

SCHOOL DISTRICT
OF
EGG HARBOR
TOWNSHIP

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021

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Introductory Section

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Egg Harbor Township Schools

www.eht.k12.nj.us

Administration Offices

13 Swift Drive

Egg Harbor Township, NJ 08234#

Dr. Kimberly A. Gruccio
Superintendent

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

February 21, 2022

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

The comprehensive annual financial report of the Egg Harbor Township School District (District) for the fiscal year ended June 30, 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) **REPORTING ENTITY AND ITS SERVICES:** The Egg Harbor Township School District is a pre-kindergarten through twelfth grade system of quality public education serving approximately 7,500 students. There are three Pre-K facilities, (two outside partnerships with providers), two K to 3rd grade schools, one 4th and 5th grade school, two middle schools, and one high school that meets alternative school student needs. The school district covers over 64 square miles and is considered the largest school district in Atlantic County. Egg Harbor Township is home to a diverse population, with housing ranging from million-dollar homes to federally funded housing units. The population consists of 42% white students, 23% Hispanic, 14% Asian, 10% black, 11% multi-racial/other. District data shows that at least 55 different languages are spoken in students' homes.

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

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

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

3) **MAJOR INITIATIVES:** During the 2020-2021 school year the Egg Harbor Township School District began to implement a focus on student success, social and emotional learning, S.T.R.E.A.M. (Science, Technology, Reading, Engineering, Art, and Mathematics), climate and culture, and community partnerships by implementing the following mission statement and district goals:

Mission Statement:

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

District Goals:

- A. Improve Student Achievement – Prioritize Literacy for all; meet the social and emotional learning needs of individuals; create innovative learning experiences with STREAM education.
- B. Support Climate, Culture and #EHTPride – Administrators, teachers, students, parents and community members will support positive learning environments, where all are recognized and rewarded for achievement, progress, good character, work ethic and a respect for diversity. We will continue to expand our school environment to focus on cultural proficiency, student agency, and ensuring equity in our schools.
- C. Enhance Community Pride – Reach out to the community by creating partnerships and cultivating relationships with all stakeholders.

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

Curriculum and professional development activities:

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

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

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

Partnerships have been developed with Atlantic Cape Community College, Richard Stockton College of NJ, and Rowan University for teacher preparation. Additional partnerships include Southern Regional Institute & Educational Technology Training Center (SRI&ETTC) and online and on-site professional development course offerings from New Jersey Education Association.

Information Technology Services

HARDWARE:

- A district wide inventory of hardware with the focus of maintaining the minimum 2:1 student to computer ratios across the District was performed This was accomplished via desktop computers and over Chromebook utilizing the District WiFi network with approximately 99% coverage within the schools with access to over 240 access points.
- Repairs tickets documented in the IT Direct application totaled over 1,100. The number of Help Desk calls during the 2020-2021 school year totaled over 2,400.
- Focus shifted to support and growth of Hybrid and Remote Instruction due to COVID-19 and planning for possible remote and hybrid instruction to continue for the 2021-2022 School Year. This included planned projects such as Wi-Fi system upgrades and access points, upgrades to the Wide Area Network, Fiber Backbone increase, and Internet Bandwidth Increase from 2Gbps to 5Gbps. To meet remote learning and hybrid instruction demands, we also began increasing Wi-Fi Density with any available access points.
- Continued replacement plan of District Data Network equipment such as Switching Devices and Servers.

COMMUNICATIONS

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

ETTC:

- The district regularly conducts building level and district level technology and instructional training in coordination and with the assistance of the professional development committee and cooperation from the Southern New Jersey Regional Educational Technology Training Center (ETTC). During the 2020-2021 school year, we fully utilized the hours attributed to our district.

EHT TV2:

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming 2020-2021 school These productions range from various High School sports and performing arts productions, informative sessions such as the "Pursuing Public Health" and township productions such as the "Mayor's Forum" and the filming of town hall meetings.
- The department utilizes the Telvue Video Message Board System and digital video servers for video programming. This also includes PEGTV video archives for distribution on the internet, live internet distribution of the EHTTV2 video channels and other emergency management features through the new interface. During the 2020-2021 school year, EHT TV2 responded quickly to emergency snow closures, township notifications and information, as well as school events and programming.
- The department utilizes other forms of communication for marketing, productions, and other district events, and student, parent, and staff training such as; YouTube, Facebook, and other social media services.

SOFTWARE/ASSESSMENTS/NJSLA:

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

SECURITY:

- Installation of new school vestibule visitor door camera/buzzer visitor system.

NJSMART (NJ Standards Measurement and Resource for Teaching)

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

STUDENT INFORMATION SYSTEM:

- Standard support and upgrades of Infinite Campus were conducted throughout the 2020-2021 school year. This included implementation of the Online Registration System.

Extended Enrichment

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

A.S.P.I.R.E.

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

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

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

Perkins/CTE Grant Implementation

Perkins is a federal education program that invests in secondary career and technical education (CTE) programs. The purpose is to increase learner access to high skill, high wage, and in demand occupations. FY 2021 Perkins/CTE funds paid for program supplies and professional development opportunities for staff. The current programming includes Graphics Design, Web Design, CAD/Engineering, Telecommunications and Networking, Business Administration, Child Development, and Culinary Arts.

Individuals with Disabilities Education Act (IDEIA) Grant Implementation

FY 2021 IDEIA funds paid for in out of district tuition placements for EHT disabled students from preschool through grade 12. Funds were also used to pay for substitutes for teachers to attend annual review meetings as well as to provide for CST services throughout the summer and to fund the Extended School Year program for those students who exhibit significant regression and require a long time to recoup the information.

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

ESSA-NCLB Grant Implementation

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

Below are some focused programs funded by ESSA-NCLB funds approved by the Board of Education:

1. Two part-time Title 1 teachers were hired to service students at Alder Avenue and Fernwood Avenue Middle Schools in the areas of ELA and Math. This additional personnel addressed learning gaps and needs for students who transitioned from Title 1 programs in elementary school into middle school.
2. Title I parent coordinators were hired at Davenport Primary/Elementary School and Miller Elementary School to educate Title I parents regarding the reading and math curricula and pacing guides in each grade level. They also instructed parents in NJSLA, helping children with homework, and how to meaningfully participate in parent-teacher conferences. Mandated Title I Needs Assessment, Parent-Student-Teacher compact, Parent's Right to Know and District/Building Board Policies on Parental Involvement were also discussed and received parental input.
3. The Egg Harbor Township ESSA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESSA/NCLB. NJSLA results and Understanding NJSLA results, as well as, the addition of Google translate for parents who are non-English speakers and other academic websites were updated to increase parent participation and knowledge of ESSA/NCLB, along with various resources. NJSLA information increases parental awareness of the standards and test skills needed by their children.

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

Title III funds were utilized to pay for two split funded English Language Learners (ELL) teachers as well as for instructional supplies. During 2019-2020, ELL students district-wide, received ELL services consistent with Title III. We continue to implement a four year "cycle" for coursework with ELL high school students. This is designed to help ELL students meet required state test standards as well as the revised WIDA standards which are assessed by the ACCESS testing, additional state testing for ELL students.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) **DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt issues included 53,920,000 in bonds. The proceeds of these bond issues were to provide funds for capital improvement to the District's buildings. These improvements include repairs and renovations to the High School, Davenport, Slaybaugh and Swift elementary schools, additions to the High School and Swift elementary school, the construction of two new elementary schools as well as another addition to the High School, boiler and chiller replacements, window replacements, roof replacements, solar panel installation, upgrades to the high school athletic complex, and the construction of a fueling canopy.

8) **OTHER INFORMATION:**

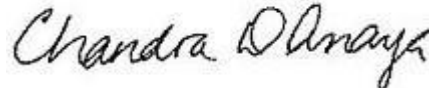
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC, CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit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

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

Respectfully submitted,



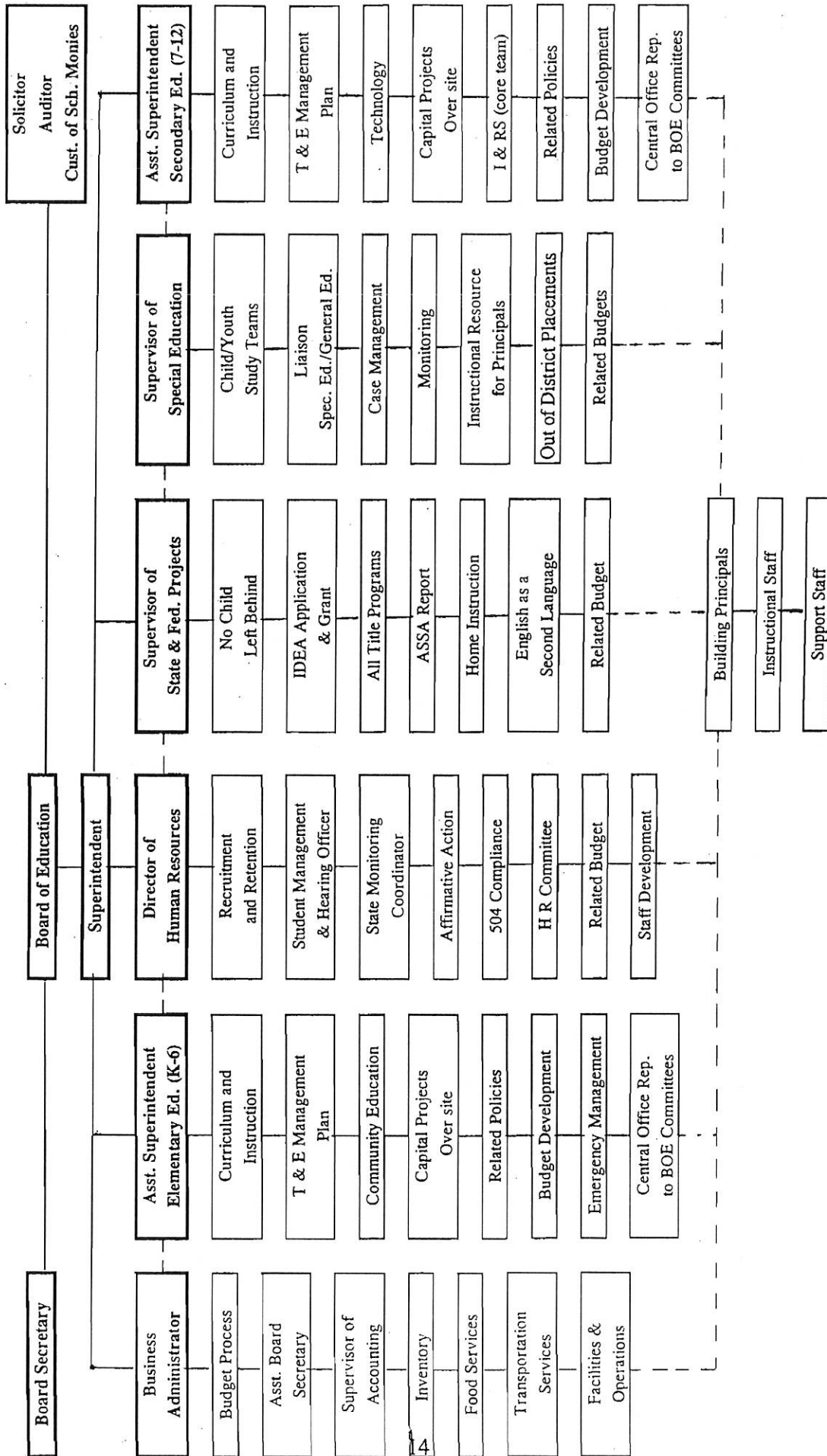
Kimberly A. Gruccio, Ed. D.
Superintendent



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

Board Policy 1110 Organizational Chart

EGG HARBOR TOWNSHIP PUBLIC SCHOOLS



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

EGG HARBOR TOWNSHIP BOARD OF EDUCATION

EGG HARBOR TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Pete Castellano, President	2021
Tamika Gilbert-Floyd, Vice President	2023
Terre Alabarda	2021
Kristi Bird	2021
Lou Della Barca	2022
Patrick Ireland	2023
Michael Price	2023
Marita Sullivan	2022
Barbara Szilagyi	2021

Other Officials

Kimberly Gruccio, Ed.D., Superintendent

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

Amy Houck-Elco, Esq., Solicitor

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

Architect

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

Audit Firm

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

Attorney

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

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive
Woodbridge, NJ 07095

Official Depository

OceanFirst Bank
1184 Ocean Heights Avenue/3003 Fire Road
Egg Harbor Township, NJ 08234

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022 on our consideration of the Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor Township School District's internal control over financial reporting and compliance.

Very truly yours,

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

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

February 21, 2022

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Required Supplementary Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Egg Harbor Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- In the District's Governmental Activities, the net position of the District increased \$5,098,948. This increase is the result of the District realizing revenues in excess of expenditures. The State of New Jersey continued to defer both June state aid payments until July 2021.
- The State of New Jersey reimbursed the District \$19,427,455 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$4,728,904 on behalf of the District for TPAF Post-Employment Benefits Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unassigned fund balance of the general fund is limited to the greater of 4% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in next year's budget as budgeted fund balance. As of June 30, 2021 the District had excess surplus of \$6,554,012, or approximately 4.7% of the district's general fund budget, of which \$5,596,864 was applied to the 2021-22 budget.
- During the fiscal year ended June 30, 2021, the District's General Fund revenue realized was \$2,060,292 more than total expenditures. The District realized more revenue due to unanticipated tuition revenue, unanticipated miscellaneous revenue, as well as an increase in property tax revenue. The District's 2020-21 budget anticipated using \$3,000,000 of surplus.
- In the District's business-type activities, net position increased \$312,779 during fiscal year 2021 as compared to a net decrease of \$358,738 in fiscal year 2020. The increase is attributable to the increase in Federal and State reimbursement rates as well as increased participation. There was an increase because of the SSO program allowing all students to eat breakfast and lunch at school at no cost. The Enterprise Fund also includes the T.A.L.O.N.S. latchkey program which operated at a profit of \$164,851 for the fiscal year ended June 30, 2021. During 2020 the District created a new enterprise fund titled Eagle Enterprises as an extension of the school store but it hasn't been able to fully operate due to COVID. The District anticipates revenue generation for the 22/23 school year.

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OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. During the 2020-2021 school year, net position for governmental activities increased by \$5,098,948. This net increase is due to the overall increase in revenue, in particular property taxes levied on properties within the District offset by depreciation expense. The

expenditures of the District remained stable between the 2021 and 2020 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2021 fiscal year with \$957,148 in excess fund balance available to apply to the 2023 fiscal year budget.

The business-type activities net position increased due to an excess of revenue over expenses primarily in the Food Service and Latch Key Programs.

	Governmental Activities	Business- Type Activities	Total 2021	Governmental Activities	Business- Type Activities	Total 2020
Current and other assets	\$20,666,592	983,169	21,649,761	\$15,400,658	688,815	16,089,473
Capital assets	153,474,640	215,826	153,690,466	158,699,701	205,422	158,905,123
Total assets	174,141,232	1,198,995	175,340,227	174,100,359	894,237	174,994,596
Deferred outflows of resources	9,158,713		9,158,713	11,264,135		11,264,135
Long-term liabilities	97,317,299	65,754	97,383,053	108,539,329	60,268	108,599,597
Other liabilities	5,183,815	177,234	5,361,049	3,749,236	188,415	3,937,651
Total liabilities	102,501,114	242,988	102,744,102	112,288,565	248,683	112,537,248
Deferred inflows of resources	15,668,856		15,668,859	14,934,446		14,934,446
Net position						
Invested in capital assets	94,979,615	215,826	95,195,441	91,851,310	205,422	92,056,732
Restricted	10,145,466		10,145,466	473,736		473,736
Unrestricted	(39,995,106)	740,181	(39,254,925)	(34,183,563)	440,132	(33,743,431)
Total net position	\$65,129,975	957,007	66,085,982	\$58,141,483	645,554	58,787,037

Changes in net position. The total governmental activities revenue of the District increased by \$26,854,582 when compared to the prior fiscal year. During the 2021 fiscal year, the District realized an increase in taxes levied on the property owners of the Township and an increase in the revenue recognized related to the implementation of GASB 68 and GASB 75. The local tax levy is 43.24% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 25.92% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

Governmental Activities

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	86,609,104	43.24%	85,038,452	49.03%
Federal and State aid				
Unrestricted	51,909,524	25.92%	49,285,702	28.42%
Restricted	3,242,453	1.62%	3,235,262	1.87%
Tuition	634,522	0.32%	586,091	0.34%
Operating grants and Contributions	57,439,295	28.68%	34,423,905	19.84%
Other	455,752	0.22%	866,656	0.50%
Totals	200,290,650	100.00%	173,436,068	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2021 and 2020 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2021 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>
Revenues						
Program revenue						
Charges for srvs	\$634,522	339,282	973,804	\$586,091	982,751	1,568,842
Federal grants	7,764,118	2,836,528	10,600,646	4,274,627	1,657,762	5,932,389
State grants and Entitlements	49,675,177	77,447	49,752,624	30,149,278	30,414	30,179,692
General revenues						
Property taxes	86,609,104		86,609,104	85,038,452		85,038,452
State aid Entitlements	55,151,977		55,151,977	52,520,964		52,520,964
Other	455,752	3,411	459,163	866,656	9,658	876,314
Total revenues	200,290,650	3,256,668	203,547,318	173,436,068	2,680,585	176,116,653

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	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2021 Total</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>
Expenses						
Instruction:						
Regular	\$78,713,191		78,713,191	\$67,402,875		67,402,875
Special Education	21,697,686		21,697,686	17,807,976		17,807,976
Other special instr.	4,442,135		4,442,135	3,769,208		3,769,208
Other Instruction	2,408,302		2,408,302	2,328,317		2,328,317
Nonpublic school programs	190,591		190,591	170,125		170,125
Support services:						
Tuition	1,822,358		1,822,358	5,041,378		5,041,378
Student & instr related services	32,782,700		32,782,700	29,799,591		29,799,591
School admin srvs	8,926,174		8,926,174	7,417,681		7,417,681
General & business admin services	5,986,623		5,986,623	5,143,538		5,143,538
Plant operations & maintenance	22,093,289		22,093,289	18,960,802		18,960,802
Pupil transport	13,349,402		13,349,402	13,712,720		13,712,720
Interest on Long Term Debt	2,779,251		2,779,251	3,114,493		3,114,493
Business-type Activities		2,946,215	2,946,215		3,079,323	3,079,323
Total expenses	195,191,702	2,946,215	198,137,917	174,668,704	3,079,323	177,748,027
Excess/(Deficit)						
Before special Items	5,098,948	310,453	5,409,401	(1,232,636)	(398,738)	(1,631,374)
Special items	-	-	-	-	-	-
Increase/(Decrease) in net position	5,098,948	310,453	5,409,401	(1,232,636)	(398,738)	(1,631,374)

Business-type Activities

Operating revenues of the District's business-type activities decreased \$643,469 from the previous year while expenses decreased by \$133,108. Factors contributing to these results included:

- Increased participation in the food service program with an increase in reimbursed rates for each meal from both the State and Federal Program. The T.A.L.O.N.S. program also functioned more efficiently during COVID.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For of the year ended June 30, 2021, the governmental funds reported a combined fund balance of \$16,588,783, which is \$1,799,420 higher than the beginning of the year. This increase is due to additional revenues realized during the fiscal year, in particular additional taxes and tuition revenue, offset by current year expenditures.

