

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

West Creek, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
WEST CREEK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
TYLER VERGA**

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INTRODUCTORY SECTION

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EAGLESWOOD TOWNSHIP BOARD OF EDUCATION

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February 10, 2022

Honorable President and Members
Of the Board of Education
Eagleswood Township School District
County of Ocean
West Creek, NJ 08092-3207

Dear Board Members and Citizens of the Township of Eagleswood:

The Comprehensive Annual Financial Report (CAFR) of the Eagleswood Township School District for the fiscal year ended June 30, 2021 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 Eagleswood Township School District. 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, 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 district as of June 30, 2021 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 as follows:

The Introductory Section contains a Letter of Transmittal, Roster of Officials, List of Consultants and Advisors, and an Organizational Chart of the School District;

The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information;

The Statistical Section includes selected financial trends, revenue capacity, debt capacity, certain demographic and economic information and operating information of the school district, generally presented on a multi-year basis;

The Single Audit Section – The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent



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auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

SCHOOL DISTRICT ORGANIZATION

The Eagleswood Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Eagleswood Township Board of Education and its school constitute the district's reporting entity.

The district continues to maintain a high quality of education which consists of a PreK-6 district in New Jersey. The district provides a full range of programs and services appropriate to grades Pre-K through 6. These include regular education programs for the very able students (gifted and talented), as well as those for students with disabilities both in and out of district. One elementary school comprise the district's instructional facilities.

Supervising district-wide goals is a district superintendent/principal and a school business administrator/board secretary.

The Board of Education, comprised of five members, each elected to three-year terms, meets on the last Thursday of each month for regular meetings. During the meetings the board members determine district goals, priorities, set policy, and conduct other business. Board meetings are open to the public and begin at 6:00 PM.

To maintain effective communications, the district uses several options to ensure a consistent flow of information to our school families and community. Communication tools utilized by the district include a district website that is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, and more. The district also communicates with parents via Realtime, a system that provides both phone and text message contact options. The ability to contact the entire parent population about changes in the school day, i.e. early closure, or to be able to update them in an emergency situation, is a vital component in ensuring that our communication efforts are timely, accurate and effective. The districts also utilizes the Parent Portal (part of Realtime) for communications between home and school for grades and attendance records.

DISTRICT CURRICULUM

The goal of the Eagleswood Township School District is to encourage lifelong learning for all students. The district provides curricular offerings aligned with the New Jersey Student Learning Standards that enable students to develop intellectually, socially, physically and emotionally. The core subjects of



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English Language Arts, Mathematics, Science, and Social Studies establish the foundation for a curriculum of exploration and breadth.

English Language Arts

The English Language Arts Curriculum is aligned to the New Jersey Student Learning Standards and promotes the language experiences students need in order to grow intellectually, socially, and emotionally. A balanced literacy approach is utilized, which integrates reading, writing, speaking, listening, and viewing to foster instruction that encourages students to think critically and creatively. The curriculum provides the skills students need to be successful throughout their lifetime and moreover, promotes a love of learning that comes with reading great literature and communicating well in speech and writing.

Mathematics

The overriding goal of mathematics education in the Eagleswood School District is to provide students with the higher order thinking skills, mathematical understandings and problem-solving attitudes to be successful in their careers and daily lives. The curriculum, aligned to the New Jersey Student Learning Standards, takes a developmental and sequential approach; a concept is introduced, subsequently developed, and mastered. The eight mathematical practices are embedded into the curriculum and instruction. With a strong focus on technology, the mathematics curriculum strives to integrate its objectives into all other subjects.

Science

Science education in Eagleswood Township School District provides the experiences to make students aware of the impact of science on society. This comprehensive curriculum, aligned to the New Jersey Student Learning Standards, assures that students develop an understanding of the concepts and processes of science through inquiry, activity, and experimentation.

Social Studies

The social studies program reflects our changing society. Through a variety of learning experiences, by linking the past to the present, students develop an appreciation of the continuity of the human experience and realize that each individual has a contribution to make to society. With subject matter drawn from the humanities, this social studies program includes history, geography, government and civics, economics, anthropology, sociology, and psychology.



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World Languages

The focus of the world language program is for students to gain a rich background in the culture of various countries and acquire the ability to communicate in the target language. Students are introduced to Spanish.

Arts

The arts curriculum is intended to promote creative and original thought. The foundation of the arts curriculum is the belief that students are unique and have diverse talents. The goal of the arts programs is to provide rich, educational opportunities for all students.

Health and Physical Education

The comprehensive health and physical education programs encourage students to take responsibility for their own lives by acting conscientiously in the present and establishing positive health practices that will support and enhance life-long wellness. Students who are health-literate have the knowledge and skills to better achieve and maintain physical, social and emotional health.

Educational Technology

It is the vision of the district to provide a technologically enriched environment in which our students can perform at optimum levels. The district provides for the acquisition and dissemination of knowledge via technological resources in concert with the New Jersey Student Learning Standards. The district modifies its program as students' needs and current technologies change. As a result, ongoing technology training is a major component of the district's staff development plan via turn-key training sessions as well as professional development opportunities.

Basic Skills

The K-6 Basic Skills Improvement program (BSI) is designed to meet the needs of those students who need additional assistance in English Language Arts and/or Mathematics. The goal of the program is to help students succeed in the classroom. Utilizing small group instruction, students receive instruction either through in-class support or a pull-out model. Title I resources are used to supplement this program.



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Special Education

The special education program continues to be an integral part of the district. There are inclusive classrooms as well as pull-out resource rooms. The District continues to work diligently to provide the appropriate services and programs for all students.

New Jersey Student Learning Standards

The Eagleswood Township School District is following the Department of Education’s guidelines for the adoption of the 2016 New Jersey Student Learning Standards. All approved curricula are aligned to the New Jersey Student Learning Standards.

REPORTING ENTITY AND ITS SERVICES

The Eagleswood Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	140	6.87%
2019-2020	131	2.34%
2018-2019	128	-4.48%
2017-2018	134	-6.94%
2016-2017	144	-5.26%
2015-2016	152	11.76%
2014-2015	136	-4.90%
2013-2014	143	-2.72%
2012-2013	147	4.26%
2011-2012	141	6.02%



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ECONOMIC CONDITION AND OUTLOOK

The Eagleswood Township area is experiencing minimal growth as there are currently no new major construction projects in progress. However, the population remains steady and there remains potential growth in undeveloped property.

The district has recently participated in a regional feasibility study. The study looked at both educational and economic impact to determine if there are additional areas for shared services and economic efficiencies that provide both relief for the taxpayers as well as educational excellence for our students. This is ongoing and decisions will be made as we move into the next fiscal school year.

MAJOR INITIATIVES

At Eagleswood Township School District, we continue to focus our efforts on providing an individualized approach to education. Each student is unique and learns in their own unique way, and we strive to differentiate to meet their needs. We feel strongly that our motto Education First! be at the forefront of our children's minds and have our students realize that learning is a life-long commitment.

The district is providing programs for our students that address both academic and social emotional needs. Afterschool programs as well as a summer program will afford students to receive additional instruction to remediate or accelerate learning. Students will also have the opportunity to learn new skills and socialize with their peers.

The district is also investing funds to hire a Reading Specialist. The goal will be to provide intensive targeted instruction to our students as well as professional development for teachers. An additional guidance counselor is being hired to address identified mental health needs of students.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management. As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.



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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School 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 the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.



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OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

Dennis Flippone

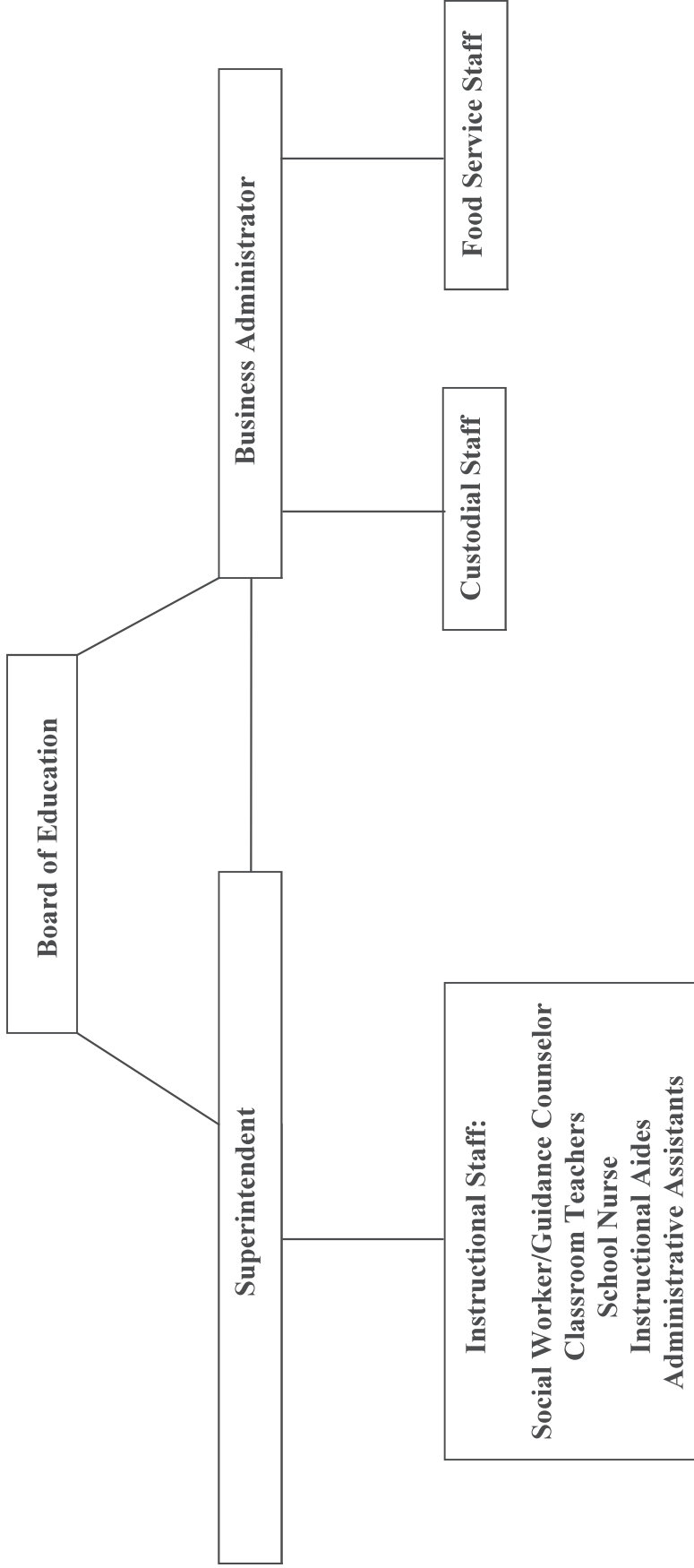
Interim Superintendent of Schools

Susanne O'Halloran

School Business Administrator/Board Secretary

Egleswood Township Board of Education

Organizational Chart



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**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
WEST CREEK, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Isabella Pharo, President

2023

Susan D'Ambrosio, Vice President

2021

Kelly Stover

2022

Steven Halford

2023

Paul McMahan

2023

OTHER OFFICIALS

Deborah Snyder, Superintendent of Schoools

Tyler Verga, School Business Administrator/Board Secretary

Stephen Brennan, Treasurer of School Monies

Paul C. Kalac, Esq

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
WEST CREEK, NEW JERSEY**

CONSULTANTS AND ADVISORS

AUDIT FIRM

David McNally, CPA, RMA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Weiner Law Group
Paul C. Kalac
629 Parsippany Road
Parsippany, NJ 07504

OFFICIAL DEPOSITORY

Ocean First Bank
205 Route 72 West
Manahawkin, NJ 08050

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Eagleswood Township School District
County of Ocean
West Creek, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, County of Ocean, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the School District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 22 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eagleswood Township School District's basic financial statements. The introductory section, combining and individual fund statements long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance,

Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022 on our consideration of the 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 the effectiveness of the School District's 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 10, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Eagleswood Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the After School Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District’s enterprise fund (After School program) is listed individually and is considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government’s financial position.

