as follows:

Beginning balance, July 1	\$	1,801,449
Deposits – by resolution		2,000,000
Interest Earned		2,000
Withdrawals		
Board resolution		<u>(1,366,230)</u>
Ending balance, June 30	\$	<u><u>2,437,219</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, 2020 the District has reserved \$392,000 for maintenance.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District transferred \$1,366,230 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, 2020 was as follows:

	Balance			Balance	Amounts
	06-30-19	Issued	Retired	6-30-20	Due Within One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$66,290,000		6,040,000	60,250,000	6,330,000
Obligations under capital Leases	4,401,751	4,508,244	2,311,604	6,598,391	2,023,366
	<u>70,691,751</u>	<u>4,508,244</u>	<u>8,351,604</u>	<u>66,848,391</u>	<u>8,353,366</u>
Other liabilities:					
Compensated absences Payable	1,259,844	186,531	119,245	1,327,130	
Premium on Refunding Bonds	2,050,187		107,175	1,943,012	112,831
Net Pension Liability	41,118,540		2,697,744	38,420,796	
Governmental activities long- Term liabilities	<u>115,120,322</u>	<u>4,694,775</u>	<u>11,275,768</u>	<u>108,539,329</u>	<u>8,466,197</u>
Business-type Activities:					
Compensated absences Payable	59,789	9,291	8,812	60,268	
Business-type activities long- Term-liabilities	<u>\$59,789</u>	<u>9,291</u>	<u>8,812</u>	<u>60,268</u>	

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

A. Bonds Payable:

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

Long-term debt as of June 30, 2020 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, 2020 was \$26,150,000.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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, 2020 was \$2,540,000.

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, 2020 was \$14,035,000.

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, 2020 was \$17,525,000.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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	7,680,000	1,126,056	8,806,056
2026-2030	25,445,000	1,903,100	27,348,100
	<u>\$ 60,250,000</u>	<u>11,025,806</u>	<u>71,275,806</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had authorized but not issued bonds in the amount of \$1,357.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$13,491,301 under capital leases. Semiannual lease payments are made to First Niagara, SunTrust Leasing Co., U.S. Bank Corp., Banc of America, JP Morgan Chase Bank, NA and TD Equipment Finance, and include interest at a rate of 1.430% to 2.167% 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, 2020.

	Amount
Year ending June 30,	
2021	\$ 2,114,523
2022	1,825,502
2023	1,827,344
2024	778,094
2025	290,513
Total minimum lease payments	6,835,976
Less amount representing interest	237,585
Present value of lease payments	\$ 6,598,391

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

Description	Cost	Accumulated Depreciation	Remaining Value
Transportation Equipment	\$ 4,466,562	2,163,385	2,303,177
Equipment	9,024,739	2,441,272	6,583,467
Transportation Equipment	\$ 13,491,301	4,604,657	8,886,644

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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 28.34% and the PERS rate is 13.69% of covered payroll. The School District's contributions to

Egg Harbor Township School District Notes to Financial Statements June 30, 2020

TPAF for the years ending June 30, 2020, 2019, and 2018 were \$11,300,284, \$10,057,008, and \$7,528,775, 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, 2020, 2019, and 2018 were \$2,086,522, \$2,091,802, and \$1,910,313, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2020, 2019, and 2018 was \$81,118,158, \$78,003,413, and \$74,644,384, covered payroll was \$58,575,783, \$55,340,573, and \$54,138,997 for TPAF; and \$16,048,524, \$15,522,832, and \$14,784,203 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.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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, 2020, the District reported a liability of \$38,420,796 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was 0.21322991760%, which was an increase of 2.10% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$3,159,940. At June 30, 2020, 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	\$ 689,603	169,726
Changes of assumptions	3,836,458	13,335,737
Net difference between projected and actual earnings on pension plan investments		606,487
Changes in proportion and differences between District contributions and proportionate share of contributions	3,307,927	
District contributions subsequent to the measurement date	2,074,099	
Total	<u>\$ 9,908,087</u>	<u>14,111,950</u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

\$2,074,099 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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,		
2020	\$	(748,342)
2021		(2,308,031)
2022		(2,115,737)
2023		(1,002,957)
2024		(102,895)
Total	\$	<u>(6,277,962)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate:		
Price		2.75%
Wage		3.25%
Salary increases:		
Through 2026		2.00% - 6.00% (based on years of service)
Thereafter		3.00% - 7.00% (based on years of service)
Investment rate of return:		7.00%

Pre-retirement mortality rates were based on the RP-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2019, 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:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	\$ 46,111,326	\$ 38,420,796	\$ 31,947,966

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, 2020, 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		307,385,652
Total	\$	307,385,652

The net pension liability was measured as of June 30, 2019 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, 2019, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2018.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

For the year ended June 30, 2020, the District recognized pension expense of \$18,130,427 and revenue of \$18,130,427 for support provided by the State. At June 30, 2020, 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	\$ 6,027,928	1,068,567
Changes of assumptions	43,721,840	85,964,139
Net difference between projected and actual earnings on pension plan investments		818,262.00
Changes in proportion and differences between District contributions and proportionate share of contributions	13,442,037	
District contributions subsequent to the measurement date	10,070,606	
 Total	 \$ 73,262,411	 87,850,968

\$10,070,606 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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,	
2020	\$ (883,032)
2021	(2,282,937)
2022	(2,044,037)
2023	(3,943,023)
2024	(7,719,293)
Thereafter	(7,786,841)
Total	\$ (24,659,163)

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55% - 4.55% (based on years of service)
Thereafter	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 are summarized in the following table:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Risk Mitigation Services	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount rate. The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 5.60% 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 (4.60%) or 1-percentage point higher (6.60%) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
District's proportionate share of the net pension liability	\$ -	-	-

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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, 2020, the District’s employees are organized in two collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 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 of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 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 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State’s contribution to fund pay-as-you-go PRM costs.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, 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, 2019 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:

Inflation rate – 2.50%

Salary Increases –

TPAF - 1.55% - 3.05% based on years of service.

PERS – 2.00% - 6.00% based on years of service

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), AND "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate –

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

The discount rates as of June 30, 2017, 2018, and 2019 are 3.58%, 3.87%, and 3.50%, respectively.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

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

Balance at 6/30/18	\$	46,110,832,982
Changes for the year:		
Service cost		1,734,404,850
Interest		1,827,787,206
Differences between Expected & Actual Experiences		(7,323,140,818)
Changes in assumptions or other inputs		622,184,027
Contributions: Member		37,971,171
Benefit payments		<u>(1,280,958,373)</u>
Net changes		<u>(4,381,751,937)</u>
Balance at 6/30/19	\$	<u>41,729,081,045</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.50% in 2019.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

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 (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability (School Retirees)	49,298,534,898	41,729,081,045	35,716,321,820

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 OPEB 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)	34,382,902,820	41,729,081,045	51,453,912,586

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$6,555,719 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, 2019, 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		10,484,965,300
Changes of assumptions		8,481,529,343
Net difference between projected and actual earnings on investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		1,921,145,183
District contributions subsequent to the measurement date	1,190,373,242	
Total	\$ 1,190,373,242	20,887,639,826

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020**

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,	
2020	\$ (2,546,527,182.00)
2021	(2,546,527,182.00)
2022	(2,546,527,182.00)
2023	(2,546,527,182.00)
2024	(2,546,527,182.00)
Thereafter	(6,233,858,733.00)
Total	<u>\$ (18,966,494,643.00)</u>

(Contributions made after June 30, 2019 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, 2020

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 \$12,708,536 General Fund balance at June 30, 2020, \$282,453 is committed for encumbrances (actual encumbrances of \$1,374,219 less deficit in unassigned fund balance of \$1,091,766); \$8,596,864 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$3,000,000 of the total restricted for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$2,437,219 has been restricted in the Capital Reserve Account; \$392,000 has been restricted in the Maintenance Reserve Account; \$1,000,000 has been restricted in the Emergency Reserve; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$0 is unassigned.

Debt Service Fund – Of the \$2 Debt Service Fund balance at June 30, 2020, \$2 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 \$8,596,864, of which \$3,000,000 has been included in the 2020-21 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 2019-20 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, 2020**

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, 2020 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>
2019-2020	None	132,983	17,804	1,394,899
2018-2019	None	95,233	10,896	1,347,043
2017-2018	None	122,127	51,994	1,262,707

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, 2020, \$0 was charged to the worker’s compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2020 and 2019 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>
6/30/20	117,933	1,950	-	-	119,883
6/30/19	65,729	52,504	-	-	117,933
6/30/18	128,008	52,776	-	115,055	65,729

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2020

NOTE 22. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2020, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	470,299	
Enterprise Fund	18,392	
Special Revenue Fund:		
General Fund		470,299
Enterprise Fund:		
General Fund		18,392
	\$488,691	488,691
	\$488,691	488,691

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 January 26, 2021, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Required Supplementary Information
Part II

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

BUDGETARY COMPARISON SCHEDULES

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 79,449,051		79,449,051	79,449,051	-
Tuition - Individuals	96,000		96,000	119,800	23,800
Tuition - Other LEA's within the State	199,844		199,844	260,869	61,025
Tuition from Other Government Sources	-		-	205,422	205,422
Rents and Royalties	20,000		20,000	27,371	7,371
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	57,290		57,290	1,464,473	1,407,183
Total - Local Sources	79,825,185	-	79,825,185	81,529,986	1,704,801
State Sources:					
Equalization Aid	38,895,174		38,895,174	38,895,174	-
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	1,212,483	812,483
Nonpublic School Transportation Aid	-		-	42,027	42,027
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	11,300,284	11,300,284
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)	-		-	4,192,198	4,192,198
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)	-		-	7,139	7,139
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	4,224,508	4,224,508
Total - State Sources	48,558,989	-	48,558,989	69,137,628	20,578,639
Federal Sources:					
Medical Assistance Program	167,016		167,016	246,151	79,135
ARRA/SEMI Unrestricted	-		-	-	-
Total - Federal Sources	167,016	-	167,016	246,151	79,135
Total Revenues	128,551,190	-	128,551,190	150,913,765	22,362,575