The business-type enterprise fund reported a combined net position of \$956,007 as of June 30, 2021. This is \$310,453 higher than the prior fiscal year.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's budgeted revenue exceeded the actual by \$1,847,478. This is a result of additional extraordinary aid as well as realizing additional miscellaneous revenue and tuition offset by a decrease in state aid after the budget was adopted. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by \$6,546,948. The most significant variances occurred as a result of the continued decreases in tuition costs to special services school districts, savings in energy costs, decreases in transportation costs, and decreases in employee health benefits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had invested \$153,690,466, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$5,214,657, or 3%, over last year. The decrease is due largely to current year depreciation expense.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2021 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2020 Total</u>
Land	\$1,836,300		1,836,300	\$1,836,300		1,836,300
Const in Progress	757,169		757,169	1,142,940		1,142,940
Buildings & Bldg improv	140,393,781		140,393,781	146,226,987		146,226,987
Machinery & equipment	3,621,391	183,259	3,804,651	3,519,766	205,422	3,725,188
Vehicles	6,865,999	32,566	6,898,565	5,973,708		5,973,708
Total	\$153,474,640	215,826	153,690,466	\$158,699,701	205,422	158,905,123

Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$53,920,000 and obligations under capital leases of \$4,575,025.

	Balance 6/30/20	Issued	Retired/ Adjusted	Balance 6/30/21
Governmental Activities:				
Bonds payable	60,250,000		6,330,000	53,920,000
Obligations under Capital leases	6,598,391		2,023,366	4,575,025
Compensated absences Payable	1,327,130	236,404	79,696	1,483,838
Prem on Refunding Bonds	1,943,012		112,831	1,830,181
Net Pension Liability	38,420,796		2,912,541	35,508,255
Total Governmental Activities	<u>108,539,329</u>	<u>236,404</u>	<u>11,458,434</u>	<u>97,317,299</u>
Business-Type Activities				
Compensated absences Payable	60,268	9,799	4,313	65,754
Total Business-Type Activities	<u>60,268</u>	<u>9,799</u>	<u>4,313</u>	<u>65,754</u>
Total	<u>108,599,597</u>	<u>246,203</u>	<u>11,462,747</u>	<u>97,383,053</u>

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The district’s 2021-22 tax levy was not required to be approved by the voters due to the district moving the annual election to November, in accordance with State statute. The statute provides districts the option to move their school elections to the general election in November, and tax levies within the statutory cap. The 2021-22 tax levy is \$81,038,032, which is equal to the levy due to the District for 2020-2021 creating banked cap. The District’s 2021-2022 state aid of \$59,945,704 increased by \$9,872,997 from the 2020-21 amended allocation due to additional funding required to ensure fair funding.

In addition, the district’s share of state aid continues to be reduced because of revenue growth caps. The 2020-21 state aid calculated and uncapped should be \$74,341,720, but the actual aid received was \$50,072,707. For 2021-22, state aid calculated and uncapped should be \$76,756,483, but the actual aid received was \$59,945,704. Under the school funding formula, the required local share to be raised by taxes for 2020-21 was \$64,481,174 and \$62,925,420 for 2021-22. The actual tax levy was \$81,038,032 for each year, which reflects an additional tax burden to the local tax payers.

The housing market and economy have stabilized over the past few years. In 2020-21, district began operating full day kindergarten program versus the historical half day program as well as implementing full day preschool. The District is expanding free preschool for 3 and 4-year-old students annually with preschool funding from the State for general education students and the local budget providing funding for special education preschool students.

EFFECTS OF COVID-19 ON THE DISTRICT’S OPERATIONS

There has been a significant delay in learning and the District recognizes the making up the learning loss in our students due to school virtual and hybrid learning for about a year. This will

require additional intervention and resources to support the students during afterschool and summers for years to come.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT - WIDE FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,463,642	453,298	15,916,940
Other Assets - SREC	151,264		151,264
Receivables, net	2,400,414		2,400,414
Internal balances	(78,037)	78,037	-
Due from other governments	2,729,309	346,205	3,075,514
Inventory		105,629	105,629
Capital assets not being depreciated			
Construction in progress	757,169		757,169
Land	1,836,300		1,836,300
Capital assets, net	150,881,171	215,826	151,096,997
Total Assets	<u>174,141,232</u>	<u>1,198,995</u>	<u>175,340,227</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond issue refunding	3,275,485		3,275,485
Deferred outflows related to pensions	5,883,228		5,883,228
Total Deferred Outflows of Resources	<u>9,158,713</u>	<u>-</u>	<u>9,158,713</u>
LIABILITIES			
Accounts payable	2,115,924	13,749	2,129,673
Other liabilities	1,402,049	86,637	1,488,686
Due to Trust & Agency			-
Payable to state government	18,602		18,602
Unearned revenue	1,647,240	76,848	1,724,088
Noncurrent liabilities:			
Due within one year	8,756,197		8,756,197
Due beyond one year	53,052,847	65,754	53,118,601
Net Pension Liability	35,508,255		35,508,255
Total liabilities	<u>102,501,114</u>	<u>242,988</u>	<u>102,744,102</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on bond issue refunding	675,641		675,641
Deferred inflows related to pensions	14,993,215		14,993,215
Total Deferred Inflows of Resources	<u>15,668,856</u>	<u>-</u>	<u>15,668,856</u>
NET POSITION			
Invested in capital assets, net of related debt	94,979,615	215,826	95,195,441
Restricted for:			
Debt service	2		2
Capital projects	191,281		191,281
Other purposes	9,954,183		9,954,183
Unrestricted	(39,995,106)	740,181	(39,254,925)
Total net position	<u>\$ 65,129,975</u>	<u>956,007</u>	<u>66,085,982</u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 56,655,313	22,057,337	634,522	25,741,086	(52,337,042)		(52,337,042)
Special education	15,577,056	6,120,480		5,371,945	(16,325,591)		(16,325,591)
Other special instruction	3,098,489	1,343,615		1,179,291	(3,262,813)		(3,262,813)
Other instruction	1,797,895	610,390		535,739	(1,872,546)		(1,872,546)
Nonpublic school programs	190,591				(190,591)		(190,591)
Support services:							
Tuition	1,822,358	-		-	(1,822,358)		(1,822,358)
Student & instruction related services	23,589,153	9,193,320		10,923,150	(21,859,323)		(21,859,323)
School administrative services	5,846,151	3,079,947		2,703,269	(6,222,829)		(6,222,829)
General and business administrative services	4,165,659	1,820,920		1,598,222	(4,388,357)		(4,388,357)
Plant operations and maintenance	15,480,333	6,612,794		5,804,049	(16,289,078)		(16,289,078)
Pupil transportation	9,268,908	4,081,742		3,582,544	(9,768,106)		(9,768,106)
Unallocated benefits	54,920,545	(54,920,545)					
Interest on long-term debt	2,779,251				(2,779,251)		(2,779,251)
Total governmental activities	195,191,702	-	634,522	57,439,295	(137,117,885)	-	(137,117,885)
Business-type activities:							
Food Service	2,779,434		11,914	2,913,975		146,455	146,455
Child Care	164,455		327,368	-		162,913	162,913
Eagle Enterprises	2,326					(2,326)	(2,326)
Total business-type activities	2,946,215	-	339,282	2,913,975		307,042	307,042
Total primary government	\$ 198,137,917	-	973,804	60,353,270	(137,117,885)	307,042	(136,810,843)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					81,038,032		81,038,032
Taxes levied for debt service					5,571,072		5,571,072
Federal and State aid not restricted					51,909,524		51,909,524
Federal and State aid restricted					3,242,453		3,242,453
Investment Earnings					3,000	3,411	6,411
Miscellaneous Income					601,660		601,660
Other financing sources/(uses):							
Gain/(Loss) on disposal of capital assets					(148,908)	-	(148,908)
Total general revenues and special items					142,216,833	3,411	142,220,244
Change in Net Position					5,098,948	310,453	5,409,401
Net Position—beginning					58,141,483	645,554	58,787,037
Restatement					1,889,544		1,889,544
Net Position—beginning (Restated)					60,031,027	645,554	60,676,581
Net Position—ending					\$ 65,129,975	956,007	66,085,982

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 14,039,497	1,232,862	191,281	2	15,463,642
Other Assets - SRECS	151,264				151,264
Receivables, net	62,188	2,338,226			2,400,414
Due from other funds	1,297,123		-		1,297,123
Receivables from other governments	2,722,825	6,484	-	-	2,729,309
Total assets	<u>18,272,897</u>	<u>3,577,572</u>	<u>191,281</u>	<u>2</u>	<u>22,041,752</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,514,733	601,191	-		2,115,924
Due to other governments		18,602			18,602
Due to other funds	280,020	1,095,140	-	-	1,375,160
Other liabilities	120,937				120,937
Payroll Deductions and Withholdings	16,022				16,022
Unemployment Compensation Claims	159,084				159,084
Unearned revenue	18,374	1,628,866		-	1,647,240
Total liabilities	<u>2,109,170</u>	<u>3,343,799</u>	<u>-</u>	<u>-</u>	<u>5,452,969</u>
Fund Balances:					
Restricted for:					
Excess Surplus	957,148				957,148
Excess Surplus - Designated for Subsequent Year's Expenditures	5,596,864				5,596,864
Capital Reserve Fund	567,220				567,220
Maintenance Reserve Fund	392,000				392,000
Emergency Reserve	1,000,000				1,000,000
Unemployment Compensation	1,440,951				1,440,951
Capital Projects			191,281		191,281
Debt service fund				2	2
Conduit		55,648			55,648
Student Activities/Athletics		461,712			461,712
Assigned to:					
Encumbrances	816,277				816,277
Designated for subsequent year's expenditures	3,500,000			-	3,500,000
Unassigned, reported in:					
General fund	1,893,267				1,893,267
Special Revenue fund		(283,587)			(283,587)
Total Fund balances	<u>16,163,727</u>	<u>233,773</u>	<u>191,281</u>	<u>2</u>	<u>16,588,783</u>
Total liabilities and fund balances	<u>\$ 18,272,897</u>	<u>3,577,572</u>	<u>191,281</u>	<u>2</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	153,474,640
Deferred inflow of resources	
Gain on 10/1/04 refunding bond issue	(675,641)
Deferred outflows of resources	
Loss on 1/6/16 refunding bond issue	1,976,912
Loss on 6/1/16 refunding bond issue	1,268,715
Loss on 12/1/12 refunding bond issue	29,858
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(44,618,242)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bond payable	(53,920,000)
Premium on Refunding Bonds	(1,830,181)
Capital leases	(4,575,025)
Accrued interest payable	(1,106,006)
Compensated absences	(1,483,838)
Net position of governmental activities	<u>\$ 65,129,975</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$ 81,038,032			5,571,072	86,609,104
Tuition Charges	634,522				634,522
Interest	3,000				3,000
Miscellaneous	601,660			-	601,660
Local sources		464,590			464,590
State sources	75,795,126	1,277,584		3,242,453	80,315,163
Federal sources	270,757	7,493,361			7,764,118
Total revenues	<u>158,343,097</u>	<u>9,235,535</u>	<u>-</u>	<u>8,813,525</u>	<u>176,392,157</u>
EXPENDITURES					
Current:					
Regular instruction	39,866,617	7,254,254			47,120,871
Special education instruction	11,847,366				11,847,366
Other special instruction	2,279,718				2,279,718
Other instruction	1,425,936				1,425,936
Nonpublic school programs		190,591			190,591
Support services and undistributed costs:					
Tuition	1,822,358				1,822,358
Student & instruction related services	15,132,766	2,854,173			17,986,939
School administrative services	3,969,297				3,969,297
Other administrative services	3,056,029				3,056,029
Plant operations and maintenance	11,450,637				11,450,637
Pupil transportation	6,781,582				6,781,582
Unallocated Benefits	54,920,545				54,920,545
Debt service:					
Principal				6,330,000	6,330,000
Interest and other charges				2,483,525	2,483,525
Capital outlay	2,883,820	43,523	-		2,927,343
Total expenditures	<u>155,436,671</u>	<u>10,342,541</u>	<u>-</u>	<u>8,813,525</u>	<u>174,592,737</u>
Excess (Deficiency) of revenues over expenditures	<u>2,906,426</u>	<u>(1,107,006)</u>	<u>-</u>	<u>-</u>	<u>1,799,420</u>
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	-				-
Transfers in		846,134			846,134
Transfers out	(846,134)				(846,134)
Total other financing sources and uses	<u>(846,134)</u>	<u>846,134</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,060,292	(260,872)	-	-	1,799,420
Fund balance—July 1	12,708,536	-	191,281	2	12,899,819
Restatement	1,394,899	494,645			1,889,544
Fund balance—July 1, Restated	<u>14,103,435</u>	<u>494,645</u>	<u>191,281</u>	<u>2</u>	<u>14,789,363</u>
Fund balance—June 30	<u>\$ 16,163,727</u>	<u>233,773</u>	<u>191,281</u>	<u>2</u>	<u>16,588,783</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2) \$ 1,799,420

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

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

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

	Depreciation expense	(9,343,819)	
	Loss on disposition of capital assets	(148,908)	
	Capital outlays	<u>4,267,666</u>	(5,225,061)

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

-

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

8,353,366

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation. (-)

142,391

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

	District pension contributions	2,382,003	
	Cost of benefits earned, net of employee contributions	<u>(2,301,487)</u>	80,516

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

Compensated absences		(156,708)	
Amortization of gain on 2004 refunding bond issue		146,855	
Amortization of loss on 2016 refunding bond issue		(139,645)	
Amortization of loss on 2012 refunding bond issue		(15,017)	
Amortization of premium on 2016 refunding bond issue		112,831	

Change in net position of governmental activities \$ 5,098,948

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds			
	Food Service	Latchkey Program	Eagle Enterprises	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 77,852	370,072	5,374	453,298
Accounts receivable	332,452	13,753		346,205
Interfund Receivable	78,037	-		78,037
Inventories	105,629			105,629
Total current assets	593,970	383,825	5,374	983,169
Noncurrent assets:				
Furniture, machinery & equipment	989,217		34,892	1,024,109
Less accumulated depreciation	(805,957)		(2,326)	(808,283)
Total noncurrent assets	183,260	-	32,566	215,826
Total assets	777,230	383,825	37,940	1,198,995
LIABILITIES				
Current liabilities:				
Accounts payable	1,905	11,844		13,749
Interfund payable	-	-		-
Student Deposits	75,445	11,192		86,637
Deferred revenue	76,848	-		76,848
Total current liabilities	154,198	23,036	-	177,234
Noncurrent liabilities:				
Compensated absences	65,754			65,754
Total noncurrent liabilities	65,754	-	-	65,754
Total liabilities	219,952	23,036	-	242,988
NET POSITION				
Invested in capital assets	183,260			183,260
Unrestricted	374,018	360,789	37,940	772,747
Total net position	\$ 557,278	360,789	37,940	956,007