The School District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District’s opening net position as of July 1, 2020 in the amount of \$2,419, as indicated in Note 22 to the Financial Statements. Prior years’ balances reflected in the MD&A have been updated to reflect this change.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,048,906	\$ 937,682	\$ 111,224	11.9%
Capital Assets, Net	<u>5,505,493</u>	<u>5,695,196</u>	<u>(189,703)</u>	-3.3%
Total Assets	<u>6,554,399</u>	<u>6,632,878</u>	<u>(78,479)</u>	-1.2%
Deferred Outflow of Resources	<u>114,013</u>	<u>110,327</u>	<u>3,686</u>	3.3%
Current and other Liabilities	221,572	4,847,929	(4,626,357)	-95.4%
Noncurrent Liabilities	<u>4,522,168</u>	<u>191,264</u>	<u>4,330,904</u>	2264.4%
Total Liabilities	<u>4,743,740</u>	<u>5,039,193</u>	<u>(295,453)</u>	-5.9%
Deferred Inflow of Resources	<u>203,033</u>	<u>228,673</u>	<u>(25,640)</u>	-11.2%
Net Position:				
Net Investment in Capital Assets	1,615,493	1,416,818	198,675	14.0%
Restricted	640,788	609,742	31,046	5.1%
Unrestricted (Deficit)	<u>(534,642)</u>	<u>(551,222)</u>	<u>16,580</u>	-3.0%
Total Net Position	<u>\$ 1,721,639</u>	<u>\$ 1,475,339</u>	<u>\$ 246,300</u>	16.7%

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ -	\$ 12,912	\$ (12,912)	-100.0%
Operating Grants & Contributions	1,190,334	741,432	448,902	60.5%
General Revenues:				
Property Taxes	2,719,439	2,679,599	39,840	1.5%
Federal & State Aid	709,550	786,168	(76,618)	-9.7%
Other General Revenues	41,552	2,455	39,097	1592.8%
Total Revenues	<u>4,660,875</u>	<u>4,222,566</u>	<u>438,309</u>	<u>10.4%</u>
Function/Program Expenses:				
Regular Instruction	\$ 981,441	\$ 1,570,315	(588,874)	-37.5%
Special Education Instruction	310,345	427,175	(116,830)	-27.3%
Other Instruction	213,441	405,536	(192,095)	-47.4%
Tuition	57,307	181,813	(124,506)	-68.5%
Student & Instruction Related Services	419,591	479,841	(60,250)	-12.6%
General Administrative	148,229	232,508	(84,279)	-36.2%
School Administrative Services	3,000	3,957	(957)	-24.2%
Central Services	65,000	86,932	(21,932)	-25.2%
Plant Operations & Maintenance	203,992	263,319	(59,327)	-22.5%
Pupil Transportation	193,227	263,250	(70,023)	-26.6%
Unallocated Benefits	909,503	-	909,503	100.0%
On Behalf TPAF Pension and Social	603,806	-	603,806	100.0%
Interest & Other Charges	106,709	115,990	(9,281)	-8.0%
Unallocated Depreciation	201,286	-	201,286	100.0%
After School Program	117	10,262	(10,145)	-98.9%
Total Expenses	<u>4,416,994</u>	<u>4,040,900</u>	<u>376,094</u>	<u>9.3%</u>
Change In Net Position	243,881	181,666	62,215	34.2%
Net Position - Beginning (Restated)	1,477,758	1,293,673	184,085	14.2%
Net Position - Ending	<u>\$ 1,721,639</u>	<u>\$ 1,475,339</u>	<u>\$ 246,300</u>	<u>16.7%</u>

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$243,998.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$1,673,751, with an unrestricted deficit balance of (\$582,530). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, accrued interest, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(582,530)
Add back: PERS Pension Liability		415,798
Less: Deferred Outflows related to pensions		(114,013)
Add back: Deferred Inflows related to pensions		203,033
		203,033
Unrestricted Net Position (Without GASB 68)	\$	(77,712)

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$117

General Fund Budgeting Highlights

Final budgeted revenues were \$2,995,712, which was no difference from than the original. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$44,079.

Final budgeted appropriations were \$3,186,746, which was no difference from the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$242,997.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$881,337 at June 30, 2021 an increase of \$96,042 from the prior year.

Financial Analysis of the School District’s Funds

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$855,978, an increase of \$95,200 from the prior year, inclusive of a prior period adjustment of \$2,419.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District’s Funds (continued)

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$100,198.

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund decreased by \$1,776.

Capital projects fund - There was no change in the fund balance for the capital projects fund.

Debt service fund - During the current fiscal year, the fund balance of the School District’s debt service fund decreased by \$5,641.

Proprietary Funds

After school Program - During the current fiscal year, the net position of the School District’s after school program fund decreased by \$117.

Capital Assets

The School District’s capital assets for its governmental activities as of June 30, 2021, totaled \$5,505,493 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and improvements and equipment. There was a net decrease in the School District’s capital assets for the current fiscal year in the amount of \$189,703. This decrease is primarily due to annual depreciation in the amount of \$201,286. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets - Governmental Activities

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land Improvements	\$ 156,351	\$ 156,351	\$ -	0.0%
Building and Improvements	5,205,530	5,387,068	(181,538)	-3.4%
Equipment	143,612	151,777	(8,165)	-5.4%
	<u>\$ 5,505,493</u>	<u>\$ 5,695,196</u>	<u>\$ (189,703)</u>	-3.3%

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$3,389,000, which is a decrease of \$315,000 from the prior year.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District’s Future

For the fiscal year 2021-2022, the School District was able to sustain its budget through property taxes, federal and state sources, and other various revenue sources. Approximately sixty-seven percent (67.43%) of total revenue is from property taxes, while thirty-two percent (32.56%) of the School District's revenue is from federal, state, and local sources. The fiscal year 2021-2022 budget was adopted on March 9, 2021 by the Board

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator at the Eagleswood Township School District, 115 Route 9, West Creek, New Jersey 08092.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 832,398	\$ 47,888	\$ 880,286
Receivables, Net (Note 4)	63,226	-	63,226
Restricted Assets:			
Restricted Cash & Cash Equivalents	105,394	-	105,394
Capital Assets, Net (Note 5):			
Non-depreciable	156,351	-	156,351
Depreciable	5,349,142	-	5,349,142
Total Assets	6,506,511	47,888	6,554,399
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	114,013	-	114,013
Total Deferred Outflow of Resources	114,013	-	114,013
Total Assets and Deferred Outflow of Resources	6,620,524	47,888	6,668,412
LIABILITIES			
Accounts Payable	56,361	-	56,361
Accrued Interest Payable	30,399	-	30,399
Accrued Salaries	80,544	-	80,544
Due to Other Governments	46,133	-	46,133
Unearned Revenue	8,135	-	8,135
Noncurrent Liabilities (Note 7):			
Due Within One Year	325,000	-	325,000
Due Beyond One Year	4,197,168	-	4,197,168
Total Liabilities	4,743,740	-	4,743,740
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	203,033	-	203,033
Total Deferred Inflow of Resources	203,033	-	203,033
Total Liabilities and Deferred Inflow of Resources	4,946,773	-	4,946,773
NET POSITION			
Net Investment in Capital Assets	1,615,493	-	1,615,493
Restricted For:			
Maintenance Reserve	105,394	-	105,394
Debt Service	32,601	-	32,601
Student Activities	2,909	-	2,909
Excess Surplus	499,884	-	499,884
Unrestricted	(582,530)	47,888	(534,642)
Total Net Position	\$ 1,673,751	\$ 47,888	\$ 1,721,639

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 981,441	\$ -	\$ 97,324	\$ (884,117)	\$ -	\$ (884,117)
Special Education	310,345	-	-	(310,345)	-	(310,345)
Other Special Instruction	213,441	-	-	(213,441)	-	(213,441)
Support Services & Undistributed Costs:						
Tuition	57,307	-	-	(57,307)	-	(57,307)
Attendance & Social Work Services	110,139	-	-	(110,139)	-	(110,139)
Health Services	69,038	-	-	(69,038)	-	(69,038)
Student & Instruction Related Services	240,414	-	91,178	(149,236)	-	(149,236)
Educational Media Services/School Library	595	-	-	(595)	-	(595)
Instructional Staff Training	2,042	-	-	(2,042)	-	(2,042)
School Administrative Services	3,000	-	-	(3,000)	-	(3,000)
General Administrative Services	145,592	-	-	(145,592)	-	(145,592)
Plant Operations & Maintenance	203,992	-	-	(203,992)	-	(203,992)
Pupil Transportation	193,227	-	-	(193,227)	-	(193,227)
Business & Other Support Services	65,000	-	-	(65,000)	-	(65,000)
Unallocated Benefits	909,503	-	398,026	(511,477)	-	(511,477)
On Behalf TPAF Pension and Social Security Contribution	603,806	-	603,806	-	-	-
Interest and Charges on Long-term Debt	106,709	-	-	(106,709)	-	(106,709)
Unallocated Depreciation	201,286	-	-	(201,286)	-	(201,286)
Total Governmental Activities	4,416,877	-	1,190,334	(3,226,543)	-	(3,226,543)
Business-Type Activities:						
After School Program	117	-	-	-	(117)	(117)
Total Business-Type Activities	117	-	-	-	(117)	(117)
Total Primary Government	\$ 4,416,994	\$ -	\$ 1,190,334	(3,226,543)	(117)	(3,226,660)
General Revenues:						
Property Taxes, Levied for General Purposes, Net				2,427,234	-	2,427,234
Taxes Levied for Debt Service				292,205	-	292,205
Federal & State Aid Not Restricted				709,550	-	709,550
Miscellaneous Revenue				41,552	-	41,552
Total General Revenues, Special Items, Extraordinary Items & Transfers				3,470,541	-	3,470,541
Change In Net Position				243,998	(117)	243,881
Net Position - Beginning (Restated)				1,429,753	48,005	1,477,758
Net Position - Ending				\$ 1,673,751	\$ 47,888	\$ 1,721,639