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	420,900	61,998	482,898	482,898	-
Kindergarten	645,740	193,506	839,246	838,418	828
Grades 1-5	12,030,680	(51,116)	11,979,564	11,975,051	4,513
Grades 6-8	8,627,764	(41,047)	8,586,717	8,583,934	2,783
Grades 9-12	11,480,155	53,401	11,533,556	11,528,906	4,650
Regular Programs - Home Instruction:					
Salaries of Teachers	288,087	(98,776)	189,311	168,340	20,971
Purchased Professional - Educational Services	29,909	(25,265)	4,644	4,644	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	233,329	40,795	274,124	274,124	-
Purchased Professional - Educational Services	1,146,440	116,550	1,262,990	1,262,353	637
Other Purchased Services	17,500	(12,000)	5,500	2,923	2,577
General Supplies	1,127,858	35,817	1,163,675	1,163,043	632
Textbooks	35,948	113,600	149,548	135,624	13,924
Total Regular Programs	36,084,310	387,463	36,471,773	36,420,258	51,515
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	1,651,801	(32,014)	1,619,787	1,619,787	-
General Supplies	34,775	13,505	48,280	48,280	-
Textbooks	5,395	(306)	5,089	2,845	2,244
Total Multiple Disabilities	1,691,971	(18,815)	1,673,156	1,670,912	2,244

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	7,507,752	227,063	7,734,815	7,730,497	4,318
Other Salaries for Instruction	233,271	42,032	275,303	275,303	-
General Supplies	41,895	3,757	45,652	43,173	2,479
Textbooks	1,190	26,103	27,293	26,593	700
Total Resource Room/Resource Center	7,784,108	298,955	8,083,063	8,075,566	7,497
Preschool Disabilities - Full Time					
Salaries of Teachers	446,741	(597)	446,144	446,144	-
Other Salaries for Instruction	276,638	273,369	550,007	550,007	-
General Supplies	9,878	19,738	29,616	29,489	127
Total Preschool Disabilities - Full Time	733,257	292,510	1,025,767	1,025,640	127
Total Special Education - Instruction	10,209,336	572,650	10,781,986	10,772,118	9,868
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,366,540	5,272	1,371,812	1,371,812	-
General Supplies	-	2,200	2,200	2,093	107
Total Basic Skills/Remedial - Instruction	1,366,540	7,472	1,374,012	1,373,905	107
Bilingual Education - Instruction:					
Salaries of Teachers	872,071	(19,103)	852,968	852,968	-
General Supplies	5,377	760	6,137	6,003	134
Total Bilingual Education - Instruction	877,448	(18,343)	859,105	858,971	134

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	284,635	5,739	290,374	290,374	-
Purchased Services	6,830	-	6,830	2,027	4,803
Supplies and Materials	13,022	-	13,022	13,022	-
Other Objects	1,000	-	1,000	1,000	-
Total School Sponsored Cocurricular Activities - Instruction	305,487	5,739	311,226	306,423	4,803
School-Sponsored Athletics - Instruction					
Salaries	560,833	-	560,833	552,066	8,767
Purchased Services	22,915	500	23,415	20,598	2,817
Supplies and Materials	112,668	-	112,668	109,493	3,175
Other Objects	21,406	16,418	37,824	36,305	1,519
Transfers to Cover Deficit (Agency Funds)	79,846	(16,418)	63,428	50,000	13,428
Total School-Sponsored Athletics - Instruction	797,668	500	798,168	768,462	29,706
Alternative Education Program					
Salaries	508,770	(28,426)	480,344	480,344	-
Purchased Professional & Technical Services	15,000	(10,000)	5,000	810	4,190
General Supplies	18,255	(5,000)	13,255	9,040	4,215
Textbooks	500	-	500	-	500
Total Alternative Education Program	542,525	(43,426)	499,099	490,194	8,905
Total Instruction	50,183,314	912,055	51,095,369	50,990,331	105,038
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	65,036	121,231	186,267	185,662	605
Tuition to Other LEAs Within the State - Special	60,000	(46,506)	13,494	-	13,494
Tuition to County Voc. School Dist. - Regular	1,394,844	(79,000)	1,315,844	1,315,544	300
Tuition to County Voc. School Dist. - Special	110,250	63,527	173,777	172,522	1,255
Tuition to CSSD & Regional Day Schools	1,186,971	(24,891)	1,162,080	1,095,554	66,526
Tuition to Private Schools for the Disabled - Within State	1,752,022	372,778	2,124,800	1,992,992	131,808
Tuition - State Facilities	279,104	-	279,104	279,104	-
Total Undistributed Expenditures - Instruction	4,848,227	407,139	5,255,366	5,041,378	213,988

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	325,431	(68,102)	257,329	257,328	1
Other Purchased Services	3,348	-	3,348	2,973	375
Supplies and Materials	2,700	1,662	4,362	4,095	267
Total Undistributed Expenditures - Attendance and Social Work	331,479	(66,440)	265,039	264,396	643
Undistributed Expenditures - Health Services:					
Salaries	1,027,233	38,664	1,065,897	1,058,875	7,022
Purchased Professional and Technical Services	45,080	(7,512)	37,568	33,165	4,403
Supplies and Materials	15,171	6,426	21,597	19,800	1,797
Total Undistributed Expenditures - Health Services	1,087,484	37,578	1,125,062	1,111,840	13,222
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	1,794,686	(4,633)	1,790,053	1,790,050	3
Purchased Professional - Educational Services	200,400	11,521	211,921	211,701	220
Supplies and Materials	24,000	(7,217)	16,783	16,783	-
Total Undistributed Expenditures - Other Support Services - Students - Related Services	2,019,086	(329)	2,018,757	2,018,534	223
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	4,268,343	(245,137)	4,023,206	4,022,375	831
Purchased Professional - Educational Services	748,425	(26,310)	722,115	665,037	57,078
Supplies and Materials	10,000	-	10,000	8,042	1,958
Total Undistributed Expenditures - Other Support Services - Extra Services	5,026,768	(271,447)	4,755,321	4,695,454	59,867

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,134,093	141,461	2,275,554	2,272,024	3,530
Salaries of Secretarial and Clerical Assistants	183,038	11,966	195,004	189,893	5,111
Other Purchased Professional and Technical Services	15,177	1	15,178	12,832	2,346
Other Purchased Services	103	53	156	61	95
Supplies and Materials	18,878	401	19,279	17,703	1,576
Total Undistributed Expenditures - Other Support Services - Guidance	2,351,289	153,882	2,505,171	2,492,513	12,658
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,322,456	28,828	2,351,284	2,351,284	-
Salaries of Secretarial and Clerical Assistants	489,995	(9,559)	480,436	478,194	2,242
Other Salaries	1,000	-	1,000	1,000	-
Other Purchased Professional and Technical Services	86,000	(23,583)	62,417	51,972	10,445
Other Purchased Services	53,087	(11,659)	41,428	34,752	6,676
Supplies and Materials	28,405	-	28,405	27,083	1,322
Total Undistributed Expenditures - Other Support Services - Child Study Teams	2,980,943	(15,973)	2,964,970	2,944,285	20,685
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	1,145,823	67,820	1,213,643	1,212,858	785
Salaries of Other Professional Staff	269,536	-	269,536	264,458	5,078
Total Undistributed Expenditures - Improv. of Instr. Services	1,415,359	67,820	1,483,179	1,477,316	5,863

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	971,444	(22,504)	948,940	948,940	-
Salaries of Technology Coordinators	101,510	934	102,444	102,444	-
Purchased Professional and Technical Services	355,793	(81,472)	274,321	273,293	1,028
Other Purchased Services	18,682	(4,202)	14,480	12,958	1,522
Supplies and Materials	120,020	65,342	185,362	179,966	5,396
Other Objects	17,400	-	17,400	6,298	11,102
Total Undistributed Expenditures - Educational Media Services - School Library	1,584,849	(41,902)	1,542,947	1,523,899	19,048
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	120,592	34,912	155,504	155,504	-
Salaries of Other Professional Staff	66,426	(16,964)	49,462	47,699	1,763
Purchased Professional - Educational Services	237,500	(25,160)	212,340	201,997	10,343
Other Purchased Services	9,500	-	9,500	6,548	2,952
Supplies and Materials	3,000	-	3,000	-	3,000
Total Undistributed Expenditures - Instructional Staff Training Srvc	437,018	(7,212)	429,806	411,748	18,058
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	743,431	11,086	754,517	754,517	-
Legal Services	295,000	-	295,000	248,600	46,400
Audit Fees	37,750	-	37,750	36,000	1,750
Architectural/Engineering Services	20,000	4,300	24,300	24,300	-
Other Purchased Professional Services	20,624	(4,300)	16,324	15,015	1,309
Communications/Telephone	211,172	(823)	210,349	191,240	19,109
Miscellaneous Purchased Services	355,620	(14,427)	341,193	339,139	2,054
General Supplies	14,000	-	14,000	11,932	2,068
BOE In-House Training/Meeting Supplies	5,000	-	5,000	2,498	2,502
Miscellaneous Expenditures	10,780	2,875	13,655	13,078	577
BOE Membership Dues and Fees	40,000	(2,875)	37,125	26,773	10,352
Total Undistributed Expenditures - Support Services - Gen. Admin.	1,753,377	(4,164)	1,749,213	1,663,092	86,121