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities -			Total
	Enterprise Fund			
	Food Service	Latchkey Program	Eagle Enterprises	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ -			-
Daily sales - non-reimbursable programs	2,709			2,709
Special functions	9,205			9,205
Latchkey program revenue		327,368		327,368
Total operating revenues	<u>11,914</u>	<u>327,368</u>	<u>-</u>	<u>339,282</u>
Operating expenses:				
Cost of sales - Reimbursable	1,013,694			1,013,694
Salaries	1,341,288	149,009		1,490,297
Employee benefits	343,233	10,655		353,888
General supplies & materials	55,568	4,791		60,359
Depreciation	25,651		2,326	27,977
Total Operating Expenses	<u>2,779,434</u>	<u>164,455</u>	<u>2,326</u>	<u>2,946,215</u>
Operating income/(loss)	<u>(2,767,520)</u>	<u>162,913</u>	<u>(2,326)</u>	<u>(2,606,933)</u>
Nonoperating revenues:				
State sources:				
State school lunch program	77,447			77,447
Federal sources:				
National school lunch program	1,596,269			1,596,269
National school breakfast program	784,161			784,161
Special milk program	-			-
Food distribution program	304,817			304,817
P-EBT Administrative Cost Reimbursement	3,063			3,063
Emergency Operational Costs Reimbursement Program	148,218			148,218
Interest and investment revenue	1,207	1,938	266	3,411
Total nonoperating revenues	<u>2,915,182</u>	<u>1,938</u>	<u>266</u>	<u>2,917,386</u>
Gain/(Loss) before contributions & transfers	<u>147,662</u>	<u>164,851</u>	<u>(2,060)</u>	<u>310,453</u>
Other financing sources:				
Transfer in from Student Activities	-			-
Change in net position	147,662	164,851	(2,060)	310,453
Total net position—beginning	<u>409,616</u>	<u>195,938</u>	<u>40,000</u>	<u>645,554</u>
Total net position—ending	<u>\$ 557,278</u>	<u>360,789</u>	<u>37,940</u>	<u>956,007</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Total
	Food Service	Latchkey Program	Eagle Enterprises	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,598	321,358		331,956
Payments to employees	(1,341,288)	(139,536)		(1,480,824)
Payments for employee benefits	(337,747)	(10,655)		(348,402)
Payments to suppliers	(55,568)	(4,791)		(60,359)
Payments to cost of sales	(712,827)			(712,827)
Net cash (used for) operating activities	<u>(2,436,832)</u>	<u>166,376</u>	<u>-</u>	<u>(2,270,456)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	76,860			76,860
Federal Sources	2,282,993			2,282,993
Payments from other funds	(96,429)	-		(96,429)
Net cash provided by/(used for) non-capital financing activities	<u>2,263,424</u>	<u>-</u>	<u>-</u>	<u>2,263,424</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition of capital assets	(3,489)		(34,892)	(38,381)
Net cash (used for) capital financing activities	<u>(3,489)</u>	<u>-</u>	<u>(34,892)</u>	<u>(38,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	1,207	1,938	266	3,411
Net cash provided by investing activities	<u>1,207</u>	<u>1,938</u>	<u>266</u>	<u>3,411</u>
Net (decrease) in cash and cash equivalents	(175,690)	168,314	(34,626)	(42,002)
Balances—beginning of year	253,542	201,758	40,000	495,300
Balances—end of year	<u>77,852</u>	<u>370,072</u>	<u>5,374</u>	<u>453,298</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:				
Operating Income/loss	(2,767,520)	162,913	(2,326)	(2,604,607)
Adjustments to reconcile (loss) to net cash (used for) operating activities				
Depreciation and net amortization	25,651		2,326	25,651
Federal commodities	304,817			304,817
(Increase) in receivables	697	(7,792)		(7,095)
(Increase) in inventories	16,473			16,473
(Decrease) in accounts payable	(4,403)	9,473		5,070
Increase in student deposits	(2,013)	1,782		(231)
Increase in deferred revenue	(16,020)			(16,020)
Increase in compensated absences	5,486			5,486
Total adjustments	<u>330,688</u>	<u>3,463</u>	<u>2,326</u>	<u>334,151</u>
Net cash (used for) operating activities	<u>\$ (2,436,832)</u>	<u>166,376</u>	<u>-</u>	<u>(2,270,456)</u>

Notes to the Financial Statements

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Egg Harbor Township School District

Notes to Financial Statements

June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

The Egg Harbor Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Egg Harbor Township School District had an enrollment at June 30, 2021 of 7,155 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Egg Harbor Township School District Notes to Financial Statements June 30, 2021

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

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

Fund Balances – Governmental Funds

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

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

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

2. Proprietary Funds:

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

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
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Eagle Enterprises – provides for the operation of a printing service.

3. Fiduciary Funds:

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	93,678
Supplies		<u>11,951</u>
	\$	<u><u>105,629</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2021 is \$76,848.

4. Capital Assets:

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
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5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following significant budgetary appropriation transfers during the 2021 fiscal year:

	<u>From</u>	<u>To</u>
Regular Programs - Inst. - Salaries - Preschool	239,000	
Regular Programs - Inst. - Salaries - Kindergarten	207,386	
Regular Programs - Inst. - Salaries - Grades 1-5	181,630	
Regular Programs - Inst. - Salaries - Grades 9-12	189,044	
Regular Programs - Undist. Inst. - Salaries	166,000	
Regular Programs - Undist. Inst. - Purch Prof-Ed Svc		1,237,135
Regular Programs - Undist. Inst. - General Supplies	383,266	
Special Ed - Multi. Disabilities - Other Salaries		815,862
Other Inst.- Basic Skills - Salaries of Teachers	199,849	
Tuition to CSSD & Regional Day Schools	502,505	
Tuition to Private Schools for the Disabled - Within State	1,228,088	
Undist Expend - Related Svc - Salaries	247,646	
Undist Expend - Extra Svc - Salaries	947,589	
Undist Expend - Extra Svc - Purch Prof/Ed Svc	465,000	
Undist Expend - Required Maint. - Cleaning, Repairs		138,256
Undist Expend - Custodial - Insurance	129,031	
Undist Expend - Custodial - Energy (Electricity)	165,646	
Undist Expend - Trans - Sal - Regular	153,200	
Undist Expend - Trans - Sal - Spec Ed.	180,000	
Undist Expend - Trans - Sal - Oth Between Home & School	138,000	
Undist Expend - Trans - Between Home & School - Contract	235,551	
Undist Expend - Trans - Between Home & School - Vendors		318,869
Undist Expend - Trans - Special Ed Students - Vendors		310,000
Undist Expend - Trans - Special Ed Students - Joint Agree	1,033,331	
Undist Expend - Transportation - Supplies	433,508	
Undist Expend - Unallocated Benefits - Social Security	155,560	
Undist Expend - Unallocated Benefits - PERS	145,000	
Undist Expend - Unallocated Benefits - Health Benefits		812,969
Undist Expend - Facilities Acquisition - Const. Svc.	1,866,660	
Trans to Special Revenue Fund		846,134

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2018/19 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

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

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, "The Annual Comprehensive Financial Report". This statement is effective for fiscal periods ending after December 15, 2021, and will change the title of the "Comprehensive Annual Financial Report" to "The Annual Comprehensive Financial Report."

NOTE 2. INVESTMENTS

As of June 30, 2021, the District had no investments.

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

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) which mandates the collateralization of all government deposits, or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$1,210,371 of the District's bank balance of \$18,685,458 was exposed to custodial credit risk.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

NOTE 4. CAPITAL ASSETS

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

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$1,142,940	415,820	(801,591)	757,169
Land	1,836,300			1,836,300
Total capital assets not being depreciated	<u>2,979,240</u>	<u>415,820</u>	<u>(801,591)</u>	<u>2,593,469</u>
Bldg and bldg improve	293,531,779	1,773,750		295,305,529
Machinery & equipment	12,031,821	840,529	(287,980)	12,584,370
Vehicles	13,493,090	2,039,158	(1,293,426)	14,238,822
Total at historical cost	<u>319,056,690</u>	<u>4,653,437</u>	<u>(1,581,406)</u>	<u>322,128,721</u>
Less accum depr	<u>(163,336,229)</u>	<u>(9,343,819)</u>	<u>1,432,498</u>	<u>(171,247,550)</u>
Total capital assets being depr, net of accum depr	<u>155,720,461</u>	<u>(4,690,382)</u>	<u>(148,908)</u>	<u>150,881,171</u>
Governmental activities capital assets, net	<u><u>\$158,699,701</u></u>	<u><u>(4,274,562)</u></u>	<u><u>(950,499)</u></u>	<u><u>153,474,640</u></u>
Business-type activities:				
Equipment	\$985,728	3,488		989,217
Vehicles		34,892		34,892
Less accum depr for:				
Equipment	<u>(780,306)</u>	<u>(27,977)</u>		<u>(808,283)</u>
Business-type activities capital assets, net	<u><u>\$258,567</u></u>	<u><u>10,403</u></u>		<u><u>215,826</u></u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	3,752,747
Special education		1,041,314
Other special instruction		228,597
Other instruction		103,849
Student & instruction related services		1,564,115
School administrative expenses		524,010
General and business administration		309,804
Plant operations and maintenance		1,125,074
Student transportation services		694,309
	\$	<u>9,343,819</u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$2,483,525.

NOTE 5. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the 2021 fiscal year is as follows:

Beginning balance, July 1	\$	2,437,219
Withdrawals		
Board resolution		(1,869,999)
Ending balance, June 30	\$	<u>567,220</u>

NOTE 6. MAINTENANCE RESERVE ACCOUNT

New Jersey Statute 18A:7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account. Per resolution made on June 27, 2017, the district established a Maintenance Reserve Account and transferred current year surplus of \$392,000 to Maintenance Reserve. As of June 30, 2021 the District has reserved \$392,000 for maintenance.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$1,869,999 to the capital outlay accounts. The transfer was made from the general fund capital reserve account to fund various capital projects.

NOTE 8. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance		Balance		Amounts
	06-30-20	Issued	Retired	6-30-21	Due Within One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$60,250,000		6,330,000	53,920,000	6,620,000
Obligations under capital Leases	6,598,391		2,023,366	4,575,025	2,147,196
	<u>66,848,391</u>		<u>8,353,366</u>	<u>58,495,025</u>	<u>8,767,196</u>
Other liabilities:					
Compensated absences Payable	1,327,130	236,404	79,696	1,483,838	
Premium on Refunding Bonds	1,943,012		112,831	1,830,181	164,487
Net Pension Liability	<u>38,420,796</u>		<u>2,912,541</u>	<u>35,508,255</u>	
Governmental activities long- Term liabilities	<u>108,539,329</u>	<u>236,404</u>	<u>11,458,434</u>	<u>97,317,299</u>	<u>8,931,683</u>
Business-type Activities:					
Compensated absences Payable	<u>60,268</u>	<u>9,799</u>	<u>4,313</u>	<u>65,754</u>	
Business-type activities long- Term-liabilities	<u>\$60,268</u>	<u>9,799</u>	<u>4,313</u>	<u>65,754</u>	

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

A. Bonds Payable:

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

Long-term debt as of June 30, 2021 consisted of the following:

\$50,735,000 Refunding Bonds dated October 1, 2004 payable in annual installments on January 15, 2005 and each July 15 thereafter commencing in 2012 and continuing through 2025. Semi-annual interest payments are due, at rates ranging from 3.00% to 5.75%, on January 15 and July 15, commencing January 15, 2005. The total savings to the District was \$1,588,925, or 3.021% as a result of refunding the 2001 bond issue. The refunding bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2021 was \$22,375,000.

**Egg Harbor Township School District
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On November 15, 2012 the District issued \$6,805,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in September 2012 which provided for the refunding of all or a portion of the callable portion of the \$23,052,000 issue dated April 1, 2005. The total savings to the District was \$403,186, or 6.03% as a result of refunding the 2005 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2016 and annually thereafter through April 1, 2024 and total \$6,685,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 4.00%, on April 1 and October 1, commencing April 1, 2013. The bonds will mature annually on April 1, commencing in 2013 through 2024. Refunding bonds maturing on or after April 1, 2023 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2022. The balance remaining as of June 30, 2021 was \$1,690,000.

On January 6, 2016 the District issued \$14,365,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in November 2015 which provided for the refunding of all or a portion of the callable portion of the \$15,410,000 issue dated December 5, 2006. The total savings to the District was \$1,013,330, or 7.05% as a result of refunding the 2006 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2017 and annually thereafter through April 1, 2030 and total \$14,675,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 5.00%, on April 1 and October 1, commencing April 1, 2016. The bonds will mature annually on April 1, commencing in 2016 through 2030. Refunding bonds maturing on or after April 1, 2026 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2025. The balance remaining as of June 30, 2021 was \$13,980,000.

On June 1, 2016 the District issued \$19,320,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in April 2016 which provided for the refunding of all or a portion of the callable portion of the \$27,924,000 issue dated September 15, 2008. The total savings to the District was \$1,138,616, or 6.01% as a result of refunding the 2008 bond issue. The callable portion refunded includes the bonds maturing on September 15, 2019 and annually thereafter through September 15, 2028 and total \$18,950,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 5.00%, on March 15 and September 15, commencing September 15, 2016. The bonds will mature annually on September 15, commencing in 2016 through 2028. The balance remaining as of June 30, 2021 was \$15,875,000.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2022	\$ 6,620,000	2,182,950	8,802,950
2023	6,905,000	1,847,738	8,752,738
2024	7,270,000	1,452,428	8,752,438
2025	7,680,000	1,126,056	8,806,056
2026	7,960,000	756,269	8,716,269
2027-2030	17,485,000	1,146,831	18,631,831
	<u>\$ 53,920,000</u>	<u>8,542,281</u>	<u>62,462,281</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had authorized but not issued bonds in the amount of \$1,357.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$10,882,409 under capital leases. Semiannual lease payments are made to First Niagara, SunTrust Leasing Co., U.S. Bank Corp., Banc of America, JP Morgan Chase Bank, NA and TD Equipment Finance, and include interest at a rate of 1.260% to 2.950% per annum. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2021.

	Amount
Year ending June 30,	
2022	\$ 1,825,502
2023	1,827,344
2024	778,094
2025	290,513
2026	0
Total minimum lease payments	4,721,453
Less amount representing interest	146,428
Present value of lease payments	\$ 4,575,025

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

Description	Cost	Accumulated Depreciation	Remaining Value
Transportation Equipment	\$ 3,624,028	2,621,943	1,722,515
Equipment	7,258,381	1,901,513	4,636,438
Transportation Equipment	\$ 10,882,409	4,523,456	6,358,953

NOTE 9. PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers.

Egg Harbor Township School District Notes to Financial Statements June 30, 2021

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 35.24% and the PERS rate is 15.98% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2021, 2020, and 2019 were \$15,089,788, \$11,300,284, and \$10,057,008, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020, and 2019 were \$2,387,200, \$2,086,522, and \$2,091,802, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2021, 2020, and 2019 was \$82,685,129, \$81,118,158, and \$78,003,413, covered payroll was \$59,954,097, \$58,575,783, and \$55,340,573 for TPAF; and \$16,421,731, \$16,048,524, and \$15,522,832 for PERS.

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.

Egg Harbor Township School District
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- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

NOTE 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At June 30, 2021, the District reported a liability of \$35,508,255 for its proportionate share of the net pension liability. 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.21774340250%, which was an increase of 2.12% from its proportion measured as of June 30, 2019.

**Egg Harbor Township School District
Notes to Financial Statements
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For the year ended June 30, 2021, the District recognized pension expense of \$2,301,487. 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	\$ 646,547	125,573
Changes of assumptions	1,151,928	14,867,642
Net difference between projected and actual earnings on pension plan investments	1,213,701	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,871,052	
District contributions subsequent to the measurement date	2,382,003	
Total	\$ 8,265,231	14,993,215

\$2,382,003 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	\$ (3,345,649)
2022	(3,116,407)
2023	(1,789,814)
2024	(716,812)
2025	(141,305)
Total	\$ (9,109,987)

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%

Egg Harbor Township School District
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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 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US 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%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

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Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 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 all projected future benefit payments of current plan members. 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 all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 42,290,234	\$ 35,508,255	\$ 29,760,961

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	2,347,583,337.00
Deferred inflows of resources		7,849,949,467.00
Net pension liability		16,435,616,426.00
 District's proportion		 35,508,255

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

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NOTE 11. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		333,278,609
Total	\$	333,278,609

The net pension liability was measured as of June 30, 2020 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$9,255,700 and revenue of \$9,255,700 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation 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, applied to all period included in the measurement:

Inflation Rate		
Price		2.75%
Wage		3..25%
Salary increases		
Through 2026		1.55% - 4.55% (based on years of service)
Thereafter		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Medan 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.

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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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US 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%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.40% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.40%) or 1-percentage point higher (6.40%) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	9,626,548,228
Deferred inflows of resources		14,591,988,841
Net pension liability		65,993,498,688

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,103,756,770.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

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NOTE 12. LABOR CONTRACTS

As of June 30, 2021, the District's employees are organized in two collective bargaining units.

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

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

NOTE 13. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its

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June 30, 2021**

obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

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

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

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

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Mortality Rates –

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-2020. 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-20.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the period 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.

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 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.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at 6/30/19	\$ 41,729,081,045.00
Changes for the year:	
Service cost	1,790,973,822.00
Interest	1,503,341,357.00
Differences between Expected & Actual Experiences	11,544,750,637.00
Changes in assumptions or other inputs	12,386,549,981.00
Contributions: Member	35,781,384.00
Benefit payments	<u>(1,180,515,618.00)</u>
Net changes	<u>26,080,881,563.00</u>
Balance at 6/30/20	<u>\$ 67,809,962,608.00</u>

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

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability (School Retirees)	81,748,410,002.00	67,809,962,608.00	56,911,439,160.00

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

The following presents the total OPEB liability as of June 30, 2020c calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	54,738,488,540.00	67,809,962,608.00	83,375,182,975.00

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$14,791,701 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,295,318,750.00	(9,170,703,615.00)
Changes of assumptions	11,534,251,250.00	(7,737,500,827.00)
Total	\$ 21,829,570,000.00	\$ (16,908,204,442.00)

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

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Year ended June 30,		
2021	\$	43,440,417.00
2022		43,440,417.00
2023		43,440,417.00
2024		43,440,417.00
2025		43,440,417.00
Thereafter		4,704,163,473.00
Total	\$	4,921,365,558.00

(Contributions made after June 30, 2020 are reported as deferred outflow of resources but are not amortized in the expense.)