B. Fund Financial Statements

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Governmental Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 799,346	\$ 451	\$ -	\$ 32,601	\$ 832,398
Due From Other Funds	4,425	-	-	-	4,425
Intergovernmental Accounts Receivable:					
Federal	-	18,487	-	-	18,487
State	14,633	-	-	-	14,633
Other	30,106	-	-	-	30,106
Restricted Cash & Cash Equivalents	105,394	-	-	-	105,394
Total Assets	\$ 953,904	\$ 18,938	\$ -	\$ 32,601	\$ 1,005,443
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 44,966	\$ 7,922	\$ -	\$ -	\$ 52,888
Accrued Salaries	80,544	-	-	-	80,544
Payroll Payable	3,473	-	-	-	3,473
Interfund Payable	-	4,425	-	-	4,425
Unearned Revenue	-	8,135	-	-	8,135
Total Liabilities	128,983	20,482	-	-	149,465
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	225,687	-	-	-	225,687
Excess Surplus - Current Year	274,197	-	-	-	274,197
Maintenance Reserve Account	105,394	-	-	-	105,394
Student Activities Designated by the BOE for Subsequent Year's Expenditures	-	2,909	-	-	2,909
Other Purposes	11,525	-	-	32,572	44,097
Debt Service	5,349	-	-	-	5,349
Unassigned:					
General Fund	-	-	-	29	29
Special Revenue Fund	202,769	-	-	-	202,769
	-	(4,453)	-	-	(4,453)
Total Fund Balances	824,921	(1,544)	-	32,601	855,978
Total Liabilities & Fund Balances	\$ 953,904	\$ 18,938	\$ -	\$ 32,601	

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. The cost of the assets is \$7,977,560, and the accumulated depreciation is \$2,472,067. (See Note 5)	5,505,493
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the current period.	(30,399)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	(89,020)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(46,133)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	(4,522,168)

Net position of Governmental Activities \$ 1,673,751

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Tax Levy	\$ 2,427,234	\$ -	\$ -	\$ 292,205	\$ 2,719,439
Miscellaneous	35,069	6,453	30	-	41,552
State Sources	1,162,588	42,266	-	127,906	1,332,760
Federal Sources	-	146,236	-	-	146,236
Total Revenues	3,624,891	194,955	30	420,111	4,239,987
Expenditures:					
Current:					
Regular Instruction	884,117	97,324	-	-	981,441
Special Education Instruction	310,345	-	-	-	310,345
Other Special Instruction	213,441	-	-	-	213,441
Support Services & Undistributed Costs:					
Tuition	57,307	-	-	-	57,307
Attendance & Social Work Services	110,139	-	-	-	110,139
Health Services\Attendance	69,038	-	-	-	69,038
Student & Instruction Related Services	141,007	99,407	-	-	240,414
Educational Media Services/ School Library	595	-	-	-	595
Instructional Staff Training	2,042	-	-	-	2,042
General Administrative Services	145,592	-	-	-	145,592
School Administrative Services	3,000	-	-	-	3,000
Plant Operations & Maintenance	203,992	-	-	-	203,992
Pupil Transportation	193,227	-	-	-	193,227
Business & Other Support Services	65,000	-	-	-	65,000
Unallocated Benefits	1,114,268	-	-	-	1,114,268
Debt Service:					
Principal	-	-	-	315,000	315,000
Interest & Other Charges	-	-	-	110,782	110,782
Capital Outlay	11,583	-	-	-	11,583
Total Expenditures	3,524,693	196,731	-	425,782	4,147,206
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	100,198	(1,776)	30	(5,671)	92,781
Other Financing Sources/(Uses):					
Transfers Out	-	-	(30)	30	-
Total Other Financing Sources & Uses	-	-	(30)	30	-
Net Change in Fund Balances	100,198	(1,776)	-	(5,641)	92,781
Fund Balance - July 1	724,723	(2,187)	-	38,242	760,778
Prior Period Adjustment	-	2,419	-	-	2,419
Fund Balance - July 1 (Restated)	724,723	232	-	38,242	763,197
Fund Balance - June 30	\$ 824,921	\$ (1,544)	\$ -	\$ 32,601	\$ 855,978

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	92,781
Amounts reported for governmental activities in the statement of activities (A-2) are difference 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 amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	\$ (201,286)	
Capital Outlays	<u>11,583</u>	(189,703)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		315,000
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.		37,217
Net difference in accrued interest on bonds and capital leases is not recorded in the fund financial statements.		4,073
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 Fund, 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 a reduction in the reconciliation (-); When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Prior Year Compensated Absences	201,000	
Current Year Compensated Absences	<u>(216,370)</u>	(15,370)
Change in Net Position of Governmental Activities	\$	<u><u>243,998</u></u>

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Proprietary Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u> AFTER SCHOOL PROGRAM
ASSETS	
Current Assets:	
Cash & Cash Equivalents	<u>\$ 47,888</u>
Total Assets	<u><u>\$ 47,888</u></u>
NET POSITION	
Unrestricted	<u>\$ 47,888</u>
Total Net Position	<u><u>\$ 47,888</u></u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u> AFTER SCHOOL PROGRAM
Operating Expenses:	
Supplies	\$ 117
Total Operating Expenses	<u>117</u>
Operating Income/(Loss)	<u>(117)</u>
Change in Net Position	(117)
Total Net Position - Beginning	<u>48,005</u>
Total Net Position - Ending	<u><u>\$ 47,888</u></u>

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021**

**BUSINESS-TYPE
 ACTIVITIES -
 ENTERPRISE FUNDS
AFTER SCHOOL
 PROGRAM**

Cash Flows From Operating Activities:	
Payments to Suppliers	\$ <u>(117)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(117)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(117)
Balances - Beginning of Year	<u>48,005</u>
Balances - End of Year	<u><u>\$ 47,888</u></u>

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

Operating Income/(Loss)	\$ <u>(117)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (117)</u></u>

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Eagleswood Township School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of more significant accounting policies.

Reporting Entity

The District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of five members appointed to three-year terms. These terms are staggered so that two members’ terms expire in a given year and on term expires in the third year. The District provides a full range of educational services appropriate to grades levels kindergarten through sixth grade. These include regular, vocational, as well as special education for handicapped youngsters. The District has an approximate enrollment at June 30, 2021 of 140 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the After School Program Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations, including Student Activities that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are special authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

The District reports the following major proprietary funds:

After School Program – This fund accounts for the revenues and expenses pertaining to providing day care services for students before and after school.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

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.

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

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

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.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

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

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the District’s bank balance of \$1,015,953 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	923,787
Uninsured and Uncollateralized		<u>92,166</u>
		<u>\$ 1,015,953</u>

Investments

The District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Maintenance Reserve

A Maintenance Reserve account was established by the District for the accumulation of funds for use as required maintenance of facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the District’s school facilities for the current year.

The activity of the maintenance reserve for the July 1, to June 30, 2021 fiscal year is as follows:

Ending Balance, June 30, 2021 and 2020	\$	<u>105,394</u>
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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ -	\$ 18,487	\$ 18,487
State Awards	14,633	-	14,633
Other	30,106	-	30,106
Total	\$ 44,739	\$ 18,487	\$ 63,226

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Adjustment</u>	<u>Balance June 30, 2021</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 156,351	\$ -	\$ -	\$ -	\$ 156,351
Total Capital Assets not being depreciated	156,351	-	-	-	156,351
Capital Assets being depreciated:					
Land Improvements	-	-	-	-	-
Buildings and Improvements	7,405,191	-	-	-	7,405,191
Equipment	404,435	11,583	-	-	416,018
Total Capital Assets being depreciated	7,809,626	11,583	-	-	7,821,209
Less: Accumulated Depreciation:					
Land Improvements	-	-	-	-	-
Buildings and Improvements	(2,018,123)	(181,538)	-	-	(2,199,661)
Equipment	(252,658)	(21,374)	-	1,626	(272,406)
Total Accumulated Depreciation	(2,270,781)	(202,912)	-	1,626	(2,472,067)
Total Capital Assets being depreciated, net	5,538,845	(191,329)	-	1,626	5,349,142
Total Governmental Activities Capital Assets, net	\$ 5,695,196	\$ (191,329)	\$ -	\$ 1,626	\$ 5,505,493

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 6. Interfund Receivables, Payables and Transfers

All interfund transfers are predominately as a result of payments made by certain funds on behalf of other funds. A summary of interfund transfers is as follows:

The District had no individual fund receivables/payables balances at June 30, 2021.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 4,425	\$ -
Special Revenue Fund	-	4,425
	<u>\$ 4,425</u>	<u>\$ 4,425</u>

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Service Fund	\$ 30	\$ -
Capital Project Fund	-	30
	<u>\$ 30</u>	<u>\$ 30</u>

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,205,000	\$ -	\$ 315,000	\$ 3,890,000	\$ 325,000
Compensated Absences	201,000	15,370	-	216,370	-
Net Pension Liability	441,929	-	26,131	415,798	-
	<u>\$ 4,847,929</u>	<u>\$ 15,370</u>	<u>\$ 341,131</u>	<u>\$ 4,522,168</u>	<u>\$ 325,000</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 7. Long-Term Obligations (continued)

A. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2021, bonds payable consisted of the following individual issues:

During January 2007, The District issued \$1,666,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 4.00% to 4.25% and mature on January 1, 2022.

During May 2016, The District issued \$4,393,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 2.00% to 3.00% and mature on September 15, 2036.

Principal and Interest due on the outstanding bonds as of June 30, 2021 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 325,000.00	\$ 54,753.13	\$ 379,753.13
2023	185,000.00	46,465.63	231,465.63
2024	190,000.00	44,615.63	234,615.63
2025	195,000.00	42,715.63	237,715.63
2026	205,000.00	40,765.63	245,765.63
2026-2031	1,135,000.00	170,271.89	1,305,271.89
2032-2036	1,350,000.00	85,125.00	1,435,125.00
2037	305,000.00	4,575.00	309,575.00
Total Outstanding as of June 30, 2021	<u>\$ 3,890,000</u>	<u>\$ 489,288</u>	<u>\$ 4,379,288</u>

C. Bonds Authorized But Not Issued

As of June 30, 2021, the District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the District reported a liability of \$415,798 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 0.0025497%, which was an increase of 0.0000971% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$(9,324) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 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	\$ 7,571	\$ 1,470	
Changes of Assumptions	13,489	174,098	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,212	-	
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	32,608	27,465	
School District Contributions Subsequent to Measurement Date	46,133	-	
	\$ 114,013	\$ 203,033	

\$46,133 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ (62,173)
2022	(41,049)
2023	(16,948)
2024	(6,034)
2025	<u>(8,949)</u>
	<u>\$ (135,153)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
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%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-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 Disabled 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-2020.