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	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	2,129,623	7,721	2,137,344	2,094,855	42,489
Salaries of Other Professional Staff	387,116	(142,829)	244,287	241,345	2,942
Salaries of Secretarial and Clerical Assistants	1,131,102	102,717	1,233,819	1,221,541	12,278
Purchased Professional and Technical Services	33,120	-	33,120	13,890	19,230
Other Purchased Services	146,235	580	146,815	130,625	16,190
Supplies and Materials	53,396	3,883	57,279	55,838	1,441
Other Objects	55,603	(14,083)	41,520	38,657	2,863
Total Undistributed Expenditures - Support Serv. - School Admin.	3,936,195	(42,011)	3,894,184	3,796,751	97,433
Undistributed Expenditures - Central Services					
Salaries	678,206	-	678,206	674,947	3,259
Purchased Technical Services	46,250	9,250	55,500	55,050	450
Miscellaneous Purchased Services (400-500 series)	157,314	-	157,314	135,103	22,211
Supplies and Materials	15,000	(6,000)	9,000	7,280	1,720
Other Objects	8,000	-	8,000	4,788	3,212
Total Undistributed Expenditures - Central Services	904,770	3,250	908,020	877,168	30,852
Undistributed Expenditures - Administrative Information Technology					
Salaries	335,960	36,589	372,549	371,474	1,075
Purchased Technical Services	36,371	8,825	45,196	45,196	-
Supplies and Materials	40,213	3,000	43,213	41,367	1,846
Total Undistributed Expenditures - Admin. Information Technology	412,544	48,414	460,958	458,037	2,921
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	727,185	28,810	755,995	755,359	636
Cleaning, Repair, and Maintenance Services	699,725	34,176	733,901	509,875	224,026
General Supplies	265,893	(35,500)	230,393	194,816	35,577
Other Objects	2,013	-	2,013	1,325	688
Total Undistributed Expenditures - Required Maint for School Facilities	1,694,816	27,486	1,722,302	1,461,375	260,927

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,272,921	28,637	4,301,558	4,292,041	9,517
Cleaning, Repair and Maintenance Services	253,319	(2,957)	250,362	207,004	43,358
Rental of Land & Building Other than Lease Purch Agmt	1,177,726	-	1,177,726	1,177,530	196
Other Purchased Property Services	204,880	(9,000)	195,880	171,066	24,814
Insurance	405,502	103,707	509,209	504,910	4,299
Miscellaneous Purchased Services	2,003	-	2,003	-	2,003
General Supplies	299,165	31,093	330,258	330,190	68
Energy (Natural Gas)	575,100	(50,000)	525,100	470,586	54,514
Energy (Electricity)	1,637,339	(230,600)	1,406,739	1,317,409	89,330
Energy (Oil)	1,385	600	1,985	1,914	71
Other Objects	331	300	631	226	405
Total Undistributed Expenditures - Custodial Services	8,829,671	(128,220)	8,701,451	8,472,876	228,575
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	403,299	16,329	419,628	399,234	20,394
Cleaning, Repair and Maintenance Services	84,135	-	84,135	43,425	40,710
General Supplies	104,897	(5,675)	99,222	46,861	52,361
Total Undistributed Expenditures - Care & Upkeep of Grounds	592,331	10,654	602,985	489,520	113,465
Undistributed Expenditures - Security					
Salaries	464,138	(39,753)	424,385	404,426	19,959
Cleaning, Repair and Maintenance Services	173,126	(33,524)	139,602	134,527	5,075
General Supplies	4,900	8,023	12,923	12,923	-
Other Objects	1,895	605	2,500	2,500	-
Total Undistributed Expenditures - Security	644,059	(64,649)	579,410	554,376	25,034
Total Undistributed Expenditures - Oper & Main of Plant Services	11,760,877	(154,729)	11,606,148	10,978,147	628,001
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,617,761	(16,833)	2,600,928	2,463,230	137,698
Sal for Pupil Transp (Between Home and School)-Sp Ed	372,618	72,707	445,325	384,480	60,845
Sal for Pupil Transp (Other than Bet. Home & School)	209,868	-	209,868	125,622	84,246
Other Purchased Professional and Technical Services	23,938	2,700	26,638	22,287	4,351
Cleaning, Repair, and Maintenance Services	170,180	(6,934)	163,246	84,675	78,571
Lease Purchase Payments - School Buses	919,413	312,941	1,232,354	1,232,354	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	424,417	109,483	533,900	529,508	4,392
Contracted Services - (Between Home and School) - Vendors	16,800	-	16,800	6,170	10,630
Contracted Services - (Special Ed Students) - Vendors	50,000	(46,000)	4,000	-	4,000
Contracted Services - (Special Ed Students) - Joint Agree.	2,450,494	(187,196)	2,263,298	2,049,871	213,427
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	140,000	60,000	200,000	144,927	55,073
Contracted Services - Aid in Lieu of Payments - Charter School	34,000	-	34,000	19,366	14,634
Contracted Services - Aid in Lieu of Payments - Choice School	32,000	(10,000)	22,000	15,289	6,711
Miscellaneous Purchased Services - Transportation	166,829	(9,191)	157,638	157,638	-
Supplies and Materials	8,300	2,131	10,431	10,413	18
Transportation Supplies	875,684	(146,239)	729,445	513,143	216,302
Miscellaneous Expenditures	13,750	-	13,750	8,519	5,231
Total Undistributed Expenditures - Student Transportation Serv.	8,526,052	137,569	8,663,621	7,767,492	896,129
Unallocated Benefits:					
Social Security Contributions	1,519,843	(12,767)	1,507,076	1,451,653	55,423
Other Retirement Contributions - PERS	2,308,263	(220,000)	2,088,263	2,086,522	1,741
Other Retirement Contributions - Regular	60,000	22,766	82,766	82,766	-
Workmen's Compensation	1,478,000	(82,516)	1,395,484	1,395,484	-
Health Benefits	24,268,664	15,000	24,283,664	20,278,810	4,004,854
Tuition Reimbursement	101,479	-	101,479	89,782	11,697
Other Employee Benefits	1,326,319	(820,500)	505,819	460,294	45,525
Total Unallocated Benefits	31,062,568	(1,098,017)	29,964,551	25,845,311	4,119,240
On-behalf TPAF Pension Contributions (non-budgeted)				11,300,284	(11,300,284)
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)				4,192,198	(4,192,198)
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)				7,139	(7,139)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,224,508	(4,224,508)
Total On-behalf Contributions	-	-	-	19,724,129	(19,724,129)
Total Undistributed Expenditures	80,438,885	(846,572)	79,592,313	93,091,490	(13,499,177)
Interest Earned on Maintenance Reserve	1,000	-	1,000	1,000	-
Total Current Expense	130,623,199	65,483	130,688,682	144,082,821	(13,394,139)
Capital Outlay:					
Interest Deposit to Capital Reserve	2,000	-	2,000	2,000	-
Total Interest Deposit to Capital Reserve	2,000	-	2,000	2,000	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Grades 9-12	25,050	24,658	49,708	49,708	-
Support Services - Regular	9,000	(9,000)	-	-	-
Undist. Expend. - Instruction	-	-	-	-	-
Undist. Expend. - Attendance & Social Work	36,580	20,500	20,500	20,495	5
Undist. Expend. - Admin Info Tech.	16,450	180,490	217,070	162,512	54,558
Undist. Expend. - Required Maint for School Facilities	-	63,648	80,098	43,545	36,553
Undist. Expend. - Care and Upkeep of Grounds	218,011	17,352	17,352	17,352	-
Undist. Expend. - Student Trans. - Non Ins		(103,131)	114,880	35,611	79,269
Total Equipment	305,091	194,517	499,608	329,223	170,385
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	23,040	45,000	68,040	61,925	6,115
Construction Services	826,836	1,321,230	2,148,066	1,510,541	637,525
Other Objects - Debt Service Assessment	543,141	-	543,141	543,141	-
Total Facilities Acquisition and Construction Services	1,393,017	1,366,230	2,759,247	2,115,607	643,640
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Instructional Equipment				4,508,244	(4,508,244)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	4,508,244	(4,508,244)
Total Capital Outlay	1,700,108	1,560,747	3,260,855	6,955,074	(3,694,219)
Transfer to Charter Schools	2,631,212	(260,000)	2,371,212	2,080,952	290,260
Total Expenditures	134,954,519	1,366,230	136,320,749	153,118,847	(16,798,098)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,403,329)	(1,366,230)	(7,769,559)	(2,205,082)	5,564,477

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Increase in Capital Reserve	-	-		(2,002,000)	2,002,000
Deposit to Capital Reserve	-	-		2,000,000	(2,000,000)
Interest Deposit to Capital Reserve	-	-		2,000	(2,000)
Capital Leases (non-budgeted)				4,508,244	4,508,244
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,403,329)	(1,366,230)	(7,769,559)	2,303,162	10,072,721
Fund Balances, July 1	14,929,379	-	14,929,379	14,929,379	-
Fund Balances, June 30	<u>\$ 8,526,050</u>	<u>(1,366,230)</u>	<u>7,159,820</u>	<u>17,232,541</u>	<u>10,072,721</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	5,596,864
Excess Surplus-Designated for Subsequent Year's Expenditures	3,000,000
Reserve for Capital Reserve	2,437,219
Reserve for Maintenance Reserve	392,000
Reserve for Emergency Reserve	1,000,000

Assigned Fund Balance:

