

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT

West Creek, New Jersey
County of Ocean

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
WEST CREEK, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
MICAH BENDER**

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INTRODUCTORY SECTION

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EAGLESWOOD ELEMENTARY SCHOOL

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March 17, 2023

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

Dear Board Members and Citizens of the Township of Eagleswood:

The Annual Comprehensive Financial Report (ACFR) of the Eagleswood Township School District for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Eagleswood Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2022 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

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

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

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

The Single Audit Section – The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

Heather Wawrzyniak

Superintendent/ Principal

Micah Bender

Business Administrator/ Board Secretary

Eagleswood Township Elementary School District

EAGLESWOOD ELEMENTARY SCHOOL

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SCHOOL DISTRICT ORGANIZATION

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

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

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

The Board of Education, comprised of five members, each elected to three-year terms, meets on the third Monday of each month for regular meetings. During the meetings the board members determine district goals, priorities, set policy, and conduct other business. Board meetings are open to the public and begin at 6:30 PM.

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

DISTRICT CURRICULUM

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

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

English Language Arts

Heather Wawrzyniak

Micah Bender

Superintendent/ Principal

Business Administrator/ Board Secretary

Eagleswood Township Elementary School District

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

Mathematics

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

Science

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

Social Studies

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

Heather Wawrzyniak

Superintendent/ Principal

Micah Bender

Business Administrator/ Board Secretary

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World Languages

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

Arts

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

Health and Physical Education

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

Educational Technology

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

Basic Skills

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

Heather Wawrzyniak

Superintendent/ Principal

Micah Bender

Business Administrator/ Board Secretary

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Special Education

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

New Jersey Student Learning Standards

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

REPORTING ENTITY AND ITS SERVICES

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

Heather Wawrzyniak
Superintendent/ Principal

Micah Bender
Business Administrator/ Board Secretary

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MAJOR INITIATIVES

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

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

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

INTERNAL ACCOUNTING CONTROLS

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

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

Heather Wawrzyniak
Superintendent/ Principal

Micah Bender
Business Administrator/ Board Secretary

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BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

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

Heather Wawrzyniak

Superintendent/ Principal

Micah Bender

Business Administrator/ Board Secretary

Eagleswood Township Elementary School District

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OTHER INFORMATION

INDEPENDENT AUDIT

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

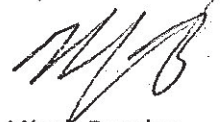
ACKNOWLEDGEMENTS

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

Respectfully submitted,



Heather Wawrzyniak
Superintendent of Schools



Micah Bender
School Business Administrator/Board Secretary

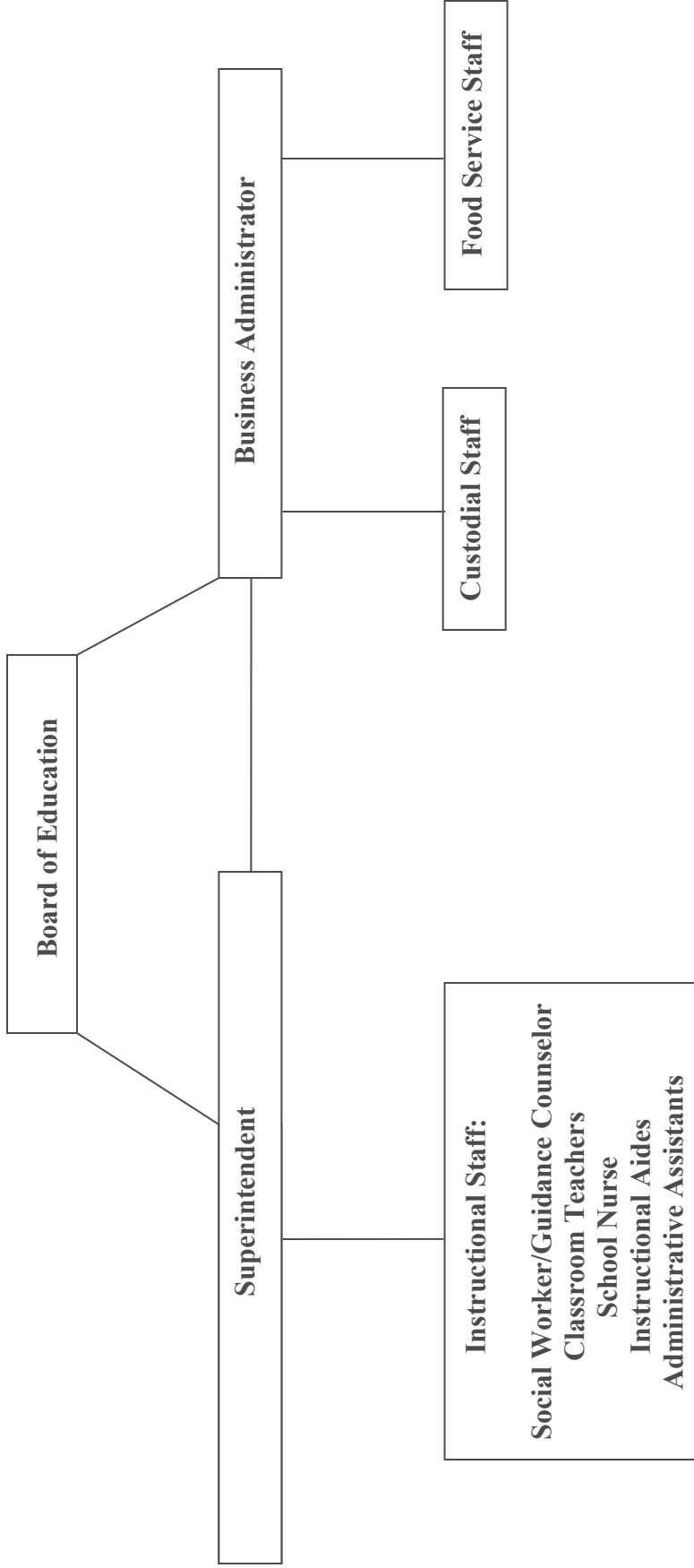
Heather Wawrzyniak
Superintendent/ Principal