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, 2020) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 School 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 as of June 30, 2020, calculated using the discount rate of 7.00% 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 or 1-percentage point higher than the current rate:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 527,536	\$ 415,798	\$ 327,029

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00255%	0.00245%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the District as of June 30, 2020 was \$274,184. The District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the District was 0.012099%, which was an increase of 0.000219% from its proportion measured as of June 30, 2019.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

For the fiscal year ended June 30, 2021, the District recognized \$495,457 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
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 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 8. Pension Plans (continued)

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
Eagleswood Township School District of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Eagleswood Township School District	<u>9,358,830</u>	<u>7,967,559</u>	<u>6,812,341</u>
	<u>\$ 9,358,830</u>	<u>\$ 7,967,559</u>	<u>\$ 6,812,341</u>

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

General Information about the OPEB Plan (continued)

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$9,040,846. The School District’s proportionate share was \$0.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability (continued)

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.01333%, which was a decrease of 0.00004% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$397,905 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB 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:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate (continued)

	June 30, 2020		
	<u>At 1% Decrease (1.21%)</u>	<u>At Discount Rate (2.21%)</u>	<u>At 1% Increase (3.21%)</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,899,207	\$ 9,040,846	\$ 7,587,787
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate *</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 7,298,076	\$ 9,040,846	\$ 11,116,098
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 10,295,318,750	\$ (9,170,703,615)
Differences between Expected & Actual Experience	-	-
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,			
2021	\$	43,440,417	
2022		43,440,417	
2023		43,440,417	
2024		43,440,417	
2025		43,440,417	
Thereafter		4,704,163,473	
	\$	4,921,365,558	

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
	366,108

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$359,738, \$112,736, \$121 and \$108,349, respectively.

Note 11. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 11. Risk Management (continued)

Joint Insurance Pool – The District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage’s:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District’s programs and activities.

Note 14. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(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:

AXA Equitable

Note 15. Compensated Absences

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

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 15. Compensated Absences (continued)

forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$216,370. No liability was recorded on the proprietary fund Statement of Net Position at June 30, 2021.

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 17. Commitments

The District has contractual commitments at June 30, 2021 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$5,349.

Note 18. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve the General 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, 2021 was \$274,197.

Note 19. Fund Balance

General Fund – Of the \$824,921 General Fund balance at June 30, 2021 \$274,197 is restricted for current year excess surplus, \$225,687 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$105,394 is restricted for maintenance reserve; \$ 11,525 has been designated by the BOE for subsequent year's expenditures; \$5,349 has been assigned as encumbrances for the year ending June 30, 2021 and \$202,769 is unassigned.

Special Revenue Fund – Of the \$1,544 deficit Special Revenue fund balance at June 30, 2021 \$2,909 is restricted for student activities, and (\$4,453) is unassigned.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 20. Deficit Fund Balances

The District has a deficit fund balance of (\$4,453) in the Special Revenue Fund as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the fund statements (modified accrual basis) of \$4,453 is equal to the Special Revenue Fund's portion of the last two state aid payments.

Note 21. Deficit in Net Position

Unrestricted Net Position – The District's governmental activities had a deficit in unrestricted net position in the amount of \$582,530. The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 22. Prior Period Adjustment/Restatement of Net Position and Fund Balance

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its

Restricted Net Position and Restricted Fund Balance for Student Activities. The beginning balances as of July 1, 2020 were adjusted as follows:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 22. Prior Period Adjustment/Restatement of Net Position and Fund Balance (continued)

Prior Period Adjustment to Net Position

Balance, July 1, 2020 prior to Adjustment	\$ 1,427,334
Add:	
Student Activities	2,419
Balance, July 1, 2020 Restated	\$ 1,429,753

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$ (2,187)
Add:	
Student Activities	2,419
Balance, July 1, 2020 Restated	\$ 232

Note 23. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 10, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,427,234	\$ -	\$ 2,427,234	\$ 2,427,234	\$ -
Interest Earned on Maintenance Reserve	10-1XXX	175	-	175	175	-
Unrestricted Miscellaneous Revenues	10-1XXX	-	-	-	34,894	34,894
Total Local Sources		2,427,409	-	2,427,409	2,462,303	34,894
State Sources:						
Transportation Aid	10-3121	59,476	-	59,476	59,476	-
Special Education Categorical Aid	10-3132	91,218	-	91,218	91,218	-
Equalization Aid	10-3176	380,790	-	380,790	380,790	-
Security Aid	10-3177	36,819	-	36,819	36,819	-
Extraordinary Aid	10-3131	-	-	-	8,315	8,315
Non Public Transportation	10-3198	-	-	-	870	870
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	359,738	359,738
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	112,736	112,736
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	121	121
Reimbursed TPAF Social Security Contributions		-	-	-	108,349	108,349
Total State Sources		568,303	-	568,303	1,158,432	590,129
Total Revenues		2,995,712	-	2,995,712	3,620,735	625,023
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	51,034	(786)	50,248	28,413	21,835
Kindergarten	11-110-100-101	55,059	36	55,095	55,095	-
Grades 1 - 5	11-120-100-101	320,410	1,750	322,160	322,160	-
Grades 6 - 8	11-130-100-101	100,303	-	100,303	100,303	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	291,178	(1,000)	290,178	263,840	26,338
Other Purchased Services	11-190-100-500	18,000	2,048	20,048	18,381	1,667
General Supplies	11-190-100-610	107,997	(2,348)	105,649	95,767	9,882
Textbooks	11-190-100-640	15,000	(8,689)	6,311	158	6,153
Total Regular Programs - Instruction		958,981	(8,989)	949,992	884,117	65,875
Special Education Instruction						
Learning and Language Disabilities:						
Salaries of Teachers	11-204-100-101	124,865	-	124,865	124,865	-
Other Salaries for Instruction	11-204-100-106	60,910	8,130	69,040	69,040	-
Purchased Prof.-Ed. Services	11-204-100-320	24,000	7,268	31,268	31,268	-
Other Purch. Serv.	11-204-100-500	3,250	450	3,700	3,700	-
General Supplies	11-204-100-610	250	300	550	483	67
Total Multiple Disabilities		213,275	16,148	229,423	229,356	67
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	55,095	-	55,095	55,095	-
Other Purchased Services	11-213-100-500	3,250	-	3,250	3,250	-
General Supplies	11-213-100-610	250	-	250	245	5
Total Resource Room/Resource Center		58,595	-	58,595	58,590	5
Preschool Disabilities- Full Time:						
Salaries of Teachers	11-216-100-101	-	22,399	22,399	22,399	-
Total Preschool Disabilities- Full Time		-	22,399	22,399	22,399	-
Total Special Education		271,870	38,547	310,417	310,345	72

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	206,931	-	206,931	206,556	375
Other Purchased Services	11-230-100-500	3,652	3,029	6,681	6,681	-
General Supplies	11-230-100-610	250	-	250	204	46
Total Basic Skills/Remedial		210,833	3,029	213,862	213,441	421
Total Instruction		1,441,684	32,587	1,474,271	1,407,903	66,368
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's						
Special - Within State	11-000-100-562	162,000	(42,333)	119,667	48,892	70,775
Tuition to CSSD & Reg. Day Schools	11-000-100-565	-	4,860	4,860	4,446	414
Tuition to Private School for Disabled - Within State	11-000-100-566	30,000	45	30,045	3,969	26,076
Total Undistributed Expenditures - Instruction		192,000	(37,428)	154,572	57,307	97,265
Attendance and Social Work Services:						
Salaries	11-000-211-100	110,389	-	110,389	110,139	250
Total Attendance and Social Work Services		110,389	-	110,389	110,139	250
Health Services:						
Salaries	11-000-213-100	1,000	-	1,000	-	1,000
Purchased Professional & Technical Services	11-000-213-300	69,300	-	69,300	68,742	558
Supplies and Materials	11-000-213-600	1,200	(515)	685	296	389
Total Health Services		71,500	(515)	70,985	69,038	1,947
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	35,720	-	35,720	35,720	-
Supplies and Materials	11-000-216-600	500	515	1,015	591	424
Total Other Support Services - Students - Related Services		36,220	515	36,735	36,311	424
Other Support Services - Students - Extra:						
Salaries	11-000-217-100	10,800	-	10,800	10,800	-
Total Other Support Services - Students - Extra		10,800	-	10,800	10,800	-
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	57,000	-	57,000	57,000	-
Purchased Professional & Educational Services	11-000-219-320	30,000	6,000	36,000	35,396	604
Supplies and Materials	11-000-219-600	2,000	-	2,000	1,500	500
Total Other Support Services - Students - Special Services		89,000	6,000	95,000	93,896	1,104
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	600	-	600	595	5
Total Educational Media Services/School Library		600	-	600	595	5
Instructional Staff Training Services:						
Purchased Professional Educational Services	11-000-223-320	2,000	542	2,542	2,042	500
Total Instructional Staff Training Services		2,000	542	2,542	2,042	500

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	87,176	-	87,176	87,176	-
Legal Services	11-000-230-331	20,000	2,524	22,524	22,524	-
Audit Fees	11-000-230-332	18,000	(2,300)	15,700	15,700	-
Architectural/Engineering Services	11-000-230-334	-	5,500	5,500	5,500	-
Communications/Telephone	11-000-230-530	500	-	500	353	147
BOE Other Purchased Services	11-000-230-585	1,000	(995)	5	-	5
Other Purchased Services	11-000-230-590	1,200	(541)	659	510	149
Supplies and Materials	11-000-230-610	250	-	250	182	68
Miscellaneous Expenditures	11-000-230-890	5,400	3,577	8,977	7,252	1,725
BOE Membership Dues	11-000-230-895	6,000	597	6,597	6,395	202
Total Support Services General Administration		139,526	8,362	147,888	145,592	2,296
Support Services School Administration:						
Salaries of Secretarial & Clerical Assistants	11-000-240-105	3,000	-	3,000	3,000	-
Total Support Services School Administration		3,000	-	3,000	3,000	-
Business & Other Support Services:						
Salaries	11-000-251-100	65,000	-	65,000	65,000	-
Miscellaneous Expenditures	11-000-251-890	250	(250)	-	-	-
Total Business & Other Support Services		65,250	(250)	65,000	65,000	-
Regular Maintenance School Facilities:						
Salaries	11-000-261-420	15,040	-	15,040	15,040	-
Cleaning, Repair & Maintenance Services	11-000-261-420	35,000	6,975	41,975	36,726	5,249
General Supplies	11-000-261-610	10,000	(2,500)	7,500	5,025	2,475
Total Regular Maintenance School Facilities		60,040	4,475	64,515	56,791	7,724
Custodial Services:						
Salaries	11-000-262-100	51,711	-	51,711	49,961	1,750
Insurance	11-000-262-520	45,000	(6,333)	38,667	35,149	3,518
Energy (Electricity)	11-000-262-622	40,000	16,098	56,098	56,098	-
Energy (Gasoline)	11-000-262-626	15,000	(1,823)	13,177	12,547	630
Other Objects	11-000-262-800	2,000	1,333	3,333	3,333	-
Total Custodial Services		153,711	9,275	162,986	157,088	5,898
Security:						
General Supplies	11-000-266-610	3,000	-	3,000	1,696	1,304
Total Security		3,000	-	3,000	1,696	1,304
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School)-Regular	11-000-270-160	38,455	-	38,455	38,455	-
Contracted Services - Aid in Lieu of Payments	11-000-270-503	5,000	-	5,000	4,000	1,000
Contracted Services (Other Than Between Home & School)	11-000-270-512	3,500	(3,500)	-	-	-
Contracted Services (Between Home & School)	11-000-270-513	120,000	(11,045)	108,955	108,787	168
Contracted Services - Special Education Vendors	11-000-270-514	15,000	26,985	41,985	41,985	-
Total Student Transportation Services		181,955	12,440	194,395	193,227	1,168