Year-end Encumbrances	1,374,219
Designated for Subsequent Year's Expenditures	-

Unassigned Fund Balance

	<u>3,432,239</u>
	17,232,541

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

	<u>(4,524,005)</u>
\$	<u>12,708,536</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 7,557	17,876	25,433	25,433	-
Total - Local Sources	7,557	17,876	25,433	25,433	-
State Sources:					
Nonpublic aid	168,053	65,944	233,997	222,525	(11,472)
Total - State Sources	168,053	65,944	233,997	222,525	(11,472)
Federal Sources:					
Title I	990,620	383,325	1,373,945	1,319,159	(54,786)
Title II	277,654	82,861	360,515	281,373	(79,142)
Title III	30,965	25,206	56,171	40,007	(16,164)
Title IV - 21st Century	574,946	73,080	648,026	500,958	(147,068)
Title VI	375,000	(375,000)	-	-	-
CARES Act		1,038,582	1,038,582	12,965	(1,025,617)
I.D.E.A., Part B	1,365,937	541,521	1,907,458	1,816,992	(90,466)
Vocational Education	44,433	19,873	64,306	62,332	(1,974)
Total - Federal Sources	3,659,555	1,789,448	5,449,003	4,033,786	(1,415,217)
Total Revenues	3,835,165	1,873,268	5,708,433	4,281,744	(1,426,689)
EXPENDITURES:					
Instruction					
Salaries of Teachers	2,469,228	(1,095,694)	1,373,534	1,298,713	74,821
Purchased Professional and Technical Services		128,287	128,287	128,129	158
Other Purchased Services (400-500 series)	1,365,937	1,092,320	2,458,257	1,480,524	977,733
General Supplies		249,709	249,709	176,545	73,164
Textbooks		19,502	19,502	18,598	904
Other objects		11,849	11,849	3,949	7,900
Total instruction	3,835,165	405,973	4,241,138	3,106,458	1,134,680

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors		473,540	473,540	400,146	73,394
Personal Services - Employee Benefits		396,728	396,728	375,589	21,139
Purchased Technical Services		255,553	255,553	157,752	97,801
Travel		4,034	4,034	2,524	1,510
Other purchased Services (400-500 series)		70,898	70,898	37,417	33,481
Supplies & Materials		230,445	230,445	166,423	64,022
Other Objects		1	1	-	1
Total support services	-	1,431,199	1,431,199	1,139,851	291,348
Facilities acquisition and construction services:					
Instructional Equipment		36,096	36,096	35,435	661
Noninstructional Equipment		-	-	-	-
Total facilities acquisition and construction services	-	36,096	36,096	35,435	661
Transfers to Charter Schools					
		-	-	-	-
Total expenditures	3,835,165	1,873,268	5,708,433	4,281,744	1,426,689
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, 2020

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 150,913,765	4,281,744
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		-
Current year		(5,310)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,150,057	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(4,524,005)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	150,539,817	4,276,434
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	153,118,847	4,281,744
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		-
Current year		(5,310)
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	\$ 153,118,847	4,276,434

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Required Supplementary Information
Part III

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.2088348448%	0.2088348448%	0.2016466656%	0.1929449075%	0.1846447919%	0.1823522927%	0.1762768420%
District's proportionate of the net pension liability (asset)	\$ 38,420,796	\$ 41,118,540	\$ 46,940,121	\$ 57,144,747	\$ 32,618,264	\$ 34,141,337	\$ 33,690,007
District's covered payroll	\$ 16,048,524	\$ 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	239.40%	278.12%	324.72%	420.61%	252.43%	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	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 seven years. Additional years will be presented as they become available.

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

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,074,099	\$ 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	\$ 2,074,099	\$ 2,077,232	\$ 1,868,041	\$ 1,587,450	\$ 1,407,927	\$ 1,328,210	\$ 1,223,404
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 16,048,524	\$ 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	12.92%	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 seven 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 Seven Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	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>307,385,652</u>	<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>
Total	<u>\$ 307,385,652</u>	<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>
District's covered payroll	\$ 58,575,783	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	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 seven 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 Four Fiscal Years

	<u>2019</u>	<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>\$ 219,723,797</u>	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	<u>\$ 303,957,290</u>
Total	<u><u>\$ 219,723,797</u></u>	<u><u>\$ 241,842,377</u></u>	<u><u>\$ 281,709,974</u></u>	<u><u>\$ 303,957,290</u></u>
District's covered payroll	74,624,307	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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:				
Service Cost	10,270,686	11,553,517	13,930,911	
Interest Cost	9,631,333	10,388,061	8,970,885	
Differences between Expected & Actual	(38,751,771)	(27,813,275)	-	
Changes in Assumptions	3,276,100	(27,752,623)	(38,864,378)	
Member Contributions	199,937	223,502	240,267	
Benefit Payments	(6,744,865)	(6,466,779)	(6,525,001)	
Change in Total Opeb Liability	<u>(22,118,580)</u>	<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>241,842,377</u>	<u>281,709,974</u>	<u>303,957,290</u>	
Ending Balance	<u><u>\$ 219,723,797</u></u>	<u><u>\$ 241,842,377</u></u>	<u><u>\$ 281,709,974</u></u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	294.44%	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 four years. Additional years will be presented as they become available.

SPECIAL REVENUE FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Auxiliary Aid			Nonpublic Handicapped Aid			Total State Funds
	Compensatory Education	ESL	Home Instruction	Examination & Classification	Corrective Speech	Supplemental Instruction	
REVENUES:							
State Sources	49,159	-	1,453	24,612	5,195	25,660	222,525
Federal Sources							
Local Sources							
Total revenues	<u>49,159</u>	<u>-</u>	<u>1,453</u>	<u>24,612</u>	<u>5,195</u>	<u>25,660</u>	<u>222,525</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers							104,626
Purchased prof. and technical services							1,453
Other purchased services	49,159		1,453	24,612	5,195	25,660	10,837
General supplies							18,598
Textbooks							-
Other objects							-
Total instruction	<u>49,159</u>	<u>-</u>	<u>1,453</u>	<u>24,612</u>	<u>5,195</u>	<u>25,660</u>	<u>135,514</u>
Support services:							
Salaries of program directors							16,356
Personal services- employee benefits							1,080
Purchased technical services							27,378
Purchased property services							-
Miscellaneous purchased services							-
Travel							-
Supplies and materials							42,197
Other Objects							-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,011</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>
Transfer to charter schools							
Total expenditures	<u>49,159</u>	<u>-</u>	<u>1,453</u>	<u>24,612</u>	<u>5,195</u>	<u>25,660</u>	<u>222,525</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, 2020

	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	CARES Act	Total Federal Funds
REVENUES:											
State Sources											
Federal Sources											
Local Sources											
Total revenues	\$ 1,727,805	63,825	1,319,159	281,373	36,328	3,679	62,332	25,362	500,958	12,965	4,033,786
	<u>1,727,805</u>	<u>63,825</u>	<u>1,319,159</u>	<u>281,373</u>	<u>36,328</u>	<u>3,679</u>	<u>62,332</u>	<u>25,362</u>	<u>500,958</u>	<u>12,965</u>	<u>4,033,786</u>
EXPENDITURES:											
Instruction:											
Salaries of teachers	83,574	32,909	960,574	16,000	20,000	3,417	5,268	23,560	173,184		1,297,218
Purchased prof. and technical services									2,235		23,503
Other purchased services	1,479,071			5,565	543		14,404		121,377		1,479,071
General supplies											141,889
Textbooks											-
Other objects							207		3,742		3,949
Total instruction	<u>1,562,645</u>	<u>32,909</u>	<u>960,574</u>	<u>21,565</u>	<u>20,543</u>	<u>3,417</u>	<u>19,879</u>	<u>23,560</u>	<u>300,538</u>	<u>-</u>	<u>2,945,630</u>
Support services:											
Salaries of program directors	124,293	26,381	6,786	93,198	7,198		4,319		121,615		383,790
Personal services- employee benefits	15,902	4,535	314,247	7,130	7,749	262	330	1,802	22,552		374,509
Purchased technical services	24,965		3,760	80,249			150		21,250		130,374
Purchased property services											-
Miscellaneous purchased services			1,210	11,824	837		80		23,466		37,417
Travel							2,027		497		2,524
Supplies and materials			32,582	67,407	1		112		11,040	12,965	124,107
Other Objects											-
Total support services	<u>165,160</u>	<u>30,916</u>	<u>358,585</u>	<u>259,808</u>	<u>15,785</u>	<u>262</u>	<u>7,018</u>	<u>1,802</u>	<u>200,420</u>	<u>12,965</u>	<u>1,062,721</u>
Facilities acquisition and const. serv.:											
Instructional equipment											35,435
Noninstructional equipment											-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,435</u>
Transfer to charter schools											
Total expenditures	\$ <u>1,727,805</u>	<u>63,825</u>	<u>1,319,159</u>	<u>281,373</u>	<u>36,328</u>	<u>3,679</u>	<u>62,332</u>	<u>25,362</u>	<u>500,958</u>	<u>12,965</u>	<u>4,033,786</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, 2020

	Workforce Investment Board (WIB)	AtlantiCare Grant	Community Partnership	Sustainable Schools	A14ALL Grant	Schultz-Hill Grant	Hannels Foundation	Total All Other Funds	Totals
REVENUES:									
State Sources									222,525
Federal Sources									4,033,786
Local Sources	1,495	2,692	6,323	119	463	4,539	9,802	25,433	25,433
Total revenues	<u>1,495</u>	<u>2,692</u>	<u>6,323</u>	<u>119</u>	<u>463</u>	<u>4,539</u>	<u>9,802</u>	<u>25,433</u>	<u>4,281,744</u>
EXPENDITURES:									
Instruction:	1,495							1,495	1,298,713
Salaries of teachers									128,129
Purchased prof. and technical services									1,480,524
Other purchased services									176,545
General supplies		2,692	6,323		463	4,539	9,802	23,819	18,598
Textbooks									3,949
Other objects									
Total instruction	<u>1,495</u>	<u>2,692</u>	<u>6,323</u>	<u>-</u>	<u>463</u>	<u>4,539</u>	<u>9,802</u>	<u>25,314</u>	<u>3,106,458</u>
Support services:									
Salaries of program directors									400,146
Personal services- employee benefits									375,589
Purchased technical services									157,752
Purchased property services									-
Miscellaneous purchased services									37,417
Travel									2,524
Supplies and materials				119				119	166,423
Other Objects									-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>1,139,851</u>
Facilities acquisition and const. serv.:									
Instructional equipment									35,435
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>35,435</u>
Transfer to charter schools									
Total expenditures	<u>\$ 1,495</u>	<u>2,692</u>	<u>6,323</u>	<u>119</u>	<u>463</u>	<u>4,539</u>	<u>9,802</u>	<u>25,433</u>	<u>4,281,744</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