Micah Bender
Business Administrator/ Board Secretary

Eagleswood Township Elementary School District

Egleswood Township Board of Education

Organizational Chart



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

ROSTER OF OFFICIALS

JUNE 30, 2022

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Isabella Pharo, President

2023

Susan D'Ambrosio, Vice President

2024

Kelly Stover

2022

Steven Halford

2023

Paul McMahan

2023

OTHER OFFICIALS

Heather Wawrzyniak, Superintendent of Schools

Susanne O'Halloran, School Business Administrator/Board Secretary

Stephen Brennan, Treasurer of School Monies

Paul C. Kalac, Esq

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Ocean First Bank
205 Route 72 West
Manahawkin, NJ 08050

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District, County of Ocean, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Medford, New Jersey
March 17, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

As management of the Eagleswood Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

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

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

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

Table 1 provides a summary of the School Districts net position for the fiscal years 2022 compared to fiscal year 2021.

Table 1
Summary of Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,133,383	\$ 1,048,906	\$ 84,477	8.1%
Capital Assets, Net	<u>5,350,310</u>	<u>5,505,493</u>	<u>(155,183)</u>	-2.8%
Total Assets	<u>6,483,693</u>	<u>6,554,399</u>	<u>(70,706)</u>	-1.1%
Deferred Outflow of Resources	<u>320,577</u>	<u>114,013</u>	<u>206,564</u>	181.2%
Current and other Liabilities	178,199	221,572	(43,373)	-19.6%
Noncurrent Liabilities	<u>4,261,380</u>	<u>4,522,168</u>	<u>(260,788)</u>	-5.8%
Total Liabilities	<u>4,439,579</u>	<u>4,743,740</u>	<u>(304,161)</u>	-6.4%
Deferred Inflow of Resources	<u>295,799</u>	<u>203,033</u>	<u>92,766</u>	45.7%
Net Position:				
Net Investment in Capital Assets	1,785,310	1,615,493	169,817	10.5%
Restricted	698,328	640,788	57,540	9.0%
Unrestricted (Deficit)	<u>(414,746)</u>	<u>(534,642)</u>	<u>119,896</u>	-22.4%
Total Net Position	<u>\$ 2,068,892</u>	<u>\$ 1,721,639</u>	<u>\$ 347,253</u>	20.2%

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

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

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021.