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Unallocated Benefits Employee Benefits:						
Social Security Contributions -						
Other	11-000-291-220	28,500	-	28,500	27,295	1,205
PERS Contributions	11-000-291-241	32,775	-	32,775	27,893	4,882
Unemployment Compensation	11-000-291-250	8,000	9	8,009	8,009	-
Health Benefits	11-000-291-270	520,121	(50,312)	469,809	423,067	46,742
Other Employee Benefits	11-000-291-290	36,500	-	36,500	32,760	3,740
Unused Sick Payments	11-000-291-299	-	14,300	14,300	14,300	-
Total Unallocated Benefits - Employee Benefits		625,896	(36,003)	589,893	533,324	56,569
Interest Earning on Maintenance Reserve	10-606	175	-	175	-	175
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	359,738	(359,738)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	112,736	(112,736)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	121	(121)
Reimbursed TPAF Social Security Contributions		-	-	-	108,349	(108,349)
Total Undistributed Expenditures		1,745,062	(32,587)	1,712,475	2,116,790	(404,315)
Total Expenditures - Current Expense		3,186,746	-	3,186,746	3,524,693	(337,947)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		(191,034)	-	(191,034)	96,042	287,076
Fund Balances, July 1		785,295	-	785,295	785,295	-
Fund Balances, June 30		<u>\$ 594,261</u>	<u>\$ -</u>	<u>594,261</u>	<u>\$ 881,337</u>	<u>\$ 287,076</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:		
Excess Surplus		\$ 274,197
Maintenance Reserve		105,394
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		225,687
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures		11,525
Year-End Encumbrances		5,349
Unassigned Fund Balance		<u>259,185</u>
Subtotal		881,337
Reconciliation to Governmental Fund Schedules (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis		<u>(56,416)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 824,921</u>

**EAGLEWOOD SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES:					
Federal Sources	\$ 68,737	\$ 73,861	\$ 142,598	\$ 142,598	\$ -
State Sources	44,532	-	44,532	44,532	-
Local Sources	-	-	-	6,453	6,453
Total Revenues	113,269	73,861	187,130	193,583	6,453
EXPENDITURES:					
Instruction:					
Salaries	63,683	9,064	72,747	72,747	-
General Supplies	-	20,939	20,939	20,939	-
Total Instruction	63,683	30,003	93,686	93,686	-
Support Services:					
Employee Benefits	2,394	5,266	7,660	7,660	-
Purchased Professional-Educational Services	35,455	18,707	54,162	54,162	-
Other Purchased Services	3,237	76	3,313	3,313	-
General Supplies	8,500	19,809	28,309	28,309	-
Student Activities	-	-	-	5,963	(5,963)
Total Support Services	49,586	43,858	93,444	99,407	(5,963)
Total Outflows	113,269	73,861	187,130	193,093	(5,963)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	490	490
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	2,419	2,419
Fund Balance, July 1 (Restated)	-	-	-	2,419	2,419
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 2,909	\$ 2,909

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Student Activities	<u>\$ 2,909</u>
	<u>\$ 2,909</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 3,620,735	\$ 193,583
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	3,638
State aid revenue adjustment due to last state aid payment not being recognized in accordance with GASB No. 33		
Prior Year	60,572	2,187
Current Year	(56,416)	(4,453)
Total Revenues as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 3,624,891	\$ 194,955
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,524,693	\$ 193,093
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	3,638
Total Expenditures as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 3,524,693	\$ 196,731

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
EIGHT EIGHT FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00255%	0.00245%	0.00236%	0.00234%	0.00252%	0.00335%	0.00344%	0.00263%
District's proportionate share of the net pension liability	\$ 415,798	\$ 441,929	\$ 465,100	\$ 544,674	\$ 745,608	\$ 752,895	\$ 643,361	\$ 502,125
District's covered-employee payroll	\$ 261,863	\$ 186,195	\$ 166,173	\$ 157,644	\$ 168,273	\$ 206,897	\$ 213,766	Not Available
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.78%	237.35%	279.89%	345.51%	443.09%	363.90%	300.97%	Not Available
Plan fiduciary net position as a percentage of the total pension liability	56.27%	26.27%	53.60%	48.10%	40.14%	57.93%	52.08%	48.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT* FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 46,133	\$ 27,893	\$ 23,857	\$ 23,496	\$ 21,676	\$ 22,365	\$ 28,835	\$ 28,328
Contributions in relation to the contractually required contribution	46,133	27,893	23,857	23,496	21,676	22,365	28,835	28,328
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 261,863	\$ 249,801	\$ 186,195	\$ 166,173	\$ 157,644	\$ 168,237	\$ 206,897	Not Available
Contributions as a percentage of covered payroll	17.62%	11.17%	12.81%	14.14%	13.75%	13.29%	13.94%	**N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT* FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.000%	N/A
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	<u>7,967,559</u>	<u>7,290,866</u>	<u>7,231,372</u>	<u>8,108,488</u>	<u>8,838,970</u>	<u>6,432,113</u>	<u>5,132,182</u>	<u>5,617,362</u>
District's covered-employee payroll	<u>\$ 7,967,559</u>	<u>\$ 7,290,866</u>	<u>\$ 7,231,372</u>	<u>\$ 8,108,488</u>	<u>\$ 8,838,970</u>	<u>\$ 6,432,113</u>	<u>\$ 5,132,182</u>	<u>\$ 5,617,362</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 1,385,161	\$ 1,233,656	\$ 1,316,320	\$ 1,233,850	\$ 1,185,375	\$ 1,197,891	\$ 1,091,841	Not Available
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	24.60%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	**N/A

The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 223,445	\$ 237,061	\$ 263,647	\$ 317,495
Interest Cost	200,489	252,358	272,459	234,355
Differences Between Expected and Actual Differences	1,537,622	(1,192,080)	(703,449)	-
Changes of Assumptions	1,651,452	83,205	(730,547)	(945,515)
Contributions: Member	4,771	5,078	5,883	6,336
Gross Benefit Payments	(157,394)	(171,304)	(170,228)	(172,057)
Net Change in District's Total OPEB Liability	3,460,385	(785,682)	(1,062,235)	(559,386)
District's Total OPEB Liability (Beginning)	5,580,461	6,366,143	7,428,378	7,987,764
District's Total OPEB Liability (Ending)	<u>\$ 9,040,846</u>	<u>\$ 5,580,461</u>	<u>\$ 6,366,143</u>	<u>\$ 7,428,378</u>
District's Covered Employee Payroll	\$ 1,647,024	\$ 1,419,851	\$ 1,482,493	\$ 1,391,494
District's Net OPEB Liability as a Percentage of Payroll	549%	393%	429%	534%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 7.00% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 5.40% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	TITLE I	TITLE II	TITLE IV	TITLE VI	CARES ACT	CRRSA ESSER II	CORONA VIRUS RELIEF FUND	PRESCHOOL EDUCATION AID	IDEA PART B BASIC	IDEA PRE-SCHOOL	STUDENT ACTIVITIES	TOTALS
Revenues:												
Federal Sources	\$ 26,811	\$ 4,487	\$ 20,000	\$ 11,007	\$ 20,376	\$ 5,834	\$ 8,582	\$ -	\$ 42,271	\$ 3,230	\$ -	\$ 142,598
State Sources	-	-	-	-	-	-	-	44,532	-	-	-	44,532
Local Sources	-	-	-	-	-	-	-	-	-	-	6,453	6,453
Total Revenues	\$ 26,811	\$ 4,487	\$ 20,000	\$ 11,007	\$ 20,376	\$ 5,834	\$ 8,582	\$ 44,532	\$ 42,271	\$ 3,230	\$ 6,453	\$ 193,583
Expenditures:												
Instruction:												
Salaries	19,151	-	-	-	-	5,834	-	44,532	-	3,230	-	72,747
General Supplies	-	-	-	11,007	1,350	-	8,582	-	-	-	-	20,939
Total Instruction	19,151	-	-	11,007	1,350	5,834	8,582	44,532	-	3,230	-	93,686
Support Services:												
Employee Benefits	7,660	-	-	-	-	-	-	-	-	-	-	7,660
Purchased Professional Services	-	4,487	7,404	-	-	-	-	-	42,271	-	-	54,162
Other Purchased Services	-	-	-	-	3,313	-	-	-	-	-	-	3,313
General Supplies	-	-	12,596	-	15,713	-	-	-	-	-	-	28,309
Student Activities	-	-	-	-	-	-	-	-	-	-	5,963	5,963
Total Support Services	7,660	4,487	20,000	-	19,026	-	-	-	42,271	-	5,963	99,407
Total Expenditures	26,811	4,487	20,000	11,007	20,376	5,834	8,582	44,532	42,271	3,230	5,963	193,093
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	490	490
Fund Balance, July 1 Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-	2,419	2,419
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,909	\$ 2,909

**EAGLESWOOD TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 44,532	\$ 44,532	\$ -
Total Instruction	<u>44,532</u>	<u>44,532</u>	<u>-</u>
Total Expenditures	<u><u>\$ 44,532</u></u>	<u><u>\$ 44,532</u></u>	<u><u>\$ -</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 44,532
Add: Actual Preschool Education Aid Carryover (June 30, 2020)	<u>-</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	44,532
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(44,532)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	-
Add: June 30, 2021 Unexpended Preschool Education Aid Funds	<u>-</u>
2020-2021 Carryover - Preschool Education Aid Funds	<u><u>\$ -</u></u>
2020-2021 Preschool Education Aid Funds Carryover Budgeted in 2021-2022	<u><u>\$ -</u></u>

F. Capital Projects Fund

Not Applicable

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Internal Service Fund

Not Applicable

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I. Long-Term Debt

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**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
						JUNE 30, 2020			JUNE 30, 2021
General Improvements	1/1/2007	\$ 1,666,000	1/1/2022	\$ 155,000	4.25%	\$ 300,000	\$ -	\$ 145,000	\$ 155,000
General Improvements	5/25/2016	4,393,900	9/15/21	170,000	1.25%	3,905,000	-	170,000	3,735,000
			9/15/22	185,000	1.35%				
			9/15/23	190,000	1.50%				
			9/15/24	195,000	1.65%				
			9/15/25	205,000	1.80%				
			9/15/26	210,000	1.95%				
			9/15/27	220,000	2.20%				
			9/15/28	225,000	2.30%				
			9/15/29	235,000	2.35%				
			9/15/30	245,000	2.50%				
			9/15/31	250,000	2.60%				
			9/15/32	260,000	2.70%				
			9/15/33	270,000	2.80%				
			9/15/34	280,000	2.90%				
			9/15/35	290,000	3.00%				
			9/15/36	305,000	3.05%				
Total						\$ 4,205,000	\$ -	\$ 315,000	\$ 3,890,000