CAPITAL PROJECTS FUND

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
Year Ended June 30, 2020**

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
Totals			\$ 21,670,374	21,479,093	-	191,281

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, 2020

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 \$ 191,281

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Construction of Dr. Joyanne D. Miller Elementary School
From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 21,670,374		21,670,374	21,670,374
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>21,670,374</u>	<u>-</u>	<u>21,670,374</u>	<u>21,670,374</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	74,592		74,592	74,592
Legal services	21,528		21,528	21,528
Contingency	57,505		57,505	57,505
Construction services	20,555,254		20,555,254	20,746,535
Furniture & equipment purchases	770,214		770,214	770,214
Total expenditures	<u>21,479,093</u>	<u>-</u>	<u>21,479,093</u>	<u>21,670,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 191,281</u>	<u>-</u>	<u>191,281</u>	<u>-</u>
Additional project information:				
Project number	SP-200324			
Grant Date	N/A			
Bond Authorization Date	3/28/00			
Bonds Authorized	21,800,000			
Bonds Issued	21,800,000			
Original Authorized Cost	21,800,000			
Additional/Reduction in Authorized Cost	(129,626)			
Revised Authorized Cost	21,670,374			
Percentage Increase over Original Authorized Cost	-0.59%			
Percentage Completion	100.00%			
Original target completion date	9/1/03			
Revised target completion date	6/30/17			

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

FIDUCIARY FUNDS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2020

	Trust		Agency			Total Agency
	Unemployment Compensation	Total Trusts	Student Activity	Conduit	Payroll	
ASSETS:						
Cash and cash equivalents	\$ 1,461,562	1,461,562	399,067	95,578	19,423	514,068
Due from Employees					206	206
Total Assets	<u>1,461,562</u>	<u>1,461,562</u>	<u>399,067</u>	<u>95,578</u>	<u>19,629</u>	<u>514,274</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Payroll deductions and withholdings					19,629	19,629
Due to State of New Jersey	66,663	66,663				-
Due to student groups			399,067			399,067
Conduit activities payable				95,578		95,578
Total Liabilities	<u>66,663</u>	<u>66,663</u>	<u>399,067</u>	<u>95,578</u>	<u>19,629</u>	<u>514,274</u>
Net Position						
Reserved - Trust Unemployment	1,394,899	1,394,899				
Total net position	<u>1,394,899</u>	<u>1,394,899</u>				
Total net position	<u>\$ 1,461,562</u>	<u>1,461,562</u>				

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
June 30, 2020

H-2

	<u>Unemployment Compensation Trust</u>	<u>Total Trusts</u>
OPERATING REVENUES:		
Local sources:		
Interest on investments	\$ 17,804	17,804
Employee Contributions	<u>132,983</u>	<u>132,983</u>
Total operating revenues	<u>150,787</u>	<u>150,787</u>
OPERATING EXPENSES:		
Payments of unemployment claims	<u>102,931</u>	<u>102,931</u>
Total operating expenses	<u>102,931</u>	<u>102,931</u>
Operating (Loss)	<u>47,856</u>	<u>47,856</u>
Net Income	<u>47,856</u>	<u>47,856</u>
Net position, July 1	<u>1,347,043</u>	<u>1,347,043</u>
Net position, June 30	<u><u>\$ 1,394,899</u></u>	<u><u>1,394,899</u></u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Elementary and Middle Schools	\$ 142,664	112,248	121,479	133,433
Athletic Fund	17,506	15,667	13,198	19,975
High School Students	367,740	298,363	456,253	209,850
Eagle's Nest School Store	495	33,234	182	33,547
Alternative School (Grades 7-12)	1,891	1,784	1,413	2,262
Total all schools	\$ 530,296	461,296	592,525	399,067

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2020

H-4a

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS:				
Cash and cash equivalents	\$ 20,659	88,955,790	88,957,026	19,423
Due from Employees	206			206
Total assets	<u>20,865</u>	<u>88,955,790</u>	<u>88,957,026</u>	<u>19,629</u>
LIABILITIES:				
Payroll deductions and withholdings	20,865	88,942,487	88,943,723	19,629
Due to general fund	-	13,303	13,303	-
Total liabilities	<u>\$ 20,865</u>	<u>88,955,790</u>	<u>88,957,026</u>	<u>19,629</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Agency Fund - Conduit
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2020

H-4b

OPERATING REVENUES:

Local sources:	
Contributions	<u>\$ 6,033</u>
Total operating revenues	<u> 6,033</u>

OPERATING EXPENSES:

Purchased professional services	<u> 15,211</u>
Total operating expenses	<u> 15,211</u>
Operating Income	(9,178)
Net position, July 1	<u> 104,756</u>
Net position, June 30	<u><u> \$ 95,578</u></u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

LONG-TERM DEBT

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2020

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2019	Issued	Refunded/Retired	Balance June 30, 2020
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	7/15/20	3,775,000	5.500%	\$ 29,720,000		3,570,000	26,150,000
			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%				
General Obligation - Refunding Bonds	12/5/12	6,805,000	4/1/21	850,000	3.000%	3,390,000		850,000	2,540,000
			4/1/23	835,000	4.000%				
			4/1/24	855,000	3.500%				
General Obligation - Refunding Bonds	1/6/16	14,365,000	4/1/21	55,000	2.000%	14,090,000		55,000	14,035,000
			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%				
General Obligation - Refunding Bonds	6/1/16	19,320,000	9/15/20	1,650,000	5.000%	19,090,000		1,565,000	17,525,000
			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%				
						\$ 66,290,000	-	6,040,000	60,250,000

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2020

I-2

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Blue Bird							
54 passenger buses (4)	1/14/14	1.810%	\$ 374,534	51,317		51,317	-
U.S. Bancorp							
25 passenger wheelchair bus (1)							
54 passenger buses (4)	10/29/14	1.495%	468,000	79,302		79,302	-
TD Equipment Finance							
Various Equipment	7/15/15	1.430%	1,766,358	357,069		357,069	-
54 passenger buses (10)	7/15/15	1.570%	910,000	290,652		144,194	146,458
TD Equipment Finance							
54 passenger buses (12)	12/15/16	1.600%	1,217,258	792,151		137,326	654,825
TD Equipment Finance							
Various buses, vehicles & equipment	10/13/17	1.700%	2,703,662	1,831,438		446,348	1,385,090
TD Equipment Finance							
54 passenger buses (8)	5/31/18	2.950%	816,770	519,877		124,357	395,520
ITS Equipment	5/31/18	2.773%	726,475	479,945		236,691	243,254
Banc of America							
Various buses & equipment	7/14/19	1.946%	1,918,179	-	1,918,179	435,000	1,483,179
U.S. Bancorp							
Buses	12/15/19	2.167%	680,000	-	680,000	300,000	380,000
JP Morgan Chase Bank, NA							
Various buses & equipment	6/15/20	1.260%	1,910,065	-	1,910,065	2,311,604	1,910,065
				<u>\$ 4,401,751</u>	<u>4,508,244</u>	<u>2,311,604</u>	<u>6,598,391</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,589,401	-	5,589,401	5,589,401	-
Other Miscellaneous	5,589,401	-	5,589,401	5,589,401	-
State Sources:					
Debt Service Aid Type II	3,235,262	-	3,235,262	3,235,262	-
Total - State Sources	3,235,262	-	3,235,262	3,235,262	-
Total Revenues	8,824,663	-	8,824,663	8,824,663	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,784,663	-	2,784,663	2,784,662	1
Redemption of Principal	6,040,000	-	6,040,000	6,040,000	-
Total Regular Debt Service	8,824,663	-	8,824,663	8,824,662	1
Total expenditures	8,824,663	-	8,824,663	8,824,662	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>1</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures	-
Restricted Fund Balance	<u>2</u>
	<u>2</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	91,851,310
Restricted	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	473,736
Unrestricted*	(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)	(34,183,563)
Total governmental activities net position	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	58,141,483
Business-type activities										
Net investment in capital assets	124,316	113,406	147,741	151,742	169,101	193,910	227,654	258,567	216,086	205,422
Unrestricted	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	440,132
Total business-type activities net position	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	645,554
District-wide										
Net investment in capital assets	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	92,056,732
Restricted	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	473,736
Unrestricted	(1,601,998)	5,076,543	6,851,713	(22,152,379)	(18,720,717)	(22,277,633)	(27,704,150)	(27,491,710)	(34,472,508)	(33,743,431)
Total district net position	\$ 87,948,781	117,448,054	117,017,373	85,225,006	88,044,633	77,611,516	68,978,009	63,784,170	60,378,411	58,787,037

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	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	67,402,875
Special education	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	17,807,976
Other special education	2,368,646	3,194,760	3,139,061	3,252,789	3,499,661	3,597,262	3,772,492	3,831,228	3,710,830	3,769,208
Other instruction	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	2,328,317
Nonpublic school programs	233,225	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145	170,125
Support Services:										
Tuition	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	5,041,378
Student & instruction related services	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	29,799,591
General administrative services	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	5,143,538
School administrative services	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	7,417,881
Plant operations and maintenance	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	18,960,802
Pupil transportation	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	13,712,720
Special Schools										
Interest on long-term debt	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	3,114,493
Capital Outlay				2,000						
Total governmental activities expenses	117,818,183	123,934,921	132,033,106	132,030,450	144,632,726	165,967,895	178,584,665	186,147,344	176,888,900	174,668,704
Business-type activities:										
Food service	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	2,889,665
Child Care	312,264	319,206	342,188	329,321	347,520	350,893	378,739	319,273	283,288	189,658
Total business-type activities expense	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	3,079,323
Total district expenses	120,900,771	127,178,893	135,799,277	135,667,318	148,234,526	169,525,878	182,168,573	189,732,431	180,393,865	177,748,027
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools										
Tuition	322,020	503,161	723,162	758,420	786,941	786,941	757,355	1,100,072	1,069,048	586,091
Operating grants and contributions	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	34,423,905
Total governmental activities program revenues	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	35,009,996