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

NOTE 14. SPECIAL PAY DEFERRAL PLAN

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

NOTE 15. DEFERRED COMPENSATION

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

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

NOTE 16. COMPENSATED ABSENCES

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021

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

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

NOTE 17. LITIGATION

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

NOTE 18. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$16,163,727 General Fund balance at June 30, 2021, \$816,277 is committed for encumbrances; \$6,554,012 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$5,596,864 of the total restricted for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$1,440,951 has been restricted for unemployment claims; \$567,220 has been restricted in the Capital Reserve Account; \$392,000 has been restricted in the Maintenance Reserve Account; \$1,000,000 has been restricted in the Emergency Reserve; \$3,500,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and \$1,893,267 is unassigned.

Special Revenue Fund – Of the \$233,773 Special Revenue fund balance a June 30, 2021, \$55,648 has been restricted for conduit activities; \$461,712 has been restricted for student activities and (\$283,587) is an unassigned deficit.

Debt Service Fund – Of the \$2 Debt Service Fund balance at June 30, 2021, \$2 is restricted in accordance with N.J.S.A. 7F-41c(2).

NOTE 19. CALCULATION OF EXCESS SURPLUS

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$6,554,012, of which \$5,596,864 has been included in the 2021-22 budget.

NOTE 20. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State Aid to fund the District operations and debt service. During the 2020-21 fiscal year, 98% of the Districts operations were funded through property taxes and State aid.

NOTE 21. RISK MANAGEMENT

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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2021 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	None	189,433	11,098	1,440,951
2019-2020	None	132,983	17,804	1,394,899
2018-2019	None	95,233	10,896	1,347,043

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2021, \$0 was charged to the worker’s compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2021 and 2020 was \$65,729 and \$65,729, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker’s compensation fund.

<u>Fiscal Year Ended</u>	<u>Balance Beginning of Year</u>	<u>Received From Carrier</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Balance End of Year</u>
6/30/21	119,883	1,054	-	-	120,937
6/30/20	117,933	1,950	-	-	119,883
6/30/19	65,729	52,504	-	-	117,933

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2021**

NOTE 22. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2021, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	1,095,140	
Enterprise Fund		78,037
Special Revenue Fund:		
General Fund		1,095,140
Enterprise Fund:		
General Fund	78,037	
	<u>\$1,173,117</u>	<u>1,173,177</u>

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

NOTE 23. RESTATEMENT OF PRIOR YEAR BALANCES

Net Position and Fund Balance have been restated as required by the implementation of GASB 84.

	<u>Governmental Activities Net Position</u>	<u>General Fund Balance</u>	<u>Special Revenue Fund Balance</u>
Beginning fund balance as previously reported at June 30, 2020	\$ 58,141,483	12,708,536	-
Implementation GASB 84 - Restatement of Prior Year Balances Required			
Conduit Fund	95,578		95,578
Student Activities	399,067		399,067
Unemployment Fund	1,394,899	1,394,899	
Total restatement	<u>1,889,544</u>	<u>1,394,899</u>	<u>494,645</u>
Fund Balance as restated, July 1, 2020	<u>\$ 60,031,027</u>	<u>14,103,435</u>	<u>494,645</u>

NOTE 24. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 21, 2022, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 81,038,032		81,038,032	81,038,032	-
Tuition - Individuals	96,000		96,000	-	(96,000)
Tuition - Other LEA's within the State	203,000		203,000	409,897	206,897
Tuition from Other Government Sources	-		-	224,625	224,625
Rents and Royalties	50,000		50,000	19,162	(30,838)
Interest Earned on Capital Reserve Funds	2,000		2,000	2,000	-
Interest Earned on Maintenance Reserve Funds	1,000		1,000	1,000	-
Other Restricted Miscellaneous Revenue	-		-	46,052	46,052
Miscellaneous	397,000		397,000	536,446	139,446
Total - Local Sources	81,787,032	-	81,787,032	82,277,214	490,182
State Sources:					
Equalization Aid	44,917,202	(4,108,310)	40,808,892	40,808,892	-
Categorical Special Education Aid	4,443,028		4,443,028	4,443,028	-
Categorical Transportation Aid	3,273,116		3,273,116	3,273,116	-
Under Adequacy Aid	-		-	-	-
Categorical Security Aid	1,547,671		1,547,671	1,547,671	-
Extraordinary Aid	400,000		400,000	1,958,338	1,558,338
PARCC Readiness	-		-	-	-
Per Pupil Growth Aid	-		-	-	-
Professional Learning Community Aid	-		-	-	-
Lead Water Testing for Schools Aid	-		-	-	-
Nonpublic School Transportation Aid	-		-	112,483	112,483
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	15,089,788	15,089,788
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)	-		-	4,728,904	4,728,904
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)	-		-	6,444	6,444
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	4,331,223	4,331,223
Total - State Sources	54,581,017	(4,108,310)	50,472,707	76,299,887	25,827,180
Federal Sources:					
Medical Assistance Program	170,928		170,928	270,757	99,829
ARRA/SEMI Unrestricted	-		-	-	-
Total - Federal Sources	170,928	-	170,928	270,757	99,829
Total Revenues	136,538,977	(4,108,310)	132,430,667	158,847,858	26,417,191

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	495,326	(239,000)	256,326	249,413	6,913
Kindergarten	1,915,586	(207,386)	1,708,200	1,707,377	823
Grades 1-5	12,026,493	(181,630)	11,844,863	11,639,950	204,913
Grades 6-8	8,921,768	(8,517)	8,913,251	8,803,407	109,844
Grades 9-12	12,081,971	(189,044)	11,892,927	11,830,975	61,952
Regular Programs - Home Instruction:					
Salaries of Teachers	298,087	(120,612)	177,475	19,262	158,213
Purchased Professional - Educational Services	29,909	-	29,909	9,885	20,024
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	311,913	(166,000)	145,913	145,404	509
Purchased Professional - Educational Services	1,373,939	1,237,135	2,611,074	2,559,997	51,077
Other Purchased Services	17,500	-	17,500	769	16,731
General Supplies	1,339,621	(383,266)	956,355	622,664	333,691
Textbooks	137,629	(86,138)	51,491	34,730	16,761
Total Regular Programs	38,949,742	(344,458)	38,605,284	37,623,833	981,451
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	1,726,158	(62,570)	1,663,588	1,663,588	-
Other Salaries for Instruction	61,315	815,862	877,177	877,177	-
General Supplies	33,678	(10,674)	23,004	14,017	8,987
Textbooks	5,395	-	5,395	-	5,395
Total Multiple Disabilities	1,826,546	742,618	2,569,164	2,554,782	14,382

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	8,265,483	-	8,265,483	7,815,129	450,354
Other Salaries for Instruction	303,222	74,379	377,601	377,601	-
General Supplies	54,734	(33,421)	21,313	14,582	6,731
Textbooks	3,590	-	3,590	1,593	1,997
Total Resource Room/Resource Center	8,627,029	40,958	8,667,987	8,208,905	459,082
Preschool Disabilities - Full Time					
Salaries of Teachers	472,702	-	472,702	442,327	30,375
Other Salaries for Instruction	792,150	-	792,150	635,378	156,772
General Supplies	56,400	(25,000)	31,400	5,974	25,426
Total Preschool Disabilities - Full Time	1,321,252	(25,000)	1,296,252	1,083,679	212,573
Total Special Education - Instruction	11,774,827	758,576	12,533,403	11,847,366	686,037
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,675,598	(199,849)	1,475,749	1,430,952	44,797
General Supplies	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	1,675,598	(199,849)	1,475,749	1,430,952	44,797
Bilingual Education - Instruction:					
Salaries of Teachers	917,766	(17,862)	899,904	839,529	60,375
General Supplies	6,619	1,510	8,129	5,009	3,120
Textbooks	1,420	8,439	9,859	4,228	5,631
Total Bilingual Education - Instruction	925,805	(7,913)	917,892	848,766	69,126

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison on Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	291,811	-	291,811	228,574	63,237
Purchased Services	6,885	-	6,885	4,018	2,867
Supplies and Materials	17,975	(7,789)	10,186	7,246	2,940
Other Objects	1,000	-	1,000	675	325
Total School Sponsored Cocurricular Activities - Instruction	317,671	(7,789)	309,882	240,513	69,369
School-Sponsored Athletics - Instruction					
Salaries	590,041	(43,649)	546,392	513,026	33,366
Purchased Services	26,790	-	26,790	19,275	7,515
Supplies and Materials	117,768	(27,847)	89,921	83,036	6,885
Other Objects	38,625	-	38,625	16,680	21,945
Transfers to Cover Deficit (Agency Funds)	82,899	(11,581)	71,318	40,440	30,878
Total School-Sponsored Athletics - Instruction	856,123	(83,077)	773,046	672,457	100,589
Alternative Education Program					
Salaries	499,201	1,000	500,201	500,201	-
Purchased Professional & Technical Services	7,000	-	7,000	-	7,000
General Supplies	20,655	-	20,655	12,765	7,890
Textbooks	-	-	-	-	-
Total Alternative Education Program	526,856	1,000	527,856	512,966	14,890
Total Instruction	55,026,622	116,490	55,143,112	53,176,853	1,966,259
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	157,874	-	157,874	140,011	17,863
Tuition to Other LEAs Within the State - Special	-	2,766	2,766	2,766	-
Tuition to County Voc. School Dist. - Regular	1,307,707	-	1,307,707	1,307,707	-
Tuition to County Voc. School Dist. - Special	141,277	(21)	141,256	141,255	1
Tuition to CSSD & Regional Day Schools	1,184,007	(502,505)	681,502	118,078	563,424
Tuition to Private Schools for the Disabled - Within State	2,136,011	(1,228,088)	907,923	-	907,923
Tuition to Private Schools Disabled & Other LEAs-Special - Outside State	-	38,138	38,138	-	38,138
Tuition - State Facilities	177,541	-	177,541	112,541	65,000
Total Undistributed Expenditures - Instruction	5,104,417	(1,689,710)	3,414,707	1,822,358	1,592,349

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	307,940	1,168	309,108	309,108	-
Other Purchased Services	3,348	-	3,348	2,960	388
Supplies and Materials	5,877	(2,942)	2,935	2,828	107
Total Undistributed Expenditures - Attendance and Social Work	317,165	(1,774)	315,391	314,896	495
Undistributed Expenditures - Health Services:					
Salaries	1,078,562	-	1,078,562	1,057,871	20,691
Purchased Professional and Technical Services	42,290	-	42,290	30,064	12,226
Supplies and Materials	14,713	(3,678)	11,035	9,859	1,176
Total Undistributed Expenditures - Health Services	1,135,565	(3,678)	1,131,887	1,097,794	34,093
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	2,017,990	(247,646)	1,770,344	1,770,344	-
Purchased Professional - Educational Services	239,150	-	239,150	226,563	12,587
Supplies and Materials	35,621	(8,905)	26,716	21,126	5,590
Total Undistributed Expenditures - Other Support Services - Students - Related Services	2,292,761	(256,551)	2,036,210	2,018,033	18,177
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	4,225,044	(947,589)	3,277,455	3,031,536	245,919
Purchased Professional - Educational Services	798,645	(465,000)	333,645	295,299	38,346
Supplies and Materials	10,379	(2,500)	7,879	1,753	6,126
Total Undistributed Expenditures - Other Support Services - Extra Services	5,034,068	(1,415,089)	3,618,979	3,328,588	290,391

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,314,422	(763)	2,313,659	2,098,634	215,025
Salaries of Secretarial and Clerical Assistants	194,976	763	195,739	195,739	-
Other Purchased Professional and Technical Services	14,768	(1,167)	13,601	10,554	3,047
Other Purchased Services	103	1,167	1,270	1,270	-
Supplies and Materials	16,618	(4,062)	12,556	4,749	7,807
Total Undistributed Expenditures - Other Support Services - Guidance	2,540,887	(4,062)	2,536,825	2,310,946	225,879
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,544,645	-	2,544,645	2,486,055	58,590
Salaries of Secretarial and Clerical Assistants	511,609	-	511,609	456,617	54,992
Other Salaries	1,050	-	1,050	1,000	50
Other Purchased Professional and Technical Services	86,000	-	86,000	64,043	21,957
Other Purchased Services	64,259	-	64,259	31,881	32,378
Supplies and Materials	31,049	(5,410)	25,639	24,889	750
Total Undistributed Expenditures - Other Support Services - Child Study Teams	3,238,612	(5,410)	3,233,202	3,064,485	168,717
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	1,256,189	-	1,256,189	1,211,644	44,545
Salaries of Other Professional Staff	286,250	-	286,250	286,250	-
Supplies and Materials	4,000	(1,000)	3,000	284	2,716
Total Undistributed Expenditures - Improv. of Instr. Services	1,546,439	(1,000)	1,545,439	1,498,178	47,261

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	1,012,696	(14,892)	997,804	944,308	53,496
Salaries of Technology Coordinators	105,480	-	105,480	105,277	203
Purchased Professional and Technical Services	309,550	(100,514)	209,036	-	209,036
Other Purchased Services	13,912	1,018	14,930	13,910	1,020
Supplies and Materials	120,549	(34,593)	85,956	32,000	53,956
Other Objects	18,950	-	18,950	5,093	13,857
Total Undistributed Expenditures - Educational Media Services - School Library	1,581,137	(148,981)	1,432,156	1,100,588	331,568
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	148,320	-	148,320	147,825	495
Salaries of Other Professional Staff	77,560	(50,000)	27,560	15,345	12,215
Purchased Professional - Educational Services	279,959	(13,000)	266,959	234,470	32,489
Other Purchased Services	12,500	-	12,500	1,369	11,131
Supplies and Materials	8,000	(2,000)	6,000	249	5,751
Total Undistributed Expenditures - Instructional Staff Training Srvc	526,339	(65,000)	461,339	399,258	62,081
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	779,112	14,337	793,449	793,449	-
Legal Services	340,140	-	340,140	256,874	83,266
Audit Fees	45,000	(2,612)	42,388	36,000	6,388
Architectural/Engineering Services	20,000	2,612	22,612	3,000	19,612
Other Purchased Professional Services	22,495	-	22,495	22,464	31
Communications/Telephone	217,899	(14,336)	203,563	191,079	12,484
Miscellaneous Purchased Services	371,986	(40,283)	331,703	316,299	15,404
General Supplies	9,880	(2,560)	7,320	7,082	238
BOE In-House Training/Meeting Supplies	5,000	(1,250)	3,750	2,585	1,165
Miscellaneous Expenditures	16,000	1,155	17,155	12,754	4,401
BOE Membership Dues and Fees	40,000	-	40,000	27,508	12,492
Total Undistributed Expenditures - Support Services - Gen. Admin.	1,867,512	(42,937)	1,824,575	1,669,094	155,481

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison on Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Dir	2,143,394	(37,068)	2,106,326	2,090,932	15,394
Salaries of Other Professional Staff	373,017	-	373,017	354,646	18,371
Salaries of Secretarial and Clerical Assistants	1,294,929	-	1,294,929	1,277,630	17,299
Purchased Professional and Technical Services	42,300	2,031	44,331	44,330	1
Other Purchased Services	148,899	(4,674)	144,225	130,442	13,783
Supplies and Materials	50,295	(9,899)	40,396	30,521	9,875
Other Objects	55,060	-	55,060	40,796	14,264
Total Undistributed Expenditures - Support Serv. - School Admin.	4,107,894	(49,610)	4,058,284	3,969,297	88,987
Undistributed Expenditures - Central Services					
Salaries	744,476	(6,000)	738,476	738,383	93
Purchased Technical Services	57,428	(8,600)	48,828	42,277	6,551
Miscellaneous Purchased Services (400-500 series)	162,403	(7,935)	154,468	149,829	4,639
Supplies and Materials	15,000	(3,750)	11,250	8,933	2,317
Other Objects	8,000	-	8,000	3,025	4,975
Total Undistributed Expenditures - Central Services	987,307	(26,285)	961,022	942,447	18,575
Undistributed Expenditures - Administrative Information Technology					
Salaries	363,993	13,935	377,928	377,928	-
Purchased Technical Services	38,630	4,540	43,170	43,163	7
Supplies and Materials	76,400	(52,500)	23,900	23,397	503
Total Undistributed Expenditures - Admin. Information Technology	479,023	(34,025)	444,998	444,488	510
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	764,421	15,222	779,643	779,381	262
Cleaning, Repair, and Maintenance Services	953,973	138,256	1,092,229	967,990	124,239
General Supplies	184,310	2,660	186,970	181,780	5,190
Other Objects	2,250	606	2,856	2,856	-
Total Undistributed Expenditures - Required Maint for School Facilities	1,904,954	156,744	2,061,698	1,932,007	129,691