Table 2
Summary of Changes in Net Position

	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 21,778	\$ -	\$ 21,778	100.0%
Operating Grants & Contributions	1,068,235	1,190,334	(122,099)	-10.3%
General Revenues:				
Property Taxes	2,767,230	2,719,439	47,791	1.8%
Federal & State Aid	721,729	709,550	12,179	1.7%
Other General Revenues	18,623	41,552	(22,929)	-55.2%
Total Revenues	<u>4,597,595</u>	<u>4,660,875</u>	<u>(63,280)</u>	-1.4%
Function/Program Expenses:				
Regular Instruction	\$ 1,241,084	\$ 981,441	259,643	26.5%
Special Education Instruction	404,449	310,345	94,104	30.3%
Other Instruction	122,942	213,441	(90,499)	-42.4%
Tuition	63,711	57,307	6,404	11.2%
Student & Instruction Related Services	428,209	419,591	8,618	2.1%
General Administrative	166,614	148,229	18,385	12.4%
School Administrative Services	7,958	3,000	4,958	165.3%
Central Services	66,912	65,000	1,912	2.9%
Plant Operations & Maintenance	219,325	203,992	15,333	7.5%
Pupil Transportation	135,184	193,227	(58,043)	-30.0%
Unallocated Benefits	838,800	909,503	(70,703)	-7.8%
On Behalf TPAF Pension and Social	242,572	603,806	(361,234)	-59.8%
Interest & Other Charges	96,846	106,709	(9,863)	-9.2%
Unallocated Depreciation	198,473	201,286	(2,813)	-1.4%
After School Program	17,263	117	17,146	14654.7%
Total Expenses	<u>4,250,342</u>	<u>4,416,994</u>	<u>(166,652)</u>	-3.8%
Change In Net Position	347,253	243,881	103,372	42.4%
Net Position - Beginning	1,721,639	1,477,758	243,881	16.5%
Net Position - Ending	<u>\$ 2,068,892</u>	<u>\$ 1,721,639</u>	<u>\$ 347,253</u>	20.2%

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2022, the net position of governmental activities increased by \$243,998.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$2,016,489, with an unrestricted deficit balance of (\$467,149). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, accrued interest, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(467,149)
Add back: PERS Pension Liability		466,661
Less: Deferred Outflows related to pensions		(320,577)
Add back: Deferred Inflows related to pensions		<u>295,799</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(25,266)</u>

Business-type Activities

During the fiscal year 2022, the net position of business-type activities increased by \$4,515.

General Fund Budgeting Highlights

Final budgeted revenues were \$3,059,321, which was a \$19,825 increase from than the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$42,631.

Final budgeted appropriations were \$3,301,882, which was a \$5,349 increase from the original budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$344,900.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$1,026,307 at June 30, 2022 an increase of \$144,970 from the prior year.

Financial Analysis of the School District’s Funds

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$972,082, an increase of \$116,104 from the prior year.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)

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

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$147,364.

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund decreased by \$1,544.

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

Debt service fund - During the current fiscal year, the fund balance of the School District’s debt service fund decreased by \$32,572.

Proprietary Funds

After school Program - During the current fiscal year, the net position of the School District’s after school program fund increased by \$4,515.

Capital Assets

The School District’s capital assets for its governmental activities as of June 30, 2022, totaled \$5,350,310 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and improvements and equipment. There was a net decrease in the School District’s capital assets for the current fiscal year in the amount of \$155,183. This decrease is primarily due to annual depreciation in the amount of \$155,183. Table 4 shows fiscal 2022 balances compared to 2021.

Table 4
Summary of Capital Assets - Governmental Activities

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2022</u>	June 30, <u>2021</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land Improvements	\$ 156,351	\$ 156,351	\$ -	0.0%
Building and Improvements	5,024,159	5,205,530	(181,371)	-3.5%
Equipment	169,800	143,612	26,188	18.2%
	<u>\$ 5,350,310</u>	<u>\$ 5,505,493</u>	<u>\$ (155,183)</u>	-2.8%

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$3,565,000, which is a decrease of \$325,000 from the prior year.