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	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	705,367
Child care	363,521	338,588	325,824	318,293	311,977	315,708	265,522	269,421	228,012	277,384
Operating grants and contributions	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	1,688,176
Total business type activities program revenues	3,483,439	3,516,280	3,508,456	3,545,302	3,561,386	3,552,400	3,533,224	3,412,285	3,273,760	2,670,927
Total district program revenues	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	37,680,923
Net (Expense)/Revenue										
Governmental activities	(106,762,990)	(111,759,024)	(117,405,622)	(118,678,149)	(118,485,681)	(139,820,860)	(131,308,318)	(132,724,621)	(134,694,562)	(139,658,708)
Business-type activities	400,851	272,308	(257,715)	(91,566)	(40,412)	(5,583)	(50,664)	(172,802)	(231,205)	(408,396)
Total district-wide net expense	(106,362,139)	(111,486,716)	(117,663,337)	(118,769,715)	(118,526,093)	(139,826,433)	(131,358,982)	(132,897,423)	(134,925,767)	(140,067,104)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	79,449,051
Taxes levied for debt service	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	5,589,401
Unrestricted grants and contributions	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	49,285,702
Federal and state aid restricted	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	3,235,262
Transportation charges										
Investment earnings	428,608	94,849	40,643	37,315	41,339	55,169	75,759	2,000	3,000	3,000
Miscellaneous income	1,048,988	573,821	926,211	1,340,948	397,613	979,474	924,923	568,294	914,441	1,491,844
Special items	(323,687)	433,797	(167,573)	(1,186,731)	(3,381)	(1,651,769)	(3,470,059)	(88,472)	(348,530)	(628,188)
Transfers										
Total governmental activities	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	138,426,072
Business-type activities:										
Investment earnings	10,417	5,542	2,827	2,265	1,912	1,753	1,642	2,050	5,179	9,658
Special items				55,965	(1,302)	9,734	-	56,052	(25,259)	40,000
Transfers										
Total business-type activities	10,417	5,542	2,827	58,230	610	11,487	1,642	58,102	(20,080)	49,658
Total district-wide	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	138,475,730

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Change in Net Position										
Governmental activities	2,507,476	29,158,343	(173,793)	603,766	2,859,429	(17,489,488)	(8,584,485)	(5,079,139)	(3,154,474)	(1,232,636)
Business-type activities	411,268	277,850	(254,888)	(33,336)	(39,802)	5,904	(49,022)	(114,700)	(251,285)	(358,738)
Total district	<u>2,918,744</u>	<u>29,436,193</u>	<u>(428,681)</u>	<u>570,430</u>	<u>2,819,627</u>	<u>(17,483,584)</u>	<u>(8,633,507)</u>	<u>(5,193,839)</u>	<u>(3,405,759)</u>	<u>(1,591,374)</u>
\$										

Source: CAFR Schedule A-2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	12,426,083
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	282,453
Unassigned				(195,438)	-	-	-	-	-	-
Reserved										
Unreserved										
Total general fund	8,683,213	11,778,464	12,567,788	15,476,693	17,170,402	16,754,187	15,025,675	14,554,932	10,779,322	12,708,536
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	191,283
Committed			749,999	2,144,542	1,132,546	95,471	-	-	-	-
Assigned	2,876,357	729,708	-	37,743	13,564	-	-	-	-	-
Unassigned										
Reserved		2	37,743	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Total all other governmental funds	5,102,278	3,460,852	3,937,303	2,635,593	1,337,411	342,304	335,375	227,924	191,282	191,283

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 68,509,298	69,682,812	72,943,484	74,906,875	76,726,909	78,737,186	80,120,297	81,181,571	82,679,837	85,038,452
Tuition charges	322,020	503,161	723,162	758,420	786,941	717,238	757,355	1,100,072	1,069,048	586,091
Transportation charges										
Interest earnings	428,608	94,849	40,643	37,315	41,339	33,859	33,859	33,859	3,000	3,000
Rentals						55,169	75,759	2,000		
Miscellaneous	1,048,988	573,821	926,211	1,340,948	397,613	731,845	1,104,834	534,435	914,441	1,491,844
Local sources	70,201	83,696	80,932	36,455	15,751	2,169	22,306	4,266	29,903	25,433
State sources	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	72,221,467
Federal sources	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	4,274,627
Total revenue	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	163,640,914
Expenditures										
Instruction										
Regular Instruction	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	41,469,477
Special education instruction	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	10,772,118
Other special instruction	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	2,232,876
Other instruction	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	1,565,079
Nonpublic school programs	233,225	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145	170,125
Support Services:										
Tuition	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	5,041,378
Student & instruction related services	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	18,042,592
General administrative services	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	2,998,297
School Administrative services	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	3,796,751
Plant operations and maintenance	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	10,979,147
Pupil transportation	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	7,767,492
Unallocated employee benefits	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	45,569,440
Special Schools										
Capital outlay	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	6,990,509
Debt service:										
Principal	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	6,040,000
Interest and other charges	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	2,784,662
Total expenditures	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	166,219,943
Excess (Deficiency) of revenues over (under) expenditures	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)	(2,579,029)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	374,534	468,000	2,676,358	1,217,258	4,246,907	-	4,508,244
Debt service assessment	(400,347)			(153,640)						
Cancellation of prior year receivables	1,101	79,016	3,654							
Cancellation of prior year payables										
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			1,406,400							
Transfers in	1,657,522	466,600	1,406,400							
Transfers out	(1,657,522)	(466,600)	(1,406,400)							
Total other financing sources (uses)	<u>(399,246)</u>	<u>79,016</u>	<u>3,654</u>	<u>220,894</u>	<u>468,000</u>	<u>2,676,358</u>	<u>1,217,258</u>	<u>4,246,907</u>	<u>-</u>	<u>4,508,244</u>
Net change in fund balances	<u>\$ 925,575</u>	<u>1,453,825</u>	<u>1,265,775</u>	<u>1,607,195</u>	<u>395,527</u>	<u>(1,411,322)</u>	<u>(1,735,441)</u>	<u>(578,194)</u>	<u>(3,812,252)</u>	<u>1,929,215</u>
Debt service as a percentage of noncapital expenditures	7.25%	6.82%	6.97%	6.98%	6.83%	6.46%	6.14%	5.96%	5.63%	5.54%

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						
2011	1,845		20,054			26,358	998,538	430,802	1,477,597
2012	2,032		17,455			44,143	475,378	34,813	573,821
2013	2,025		10,964	621,319		44,328	196,135	51,440	926,211
2014	2,790		1,046,090			88,597	172,175	17,732	1,327,384
2015			106,761			82,979	184,200	23,653	397,593
2016			26,631				564,170	196,594	787,395
2017			22,849				675,324	435,371	1,133,544
2018			7,113				386,297	119,643	513,053
2019			104,248				539,644	188,403	832,295
2020			123,518				644,782	696,173	1,464,473

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,	Total Assessed Value										Less: Exempt Property	Class I Railroad	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Tax-Property		Apartment						
2011	113,010,400	1,989,216,200	3,707,300	529,100	427,410,800	28,633,700	8,210,400	2,570,717,900	15,300	6,202,900	2,576,936,100	2.68	5,046,878,378			
2012	108,161,300	1,980,745,900	3,730,300	439,800	430,765,500	28,633,700	8,210,400	2,560,686,900	15,300	6,465,890	2,567,168,090	2.52	4,739,095,606			
2013	177,625,200	3,022,057,300	5,717,200	535,300	797,608,100	47,398,600	16,192,000	4,067,133,700	15,300	10,299,734	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	15,300	8,175,829	4,084,855,229	1.83	4,188,735,879			
2015	151,264,300	3,060,824,300	5,457,400	734,300	787,632,800	43,509,200	16,192,000	4,065,614,300	15,300	8,586,762	4,074,216,362	1.90	4,166,224,052			
2016	141,631,800	3,079,654,400	5,116,300	819,700	793,693,100	43,509,200	16,192,000	4,080,616,500	15,300	8,434,662	4,089,066,462	1.93	4,189,172,382			
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	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	-	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	-	8,798,245	4,046,681,895	2.03	4,067,353,658			
2020	121,930,400	3,088,852,500	5,530,500	685,900	762,644,550	40,806,400	15,841,500	4,036,291,750	-	8,234,896	4,044,526,646	2.12	4,344,809,120			

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 ^a	General Obligation Debt Service ^b	Total Direct			
2011	2.481	0.201	2.682	0.706	0.619	4.007
2012	2.609	0.224	2.833	0.755	0.664	4.252
* 2013	1.646	0.167	1.813	0.754	0.641	3.208
2014	1.717	0.141	1.858	0.519	0.481	2.858
2015	1.768	0.140	1.908	0.538	0.508	2.954
2016	1.783	0.141	1.924	0.550	0.505	2.979
2017	1.863	0.139	2.002	0.560	0.523	3.085
2018	1.878	0.138	2.016	0.570	0.559	3.145
2019	1.937	0.137	2.074	0.598	0.539	3.211
2020	1.985	0.138	2.124	0.608	0.569	3.301