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,466,482	-	4,466,482	4,461,406	5,076
Cleaning, Repair and Maintenance Services	261,821	(36,751)	225,070	213,827	11,243
Rental of Land & Building Other than Lease Purch Agmt	1,043,679	8,258	1,051,937	1,051,936	1
Other Purchased Property Services	184,683	(79,824)	104,859	103,691	1,168
Insurance	509,008	(129,031)	379,977	377,476	2,501
Miscellaneous Purchased Services	400	-	400	-	400
General Supplies	307,665	80,967	388,632	380,940	7,692
Energy (Natural Gas)	553,100	59,288	612,388	611,437	951
Energy (Electricity)	1,542,339	(165,646)	1,376,693	1,331,115	45,578
Energy (Oil)	1,866	-	1,866	819	1,047
Other Objects	2,835	(606)	2,229	2,219	10
Total Undistributed Expenditures - Custodial Services	8,873,878	(263,345)	8,610,533	8,534,866	75,667
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	425,069	(20,222)	404,847	397,222	7,625
Cleaning, Repair and Maintenance Services	42,562	(6,572)	35,990	32,805	3,185
General Supplies	101,672	(18,718)	82,954	82,708	246
Total Undistributed Expenditures - Care & Upkeep of Grounds	569,303	(45,512)	523,791	512,735	11,056
Undistributed Expenditures - Security					
Salaries	464,487	(104,293)	360,194	315,618	44,576
Cleaning, Repair and Maintenance Services	183,907	(17,100)	166,807	146,847	19,960
General Supplies	12,400	(2,900)	9,500	7,458	2,042
Other Objects	3,495	(1,404)	2,091	106	1,985
Total Undistributed Expenditures - Security	664,289	(125,697)	538,592	470,029	68,563
Total Undistributed Expenditures - Oper & Main of Plant Services	12,012,424	(277,810)	11,734,614	11,449,637	284,977
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,724,473	(153,200)	2,571,273	2,496,598	74,675
Sal for Pupil Transp (Between Home and School)-Sp Ed	535,084	(180,000)	355,084	345,160	9,924
Sal for Pupil Transp (Other than Bet. Home & School)	208,475	(138,000)	70,475	50,988	19,487
Other Purchased Professional and Technical Services	23,938	(1,228)	22,710	22,709	1
Cleaning, Repair, and Maintenance Services	186,983	(602)	186,381	116,757	69,624
Lease Purchase Payments - School Buses	1,034,778	55,331	1,090,109	1,090,108	1

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	386,733	(235,551)	151,182	120,134	31,048
Contracted Services - (Between Home and School) - Vendors	16,800	318,869	335,669	335,669	-
Contracted Services - (Special Ed Students) - Vendors	50,000	310,000	360,000	357,096	2,904
Contracted Services - (Special Ed Students) - Joint Agree.	2,253,860	(1,033,331)	1,220,529	1,170,300	50,229
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	223,900	-	223,900	143,358	80,542
Contracted Services - Aid in Lieu of Payments - Charter School	29,000	-	29,000	4,430	24,570
Contracted Services - Aid in Lieu of Payments - Choice School	22,000	-	22,000	8,580	13,420
Miscellaneous Purchased Services - Transportation	157,638	-	157,638	157,509	129
Supplies and Materials	8,300	(2,075)	6,225	5,545	680
Transportation Supplies	884,528	(433,508)	451,020	348,850	102,170
Miscellaneous Expenditures	10,450	-	10,450	7,791	2,659
Total Undistributed Expenditures - Student Transportation Serv.	8,756,940	(1,493,295)	7,263,645	6,781,582	482,063
Unallocated Benefits:					
Social Security Contributions	1,635,402	(155,560)	1,479,842	1,459,452	20,390
Other Retirement Contributions - PERS	2,533,800	(145,000)	2,388,800	2,387,200	1,600
Other Retirement Contributions - Regular	85,251	1,389	86,640	86,639	1
Workmen's Compensation	1,400,866	(2,045)	1,398,821	1,398,821	-
Health Benefits	24,082,209	812,969	24,895,178	24,895,177	1
Tuition Reimbursement	108,443	5,560	114,003	95,730	18,273
Other Employee Benefits	289,500	(73,000)	216,500	216,392	108
Unused Sick Payment to Terminated/Retired Staff	237,336	(12,000)	225,336	224,775	561
Total Unallocated Benefits	30,372,807	432,313	30,805,120	30,764,186	40,934
On-behalf TPAF Pension Contributions (non-budgeted)				15,089,788	(15,089,788)
On-Behalf TPAF Post-Retirement Medical Contribution (non-budgeted)				4,728,904	(4,728,904)
On-Behalf TPAF Long-Term Disability Ins. Contribution (non-budgeted)				6,444	(6,444)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,331,223	(4,331,223)
Total On-behalf Contributions	-	-	-	24,156,359	(24,156,359)
Total Undistributed Expenditures	81,901,297	(5,082,904)	76,818,393	97,132,214	(20,313,821)
Interest Earned on Maintenance Reserve	1,000	-	1,000	1,000	-
Total Current Expense	136,928,919	(4,966,414)	131,962,505	150,310,067	(18,347,562)
Capital Outlay:					
Interest Deposit to Capital Reserve	2,000	-	2,000	2,000	-
Total Interest Deposit to Capital Reserve	2,000	-	2,000	2,000	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Grades 1-5	-	-	-	-	-
Grades 6-8	5,000	1,941	6,941	6,940	1
Grades 9-12	17,800	(14,505)	3,295	3,295	-
Support Services - Regular	-	-	-	-	-
Undist. Expend. - Instruction	22,975	-	22,975	-	22,975
Undist. Expend. - Attendance & Social Work	-	-	-	-	-
Undist. Expend. - Admin Info Tech.	54,558	-	54,558	54,558	-
Undist. Expend. - Required Maint for School Facilities	36,553	13,588	50,141	50,140	1
Undist. Expend. - Care and Upkeep of Grounds	-	10,542	10,542	10,542	-
Undist. Expend. - Security	-	5,404	5,404	-	5,404
Undist. Expend. - Student Trans. - Non Ins	66,584	(5,000)	61,584	61,584	-
Total Equipment	203,470	11,970	215,440	187,059	28,381
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	6,115	3,339	9,454	6,836	2,618
Construction Services	635,594	1,866,660	2,502,254	2,144,784	357,470
Other Objects - Debt Service Assessment	543,141	-	543,141	543,141	-
Total Facilities Acquisition and Construction Services	1,184,850	1,869,999	3,054,849	2,694,761	360,088
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Instructional Equipment	-	-	-	-	-
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Total Capital Outlay	1,390,320	1,881,969	3,272,289	2,883,820	388,469
Transfer to Charter Schools	2,593,957	-	2,593,957	2,242,784	351,173
Total Expenditures	140,913,196	(3,084,445)	137,828,751	155,436,671	(17,607,920)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,374,219)	(1,023,865)	(5,398,084)	3,411,187	8,809,271

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Special Revenue Fund - Inclusive Students		(846,134)	(846,134)	(846,134)	-
Capital Reserve transfer to capital outlay		1,869,999	1,869,999	1,869,999	-
Capital Reserve transfer to capital projects		-	-	(1,869,999)	(1,869,999)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,374,219)	-	(4,374,219)	2,565,053	6,939,272
Fund Balances, July 1	17,232,541	-	17,232,541	17,232,541	-
Restatement	1,394,899		1,394,899	1,394,899	-
Fund Balances, July 1, Restated	18,627,440	-	18,627,440	18,627,440	-
Fund Balances, June 30	\$ 14,253,221	-	14,253,221	21,192,493	6,939,272

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	957,148
Excess Surplus-Designated for Subsequent Year's Expenditures	5,596,864
Reserve for Capital Reserve	567,220
Reserve for Maintenance Reserve	392,000
Reserve for Emergency Reserve	1,000,000
Reserve for Unemployment Compensation	1,440,951

Assigned Fund Balance:

Year-end Encumbrances	816,277
Designated for Subsequent Year's Expenditures	3,500,000

Unassigned Fund Balance

	6,922,033
	21,192,493

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

	(5,028,766)
\$	16,163,727

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 49,732	3,744	53,476	464,859	411,383
Total - Local Sources	49,732	3,744	53,476	464,859	411,383
State Sources:					
Preschool Expansion Grant	-	2,835,866	2,835,866	1,600,081	(1,235,785)
Nonpublic aid	188,021	95,945	283,966	265,364	(18,602)
Total - State Sources	188,021	2,931,811	3,119,832	1,865,445	(1,254,387)
Federal Sources:					
Title I	1,030,459	425,287	1,455,746	1,378,878	(76,868)
Title II	270,386	41,204	311,590	208,432	(103,158)
Title III	42,128	29,457	71,585	59,073	(12,512)
Title IV - 21st Century	-	609,719	609,719	335,797	(273,922)
Title VI	-	-	-	-	-
CARES Act	486,020	656,501	1,142,521	1,137,323	(5,198)
Nonpublic Corona Relief Fund Technology	-	18,793	18,793	18,689	(104)
Digital Divide	-	663,860	663,860	663,258	(602)
Corona Virus Relief Fund	-	596,083	596,083	596,083	-
CARES Act - ESSER II	-	4,247,076	4,247,076	1,098,100	(3,148,976)
Learning Acceleration Grant	-	272,555	272,555	33,389	(239,166)
CTE Bridge Externship	-	17,500	17,500	7,905	(9,595)
Mental Health Grant	-	45,000	45,000	-	(45,000)
I.D.E.A., Part B	1,430,593	623,210	2,053,803	1,936,797	(117,006)
Vocational Education	48,230	10,490	58,720	52,602	(6,118)
Total - Federal Sources	3,307,816	8,256,735	11,564,551	7,526,326	(4,038,225)
Total Revenues	3,545,569	11,192,290	14,737,859	9,856,630	(4,881,229)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,927,881	331,063	2,258,944	1,628,001	630,943
Other Salaries for Instruction	-	708,740	708,740	246,826	461,914
Purchased Professional and Technical Services	-	454,704	454,704	147,513	307,191
Other Purchased Services (400-500 series)	1,603,062	3,928,188	5,531,250	3,622,870	1,908,380
General Supplies	-	2,936,899	2,936,899	1,773,156	1,163,743
Textbooks	14,626	11,765	26,391	26,358	33
Other objects	-	18,200	18,200	-	18,200
Total instruction	3,545,569	8,389,559	11,935,128	7,444,724	4,490,404

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONTD):					
Support Services					
Salaries of Supervisors of Instruction	15,000		15,000	15,000	-
Salaries of Program Directors	45,000		45,000	45,000	32,869
Salaries of Other Professional Staff	633,250		633,250	511,527	121,723
Salaries of Secretarial and Clerical Assistants	20,000		20,000	17,561	2,439
Other Salaries	59,324		59,324	46,976	12,348
Salaries of Masters Teachers	70,000		70,000	69,540	460
Personal Services - Employee Benefits	979,811		979,811	715,810	264,001
Purchased Professional/Educational Services	842,106		842,106	686,765	155,341
Purchased Technical Services	137,074		137,074	48,368	88,706
Purchased Property Services	-		-	-	-
Travel	3,128		3,128	-	3,128
Other purchased Services (400-500 series)	295,112		295,112	191,612	103,500
Supplies & Materials	203,354		203,354	141,947	61,407
Other Objects	-		-	-	-
Conduit Expenses	-		-	44,378	(44,378)
Student Activities/Athletics	-		-	393,804	(393,804)
Total support services	3,303,159		3,303,159	2,895,419	407,740
Facilities acquisition and construction services:					
Instructional Equipment	331,706		331,706	327,657	4,049
Noninstructional Equipment	14,000		14,000	12,249	1,751
Total facilities acquisition and construction services	345,706		345,706	339,906	5,800
Transfers to Charter Schools	-		-	-	-
Total expenditures	3,545,569	12,038,424	15,583,993	10,680,049	4,903,944
Other Financing Sources (Uses)					
General Fund - Preschool Education		846,134	846,134	846,134	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -		-	22,715	22,715
Fund Balance, July 1 Restatement				494,645.00	
Fund Balance, July 1 (Restated)				494,645.00	
Fund Balance, June 30				517,360.00	
Recapitulation: Restricted: Conduit Student Activities				55,648.00	
				461,712.00	
Total Fund Balance				517,360.00	

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 158,847,858	9,856,630
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		5,310
Current year		(342,818)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,524,005	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(5,028,766)	(283,587)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	158,343,097	9,235,535
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	155,436,671	10,680,049
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		5,310
Current year		(342,818)
Pension expense recognized for GAAP but not for budgetary purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 155,436,671	10,342,541

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Required Supplementary Information
Part III

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

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.2177434025%	0.2132299176%	0.2088348448%	0.2016466656%	0.1929449075%	0.1846447919%	0.1823522927%	0.1762768420%
District's proportionate of the net pension liability (asset)	\$ 35,508,255	\$ 38,420,796	\$ 41,118,540	\$ 46,940,121	\$ 57,144,747	\$ 32,618,264	\$ 34,141,337	\$ 33,690,007
District's covered payroll	\$ 16,421,731	\$ 16,048,524	\$ 14,784,203	\$ 14,455,418	\$ 13,586,006	\$ 12,921,914	\$ 12,372,353	\$ 12,234,369
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.23%	239.40%	278.12%	324.72%	420.61%	252.43%	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,382,003	\$ 2,074,099	\$ 2,077,232	\$ 1,868,041	\$ 1,587,450	\$ 1,407,927	\$ 1,328,210	\$ 1,223,404
Contributions in relation to the contractually required contribution	\$ 2,382,003	\$ 2,074,099	\$ 2,077,232	\$ 1,868,041	\$ 1,587,450	\$ 1,407,927	\$ 1,328,210	\$ 1,223,404
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 16,421,731	\$ 16,048,524	\$ 14,784,203	\$ 14,455,418	\$ 13,586,006	\$ 12,921,914	\$ 12,372,353	\$ 12,234,369
Contributions as a percentage of covered-employee payroll	14.51%	12.92%	14.05%	12.92%	11.68%	10.90%	10.74%	10.00%

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

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

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

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	333,278,609	307,385,652	317,534,753	336,336,183	386,076,269	253,846,482	259,337,251	244,617,946
Total	<u>\$ 333,278,609</u>	<u>\$ 307,385,652</u>	<u>\$ 317,534,753</u>	<u>\$ 336,336,183</u>	<u>\$ 386,076,269</u>	<u>\$ 253,846,482</u>	<u>\$ 259,337,251</u>	<u>\$ 244,617,946</u>
District's covered payroll	\$ 59,911,964	\$ 58,575,783	\$ 54,138,997	\$ 52,830,893	\$ 51,825,604	\$ 50,023,842	\$ 49,227,235	\$ 49,131,489
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 367,951,049</u>	<u>\$ 219,723,797</u>	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	<u>\$ 303,957,290</u>
Total	<u>\$ 367,951,049</u>	<u>\$ 219,723,797</u>	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	<u>\$ 303,957,290</u>
District's covered payroll	76,333,695	74,624,307	68,923,200	67,286,311	65,411,610
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:					
Service Cost	10,007,808	10,270,686	11,553,517	13,930,911	
Interest Cost	7,932,839	9,631,333	10,388,061	8,970,885	
Differences between Expected & Actual	69,286,160	(38,751,771)	(27,813,275)	-	
Changes in Assumptions	67,212,013	3,276,100	(27,752,623)	(38,864,378)	
Member Contributions	194,157	199,937	223,502	240,267	
Benefit Payments	(6,405,725)	(6,744,865)	(6,466,779)	(6,525,001)	
Change in Total Opeb Liability	<u>148,227,252</u>	<u>(22,118,580)</u>	<u>(39,867,597)</u>	<u>(22,247,316)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>219,723,797</u>	<u>241,842,377</u>	<u>281,709,974</u>	<u>303,957,290</u>	
Ending Balance	<u>\$ 367,951,049</u>	<u>\$ 219,723,797</u>	<u>\$ 241,842,377</u>	<u>\$ 281,709,974</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	482.03%	294.44%	350.89%	418.67%	

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

Note: This schedule is required by GASB 75 to be show information for a 10 year period.

However, information is only currently available for five years.

Additional years will be presented as they become available.