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

Factors on the School District’s Future

For the fiscal year 2022-2023, the School District was able to sustain its budget through property taxes, federal and state sources, and other various revenue sources. Approximately sixty-seven percent (67%) of total revenue is from property taxes, while thirty-two percent (33%) of the School District’s revenue is from federal, state, and local sources.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited) (Continued)**

Contacting the School Districts Financial Management

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

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 578,634	\$ 82,420	\$ 661,054
Receivables, Net (Note 4)	366,847	88	366,935
Internal Balances	30,105	(30,105)	-
Restricted Assets:			
Restricted Cash & Cash Equivalents	105,394	-	105,394
Capital Assets, Net (Note 5):			
Non-depreciable	156,351	-	156,351
Depreciable	5,193,959	-	5,193,959
Total Assets	6,431,290	52,403	6,483,693
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	320,577	-	320,577
Total Deferred Outflow of Resources	320,577	-	320,577
Total Assets and Deferred Outflow of Resources	6,751,867	52,403	6,804,270
LIABILITIES			
Accounts Payable	23,929	-	23,929
Accrued Interest Payable	26,026	-	26,026
Accrued Salaries	80,544	-	80,544
Due to Other Governments	43,275	-	43,275
Unearned Revenue	4,425	-	4,425
Noncurrent Liabilities (Note 7):			
Due Within One Year	185,000	-	185,000
Due Beyond One Year	4,076,380	-	4,076,380
Total Liabilities	4,439,579	-	4,439,579
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	295,799	-	295,799
Total Deferred Inflow of Resources	295,799	-	295,799
Total Liabilities and Deferred Inflow of Resources	4,735,378	-	4,735,378
NET POSITION			
Net Investment in Capital Assets	1,785,310	-	1,785,310
Restricted For:			
Maintenance Reserve	105,394	-	105,394
Debt Service	29	-	29
Student Activities	1,529	-	1,529
Excess Surplus	591,376	-	591,376
Unrestricted	(467,149)	52,403	(414,746)
Total Net Position	\$ 2,016,489	\$ 52,403	\$ 2,068,892

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 1,241,084	\$ -	\$ 390,084	\$ (851,000)	\$ -	\$ (851,000)
Special Education	404,449	-	-	(404,449)	-	(404,449)
Other Special Instruction	122,942	-	-	(122,942)	-	(122,942)
Support Services & Undistributed Costs:						
Tuition	63,711	-	-	(63,711)	-	(63,711)
Attendance & Social Work Services	106,674	-	-	(106,674)	-	(106,674)
Health Services	66,580	-	-	(66,580)	-	(66,580)
Student & Instruction Related Services	253,333	-	120,613	(132,720)	-	(132,720)
Educational Media Services/School Library	595	-	-	(595)	-	(595)
Instructional Staff Training	1,027	-	-	(1,027)	-	(1,027)
School Administrative Services	7,958	-	-	(7,958)	-	(7,958)
General Administrative Services	166,614	-	-	(166,614)	-	(166,614)
Plant Operations & Maintenance	219,325	-	-	(219,325)	-	(219,325)
Pupil Transportation	135,184	-	-	(135,184)	-	(135,184)
Business & Other Support Services	66,912	-	-	(66,912)	-	(66,912)
Unallocated Benefits	838,800	-	314,966	(523,834)	-	(523,834)
On Behalf/TPAF Pension and Social Security Contribution	242,572	-	242,572	-	-	-
Interest and Charges on Long-term Debt	96,846	-	-	(96,846)	-	(96,846)
Unallocated Depreciation	198,473	-	-	(198,473)	-	(198,473)
Total Governmental Activities	4,233,079	-	1,068,235	(3,164,844)	-	(3,164,844)
Business-Type Activities:						
After School Program	17,263	21,778	-	-	4,515	4,515
Total Business-Type Activities	17,263	21,778	-	-	4,515	4,515
Total Primary Government	\$ 4,250,342	\$ 21,778	\$ 1,068,235	\$ (3,164,844)	\$ 4,515	\$ (3,160,329)
General Revenues:						
Property Taxes, Levied for General Purposes, Net				2,501,851	-	2,501,851
Taxes Levied for Debt Service				265,379	-	265,379
Federal & State Aid Not Restricted				721,729	-	721,729
Miscellaneous Revenue				18,623	-	18,623
Total General Revenues, Special Items, Extraordinary Items & Transfers				3,507,582	-	3,507,582
Change In Net Position				342,738	4,515	347,253
Net Position - Beginning				1,673,751	47,888	1,721,639
Net Position - Ending				\$ 2,016,489	\$ 52,403	\$ 2,068,892