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	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Atlanticare Health Services, Inc.	34,540,500	1	0.85%			
US Realty Financial Corp	28,834,400	2	0.71%			
English Creek LLC	25,915,000	3	0.64%	10,665,472	5	0.41%
AHIP 3008 Properties	24,580,900	4	0.61%			
Lowe's Home Centers, Inc.	14,700,000	5	0.36%	9,010,193	8	0.35%
Home Depot Development Co of MD	10,500,000	6	0.26%	7,397,098	9	0.29%
Fire Road Associates, LLC	10,388,900	7	0.26%			
Black Horse Pike, LLC	10,157,300	8	0.25%			
PAMCNJ Real Estate, LP	10,013,000	9	0.25%			
Margate Bridge Company	9,721,800	10	0.24%			
Shore Mall Associates				30,002,902	1	1.16%
Harbor Pines Golf LLC				16,927,408	2	0.66%
Atlantic City Electric Co.				15,134,821	3	0.59%
Trocki Hotels LP				10,714,289	4	0.42%
Bellevue Prop Group (6550 Delilah Rd.)				9,753,402	6	0.38%
Hidden Creek Golf Club, LLC				9,714,704	7	0.38%
Fire Road Associates LLC				6,921,409	10	0.27%
Total	179,351,800		4.43%	126,241,698		4.90%

District Net Assessed Value 2,576,936,100

4,044,526,646

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	
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%	-
2020	85,038,452	85,038,452	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2011	105,214,000	2,284,177	55,965	55,965	107,554,142	6.03%	2,485
2012	101,804,000	1,530,055	55,965	55,965	103,390,020	5.63%	2,370
2013	97,495,000	964,674	55,965	55,965	98,515,639	5.33%	2,246
2014	92,875,000	856,512	-	-	93,731,512	5.07%	2,136
2015	88,060,000	826,842	-	-	88,886,842	4.78%	2,027
2016	82,970,000	2,646,482	-	-	85,616,482	4.60%	1,952
2017	77,570,000	3,081,473	27,680	27,680	80,679,153	4.50%	1,951
2018	72,045,000	5,925,167	40,802	40,802	78,010,969	4.07%	1,802
2019	66,290,000	4,401,751	-	-	70,691,751	3.57%	1,660
2020	60,250,000	6,598,391	-	-	66,848,391	3.25%	1,582

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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%	1,891
2017	77,570,000		77,570,000	1.90%	1,768
2018	72,045,000		72,045,000	1.77%	1,656
2019	66,290,000		66,290,000	1.64%	1,557
2020	60,250,000		60,250,000	1.49%	1,426

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, 2020
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Egg Harbor	\$ 31,720,499	100.00%	31,720,499
Other debt			
Egg Harbor Township Golf Corporation	5,990,000	100.00%	5,990,000
Atlantic County	156,892,089	13.45%	21,105,217
Subtotal, overlapping debt			58,815,716
Township of Egg Harbor School District debt	60,250,000	100.00%	60,250,000
Total direct and overlapping debt	\$		<u><u>119,065,716</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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	165,826,838
Total net debt applicable to limit	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	60,250,000
Legal debt margin	\$ 94,654,338	87,597,983	81,318,680	80,594,679	81,554,370	85,876,486	87,955,868	99,268,701	96,485,023	105,576,838
Total net debt applicable to the limit as a percentage of debt limit	52.64%	53.75%	54.52%	53.54%	51.92%	49.14%	46.86%	39.48%	40.72%	36.33%

	2019	2018	2017
Equalized valuation basis	4,325,068,177	4,071,526,477	4,040,418,231
	<u>12,437,012,885</u>		
Average equalized valuation of taxable property	4,145,670,962		
Debt limit (4% of average) equalization	165,826,838		
Net bonded school debt	60,250,000		
Legal debt margin	<u>105,576,838</u>		

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2020	42,249	2,056,174	48,668	4.50%

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

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2020 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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	457.6	450.0	454.0	474.0	461.5	466.0	467.5	445.0	436.0	440.0
Special education	107.0	118.5	131.5	160.0	162.0	169.5	176.0	174.0	165.0	171.0
Vocational	14.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other instruction	93.2	51.5	51.5	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	168.0	169.0	176.0	227.0	246.0	264.0	283.5	305.0	329.9	363.1
General administrative services	8.0	8.0	8.5	8.5	8.0	9.0	8.5	10.0	9.0	9.0
School administrative services	49.0	50.0	50.5	51.0	52.5	51.5	52.5	49.0	49.9	48.0
Central services	9.0	9.0	9.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
Administrative information technology	6.0	6.0	6.0	5.0	4.0	5.0	5.0	5.0	6.0	6.0
Plant operations and maintenance	113.0	117.5	122.5	117.5	119.0	127.0	125.0	118.0	125.5	121.5
Pupil transportation	118.0	123.0	120.5	116.5	115.5	111.0	109.5	110.0	106.0	110.5
Food Service	44.5	30.5	30.5	42.0	42.0	42.0	42.0	41.0	41.5	38.5
Total	1,187.7	1,139.0	1,166.5	1,215.5	1,226.5	1,261.0	1,285.5	1,273.0	1,284.8	1,323.6

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

Source: District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School						
2011	7,962	107,193,803	13,463	-7.55%	672	10.6:1	9.00:1	12.2:1	7,924	7,536	2.71%	95.10%		
2012	7,866	112,360,509	14,284	6.10%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	-2.42%	95.36%		
2013	7,859	119,459,131	15,200	6.41%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-0.61%	95.30%		
2014	7,715	119,729,131	15,519	2.10%	661	11.5:1	11.0:1	10.0:1	7,508	7,174	-2.30%	95.55%		
2015	7,639	122,977,527	16,099	3.74%	711	11.5:1	11.0:1	10.0:1	7,489	7,130	-0.25%	95.21%		
2016	7,429	130,045,702	17,505	8.74%	695	11.5:1	11.0:1	10.0:1	7,349	6,990	-1.87%	95.11%		
2017	7,470	135,250,954	18,106	3.43%	650	11.6:1	11.2:1	10.3:1	7,395	7,026	0.63%	95.01%		
2018	7,344	153,841,064	20,948	15.70%	650	11.6:1	11.7:1	11.7:1	7,383	7,014	-0.16%	95.00%		
2019	7,279	147,938,477	20,324	-2.98%	607	12.2:1	11.7:1	11.9:1	7,326	6,946	-0.77%	94.81%		
2020	7,113	150,404,772	21,145	4.04%	617	11.2:1	12.0:1	11.6:1	7,289	7,019	-0.51%	96.30%		

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	471	461	448	485	470	438	432	436	410	410
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,430	77,730	77,730	77,730	77,730
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	480	438	476	457	413	400	389	405	418	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	456	448	428	402	396	452	466	439	445	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	429	428	473	479	506	401	391	375	377	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	434	478	417	402	378	390	387	374	383	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	1,197	1,206	1,176	1,140	1,175	1,150	1,140	1,110	1,099	1,099
<u>Middle School</u>										
Fernwood Avenue (1992)										
Square Feet	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	958	986	997	950	934	920	959	970	911	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	868	827	883	911	933	891	866	877	851	851

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
High School										
EHT High School (1983, 2003,, 2012)	321,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715
Square Feet										
Capacity (students)	1,680	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Enrollment	2,518	2,458	2,446	2,399	2,323	2,279	2,319	2,309	2,346	2,346
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	54	53	39	22	37	39	37	49	39	39
Other										
Central Administration Building (1969)										
(sold in 2016)										
Square Feet	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	-	-	-	-	-
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	7,400	7,400	7,400	7,400	7,400	7,400	7,400

Number of Schools at June 30, 2020
 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)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
H. Russell Swift Elementary School	N/A	\$ 109,153	\$ 64,555	\$ 58,768	\$ 76,933	\$ 55,707	\$ 79,675	\$ 91,498	69,403	54,377	93,557
E.H. Slaybaugh Elementary School	N/A	239,019	145,445	157,319	122,615	104,529	103,901	114,872	116,636	117,528	97,662
Clayton J. Davenport Elementary School	N/A	191,699	134,376	116,088	138,505	90,456	101,354	113,232	132,929	128,963	114,387
Joy D. Miller Elementary School	N/A	136,206	126,391	169,159	121,094	119,977	107,967	118,068	117,911	154,280	91,304
Fernwood Avenue Middle School	N/A	163,314	164,168	166,181	158,515	251,170	132,567	125,207	168,401	156,685	157,845
Alder Avenue Middle School	N/A	165,024	130,041	166,110	125,151	199,289	107,601	119,539	116,781	134,686	125,522
Eagle Academy	N/A	7,498	55,034	7,267	8,683	7,778					
Egg Harbor Township High School	N/A	441,207	613,447	440,310	438,310	323,047	287,826	413,320	274,289	393,555	286,400
Total School Facilities		1,453,120	1,433,457	1,281,202	1,189,806	1,151,953	920,891	1,095,736	996,350	1,140,074	966,677
Other Facilities		8,255	34,673	56,213	59,626	17,351	17,691	7,175	12,509	11,452	16,356
Grand Total		\$ 1,461,375	\$ 1,468,130	\$ 1,337,415	1,249,432	1,169,304	938,582	1,102,911	1,008,859	1,151,526	983,033

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT

Insurance Schedule June 30, 2020 *Unaudited*

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

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

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Single Audit Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



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

K-1 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 2020, 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 January 26, 2021.

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

January 26, 2021



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

K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR LETTER 15-08

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, 2020. 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, 2020.