SPECIAL REVENUE FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Textbooks	Nonpublic Auxiliary Aid Compensatory Education	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Security	Preschool Education Aid	Total State Funds	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool
REVENUES:											
State Sources	\$ 26,358	59,221	30,365	10,572	27,668	42,682	68,498	1,600,081	1,865,445	\$ 1,894,255	40,697
Federal Sources								846,134	846,134		
Local Sources								2,446,215	2,711,579	1,894,255	40,697
Total revenues	<u>26,358</u>	<u>59,221</u>	<u>30,365</u>	<u>10,572</u>	<u>27,668</u>	<u>42,682</u>	<u>68,498</u>	<u>2,446,215</u>	<u>2,711,579</u>	<u>1,894,255</u>	<u>40,697</u>
EXPENDITURES:											
Instruction:											
Salaries of teachers								442,899	442,899	55,355	26,438
Other Salaries for Instruction								209,625	209,625		11,367
Purchased prof. and technical services		59,221	30,365	10,572	27,668			9,600	137,426	1,550,943	
Other purchased services								288,515	288,515		
General supplies											
Textbooks	26,358								26,358		
Total instruction	<u>26,358</u>	<u>59,221</u>	<u>30,365</u>	<u>10,572</u>	<u>27,668</u>	<u>-</u>	<u>-</u>	<u>950,639</u>	<u>1,104,823</u>	<u>1,606,298</u>	<u>37,805</u>
Support services:											
Salaries of Supervisors of Instruction								15,000	15,000		
Salaries of program directors								12,131	12,131		
Salaries of Other Professional Staff						42,682	25,429	115,946	184,057	73,518	
Salaries of Secretarial and Clerical Assistants								17,561	17,561		
Other Salaries								24,312	24,312		
Salaries of Masters Teachers								69,540	69,540		
Personal services- employee benefits								296,585	296,530	9,859	2,892
Purchased Professional/Educational Services							2,850	626,965	629,815		
Purchased technical services											
Miscellaneous purchased services										45,438	
Supplies and materials										159,142	
Conduit Expenses											
Student Activities/Athletics							38,274	8,904	47,178		
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,682</u>	<u>68,498</u>	<u>1,186,944</u>	<u>1,298,124</u>	<u>287,957</u>	<u>2,892</u>
Facilities acquisition and const. serv.:											
Instructional equipment								296,383	296,383		
Noninstructional equipment								12,249	12,249		
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,632</u>	<u>308,632</u>	<u>-</u>	<u>-</u>
Transfer to charter schools											
Total expenditures	<u>26,358</u>	<u>59,221</u>	<u>30,365</u>	<u>10,572</u>	<u>27,668</u>	<u>42,682</u>	<u>68,498</u>	<u>2,446,215</u>	<u>2,711,579</u>	<u>1,894,255</u>	<u>40,697</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1 Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I Part A	Title II Part A	Title III English Language Enhancement	Title III Immigrant	Carl D. Perkins Vocational	I.D.E.A. Part - B Supplemental	21st Century CLC Program	Bridging the Digital Divide	Coronavirus Relief Fund	Nonpublic COVID Technology	CARES Act
REVENUES:											
State Sources	1,378,878	208,432	51,594	7,479	52,602	1,845	335,797	663,258	596,083	18,689	1,137,323
Federal Sources											
Local Sources											
Total revenues	<u>1,378,878</u>	<u>208,432</u>	<u>51,594</u>	<u>7,479</u>	<u>52,602</u>	<u>1,845</u>	<u>335,797</u>	<u>663,258</u>	<u>596,083</u>	<u>18,689</u>	<u>1,137,323</u>
EXPENDITURES:											
Instruction:											
Salaries of teachers	919,702		20,000	6,130			157,477				
Other Salaries for Instruction					10,087		25,834				
Purchased prof. and technical services											976,787
Other purchased services	81,766		9,386	1,000	5,610	1,648	27,112	663,258	596,083	18,689	42,142
General supplies											
Textbooks											
Total instruction	<u>1,001,468</u>	<u>-</u>	<u>29,386</u>	<u>7,130</u>	<u>15,697</u>	<u>1,648</u>	<u>210,423</u>	<u>663,258</u>	<u>596,083</u>	<u>18,689</u>	<u>1,018,929</u>
Support services:											
Salaries of Supervisors of Instruction											
Salaries of program directors		127,928			3,720		80,679				41,625
Salaries of Other Professional Staff											
Salaries of Secretarial and Clerical Assistants											
Other Salaries	4,944		9,815								
Salaries of Masters Teachers											
Personal services- employee benefits	369,473	9,786	9,329	349	285		15,015				3,184
Purchased Professional/Educational Services		25,332	2,930		1,476		27,250				
Purchased technical services											
Miscellaneous purchased services	2,993	31,942	134		150	197	378				73,585
Supplies and materials		13,444					2,052				
Conduit Expenses											
Student Activities/Athletics											
Total support services	<u>377,410</u>	<u>208,432</u>	<u>22,208</u>	<u>349</u>	<u>5,631</u>	<u>197</u>	<u>125,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,394</u>
Facilities acquisition and const. serv.:											
Instructional equipment					31,274						
Noninstructional equipment											
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools											
Total expenditures	<u>1,378,878</u>	<u>208,432</u>	<u>51,594</u>	<u>7,479</u>	<u>52,602</u>	<u>1,845</u>	<u>335,797</u>	<u>663,258</u>	<u>596,083</u>	<u>18,689</u>	<u>1,137,323</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1 Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance , July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES:	CRSSA ESSER II	Learning Acceleration Grant	CTE Bridge Externship	Total Federal Funds	AtlantiCare Grant	Sustainable Schools	Gro More Good	Tanger Kids	Conduit Fund	Student Activities/Athletics Fund	Total All Other Funds	Totals
State Sources												
Federal Sources				7,526,326								1,865,445
Local Sources	1,098,100	33,389	7,905	7,526,326	1,384	1,364	926	288	4,448	456,449	464,859	7,526,326
Total revenues	<u>1,098,100</u>	<u>33,389</u>	<u>7,905</u>	<u>7,526,326</u>	<u>1,384</u>	<u>1,364</u>	<u>926</u>	<u>288</u>	<u>4,448</u>	<u>456,449</u>	<u>464,859</u>	<u>10,702,764</u>
EXPENDITURES:												
Instruction:												
Salaries of teachers				1,185,102								1,628,001
Other Salaries for Instruction				37,201								246,826
Purchased prof. and technical services				10,087								147,513
Other purchased services	1,095,140			3,622,870								3,622,870
General supplies	1,960	33,389		1,482,043	1,384		926	288			2,598	1,773,156
Textbooks				-								26,358
Total instruction	<u>1,097,100</u>	<u>33,389</u>	<u>-</u>	<u>6,337,303</u>	<u>1,384</u>	<u>-</u>	<u>926</u>	<u>288</u>	<u>-</u>	<u>-</u>	<u>2,598</u>	<u>7,444,724</u>
Support services:												
Salaries of Supervisors of Instruction				-								15,000
Salaries of program directors				-								12,131
Salaries of Other Professional Staff				327,470								511,527
Salaries of Secretarial and Clerical Assistants				-								17,561
Other Salaries			7,905	22,664								46,976
Salaries of Masters Teachers				-								69,540
Personal services- employee benefits				417,280								715,810
Purchased Professional/Educational Services				56,950								686,765
Purchased technical services				48,368								48,368
Miscellaneous purchased services				191,612								191,612
Supplies and materials	1,000			93,405		1,364			44,378		1,364	141,947
Conduit Expenses				-								44,378
Student Activities/Athletics				-						393,804	393,804	393,804
Total support services	<u>1,000</u>	<u>-</u>	<u>7,905</u>	<u>1,157,749</u>	<u>-</u>	<u>1,364</u>	<u>-</u>	<u>-</u>	<u>44,378</u>	<u>393,804</u>	<u>439,546</u>	<u>2,895,419</u>
Facilities acquisition and const. serv.:												
Instructional equipment				31,274								327,657
Noninstructional equipment				-								12,249
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,906</u>
Transfer to charter schools												
Total expenditures	<u>1,098,100</u>	<u>33,389</u>	<u>7,905</u>	<u>7,526,326</u>	<u>1,384</u>	<u>1,364</u>	<u>926</u>	<u>288</u>	<u>44,378</u>	<u>393,804</u>	<u>442,144</u>	<u>10,680,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,930)</u>	<u>62,645</u>	<u>22,715</u>	<u>22,715</u>
Fund Balance, July 1 Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,067</u>	<u>494,645</u>	<u>-</u>
Fund Balance , July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,578</u>	<u>399,067</u>	<u>494,645</u>	<u>494,645</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,648</u>	<u>461,712</u>	<u>517,360</u>	<u>517,360</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teaches	\$ 673,487.00	442,899.00	230,588.00
Other Salaries for Instruction	596,957.00	209,625.00	387,332.00
Purchased Professional and Educational Svc	36,000.00	9,600.00	26,400.00
Other Purchased Services (400-500 series)			-
General Supplies	497,461.00	288,515.00	208,946.00
Other Objects			-
Total Instruction	<u>1,803,905.00</u>	<u>950,639.00</u>	<u>853,266.00</u>
Support Services:			
Salaries of Supervisors of Instruction	15,000.00	15,000.00	-
Salaries of Program Directors	45,000.00	12,131.00	32,869.00
Salaries of Other Professional Staff	140,000.00	115,946.00	24,054.00
Salaries of Secretarial and Clerical Assistants	20,000.00	17,561.00	2,439.00
Other Salaries	24,312.00	24,312.00	-
Salaries of Masters Teachers	70,000.00	69,540.00	460.00
Personal Services - Employee Benefits	500,000.00	296,585.00	203,415.00
Purchased Professional - Educational Services	737,983.00	626,965.00	111,018.00
Contracted Svc - Transportation			-
Contracted Svc - Transportation - Field Trips			-
Travel			-
Supplies and Materials	11,800.00	8,904.00	2,896.00
Total Support Services	<u>1,564,095.00</u>	<u>1,186,944.00</u>	<u>377,151.00</u>
Facilities Acquisition and Construction Services			
Instructional equipment	300,000.00	296,383.00	3,617.00
Noninstructional equipment	14,000.00	12,249.00	1,751.00
Total Facilities Acquisition and Construction Ser.	<u>314,000.00</u>	<u>308,632.00</u>	<u>5,368.00</u>
Contribution to Charter Schools			
None			-
Total Expenditures	<u>\$ 3,682,000.00</u>	<u>2,446,215.00</u>	<u>1,235,785.00</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2020-21 Preschool Education Aid Allocation	\$ 2,835,866.00
Add: Actual Carryover June 30, 2020	-
	<u>2,835,866.00</u>
Add: Budgeted Transfer from the General Fund	846,134.00
Total Preschool Education Aid Funds Available for 2020/2021 Budget	<u>3,682,000.00</u>
Less: 2020/2021 Budgeted Preschool Education Aid - Prior Year Budget Carryover Available & Unbudgeted Preschool Education Aid Funds, June 30, 2021	<u>(3,682,000.00)</u>
	-
Add: June 30, 2021 Unexpended Preschool Education Aid	1,235,785.00
2020-2021 Carryover - Preschool Education Aid	<u>\$ 1,235,785.00</u>
2020-21 Preschool Education Carryover Budgeted for Preschool Programs 2021-2022	<u>\$ 1,000,000.00</u>

CAPITAL PROJECTS FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
Year Ended June 30, 2021

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
SP#200324	Construction of elementary school	3/28/00	\$ 21,670,374	21,479,093	-	191,281
Totals			<u>\$ 21,670,374</u>	<u>21,479,093</u>	<u>-</u>	<u>191,281</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2021

Revenues and other Financing Sources

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

Expenditures and other Financing Uses

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

Excess (deficiency) of revenues over (under) expenditures -

Fund balance - beginning 191,281

Fund balance - ending \$ 191,281

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Construction of Dr. Joyanne D. Miller Elementary School
From Inception and for the Year Ended June 30, 2021

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

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LONG-TERM DEBT

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2021

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Issued	Refunded/Retired	Balance June 30, 2021
			Date	Amount					
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	7/15/21	3,995,000	5.500%				
			7/15/22	4,220,000	5.500%				
			7/15/23	4,460,000	5.500%				
			7/15/24	4,715,000	5.750%				
			7/15/25	4,985,000	5.750%	\$ 26,150,000		3,775,000	22,375,000
General Obligation - Refunding Bonds	12/5/12	6,805,000	4/1/23	835,000	4.000%				
			4/1/24	855,000	3.500%	2,540,000		850,000	1,690,000
General Obligation - Refunding Bonds	1/6/16	14,365,000	4/1/22	910,000	5.000%				
			4/1/23	60,000	2.000%				
			4/1/24	65,000	2.000%				
			4/1/25	995,000	5.000%				
			4/1/26	955,000	5.000%				
			4/1/27	2,300,000	4.000%				
			4/1/28	2,515,000	3.000%				
			4/1/29	3,205,000	3.000%				
			4/1/30	2,975,000	3.000%	14,035,000		55,000	13,980,000
General Obligation - Refunding Bonds	6/1/16	19,320,000	9/15/21	1,525,000	2.000%				
			9/15/21	190,000	4.000%				
			9/15/22	1,790,000	5.000%				
			9/15/23	1,890,000	5.000%				
			9/15/24	1,970,000	2.000%				
			9/15/25	2,020,000	2.125%				
			9/15/26	2,090,000	4.000%				
			9/15/27	2,170,000	2.375%				
		9/15/28	2,230,000	2.500%	17,525,000		1,650,000	15,875,000	
					\$ 60,250,000		6,330,000	53,920,000	
						-			

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2021

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
TD Equipment Finance 54 passenger buses (10)	7/15/15	1.570%	\$ 910,000	146,458	-	146,458	-
TD Equipment Finance 54 passenger buses (12)	12/15/16	1.600%	1,217,258	654,825	-	139,523	515,302
TD Equipment Finance Various buses, vehicles & equipment	10/13/17	1.700%	2,703,662	1,385,090	-	453,936	931,154
TD Equipment Finance 54 passenger buses (8)	5/31/18	2.950%	816,770	395,520	-	128,026	267,494
ITS Equipment	5/31/18	2.773%	726,475	243,254	-	243,254	-
Banc of America Various buses & equipment	7/14/19	1.946%	1,918,179	1,483,179	-	360,146	1,123,033
U.S. Bancorp Buses	12/15/19	2.167%	680,000	380,000	-	94,750	285,250
JP Morgan Chase Bank, NA Various buses & equipment	6/15/20	1.260%	1,910,065	1,910,065	-	457,273	1,452,792
				<u>\$ 6,598,391</u>	<u>-</u>	<u>2,023,366</u>	<u>4,575,025</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,571,072	-	5,571,072	5,571,072	-
Other Miscellaneous	5,571,072	-	5,571,072	5,571,072	-
State Sources:					
Debt Service Aid Type II	3,242,453	-	3,242,453	3,242,453	-
Total - State Sources	3,242,453	-	3,242,453	3,242,453	-
Total Revenues	8,813,525	-	8,813,525	8,813,525	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,483,526	-	2,483,526	2,483,525	1
Redemption of Principal	6,330,000	-	6,330,000	6,330,000	-
Total Regular Debt Service	8,813,526	-	8,813,526	8,813,525	1
Total expenditures	8,813,526	-	8,813,526	8,813,525	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	-	1
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	1	-	1	2	1

Recapitulation of Fund Balance:

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

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Statistical Section

Financial Trends (J-1 through J-5)

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

Revenue Capacity (J-6 through J-9)

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

Debt Capacity (J-10 through J-13)

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

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

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

Operating Information (J-16 through J-20)

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 107,596,509	106,080,616	104,590,050	104,910,948	98,617,866	94,537,783	90,630,148	94,073,351	91,851,310	94,979,615
Restricted	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373	1,916,722	387,165	561,482	473,736	10,145,466
Unrestricted*	3,448,528	5,512,921	(23,453,834)	(19,965,011)	(23,503,022)	(28,846,773)	(28,488,720)	(35,260,714)	(34,183,563)	(39,995,106)
Total governmental activities net position	115,706,633	115,530,840	83,771,809	86,631,238	76,192,217	67,607,732	62,528,593	59,374,119	58,141,483	65,129,975
Business-type activities										
Net investment in capital assets	113,406	147,741	151,742	169,101	193,910	227,654	258,567	216,086	205,422	215,826
Unrestricted	1,628,015	1,338,792	1,301,455	1,244,294	1,225,389	1,142,623	997,010	788,206	440,132	740,181
Total business-type activities net position	1,741,421	1,486,533	1,453,197	1,413,395	1,419,299	1,370,277	1,255,577	1,004,292	645,554	956,007
District-wide										
Net investment in capital assets	107,709,915	106,228,357	104,741,792	105,080,049	98,811,776	94,765,437	90,888,715	94,289,437	92,056,732	95,195,441
Restricted	4,661,596	3,937,303	2,635,593	1,685,301	1,077,373	1,916,722	387,165	561,482	473,736	10,145,466
Unrestricted	5,076,543	6,851,713	(22,152,379)	(18,720,717)	(22,277,633)	(27,704,150)	(27,491,710)	(34,472,508)	(33,743,431)	(39,254,925)
Total district net position	\$ 117,448,054	117,017,373	85,225,006	88,044,633	77,611,516	68,978,009	63,784,170	60,378,411	58,787,037	66,085,982

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

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

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	48,007,801	50,851,116	50,450,298	54,824,412	62,992,932	70,490,116	72,213,619	65,807,348	67,402,875	78,712,850
Special education	10,277,868	11,368,892	11,493,725	12,629,713	15,301,873	17,501,382	18,030,639	17,135,710	17,807,976	21,697,536
Other special education	3,194,760	3,139,061	3,252,789	3,499,661	3,597,262	3,772,492	3,831,228	3,710,830	3,769,208	4,442,104
Other instruction	1,795,683	1,925,211	1,771,611	1,892,096	2,199,347	2,369,267	2,417,604	2,545,964	2,328,317	2,408,285
Nonpublic school programs	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145	170,125	190,591
Support Services:										
Tuition	5,595,481	6,355,186	6,214,391	7,960,177	8,518,177	4,862,379	4,918,423	4,350,963	5,041,378	1,822,358
Student & instruction related services	17,002,463	19,522,106	19,490,668	22,037,455	26,161,293	28,170,831	31,061,444	31,103,432	29,799,591	32,782,473
General administrative services	3,956,528	4,368,385	4,276,394	4,581,496	5,308,159	5,701,273	6,039,246	5,718,580	5,143,538	5,986,579
School administrative services	5,484,702	6,006,631	5,867,838	6,570,957	7,747,451	8,816,177	9,020,644	8,230,590	7,417,681	8,926,098
Plant operations and maintenance	13,904,927	13,995,124	13,966,789	14,758,183	16,965,477	18,712,027	19,893,048	19,964,864	18,960,802	22,093,127
Pupil transportation	9,806,929	10,075,822	10,273,699	11,138,585	12,675,554	14,027,054	14,841,206	14,798,076	13,712,720	13,350,650
Special Schools										
Interest on long-term debt	4,679,467	4,333,013	4,742,049	4,565,316	4,359,240	3,966,799	3,685,474	3,370,398	3,114,493	2,779,251
Capital Outlay			2,000							
Total governmental activities expenses	123,934,921	132,033,106	132,030,450	144,632,726	165,967,895	178,584,685	186,147,344	176,888,900	174,668,704	195,191,702
Business-type activities:										
Food service	2,924,766	3,423,983	3,307,547	3,254,280	3,207,090	3,205,149	3,265,814	3,221,677	2,889,665	2,779,434
Child Care	319,206	342,188	329,321	347,520	350,893	378,739	319,273	283,288	189,658	164,455
Eagle Enterprises										2,326
Total business-type activities expense	3,243,972	3,766,171	3,636,868	3,601,800	3,557,983	3,583,888	3,585,087	3,504,965	3,079,323	2,946,215
Total district expenses	127,178,893	135,799,277	135,667,318	148,234,526	169,525,878	182,168,573	189,732,431	180,393,865	177,748,027	198,137,917
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools										
Tuition	503,161	723,162	758,420	786,941	786,941	757,355	1,100,072	1,069,048	586,091	634,522
Operating grants and contributions	11,672,736	13,904,322	12,593,881	25,360,104	25,360,104	46,519,012	52,322,651	41,125,290	34,423,905	57,439,295
Total governmental activities program revenues	12,175,897	14,627,484	13,352,301	26,147,045	26,147,045	47,276,367	53,422,723	42,194,338	35,009,996	58,073,817