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 292,205	\$ -	\$ 292,205	\$ 292,205	\$ -
State Sources					
Debt Service Aid	127,906	-	127,906	127,906	-
Total Revenues	<u>420,111</u>	<u>-</u>	<u>420,111</u>	<u>420,111</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	182,750	(65,594)	117,156	110,782	6,374
Redemption of Principal	249,406	65,594	315,000	315,000	-
Total Expenditures	<u>432,156</u>	<u>-</u>	<u>432,156</u>	<u>425,782</u>	<u>6,374</u>
Other Financing Sources/(Uses):					
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	30	30
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	30	30
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	<u>(12,045)</u>	<u>-</u>	<u>(12,045)</u>	<u>(5,641)</u>	<u>(6,404)</u>
Fund Balance, July 1	<u>38,242</u>	<u>-</u>	<u>38,242</u>	<u>38,242</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 26,197</u>	<u>\$ -</u>	<u>\$ 26,197</u>	<u>\$ 32,601</u>	<u>\$ (6,404)</u>

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt Restricted	\$ 1,615,493	\$ 1,490,196	\$ 1,416,818	\$ 133,244	\$ 876,115	\$ (3,321,193)	\$ 753,135	\$ 700,721	\$ 653,746	\$ 612,224
Unrestricted	640,788	536,365	459,184	685,041	444,092	44,634,633	313,960	255,147	195,204	296,059
	(582,530)	(599,227)	(627,684)	(772,184)	(611,721)	(520,868)	(468,808)	37,026	51,031	(158,438)
Total Governmental Activities Net Position	\$ 1,673,751	\$ 1,427,334	\$ 1,248,318	\$ 46,101	\$ 708,486	\$ 40,792,572	\$ 598,287	\$ 992,894	\$ 899,981	\$ 749,845
Business-Type Activities:										
Unrestricted	47,888	48,005	45,355	43,426	36,343	32,955	22,089	9,141	3,978	1,341
Total Business-Type Activities Net Position	\$ 47,888	\$ 48,005	\$ 45,355	\$ 43,426	\$ 36,343	\$ 32,955	\$ 22,089	\$ 9,141	\$ 3,978	\$ 1,341
Government-Wide:										
Net Investment in Capital Assets Restricted	\$ 1,615,493	\$ 1,490,196	\$ 1,416,818	\$ 1,333,244	\$ 876,115	\$ (3,321,193)	\$ 753,135	\$ 700,721	\$ 653,746	\$ 612,224
Unrestricted	640,788	536,365	459,184	685,041	444,092	4,463,433	313,960	255,147	195,204	296,059
	(534,642)	(551,222)	(582,329)	(728,757)	(575,378)	(487,913)	(446,719)	46,167	55,009	(157,097)
Total Government Net Position	\$ 1,721,639	\$ 1,475,339	\$ 1,293,673	\$ 1,289,528	\$ 744,829	\$ 654,327	\$ 620,376	\$ 1,002,035	\$ 903,959	\$ 751,186

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Instruction:										
Regular	\$ 981,441	\$ 1,570,315	\$ 1,680,121	\$ 1,893,741	\$ 809,196	\$ 782,949	\$ 759,508	\$ 782,546	\$ 810,565	\$ 743,708
Special Education	310,345	427,175	454,626	504,486	304,641	288,604	234,155	262,333	202,222	220,726
Other Special Instruction	213,441	405,536	376,234	393,915	173,942	172,790	196,293	118,659	115,063	61,249
Support Services & Undistributed Costs:										
Tuition	57,307	181,814	372,607	243,557	116,573	116,245	111,093	31,777	2,018	132,191
Attendance & Social Work Services	110,139	-	-	-	-	-	-	-	-	-
Health Services	69,038	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	240,414	479,841	409,812	409,082	303,292	306,413	336,432	319,782	305,282	199,717
Library	595	-	-	-	-	-	-	-	-	-
Instructional Staff Training	2,042	-	-	-	-	-	-	-	-	-
Other Administrative Services	-	232,508	186,653	170,030	129,955	143,647	149,575	137,429	139,673	133,297
Central Services	-	86,932	99,032	97,772	74,718	78,125	79,916	60,282	63,128	72,519
School Administrative Services	3,000	3,957	3,228	3,304	-	-	-	-	-	-
General Administrative Services	145,592	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	203,992	263,319	231,821	216,743	162,146	155,309	168,808	167,951	160,282	148,204
Pupil Transportation	193,227	263,250	266,035	223,357	147,177	146,917	163,126	132,304	131,066	124,450
Business & Other Support Services	65,000	-	-	-	-	-	-	-	-	-
Unallocated Benefits	909,503	-	-	-	866,532	1,095,038	829,922	598,009	606,927	511,403
On Behalf TPAF Pension and Social Security Contributions	603,806	-	-	-	-	-	-	-	-	-
Interest & Other Charges	-	115,990	124,840	141,899	128,203	50,290	41,050	45,550	49,850	81,925
Loss on revaluation of Capital Assets	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	106,709	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	201,286	-	-	-	62,052	62,357	62,586	63,025	63,478	67,969
Total Governmental Activities Expenses	4,416,877	4,030,637	4,205,009	4,297,886	3,278,427	3,398,684	3,132,464	2,719,647	2,649,554	3,435,922
Business-Type Activities:										
Afterschool Program	117	10,262	15,245	12,782	7,903	13,680	14,957	13,086	14,592	15,113
Total Business-Type Activities Expense	117	10,262	15,245	12,782	7,903	13,680	14,957	13,086	14,592	15,113
Total District Expenses	\$ 4,416,994	\$ 4,040,899	\$ 4,220,254	\$ 4,310,668	\$ 3,286,330	\$ 3,412,364	\$ 3,147,421	\$ 2,732,733	\$ 2,664,146	\$ 3,451,035
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,190,334	\$ 741,432	\$ 954,919	\$ 1,230,569	\$ 476,857	\$ 701,634	\$ 551,784	\$ 304,895	\$ 347,554	\$ 113,551
Total Governmental Activities Program Revenues	1,190,334	741,432	954,919	1,230,569	476,857	701,634	551,784	304,895	347,554	113,551

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-Type Activities:										
Charges for Services:	-	12,913	17,174	19,865	11,291	24,546	27,905	18,249	17,229	16,454
Total Business Type Activities Program Revenues	-	12,913	17,174	19,865	11,291	24,546	27,905	18,249	17,229	16,454
Total District Program Revenues	\$ 1,190,334	\$ 754,345	\$ 972,093	\$ 1,250,434	\$ 488,148	\$ 726,180	\$ 579,689	\$ 323,144	\$ 364,783	\$ 130,005
Net (Expense)/Revenue:										
Governmental Activities	\$ (3,226,543)	\$ (3,289,205)	\$ (3,250,090)	\$ (3,067,317)	\$ (2,801,570)	\$ (2,697,050)	\$ (2,580,680)	\$ (2,414,752)	\$ (2,302,000)	\$ (3,322,371)
Business-Type Activities	(117)	2,650	1,928	7,083	3,388	10,866	12,948	5,163	2,637	1,341
Total Government-Wide Net Expense	\$ (3,226,660)	\$ (3,286,555)	\$ (3,248,162)	\$ (3,060,234)	\$ (2,798,182)	\$ (2,686,184)	\$ (2,567,732)	\$ (2,409,589)	\$ (2,299,363)	\$ (3,321,030)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	\$ 2,427,234	\$ 2,379,641	\$ 2,152,212	\$ 2,110,012	\$ 1,901,135	\$ 1,863,858	\$ 1,827,312	\$ 1,650,760	\$ 1,618,392	\$ 1,586,659
Taxes Levied for Debt Service	292,205	299,958	255,473	268,532	244,904	104,771	104,506	104,115	103,539	102,624
Federal & State Aid Not Restricted	709,550	786,168	829,912	812,035	721,600	727,361	724,168	722,034	718,789	970,824
Miscellaneous Revenue	41,552	2,455	7,709	10,697	6,445	9,645	18,012	14,856	2,215	4,926
Tuition Received	-	-	7,000	18,400	14,600	14,500	14,500	15,900	9,200	7,700
Special Item- Adjustment to Capital Assets	-	-	-	385,258	-	-	-	-	-	-
Total Governmental Activities	\$ 3,470,541	\$ 3,468,222	\$ 3,252,306	\$ 3,604,934	\$ 2,888,684	\$ 2,720,135	\$ 2,688,498	\$ 2,507,665	\$ 2,452,135	\$ 2,672,733
Business-Type Activities:										
Transfer Out	-	-	-	-	-	-	-	-	-	(281)
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	(281)
Total District-Wide	\$ 3,470,541	\$ 3,468,222	\$ 3,252,306	\$ 3,604,934	\$ 2,888,684	\$ 2,720,135	\$ 2,688,498	\$ 2,507,665	\$ 2,452,135	\$ 2,672,452
Change in Net Position:										
Governmental Activities	\$ 243,998	\$ 179,017	\$ 2,216	\$ 537,617	\$ 87,114	\$ 23,085	\$ 107,818	\$ 92,913	\$ 150,135	\$ (649,638)
Business-Type Activities	(117)	2,650	1,928	7,083	3,388	10,866	12,948	5,163	2,637	1,060
Total District	\$ 243,881	\$ 181,667	\$ 4,144	\$ 544,700	\$ 90,502	\$ 33,951	\$ 120,766	\$ 98,076	\$ 152,772	\$ (648,578)

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 605,278	\$ 498,123	\$ 421,129	\$ 483,092	\$ 387,305	\$ 282,296	\$ 330,263	\$ 273,554	\$ 216,680	\$ 296,203
Assigned	16,874	25,647	7,574	1,991	3,337	77,105	676	870	-	23,394
Unassigned	202,769	200,953	213,725	199,939	193,893	195,185	194,364	187,976	184,700	(37,063)
Total General Fund	\$ 824,921	\$ 724,723	\$ 642,428	\$ 685,022	\$ 584,535	\$ 554,586	\$ 525,303	\$ 462,400	\$ 401,380	\$ 282,534
All Other Governmental Funds:										
Assigned, Reported in:										
Capital Projects Fund	-	-	26,010	144,884	1,916,314	4,134,360	2,389	2,389	2,389	2,389
Debt Service Fund	32,601	38,242	12,908	57,065	56,787	587	7	9	5	48
Student Activities	2,909									
Unreserved, Reported in:										
Special Revenue Fund	(4,453)	(2,187)	(3,357)	(3,307)	(3,543)	(3,543)	(3,305)	(2,600)	(2,991)	(2,710)
Total All Other Governmental Funds	\$ 31,057	\$ 36,055	\$ 35,561	\$ 198,642	\$ 1,969,558	\$ 4,131,404	\$ (909)	\$ (202)	\$ (597)	\$ (273)