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

January 26, 2021

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	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		(MEMO) Pass Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
									Pass Through	Direct						
U. S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
10.550	191NJ304N1099		N/A	251,057	7/1/18 - 6/30/19	53,335			(53,335)							
10.550	201NJ304N1099		N/A	312,843	7/1/19 - 6/30/20	(19,579)		312,843	(219,975)						92,868	
10.553	191NJ304N1099		N/A	242,043	7/1/18 - 6/30/19	(19,579)		19,579								
10.553	201NJ304N1099		N/A	261,587	7/1/19 - 6/30/20	(112,755)		195,501	(261,587)						(66,086)	
10.555	191NJ304N1099		N/A	1,457,219	7/1/18 - 6/30/19	(347)		112,755							(105,137)	
10.555	201NJ304N1099		N/A	1,119,819	7/1/19 - 6/30/20			1,014,682	(1,119,819)							
10.556	191NJ304N1099		N/A	4,922	7/1/18 - 6/30/19			347								
10.556	201NJ304N1099		N/A	3,046	7/1/19 - 6/30/20			3,046	(3,046)							
	Total U.S. Department of Agriculture					(79,346)		1,658,753	(1,657,762)					(171,223)	92,868	
U.S. Department of Health and Human Services:																
Passed-through State Department of Health and Human Services:																
General Fund:																
93.778	1905NJ5MAP		N/A	230,308	7/1/18 - 6/30/19	(1,257)		1,257								
93.778	2005NJ5MAP		N/A	246,151	7/1/19 - 6/30/20			236,506	(246,151)					(9,645)		
	Total ESSA, Title I, Part A					(1,257)		237,763	(246,151)					(9,645)		
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
84.010	S010A180030		ESSA-1310-19	1,320,826	7/1/18 - 6/30/19	(477,524)		477,524								
84.010	S010A190030		ESSA-1310-20	1,373,945	7/1/19 - 9/30/20	(477,524)		869,534	(1,319,159)					(449,625)		
	Total ESSA, Title I, Part A					(477,524)		1,347,058	(1,319,159)					(449,625)		
84.367A	S367A180029		ESSA-1310-19	370,205	7/1/18 - 6/30/19	(49,948)		49,948								
84.367A	S367A190029		ESSA-1310-20	360,515	7/1/19 - 9/30/20	(49,948)		251,356	(281,373)					(30,017)		
	Total ESSA, Title II, Part A, Innovative Programs					(49,948)		301,304	(281,373)					(30,017)		
84.365A	S365A180030		ESSA-1310-19	39,323	7/1/18 - 6/30/19	(15,007)		15,007								
84.365A	S365A190030		ESSA-1310-20	45,705	7/1/19 - 9/30/20	(123)		22,558	(36,328)					(13,770)		
84.365	S365A180030		ESSA-1310-19	1,964	7/1/18 - 6/30/19	(123)		123								
84.365	S365A190030		ESSA-1310-20	10,466	7/1/19 - 9/30/20	(15,130)		3,679	(3,679)							
	Total ESSA, Title III					(15,130)		41,367	(40,007)					(13,770)		
84.027	H027A180100		IDEA2019	1,750,486	7/1/18 - 6/30/19	(370,698)		370,698								
84.027	H027A190100		IDEA2020	1,792,594	7/1/19 - 9/30/20	(7,598)		1,484,267	(1,727,805)					(243,538)		
84.027	H027A180100		IDEA2019	35,000	9/1/18 - 8/31/19			7,598								
84.027	H027A190100		IDEA2020	27,403	9/1/19 - 8/31/20			25,362	(25,362)							
84.173	H173A180114		IDEA2019	70,763	7/1/18 - 6/30/19	(3,702)		3,702								
84.173	H173A190114		IDEA2020	87,471	7/1/19 - 9/30/20	(381,998)		63,825	(63,825)					(243,538)		
	Total IDEA Part B					(381,998)		1,955,452	(1,816,992)					(243,538)		
84.048	V048A180030		PERK012019	59,244	7/1/18 - 6/30/19	(10,322)		10,322								
84.048	V048A190030		PERK012020	64,306	7/1/19 - 6/30/20	(10,322)		47,060	(62,332)					(15,272)		
	Total Carl Perkins Vocational PL #101-392					(10,322)		57,382	(62,332)					(15,272)		
84.287	S287C180030		N/A	575,000	9/1/18 - 8/31/19	(127,968)		238,645	(110,677)							
84.287	S287C190030		N/A	500,000	9/1/19 - 8/31/20	(127,968)		268,704	(390,281)					(121,577)		
	Total 21st Century Community Learning Centers					(127,968)		507,349	(500,958)					(121,577)		
84.425D	S425D200027		N/A	1,038,582	3/1/20 - 9/30/22											
	CARES Emergency Relief Grant															
	Total Temporary Emergency Impact Aid for Displaced Students															
	Total Special Revenue Fund					(1,062,890)		4,209,912	(4,033,786)					(886,764)		
	Total Federal Financial Awards					\$ (1,143,493)		6,106,428	(5,937,699)					(1,067,632)	92,868	

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

K-4
Schedule B

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Deferred Revenue (Accrs Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Transfer/ Adjustment	Repayment of Prior Year's Balances	Balance at June 30, 2020			MEMO
											(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	
State Department of Education														
General Fund:														
Equalization Aid	20-495-034-5120-078	38,895,174	7/1/19-6/30/20				38,895,174	(38,895,174)					3,653,772	38,895,174
Categorical Special Education Aid	20-495-034-5120-089	4,443,028	7/1/19-6/30/20				4,443,028	(4,443,028)					417,373	4,443,028
Security Aid	20-495-034-5120-084	1,547,671	7/1/19-6/30/20				1,547,671	(1,547,671)					145,387	1,547,671
Total State Aid Public Cluster							44,885,873	(44,885,873)					4,216,532	44,885,873
Categorical Transportation Aid	20-495-034-5120-014	3,273,116	7/1/19-6/30/20				3,273,116	(3,273,116)					307,473	3,273,116
Extraordinary Special Education Aid	19-495-034-5120-044	1,060,982	7/1/18-6/30/19	(1,060,982)			1,060,982							1,060,982
Extraordinary Special Education Aid	20-495-034-5120-044	1,212,483	7/1/19-6/30/20				1,212,483	(1,212,483)						1,212,483
Nonpublic School Transportation Aid	N/A	112,576	7/1/18-6/30/19	(112,576)			112,576							112,576
Nonpublic School Transportation Aid	N/A	42,027	7/1/19-6/30/20				42,027	(42,027)						42,027
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	3,966,940	7/1/18-6/30/19	(197,932)			197,932							3,966,940
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	4,224,508	7/1/19-6/30/20				4,013,389	(4,224,508)						4,224,508
On-Behalf TPAF Pension Contributions	20-495-034-5095-003	15,499,621	7/1/19-6/30/20				15,499,621	(15,499,621)						15,499,621
Total General Fund				(1,371,490)			69,043,489	(69,137,628)					4,524,005	74,278,126
Special Revenue Fund:														
New Jersey Nonpublic Aid:														
Textbook Aid	19-100-034-5120-064	20,292	7/1/18-6/30/19		30		19,502	(18,598)		(30)				18,932
Textbook Aid	20100-034-5120-064	19,502	7/1/19-6/30/20										904	18,598
Auxiliary Services:														
Compensatory Education	19-100-034-5120-067	29,611	7/1/18-6/30/19		4,789		43,595	(49,159)		(4,789)				63,781
Compensatory Education	20-100-034-5120-067	49,159	7/1/19-6/30/20											49,159
ESL	19-100-034-5120-067	3,451	7/1/18-6/30/19		3,451		827			(3,451)				903
ESL	20-100-034-5120-067	827	7/1/19-6/30/20										827	
Home Instruction	20-100-034-5120-067	1,453	7/1/19-6/30/20					(1,453)						1,453
Handicapped Services:														
Examination and Classification	19-100-034-5120-066	31,314	7/1/18-6/30/19		4,804		29,772	(24,612)		(4,804)				
Examination and Classification	20-100-034-5120-066	37,529	7/1/19-6/30/20				5,195	(5,195)						5,195
Corrective Speech	20-100-034-5120-066	5,195	7/1/19-6/30/20				29,951	(25,660)						25,660
Supplemental Instruction	20-100-034-5120-066	29,951	7/1/19-6/30/20											32,844
Nursing	19-100-034-5120-070	39,285	7/1/18-6/30/19		3,314		37,345	(34,611)		(3,314)				34,611
Nursing	20-100-034-5120-070	37,345	7/1/19-6/30/20											34,611
Technology	19-100-034-5120-373	13,680	7/1/18-6/30/19		586		13,320	(10,837)		(586)				12,196
Technology	20-100-034-5120-373	13,320	7/1/19-6/30/20											10,837
Security	19-100-034-5120-509	60,750	7/1/18-6/30/19		8,465		57,750	(52,400)		(8,465)				22,142
Security	20-100-034-5120-509	57,750	7/1/19-6/30/20											52,400
Total Special Revenue Fund					25,439		237,257	(222,525)		(25,439)				348,711
Debt Service Fund:														
Debt Service Aid Type II	20-495-034-5120-075	3,235,262	7/1/19-6/30/20				3,235,262	(3,235,262)						3,235,262
Total Debt Service Fund							3,235,262	(3,235,262)						3,235,262
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	19-100-010-3350-023	32,161	7/1/18-6/30/19	(2,497)			2,497	(30,414)						32,161
State School Lunch Program	20-100-010-3350-023	30,414	7/1/19-6/30/20				21,325	(30,414)						30,414
Total State Financial Assistance				\$ (1,373,987)	\$ 25,439		72,539,830	(72,625,829)		(25,439)			4,524,005	77,924,674
Less: On-Behalf TPAF Pension Contributions														
<u>(15,499,621)</u>														
<u>(57,126,208)</u>														

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

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2020

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 (\$373,948) for the general fund and (\$5,310) 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:

{This space intentionally left blank}

**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$69,137,628	222,525	3,235,262	30,414	72,625,829
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).	(373,948)				(373,948)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$68,763,680</u>	<u>222,525</u>	<u>3,235,262</u>	<u>30,414</u>	<u>72,251,881</u>

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$246,151	4,033,786	1,657,762	5,937,699
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(5,310)		(5,310)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$246,151</u>	<u>4,028,476</u>	<u>1,657,762</u>	<u>5,932,389</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions and OPEB – GASB 75 represent the amount paid by the State on behalf of the district for the year ended June 30, 2020. 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, 2020.

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: _____ Unmodified _____

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified _____ yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
84.010	Title I, Part A
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? X yes _____ no

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified _____ yes X none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>20-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

N) Dollar threshold used to determine Type A programs: _____ \$2,178,775

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, 2020**

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, 2020**

STATUS OF PRIOR YEAR FINDINGS

NONE