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Food service	1,508,441	1,370,924	1,352,940	1,225,494	1,230,505	1,173,642	1,097,969	1,052,374	705,367	11,914
Child care	338,588	325,824	318,293	311,977	315,708	265,522	269,421	228,012	277,384	327,368
Operating grants and contributions	1,669,251	1,811,708	1,874,069	2,023,917	2,006,187	2,094,060	2,044,895	1,993,374	1,688,176	2,913,975
Total business type activities program revenues	3,516,280	3,508,456	3,545,302	3,561,388	3,552,400	3,533,224	3,412,285	3,275,760	2,670,927	3,253,257
Total district program revenues	15,692,177	18,135,940	16,897,603	29,708,433	29,699,445	50,809,591	56,895,008	45,466,098	37,680,923	61,327,074
Net (Expense)/Revenue										
Governmental activities	(111,759,024)	(117,405,622)	(118,678,149)	(118,485,681)	(139,820,850)	(131,308,318)	(132,724,621)	(134,694,562)	(139,658,708)	(137,117,885)
Business-type activities	272,308	(257,715)	(91,566)	(40,412)	(5,583)	(50,664)	(172,802)	(231,205)	(408,396)	307,042
Total district-wide net expense	(111,486,716)	(117,663,337)	(118,769,715)	(118,526,093)	(139,826,433)	(131,358,982)	(132,897,423)	(134,925,767)	(140,067,104)	(136,810,843)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	64,566,957	67,204,500	69,175,095	71,015,418	72,986,000	74,445,720	75,615,712	77,128,026	79,449,051	81,038,032
Taxes levied for debt service	5,115,855	5,738,984	5,731,780	5,711,491	5,751,186	5,674,577	5,565,859	5,551,811	5,589,401	5,571,072
Unrestricted grants and contributions	39,589,730	40,238,195	40,929,772	40,923,098	40,948,861	41,803,805	42,802,324	45,062,043	49,265,702	51,909,524
Federal and state aid restricted	30,542,358	3,250,889	3,253,736	3,259,532	3,262,441	3,269,108	3,179,765	3,229,297	3,235,262	3,242,453
Transportation charges										
Investment earnings	94,849	40,643	37,315	41,339	55,169	75,759	2,000	3,000	3,000	3,000
Miscellaneous income	573,821	926,211	1,340,948	397,613	979,474	924,923	568,294	914,441	1,491,844	601,660
Special items	433,797	(167,573)	(1,186,731)	(3,381)	(1,651,769)	(3,470,059)	(88,472)	(348,530)	(628,188)	(148,908)
Transfers										
Total governmental activities	140,917,367	117,231,829	119,281,915	121,345,110	122,331,362	122,723,833	127,645,482	131,540,088	138,426,072	142,216,833
Business-type activities:										
Investment earnings	5,542	2,827	2,265	1,912	1,753	1,642	2,050	5,179	9,658	3,411
Special items			55,965	(1,302)	9,734	-	56,052	(25,259)	40,000	-
Transfers										
Total business-type activities	5,542	2,827	2,265	1,912	1,753	1,642	2,050	5,179	9,658	3,411
Total district-wide	140,922,909	117,234,656	119,340,145	121,345,720	122,342,849	122,725,475	127,703,564	131,520,008	138,475,730	142,220,244

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Change in Net Position										
Governmental activities	29,158,343	(173,793)	603,766	2,859,429	(17,489,488)	(8,584,485)	(5,079,139)	(3,154,474)	(1,232,636)	5,098,948
Business-type activities	277,850	(254,888)	(33,336)	(39,802)	5,904	(49,022)	(114,700)	(251,285)	(358,738)	310,453
Total district	<u>29,436,193</u>	<u>(428,681)</u>	<u>570,430</u>	<u>2,819,627</u>	<u>(17,483,584)</u>	<u>(8,633,507)</u>	<u>(5,193,839)</u>	<u>(3,405,759)</u>	<u>(1,591,374)</u>	<u>5,409,401</u>
\$										

Source: CAFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	5,918,996	9,035,850	15,672,131	16,822,512	16,019,118	13,156,094	13,754,862	10,022,868	12,426,083	9,954,183
Committed	5,388,432	3,379,001	-	-	-	-	-	-	-	-
Assigned	471,036	152,937	(195,438)	347,890	735,069	1,869,581	800,070	756,454	282,453	4,316,277
Unassigned	11,778,464	12,567,788	15,476,693	17,170,402	16,754,187	15,025,675	14,554,932	10,779,322	12,708,536	1,893,267
Total general fund										
Total										
Total										
All Other Governmental Funds										
Restricted	2,731,142	3,149,561	453,308	191,301	246,833	335,375	227,924	191,282	191,283	708,643
Committed		749,999	2,144,542	1,132,546	95,471	-	-	-	-	-
Assigned	729,708	-	37,743	13,564	-	-	-	-	-	-
Unassigned	2	37,743	-	-	-	-	-	-	-	(283,587)
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Total all other governmental funds	3,460,852	3,937,303	2,635,593	1,337,411	342,304	335,375	227,924	191,282	191,283	425,056

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 69,682,812	72,943,484	74,906,875	76,726,909	78,737,186	80,120,297	81,181,571	82,679,837	85,038,452	86,609,104
Tuition charges	503,161	723,162	758,420	786,941	717,238	757,355	1,100,072	1,069,048	586,091	634,522
Transportation charges										
Interest earnings	94,849	40,643	37,315	41,339	33,859	33,859	33,859	3,000	3,000	3,000
Rentals					55,169	75,759	2,000	3,000		
Miscellaneous	573,821	926,211	1,340,948	397,613	731,845	1,104,834	534,435	914,441	1,491,844	601,660
Local sources	83,696	80,932	36,455	15,751	2,169	22,306	4,266	29,903	25,433	464,590
State sources	76,949,960	53,791,957	53,384,159	54,745,251	56,551,128	59,029,044	62,259,611	66,859,615	72,221,467	80,315,163
Federal sources	4,771,168	3,520,497	3,356,773	3,492,013	3,763,699	3,532,315	4,271,930	4,175,657	4,274,627	7,764,118
Total revenue	<u>152,659,467</u>	<u>132,026,886</u>	<u>133,820,945</u>	<u>136,205,817</u>	<u>140,592,293</u>	<u>144,675,769</u>	<u>149,387,744</u>	<u>155,731,501</u>	<u>163,640,914</u>	<u>176,392,157</u>
Expenditures										
Instruction										
Regular instruction	34,587,035	35,102,304	35,205,925	35,101,944	36,989,169	38,060,970	38,511,889	39,390,980	41,469,477	47,120,871
Special education instruction	7,076,809	7,581,713	7,585,720	7,835,258	8,516,160	9,369,001	9,426,133	9,452,324	10,772,118	11,847,366
Other special instruction	2,197,648	2,032,077	2,075,277	2,057,868	1,939,201	1,941,032	1,934,150	2,018,450	2,232,876	2,279,718
Other instruction	1,355,886	1,417,191	1,313,499	1,316,270	1,423,881	1,409,775	1,458,668	1,613,925	1,565,079	1,425,936
Nonpublic school programs	228,312	89,559	228,199	174,675	141,130	194,888	194,769	152,145	170,125	190,591
Support Services:										
Tuition	3,204,415	3,822,196	3,724,846	4,722,724	4,161,898	4,862,379	4,918,423	4,350,963	5,041,378	1,822,358
Student & instruction related services	11,809,563	13,168,955	13,233,770	13,793,357	14,789,363	14,511,556	16,166,263	17,402,076	18,042,592	17,986,939
General administrative services	2,618,284	2,808,404	2,839,377	2,778,659	2,894,089	2,817,613	2,958,324	3,082,141	2,998,297	3,056,029
School Administrative services	3,367,287	3,501,399	3,509,442	3,622,601	3,726,199	3,851,581	3,841,837	3,857,385	3,796,751	3,969,297
Plant operations and maintenance	9,136,762	8,802,111	9,266,653	8,783,610	9,348,054	9,516,462	9,778,417	10,790,616	10,979,147	11,450,637
Pupil transportation	6,558,242	6,524,541	6,838,838	6,550,746	6,894,685	6,931,748	7,208,272	8,011,872	7,767,492	6,781,582
Unallocated employee benefits	30,220,266	34,608,681	33,907,585	36,239,815	39,221,873	41,783,949	43,373,118	47,815,600	45,569,440	54,920,545
Special Schools										
Capital outlay	30,696,942	2,353,522	3,719,997	4,291,997	5,647,612	3,532,222	5,589,507	2,787,526	6,990,509	2,927,343
Debt service:										
Principal	3,410,000	4,429,226	4,620,000	4,815,000	5,030,000	5,400,000	5,525,000	5,755,000	6,040,000	6,330,000
Interest and other charges	4,817,207	4,522,886	4,365,516	4,193,766	3,956,659	3,445,292	3,328,075	3,062,750	2,784,662	2,483,525
Total expenditures	<u>151,284,658</u>	<u>130,764,765</u>	<u>132,434,644</u>	<u>136,278,290</u>	<u>144,679,973</u>	<u>147,628,468</u>	<u>154,212,845</u>	<u>159,543,753</u>	<u>166,219,943</u>	<u>174,592,737</u>
Excess (Deficiency) of revenues over (under) expenditures	1,374,809	1,262,121	1,386,301	(72,473)	(4,087,680)	(2,952,699)	(4,825,101)	(3,812,252)	(2,579,029)	1,799,420

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses)										
Capital leases (non-budgeted)	-	-	374,534	468,000	2,676,358	1,217,258	4,246,907	-	4,508,244	-
Debt service assessment			(153,640)							
Cancellation of prior year receivables	79,016	3,654								
Proceeds of prior year payables		6,805,000								
Proceeds of refunding debt		(6,805,000)								
Payment to refunded debt escrow agent										
Recoveries for storm damage		398,700								
Insurance		74,883								
FEMA										
Expenses related to storm damage		(398,700)								
Insurance		(74,883)								
FEMA		1,406,400								
Transfers in	466,600	(1,406,400)								
Transfers out	(466,600)									
Total other financing sources (uses)	79,016	3,654	220,894	468,000	2,676,358	1,217,258	4,246,907	-	4,508,244	-
Net change in fund balances	\$ 1,453,825	1,265,775	1,607,195	395,527	(1,411,322)	(1,735,441)	(578,194)	(3,812,252)	1,929,215	1,799,420

Debt service as a percentage of noncapital expenditures	6.82%	6.97%	6.98%	6.83%	6.46%	6.14%	5.96%	5.63%	5.54%	5.13%
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Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Adult Evening		Refund of		Lawsuit Settlements	Use of Facilities	Sale of SRECS	Misc.	Total
	School Tuition		Prior Year Expenditures						
2012	2,032		17,455			44,143	475,378	34,813	573,821
2013	2,025		10,964		621,319	44,328	196,135	51,440	926,211
2014	2,790		1,046,090			88,597	172,175	17,732	1,327,384
2015			106,761			82,979	184,200	23,653	397,593
2016			26,631				564,170	196,594	787,395
2017			22,849				675,324	435,371	1,133,544
2018			7,113				386,297	119,643	513,053
2019			104,248				539,644	188,403	832,295
2020			123,518				644,782	696,173	1,464,473
2021			5,448				283,700	247,298	536,446

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Exempt Property	Class I Railroad	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	108,161,300	1,980,745,900	3,730,300	439,800	430,765,500	28,633,700	8,210,400	2,560,686,900	-	15,300	6,465,890	2,567,168,090	2.52	4,739,095,606
2013	177,625,200	3,022,057,300	5,717,200	535,300	797,608,100	47,398,600	16,192,000	4,067,133,700	-	15,300	10,299,734	4,077,448,734	1.79	7,045,876,506
2014	166,478,000	3,046,695,000	5,084,900	594,100	798,150,900	43,509,200	16,192,000	4,076,664,100	-	15,300	8,175,829	4,084,855,229	1.83	4,188,735,879
2015	151,264,300	3,060,824,300	5,457,400	794,300	787,632,800	43,509,200	16,192,000	4,065,614,300	-	15,300	8,586,762	4,074,216,362	1.90	4,166,224,052
2016	141,631,800	3,079,654,400	5,116,300	819,700	793,693,100	43,509,200	16,192,000	4,080,616,500	-	15,300	8,434,662	4,089,066,462	1.93	4,189,172,382
2017	144,125,200	3,098,196,000	5,122,700	713,700	755,978,515	43,120,500	16,192,000	4,063,448,615	-	15,300	8,514,802	4,071,978,717	2.00	4,104,024,465
2018	128,740,600	3,090,670,100	5,577,800	784,400	777,298,250	40,806,400	15,841,500	4,059,719,050	-	-	8,661,779	4,068,380,829	2.02	4,050,620,528
2019	124,068,100	3,089,318,200	5,317,300	683,000	761,849,150	40,806,400	15,841,500	4,037,883,650	-	-	8,796,245	4,046,681,895	2.03	4,067,353,658
2020	121,930,400	3,088,852,500	5,530,500	685,900	762,644,550	40,806,400	15,841,500	4,036,291,750	-	-	8,234,896	4,044,526,646	2.12	4,344,809,120
2021	112,745,100	3,099,354,500	5,530,500	685,800	760,807,250	40,806,400	23,126,000	4,043,055,550	-	-	8,277,539	4,051,333,089	2.14	4,445,866,088

Source: District records Tax list summary & Municipal Tax Assessor

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

* Reassessment occurs when ordered by the County Board of Taxator

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

^b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
2012	2.609	0.224	2.833	0.755	0.664	4.252
2013	1.646	0.167	1.813	0.754	0.641	3.208
* 2014	1.717	0.141	1.858	0.519	0.481	2.858
2015	1.768	0.140	1.908	0.538	0.508	2.954
2016	1.783	0.141	1.924	0.550	0.505	2.979
2017	1.863	0.139	2.002	0.560	0.523	3.085
2018	1.878	0.138	2.016	0.570	0.559	3.145
2019	1.937	0.137	2.074	0.598	0.539	3.211
2020	1.985	0.138	2.124	0.608	0.569	3.301
2021	2.000	0.139	2.139	0.633	0.590	3.362

Source: District Records and Municipal Tax Collector

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

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

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

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

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Atlanticare Health Services, Inc.	34,911,500	1	0.86%	10,405,000	4	0.41%
US Realty Financial Corp	28,834,400	2	0.71%			
English Creek LLC	16,857,800	3	0.42%	10,252,600	5	0.40%
AHIP NJ	15,311,000	4	0.38%			
Lowe's Home Centers, Inc.	14,700,000	5	0.36%	9,010,200	6	0.35%
Home Depot Development Co of MD	10,500,000	6	0.26%	6,265,200	10	0.24%
PAMCNJ Real Estate, LP	9,981,600	7	0.25%			
Margate Bridge Company	9,721,800	8	0.24%			
Egg Harbor Associates, LLC	9,613,100	9	0.24%			
Spencer Gifts, Inc.	9,415,000	10	0.23%			
Shore Mall Associates				30,000,000	1	1.17%
Atlantic City Electric Co.				14,060,400	2	0.55%
Trocki Hotels LP				10,714,300	3	0.42%
Hidden Creek Golf Club, LLC				8,742,400	7	0.34%
Bellevue Prop Group (6550 Dellilah Rd.)				6,557,900	8	0.26%
Cardiff Center, LLC				6,500,000	9	0.25%
Total	159,846,200		3.95%	112,508,000		4.38%

District Net Assessed Value

4,051,333,089

2,567,168,090

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	69,682,812	69,682,812	100%	-
2013	72,943,484	72,943,484	100%	-
2014	74,906,875	74,906,875	100%	-
2015	76,726,909	76,726,909	100%	-
2016	78,737,186	78,737,186	100%	-
2017	80,120,297	80,120,297	100%	-
2018	81,181,571	81,181,571	100%	-
2019	82,679,837	82,679,837	100%	-
2020	85,038,452	85,038,452	100%	-
2021	86,609,104	86,609,104	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases		Capital Leases				
2012	101,804,000	1,530,055		55,965		103,390,020	5.63%	2,370
2013	97,495,000	964,674		55,965		98,515,639	5.33%	2,246
2014	92,875,000	856,512		-		93,731,512	5.07%	2,136
2015	88,060,000	826,842		-		88,886,842	4.78%	2,027
2016	82,970,000	2,646,482		-		85,616,482	4.50%	1,951
2017	77,570,000	3,081,473		27,680		80,679,153	4.24%	1,839
2018	72,045,000	5,925,167		40,802		78,010,969	4.50%	1,951
2019	66,290,000	4,401,751		-		70,691,751	3.57%	1,660
2020	60,250,000	6,598,391		-		66,848,391	3.25%	1,582
2021	53,920,000	4,575,025		-		58,495,025	2.74%	1,389