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax Levy	\$ 2,719,439	\$ 2,679,599	\$ 2,407,685	\$ 2,378,544	\$ 2,146,039	\$ 1,968,629	\$ 1,931,818	\$ 1,754,875	\$ 1,721,931	\$ 1,689,284
Tuition Charges	-	-	7,000	18,400	14,600	14,500	14,500	15,900	9,200	7,700
Miscellaneous	41,552	2,455	7,709	10,697	6,445	9,645	18,012	14,856	2,216	4,926
State Sources	1,332,760	1,276,764	1,311,512	1,223,887	1,100,558	1,047,890	992,413	937,497	983,580	997,920
Federal Sources	146,236	79,353	115,553	87,271	97,899	95,485	94,720	89,432	82,763	86,455
Total Revenue	4,239,987	4,038,171	3,849,458	3,718,799	3,365,541	3,136,149	3,051,463	2,812,560	2,799,690	2,786,285
Expenditures										
Current Expense:										
Instruction	1,505,227	1,337,370	1,320,393	1,278,444	1,287,779	1,244,343	1,189,956	1,163,538	1,127,850	1,025,683
Undistributed Expenditures	2,204,614	2,188,231	2,187,335	1,919,443	1,744,462	1,703,431	1,640,961	1,429,857	1,396,368	1,321,196
Capital Outlay	11,583	-	118,874	1,771,431	2,218,046	261,029	-	-	-	-
Debt Service	425,782	429,781	428,531	419,911	247,151	158,750	158,350	157,750	156,950	155,950
Total Expenditures	4,147,206	3,955,382	4,055,134	5,389,228	5,497,438	3,367,553	2,989,267	2,751,145	2,681,168	2,502,829
Excess (Deficiency) of Revenues Over/(Under) Expenditures	92,781	82,789	(205,675)	(1,670,429)	(2,131,897)	(231,404)	62,196	61,415	118,522	283,456
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	4,393,000	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	4,393,000	-	-	-	-
Net Change in Fund Balances	\$ 92,781	\$ 82,789	\$ (205,675)	\$ (1,670,429)	\$ (2,131,897)	\$ 4,161,596	\$ 62,196	\$ 61,415	\$ 118,522	\$ 283,456
Debt Service as a Percentage of Noncapital Expenditures	11.48%	12.19%	11.82%	8.45%	4.71%	4.95%	5.59%	6.08%	6.22%	6.64%

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION OTHER	MISCELLANEOUS	TOTAL
2021	\$ -	\$ -	\$ 35,069	\$ 35,069
2020	175	-	2,184	2,359
2019	3,191	7,000	4,348	14,538
2018	2,029	18,400	7,807	28,236
2017	-	14,600	2,041	16,641
2016	-	14,500	4,936	19,436
2015	-	14,500	12,134	26,634
2014	-	15,900	14,852	30,752
2013	1,035	9,200	1,176	11,411
2012	194	7,700	4,732	12,626
Total	<u>6,623</u>	<u>101,800</u>	<u>89,279</u>	<u>197,702</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	\$ 21,963,900	\$ 178,173,600	\$ 28,135,000	\$ 234,078,200	\$ -	\$ 267,849,200	1.833	\$ 234,078,200
2020	22,282,100	176,853,600	28,974,600	233,917,100	33,852,500	267,769,600	1.163	267,769,600
2019	22,332,100	177,802,400	28,752,200	233,786,200	-	233,786,200	1.146	233,786,200
2018	22,863,600	177,642,500	28,898,200	234,303,700	-	234,303,700	1.028	234,303,700
2017	25,549,100	176,936,900	28,113,700	235,749,600	-	235,749,600	1.628	235,749,600
2016	26,046,300	177,811,600	29,041,400	237,970,700	-	237,970,700	1.537	237,970,700
2015	25,145,900	178,845,900	29,983,700	239,066,900	-	239,066,900	1.452	246,639,134
2014	27,018,000	180,405,800	29,865,300	242,369,800	434,584	242,804,384	1.411	254,981,708
2013	25,860,200	182,014,100	29,239,800	242,194,800	434,584	242,629,384	1.335	264,047,789
2012	26,699,700	183,965,800	29,565,800	245,182,300	462,004	245,644,304	1.283	270,501,214

Source: Ocean County Abstract of Ratables

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

FISCAL YEAR ENDED JUNE 30,	OVERLAPPING RATES					
	<u>SCHOOL DISTRICT DIRECT RATE</u>			TOWNSHIP OF EAGLESWOOD	OCEAN COUNTY	TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT			
2021	1.182	0.651	1.833	0.425	0.335	2.593
2020	1.206	0.667	1.873	0.493	0.346	2.712
2019	1.146	0.667	1.813	0.416	0.336	2.565
2018	1.028	0.624	1.652	0.418	0.324	2.394
2017	1.009	0.619	1.628	0.415	0.342	2.385
2016	0.902	0.635	1.537	0.406	0.358	2.301
2015	0.823	0.629	1.452	0.398	0.423	2.273
2014	0.796	0.615	1.411	0.388	0.399	2.198
2013	0.723	0.612	1.335	0.379	0.412	2.126
2012	0.701	0.582	1.283	0.361	0.331	1.975

Source: Ocean County Abstract of Ratables

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

Taxpayer	2021		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

\$	-	-
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Taxpayer	2012		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$	-	-
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Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 2,719,439	\$ 2,719,439	100%
2020	2,679,599	2,679,599	100%
2019	2,407,685	2,407,685	100%
2018	2,378,544	2,378,544	100%
2017	2,146,039	2,146,039	100%
2016	1,968,629	1,968,629	100%
2015	1,931,818	1,931,818	100%
2014	1,721,931	1,721,931	100%
2013	1,721,931	1,721,931	100%
2012	1,689,284	1,689,284	100%

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

DEBT CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 3,890,000	\$ -	\$	3,890,000	\$ 2,259
2020	4,205,000	-		4,205,000	2,600
2019	4,515,000	-		4,515,000	2,817
2018	4,815,000	-		4,815,000	3,009
2017	5,098,000	-		5,098,000	3,194
2016	5,184,250	-		5,184,250	3,261
2015	950,000	-		950,000	596
2014	1,065,000	-		1,065,000	670
2013	1,175,000	-		1,175,000	737
2012	1,280,000	-		1,280,000	799

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

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

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2021	1,722	267,849,200	3,890,000	1.45%	2,259
2020	1,617	267,769,600	4,205,000	1.57%	2,600
2019	1,608	233,786,200	4,515,000	1.93%	2,808
2018	1,611	234,303,700	4,815,000	2.06%	2,989
2017	1,603	235,749,600	5,098,000	2.16%	3,180
2016	1,605	237,970,700	5,184,250	2.18%	3,230
2015	1,600	239,066,900	950,000	0.40%	594
2014	1,604	242,804,384	1,065,000	0.44%	664
2013	1,603	242,629,384	1,175,000	0.48%	733
2012	1,602	245,644,304	1,280,000	0.52%	799

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-6 for property tax data.
Population data can be found in Exhibit J-14.

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Eagleswood	\$ 53,081.50	100%	\$ 53,081.50
Other Debt:			
County of Ocean - Township's Share (%)	450,942,968.24	0.25%	<u>1,134,475.71</u>
Subtotal, Overlapping Debt			1,187,557.21
Eagleswood Township School District Direct Debt			<u>4,205,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 5,392,557.21</u></u>

Sources: Ocean County Office of the Treasurer, Township of Eagleswood

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 5,891,748	\$ 5,753,764	\$ 5,691,215	\$ 5,963,886	\$ 6,002,852	\$ 6,045,612	\$ 6,169,978	\$ 6,399,543	\$ 4,431,248	\$ 6,781,884
Total Net Debt Applicable to Limit	3,890,000	4,205,000	4,515,000	4,515,000	5,098,000	5,223,000	950,000	1,065,000	1,175,000	1,280,000
Legal Debt Margin	\$ 2,001,748	\$ 1,548,764	\$ 1,176,215	\$ 1,448,886	\$ 904,852	\$ 822,612	\$ 5,219,978	\$ 5,334,543	\$ 3,256,248	\$ 5,501,884
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	66.02%	73.08%	79.33%	75.71%	84.93%	86.39%	15.40%	16.64%	26.52%	18.87%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2020	236,926,061
2019	239,265,377
2018	230,818,343
	707,009,781
	235,669,927
	5,891,748
	3,890,000
	2,001,748

Average Equalized Valuation of Taxable Property
 Debt Limit (2.5% of Average Equalization Value)
 Net Bonded School Debt
 Legal Debt Margin

Source: Equalized valuation bases were obtained from the Ocean County Board of Taxation

DEMOGRAPHIC AND ECONOMIC STATISTICS
& OPERATING INFORMATION

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	15	14	14	14	14	14	14	14	14	12
Special Education	5	5	5	5	5	5	5	5	5	5
Other Support Instruction Vocational	6	6	4	4	4	4	6	5	4	2
Support Services:										
Health Services	1	1	1	1	1	1	1	1	1	1
Student & Instruction Related Services										
General Administration School Administrative Services	2	2	2	2	2	2	2	2	2	2
Central Services										
Administrative Information Technolog	2	2	2	2	2	2	2	2	2	2
Plant Operations & Maintenance Pupil Transportation	2	2	2	2	2	2	2	2	2	2
Total	33	32	30	30	30	30	32	31	30	26

Source: District Personnel Records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	140	\$ 2,896,374	20,688	-13.19%	19	7	139.7	134.3	9.61%	96.11%
2020	131	3,121,957	23,832	-15.47%	19	9.1	131.0	122.5	7.29%	93.51%
2019	128	3,608,586	28,192	4.69%	19	9.1	122.1	127.2	-8.88%	104.18%
2018	134	3,608,586	26,930	14.87%	19	8.1	134.0	133.2	-5.10%	99.40%
2017	144	3,375,939	23,444	11.97%	19	8.1	141.2	134.9	-7.29%	95.54%
2016	153	3,203,384	20,937	6.17%	19	8.1	152.3	146.6	10.20%	96.26%
2015	143	2,819,943	19,720	8.47%	19	7.2	138.2	132.4	-3.02%	95.80%
2014	143	2,599,822	18,181	3.28%	19	7.5	142.5	134.5	4.86%	94.39%
2013	137	2,411,542	17,602	11.13%	19	7.2	135.9	127.7	-3.62%	93.97%
2012	141	2,233,328	15,839	-8.90%	19	7.4	141.0	138.0	4.44%	97.87%

Sources: District records

Note: Enrollment based on annual October district count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>DISTRICT BUILDINGS</u>										
Elementary Schools:										
Administration Offices (2009):										
Square Feet	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Capacity	200	200	200	200	175	175	175	175	175	175
Enrollment	140	131	128	134	144	153	143	143	137	141

Number of Schools at June 30, 2021:
Elementary = 1

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT NUMBER	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Elementary School: Eagleswood	N/A	\$ 38,062	\$ 56,270	\$ 40,196	\$ 38,568	\$ 43,890	\$ 48,451	\$ 47,353	\$ 57,089	\$ 53,683	\$ 47,469
Grand Total		<u>\$ 38,062</u>	<u>\$ 56,270</u>	<u>\$ 40,196</u>	<u>\$ 38,568</u>	<u>\$ 43,890</u>	<u>\$ 48,451</u>	<u>\$ 47,353</u>	<u>\$ 57,089</u>	<u>\$ 53,683</u>	<u>\$ 47,469</u>

Source: District Records

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30,2021
UNAUDITED**

	COVERAGE	DEDUCTIBLE
Property:		
Blanket Building & Personal Property	\$ 500,000,000	\$ 1,000
Blanket Extra Expense	50,000,000	1,000
Blanket Valuable Papers and Records	10,000,000	1,000
Demolition and Increased Cost of Construction	25,000,000	per occurrence
Fire Department Service Charge	10,000	
Arson Award	10,000	
Pollutant Cleanup and Removal	250,000	500,000
Flood	75,000,000	per occurrence
Earthquake	50,000,000	per occurrence
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software	50,000	per occurrence 1,000
Equipment:		
Combined Limit per Accident for Property Damage And Business Income	100,000,000	1,000
Crime:		
Various	5,000-100,000	500
Comprehensive General Liability & Automobile Liability:		
Combined Limit per Bodily Injury & Property Damage And Property Damage	10,000,000	
Automobile:		
Combined Limit per Bodily Injury & Property Damage And Property Damage	10,000,000	
Boiler & Machinery:		
Limits of Liability	Included	
Hazardous Substance Expense	1,000,000	
School Leaders Errors & Omissions Liability:		
Limit of Liability	10,000,000	each policy period
Limit of Liability	100,000	each claim
Workers Compensation:		
Bodily Injury by Accident & Disease	3,000,000	each accident/employee

Source: District Records

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT 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

Honorable President and Members
of the Board of Education
Eagleswood Township School District
County of Ocean
West Creek, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 10, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Eagleswood Township School District
County of Ocean
West Creek, New Jersey

Report on Compliance for Each Major State Program

We have audited the Eagleswood Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2021. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

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

includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 10, 2022

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/PASS - THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2021	UNEARNED REVENUE JUNE 30, 2021	DUE TO GRANTOR 2021
U.S. Department of Education												
Passed Through New Jersey Department of Education:												
Title I Part A	84.010	S010A200030	100-034-5064-194	\$ 26,811	7/1/20-9/30/21	\$ -	\$ 15,320	\$ (26,811)	\$ -	\$ (11,491)	\$ -	\$ -
Title I Part A	84.010	S010A190030	100-034-5064-194	25,348	7/1/19-9/30/20	6,572	-	-	-	-	-	6,572
Subtotal						6,572	15,320	(26,811)	-	(11,491)	-	6,572
Title II Part A	84.367A	S367A200029	100-034-5063-290	4,487	7/1/20-9/30/21	-	4,487	(4,487)	-	-	-	-
Title IV Part A	84.424	S424A200031	100-034-5069-031	10,000	7/1/20-9/30/21	-	9,010	(10,000)	-	(990)	-	-
Title IV Part A	84.424	S424A190031	100-034-5069-031	10,000	7/1/19-9/30/20	-	10,000	(10,000)	-	-	-	-
Subtotal						-	19,010	(20,000)	-	(990)	-	-
Rural Education Achievement Program	84.358A	S358A203891	Unavailable	19,142	7/1/20-9/30/21	-	19,142	(11,007)	-	-	8,135	-
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	42,271	7/1/20-9/30/21	-	37,587	(42,271)	-	(4,684)	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	100-034-5065-016	118,422	7/1/19-9/30/20	(40,047)	40,047	-	-	-	-	-
Subtotal						(40,047)	77,634	(42,271)	-	(4,684)	-	-
I.D.E.A. Preschool	84.173	H173A200114	100-034-5065-020	3,230	7/1/20-9/30/21	-	2,261	(3,230)	-	(969)	-	-
I.D.E.A. Preschool	84.173	H173A190114	100-034-5065-020	3,244	7/1/19-9/30/20	(3,244)	3,244	-	-	-	-	-
Subtotal						(3,244)	5,505	(3,230)	-	(969)	-	-
Total Special Education Cluster						(43,291)	83,139	(45,501)	-	(5,653)	-	-
COVID-19 CARES Emergency Relief Grant	84.425D	S425D200027	100-034-5120-513	20,376	3/13/20-9/30/23	-	18,197	(20,376)	-	(2,179)	-	-
COVID-19 CRRSA ESSER II	84.425D	S425D210027	100-034-5120-513	160,087	3/13/20-9/30/23	-	-	(5,834)	-	(5,834)	-	-
Subtotal						-	18,197	(26,210)	-	(8,013)	-	-
Total U.S. Department of Education						(36,719)	159,295	(134,016)	-	(26,147)	8,135	6,572
U.S. Department of Treasury												
Corona Virus Relief Fund	21.019	SLT0007	100-034-5120-495	8,582	3/13/20-9/30/22	-	8,582	(8,582)	-	-	-	-
Total U.S. Department of the Treasury						-	8,582	(8,582)	-	-	-	-
Total Expenditures of Federal Awards						\$ (36,719)	\$ 167,877	\$ (142,598)	\$ -	\$ (26,147)	\$ 8,135	\$ 6,572

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	JUNE 30, 2021 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES	
STATE DEPARTMENT OF EDUCATION:												
General Fund:												
Special Education Categorical Aid	495-034-5120-089	\$ 91,218	7/1/20-6/30/21	\$ -	\$ 91,218	\$ (91,218)	\$ -	\$ -	\$ -	\$ 9,055	\$ 91,218	
Security Aid	495-034-5120-084	36,819	7/1/20-6/30/21	-	36,819	(36,819)	-	-	-	3,655	36,819	
Equalization Aid	495-034-5120-078	380,790	7/1/20-6/30/21	-	380,790	(380,790)	-	-	-	37,801	380,790	
Total State Aid- Public				-	508,827	(508,827)	-	-	-	50,511	508,827	
Transportation Aid	495-034-5120-014	59,476	7/1/20-6/30/21	-	59,476	(59,476)	-	-	-	5,905	59,476	
Nonpublic Transportation	495-034-5120-014	870	7/1/20-6/30/21	-	-	(870)	-	(870)	-	-	870	
Extraordinary Aid- Current Year	495-034-5120-044	8,315	7/1/20-6/30/21	-	-	(8,315)	-	(8,315)	-	-	8,315	
Extraordinary Aid- Prior Year	495-034-5120-044	11,525	7/1/19-6/30/20	(11,525)	11,525	-	-	-	-	-	-	
Reimbursed TPAF Social Security	495-034-5120-044	108,349	7/1/20-6/30/21	-	102,901	(108,349)	-	(5,448)	-	-	108,349	
Contributions- Current Year	495-034-5095-003	97,051	7/1/19-6/30/20	(4,756)	4,756	-	-	-	-	-	-	
Reimbursed TPAF Social Security	495-034-5095-003	359,738	7/1/20-6/30/21	-	359,738	(359,738)	-	-	-	-	359,738	
Noncash Assistance:												
On-Behalf TPAF Pension	100-034-5095-002	112,736	7/1/20-6/30/21	-	112,736	(112,736)	-	-	-	-	112,736	
Contributions	100-034-5095-001	121	7/1/20-6/30/21	-	121	(121)	-	-	-	-	121	
On-Behalf TPAF Post-Retirement	100-034-5095-004			(16,281)	1,160,080	(1,158,432)	-	(14,633)	-	56,416	1,158,432	
Medical				-	44,532	(44,532)	-	-	-	4,453	44,532	
On-Behalf TPAF Long Term				-	44,532	(44,532)	-	-	-	4,453	44,532	
Disability Insurance Contribution				-	127,906	(127,906)	-	-	-	-	127,906	
Total General Fund				\$ (16,281)	\$ 1,160,080	\$ (1,158,432)	\$ -	\$ (14,633)	\$ -	\$ 60,869	\$ 1,330,870	
Special Revenue Fund												
Preschool Education Aid	495-034-5120-086	44,532	7/1/20-6/30/21	-	44,532	(44,532)	-	-	-	4,453	44,532	
Total Special Revenue Fund				-	44,532	(44,532)	-	-	-	4,453	44,532	
Debt Service Fund												
Debt Service Type II	495-034-5120-125	127,906	7/1/20-6/30/21	-	127,906	(127,906)	-	-	-	-	127,906	
Total Debt Service Fund				-	127,906	(127,906)	-	-	-	-	127,906	
Total State Financial Assistance				\$ (16,281)	\$ 1,332,518	\$ (1,330,870)	\$ -	\$ (14,633)	\$ -	\$ 60,869	\$ 1,330,870	
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
On Behalf TPAF Pension												
Contributions (Non-Budgeted)	100-034-5095-002	359,738	7/1/20-6/30/21				359,738					
On Behalf TPAF Post-Retirement												
Medical (Non-Budgeted)	100-034-5095-001	112,736	7/1/20-6/30/21				112,736					
On-Behalf TPAF Long Term												
Disability Insurance Contribution	100-034-5095-004	121	7/1/20-6/30/21				121					
Total State Financial Assistance subject to Calculation for Major Program Determination							\$ (858,275)					

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Eagleswood Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. 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, 2021.

Note 3. Relationship to Basic Financial Statements

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,156 for the general fund and \$1,372 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,162,588	\$ 1,162,588
Special Revenue Fund	146,236	42,266	188,502
Debt Service Fund	-	127,906	127,906
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 146,236</u>	<u>\$ 1,332,760</u>	<u>\$ 1,478,996</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. Federal and State Loans Outstanding

The Eagleswood Township School District had no loan balances outstanding at June 30, 2021.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – N/A

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

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance

Finding No. 2020-001

Condition:

All payrolls are required to be verified by the superintendent, the president of the Board and the Board Secretary/Business Administrator.

Current Status:

This finding has been corrected.

Finding No. 2020-002

Condition:

Effective internal controls and N.J.S.A 18A:17-9 requires the Board Secretary and Treasurer of School Monies must prepare and submit monthly financial reports to the Board of Education and submit reports for December and June to the Executive County Superintendent within 60 days of the end of the month.

Current Status:

This finding has been corrected.

Finding No. 2020-003

Effective internal controls and N.J.S.A. 18A:22-8.1 requires two-thirds approval vote of the Board of Education and Executive County Superintendent approval for line-item transfers from any General Fund appropriation account that on a cumulative basis exceed ten percent of the amount of the account included in the budget certified for taxes.

Current Status:

This finding has been corrected.