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	101,804,000		101,804,000	3.97%	2,333
2013	97,495,000		97,495,000	2.39%	2,222
2014	92,875,000		92,875,000	2.27%	2,117
2015	88,060,000		88,060,000	2.16%	2,008
2016	82,970,000		82,970,000	2.03%	1,891
2017	77,570,000		77,570,000	1.90%	1,783
2018	72,045,000		72,045,000	1.77%	1,656
2019	66,290,000		66,290,000	1.64%	1,531
2020	60,250,000		60,250,000	1.49%	1,426
2021	53,920,000		53,920,000	1.33%	1,281

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

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

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2021
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Egg Harbor	\$ 28,144,550	100.00%	28,144,550
Other debt			
Egg Harbor Township Golf Corporation	5,565,000	100.00%	5,565,000
Atlantic County	176,676,327	13.65%	24,110,580
Subtotal, overlapping debt			57,820,130
Township of Egg Harbor School District debt	53,920,000	100.00%	53,920,000
Total direct and overlapping debt	\$		<u><u>111,740,130</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 189,401,983	178,813,680	173,469,679	169,614,370	168,846,486	165,525,868	164,023,701	162,775,023	165,826,838	111,954,595
Total net debt applicable to limit	<u>101,804,000</u>	<u>97,495,000</u>	<u>92,875,000</u>	<u>88,060,000</u>	<u>82,970,000</u>	<u>77,570,000</u>	<u>64,755,000</u>	<u>66,290,000</u>	<u>60,250,000</u>	<u>53,920,000</u>
Legal debt margin	<u>\$ 87,597,983</u>	<u>81,318,680</u>	<u>80,594,679</u>	<u>81,554,370</u>	<u>85,876,486</u>	<u>87,955,868</u>	<u>99,268,701</u>	<u>96,485,023</u>	<u>105,576,838</u>	<u>58,034,595</u>
Total net debt applicable to the limit as a percentage of debt limit	53.75%	54.52%	53.54%	51.92%	49.14%	46.86%	39.48%	40.72%	36.33%	48.16%

	Equalized valuation basis
	2020
	4,325,068,177
	2019
	4,071,526,477
	2018
	<u>8,396,594,654</u>
	2,798,864,885
	Average equalized valuation of taxable property
	Debt limit (4% of average)
	Net bonded school debt
	<u>58,034,595</u>

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	43,628	1,836,695	42,099	11.60%
2013	43,872	1,846,967	42,099	12.20%
2014	43,872	1,846,967	42,099	10.80%
2015	43,851	1,860,379	42,425	9.70%
2016	43,882	1,901,670	43,336	8.70%
2017	43,504	1,900,907	43,695	6.70%
2018	43,296	1,916,021	44,254	6.40%
2019	42,578	1,982,304	46,557	5.30%
2020	42,249	2,056,174	48,668	4.50%
2021	42,105	2,131,818	50,631	17.80%

Source:

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

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

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, November 17, 2016

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Principal Employers,
Prior Year and Ten Years Ago
Unaudited

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

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2021 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Official Statements

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction	450.0	454.0	474.0	461.5	466.0	467.5	445.0	436.0	440.0	444.0
Regular	118.5	131.5	160.0	162.0	169.5	176.0	174.0	165.0	171.0	172.0
Special education	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Vocational	51.5	51.5	-	-	-	-	-	-	-	-
Other instruction										
Support Services:										
Student & instruction related services	169.0	176.0	227.0	246.0	264.0	283.5	305.0	329.9	363.1	359.0
General administrative services	8.0	8.5	8.5	8.0	9.0	8.5	10.0	9.0	9.0	8.0
School administrative services	50.0	50.5	51.0	52.5	51.5	52.5	49.0	49.9	48.0	50.0
Central services	9.0	9.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0
Administrative information technology	6.0	6.0	5.0	4.0	5.0	5.0	5.0	6.0	6.0	5.0
Plant operations and maintenance	117.5	122.5	117.5	119.0	127.0	125.0	118.0	125.5	121.5	125.0
Pupil transportation	123.0	120.5	116.5	115.5	111.0	109.5	110.0	106.0	110.5	107.5
Food Service	30.5	30.5	42.0	42.0	42.0	42.0	41.0	41.5	38.5	33.5
Total	1,139.0	1,166.5	1,215.5	1,226.5	1,261.0	1,285.5	1,273.0	1,284.8	1,323.6	1,321.0

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

Source: District Personnel Records

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

Fiscal Year	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
						Elementary	Middle School	High School				
2012	7,866	112,360,509	14,284	6.10%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	-2.41%	95.36%
2013	7,859	119,459,131	15,200	6.41%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-0.61%	95.30%
2014	7,715	119,729,131	15,519	2.10%	661	11.5:1	11.0:1	10.0:1	7,508	7,174	-2.30%	95.55%
2015	7,639	122,977,527	16,099	3.74%	711	11.5:1	11.0:1	10.0:1	7,489	7,130	-0.25%	95.21%
2016	7,429	130,045,702	17,505	8.74%	695	11.5:1	11.0:1	10.0:1	7,349	6,990	-1.87%	95.11%
2017	7,470	135,250,954	18,106	3.43%	650	11.6:1	11.2:1	10.3:1	7,395	7,026	0.63%	95.01%
2018	7,344	153,841,064	20,948	15.70%	650	11.6:1	11.7:1	11.7:1	7,383	7,014	-0.16%	95.00%
2019	7,279	147,938,477	20,324	-2.98%	607	12.2:1	11.7:1	11.9:1	7,326	6,946	-0.77%	94.81%
2020	7,113	150,404,772	21,145	4.04%	617	11.2:1	12.0:1	11.6:1	7,289	7,019	-0.51%	96.30%
2021	7,155	162,851,869	22,761	7.64%	622	11.4:1	11.4:1	11.7:1	7,189	6,819	-1.37%	94.85%

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

Note: Enrollment based on annual October district count

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

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

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	461	448	485	470	438	432	436	410	410	482
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,730	77,730	77,730	77,730	77,730
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	438	476	457	413	400	389	405	418	418	563
E. H. Slaybaugh Primary School (2007)										
Square Feet	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	448	428	402	396	452	466	439	445	445	249
C. J. Davenport School (1976)										
Square Feet	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718
Capacity (students)	657	657	657	657	657	657	657	657	657	657
Enrollment	428	473	479	506	401	391	375	377	377	418
C. J. Davenport Primary School (2007)										
Square Feet	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	478	417	402	378	390	387	374	383	383	325
Dr. Joy Miller Elementary School (2003)										
Square Feet	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538
Capacity (students)	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,206	1,176	1,140	1,175	1,150	1,140	1,110	1,099	1,099	1,033
<u>Middle School</u>										
Fernwood Avenue (1992)										
Square Feet	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	986	997	950	934	920	959	970	911	911	883
Alder Avenue (1992, 2007)										
Square Feet	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174
Capacity (students)	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Enrollment	827	883	911	933	891	866	877	851	851	834

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
High School										
EHT High School (1983, 2003,, 2012)	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715	444,715
Square Feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Capacity (students)	2,458	2,446	2,399	2,323	2,279	2,319	2,309	2,346	2,346	2,308
Enrollment										
Eagle Academy										
Square Feet	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
Capacity (students)	60	60	60	60	60	60	60	60	60	60
Enrollment	53	39	22	37	39	37	49	39	39	40
Other										
Central Administration Building (1969)										
(sold in 2016)										
Square Feet	9,744	9,744	9,744	9,744	-	-	-	-	-	-
District Warehouse (1976)										
(sold in 2016)										
Square Feet	1,400	1,400	1,400	1,400	-	-	-	-	-	-
Transportation (1980)										
Square Feet	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495
Maintenance Building (1980)										
Square Feet	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Grounds Building (1980)										
Square Feet	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360
High School Field House (1995, 2014)										
Square Feet	5,200	5,200	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400

Number of Schools at June 30, 2021

Elementary = 6

Middle School = 2

High School = 2

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
H. Russell Swift Elementary School	N/A	\$ 281,729	\$ 109,153	\$ 64,555	\$ 58,768	\$ 76,933	\$ 55,707	\$ 79,675	\$ 91,498	69,403	54,377
E.H. Slaybaugh Elementary School	N/A	255,989	239,019	145,445	157,319	122,615	104,529	103,901	114,872	116,636	117,528
Clayton J. Davenport Elementary School	N/A	254,016	191,699	134,376	116,088	138,505	90,456	101,354	113,232	132,929	128,963
Joy D. Miller Elementary School	N/A	140,899	136,206	126,391	169,159	121,094	119,977	107,967	118,068	117,911	154,280
Ferwood Avenue Middle School	N/A	213,663	163,314	164,168	166,181	158,515	251,170	132,567	125,207	168,401	156,685
Alder Avenue Middle School	N/A	185,705	165,024	130,041	166,110	125,151	199,289	107,601	119,539	116,781	134,686
Eagle Academy	N/A	22,698	7,498	55,034	7,267	8,683	7,778				
Egg Harbor Township High School	N/A	569,112	441,207	613,447	440,310	438,310	323,047	287,826	413,320	274,289	393,555
Total School Facilities		1,923,811	1,453,120	1,433,457	1,281,202	1,189,806	1,151,953	920,891	1,095,736	996,350	1,140,074
Other Facilities		8,196	8,255	34,673	56,213	59,626	17,351	17,691	7,175	12,509	11,452
Grand Total		\$ 1,932,007	\$ 1,461,375	\$ 1,468,130	\$ 1,337,415	1,249,432	1,169,304	938,582	1,102,911	1,008,859	1,151,526

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
Unaudited

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
Unaudited

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

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

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Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated February 21, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Egg Harbor Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Very truly yours,

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

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

February 21, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

Report on Compliance for Each Major Federal & State Program

We have audited the Egg Harbor Township School District's compliance with the types of compliance requirements described in the Uniform Guidance and NJ OMB 15-08 that could have a direct and material effect on each of the Egg Harbor Township School District's major federal and state programs for the year ended June 30, 2021. The Egg Harbor Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Egg Harbor Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Egg Harbor Township School District's internal control over compliance.

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

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

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

Very truly yours,

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

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

February 21, 2022

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2021

MEMO

Balance at June 30, 2020

Balance at June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Award Amount	Grant Period	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Transfer/ Adjustment	Repayment of Prior Year's Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	21-495-034-5120-078	40,808,892	7/1/20-6/30/21				40,808,892	(40,808,892)						4,098,408	40,808,892
Extraordinary Special Education Aid	21-495-034-5120-089	4,443,028	7/1/20-6/30/21				4,443,028	(4,443,028)						446,210	4,443,028
Categorical Special Education Aid	21-495-034-5120-084	1,547,671	7/1/20-6/30/21				1,547,671	(1,547,671)						155,431	1,547,671
Security Aid							46,799,351	(46,799,351)						4,700,049	46,799,351
Total State Aid Public Cluster							3,273,116	(3,273,116)						328,717	3,273,116
Categorical Transportation Aid	20-495-034-5120-014	1,060,982	7/1/19-6/30/20	(1,212,483)			1,212,483				(1,958,338)				1,060,982
Extraordinary Special Education Aid	21-495-034-5120-044	1,993,338	7/1/20-6/30/21	(42,027)			42,027				(112,483)				1,993,338
Nonpublic School Transportation Aid	N/A	42,027	7/1/19-6/30/20												42,027
Nonpublic School Transportation Aid		3,966,940	7/1/19-6/30/20	(211,119)			211,119				(214,848)				3,966,940
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	4,331,223	7/1/20-6/30/21				4,116,375	(4,331,223)							4,331,223
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	4,331,223	7/1/20-6/30/21				15,089,788	(15,089,788)							15,089,788
On-Behalf TPAF Pension Contributions	21-495-034-5095-002	15,089,788	7/1/20-6/30/21				4,728,904	(4,728,904)							15,089,788
On-Behalf TPAF Post Retirement Medical	21-495-034-5095-001	4,728,904	7/1/20-6/30/21				6,444	(6,444)							4,728,904
On-Behalf TPAF Non-contributory Insurance	21-495-034-5095-004	6,444	7/1/20-6/30/21								(2,285,689)			5,028,766	6,444
Total General Fund				(1,485,629)			75,479,847	(76,299,887)			(2,285,689)				81,369,636
Special Revenue Fund:															
Preschool Expansion Aid	21-495-034-5120-066	2,855,866	7/1/20-6/30/21				2,855,866	(1,600,081)				1,235,785		283,587	1,600,081
New Jersey Nonpublic Aid	20-100-034-5120-064	18,502	7/1/19-6/30/20		904					(904)					18,508
Textbook Aid	21-100-034-5120-064	28,391	7/1/20-6/30/21				28,391	(28,358)					33		28,358
Auxiliary Services:															
Compensatory Education	20-100-034-5120-067	49,159	7/1/19-6/30/20	(5,564)			5,564								49,159
Compensatory Education	21-100-034-5120-067	59,221	7/1/20-6/30/21				59,221	(59,221)		(827)				59,221	
ESL	20-100-034-5120-067	827	7/1/19-6/30/20		827										827
Home Instruction	20-100-034-5120-067	1,453	7/1/19-6/30/20	(1,453)			1,453								1,453
Handicapped Services:															
Examination and Classification	20-100-034-5120-066	37,529	7/1/19-6/30/20	(7,757)			7,757			(12,917)					37,529
Examination and Classification	21-100-034-5120-066	34,566	7/1/20-6/30/21				34,566	(30,365)					4,201		34,566
Corrective Speech	20-100-034-5120-066	10,572	7/1/20-6/30/21				10,572	(10,572)							10,572
Supplemental Instruction	20-100-034-5120-066	29,851	7/1/19-6/30/20		4,291		29,851	(27,688)		(4,291)					29,851
Supplemental Instruction	21-100-034-5120-066	37,345	7/1/20-6/30/21										2,283		37,345
Nursing	20-100-034-5120-070	45,390	7/1/19-6/30/20		2,734		45,390	(42,682)		(2,734)					45,390
Technology	21-100-034-5120-073	13,320	7/1/20-6/30/21		2,483								2,708		13,320
Security	20-100-034-5120-509	57,750	7/1/19-6/30/20		5,350					(2,483)					57,750
Security	21-100-034-5120-509	77,875	7/1/20-6/30/21				77,875	(68,498)		(5,350)			9,377		77,875
Total Special Revenue Fund				(14,774)	29,506		3,134,606	(1,865,445)		(29,506)		1,235,785	18,602	283,587	2,094,228
Debt Service Fund:															
Debt Service Aid Type II	21-495-034-5120-075	3,242,453	7/1/20-6/30/21				3,242,453	(3,242,453)							3,242,453
Total Debt Service Fund							3,242,453	(3,242,453)							3,242,453
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	20-100-010-3350-023	30,414	7/1/19-6/30/20	(9,089)			8,103	(77,447)	986		(8,690)				30,414
State School Lunch Program	21-100-010-3350-023	77,447	7/1/20-6/30/21				68,757	(77,447)	986		(8,690)				77,447
State School Lunch Program				(9,089)			76,860	(77,447)	986		(8,690)				107,861
Total State Financial Assistance				\$ (1,489,492)	\$ 29,506		\$ 81,933,766	\$ (81,485,232)	986	(29,506)	(2,294,359)	1,235,785	18,602	5,312,353	86,804,378
Less: On-Behalf TPAF Pension Contributions															
(19,825,136)															
(61,660,098)															

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

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2021

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is (\$504,761) for the general fund and (\$620,826) for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$76,299,887	1,865,445	3,242,453	77,447	81,485,232
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(304,274)			(304,274)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(504,761)	(283,587)			(788,348)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$75,795,126</u>	<u>1,277,584</u>	<u>3,242,453</u>	<u>77,447</u>	<u>80,392,610</u>

**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$270,757	7,526,326	2,836,528	10,633,611
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(32,965)		(32,965)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$270,757</u>	<u>7,493,361</u>	<u>2,836,528</u>	<u>10,600,646</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

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

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	yes	<u>X</u>	no
2) Significant deficiencies identified that are not considered to be material weaknesses?	yes	<u>X</u>	none reported
Noncompliance material to basic financial statements noted?	yes	<u>X</u>	no

Federal Awards Section

Internal Control over major programs:			
1) Material weakness(es) identified?	yes	<u>X</u>	no
2) Significant deficiencies identified	yes	<u>X</u>	none reported
Type of auditor's report on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	yes	<u>X</u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>Child Nutrition Cluster</u>
<u>10.555</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>Food Distribution Program</u>
<u>10.629</u>	<u>Emergency Operational Costs Reimbursement Program</u>
<u>21.019</u>	<u>P - EBT Administration</u>
<u>21.019</u>	<u>Coronavirus Relief Fund</u>
<u>21.019</u>	<u>Digital Divide</u>
<u>84.425</u>	<u>Non Public Covid Technology</u>
<u>84.425</u>	<u>CARES Emergency Relief Grant</u>
<u>84.425</u>	<u>ESSER</u>
<u>84.425</u>	<u>Learning Acceleration</u>

Dollar threshold used to determine Type A programs:	<u>\$750,000</u>		
Auditee qualified as low-risk auditee?	<u>X</u>	yes	no

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

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

Type of auditor's report on compliance for major programs

 Unmodified

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08?

 yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-044	Extraordinary Special Education Aid
21-495-034-5120-075	Debt Service Aid Type II

N) Dollar threshold used to determine Type A programs: \$1,849,803

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

NONE

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

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

STATUS OF PRIOR YEAR FINDINGS

NONE