B. Fund Financial Statements

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Governmental Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 888,962	\$ -	\$ 29	\$ 888,991
Due From Other Funds	30,995	-	-	30,995
Intergovernmental Accounts Receivable:				
Federal	-	328,283	-	328,283
State	38,564	-	-	38,564
Restricted Cash & Cash Equivalents	105,394	-	-	105,394
Total Assets	\$ 1,063,915	\$ 328,283	\$ 29	\$ 1,392,227
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 310,357	\$ -	\$ 310,357
Accounts Payable	-	12,843	-	12,843
Accrued Salaries	80,544	-	-	80,544
Payroll Payable	11,086	-	-	11,086
Interfund Payable	-	890	-	890
Unearned Revenue	-	4,425	-	4,425
Total Liabilities	91,630	328,515	-	420,145
Fund Balances:				
Restricted for:				
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	274,197	-	-	274,197
Excess Surplus - Current Year	317,179	-	-	317,179
Maintenance Reserve Account	105,394	-	-	105,394
Student Activities	-	1,529	-	1,529
Debt Service	-	-	29	29
Assigned:				
Other Purposes	45,940	-	-	45,940
Unassigned:				
General Fund	229,575	-	-	229,575
Special Revenue Fund	-	(1,761)	-	(1,761)
Total Fund Balances	972,285	(232)	29	972,082
Total Liabilities & Fund Balances	\$ 1,063,915	\$ 328,283	\$ 29	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,020,850, and the accumulated depreciation is \$2,670,540. (See Note 5)	5,350,310
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the current period.	(26,026)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	24,778
Accrued pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(43,275)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	<u>(4,261,380)</u>
Net position of Governmental Activities	<u><u>\$ 2,016,489</u></u>

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Revenues:				
Local Tax Levy	\$ 2,501,851	\$ -	\$ 265,379	\$ 2,767,230
Miscellaneous	9,034	9,589	-	18,623
State Sources	1,268,180	20,304	128,268	1,416,752
Federal Sources	-	490,393	-	490,393
	<hr/>			
Total Revenues	3,779,065	520,286	393,647	4,692,998
<hr/>				
Expenditures:				
Current:				
Regular Instruction	851,000	390,084	-	1,241,084
Special Education Instruction	404,449	-	-	404,449
Other Special Instruction	122,942	-	-	122,942
Support Services & Undistributed Costs:				
Tuition	63,711	-	-	63,711
Attendance & Social Work Services	106,674	-	-	106,674
Health Services\Attendance	66,580	-	-	66,580
Student & Instruction Related Services	124,443	128,890	-	253,333
Educational Media Services/ School Library	595	-	-	595
Instructional Staff Training	1,027	-	-	1,027
General Administrative Services	166,614	-	-	166,614
School Administrative Services	7,958	-	-	7,958
Plant Operations & Maintenance	242,615	-	-	242,615
Pupil Transportation	135,184	-	-	135,184
Business & Other Support Services	66,912	-	-	66,912
Unallocated Benefits	1,250,997	-	-	1,250,997
Debt Service:				
Principal	-	-	325,000	325,000
Interest & Other Charges	-	-	101,219	101,219
Capital Outlay	20,000	-	-	20,000
	<hr/>			
Total Expenditures	3,631,701	518,974	426,219	4,576,894
<hr/>				
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	147,364	1,312	(32,572)	116,104
<hr/>				
Fund Balance - July 1	824,921	(1,544)	32,601	855,978
<hr/>				
Fund Balance - June 30	\$ 972,285	\$ (232)	\$ 29	\$ 972,082
<hr/>				

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	116,104
Amounts reported for governmental activities in the statement of activities (A-2) are difference because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount amount by which capital outlays exceeded depreciation in the period:		
Depreciation Expense	\$ (198,473)	
Capital Outlays	<u>43,290</u>	(155,183)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		325,000
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.		65,793
Net difference in accrued interest on bonds and financed purchases is not recorded in the fund financial statements.		4,373
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Fund, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Prior Year Compensated Absences	216,370	
Current Year Compensated Absences	<u>(229,719)</u>	(13,349)
Change in Net Position of Governmental Activities	\$	<u><u>342,738</u></u>

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

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Proprietary Funds

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>AFTER SCHOOL PROGRAM</u>
Current Assets:	
Cash & Cash Equivalents	\$ 82,420
Accounts Receivable:	
Other	<u>88</u>
Total Current Assets	<u>82,508</u>
LIABILITIES	
Interfund Payable	<u>30,105</u>
Total Liabilities	<u>30,105</u>
NET POSITION	
Unrestricted	<u>52,403</u>
Total Net Position	<u><u>\$ 52,403</u></u>

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u> AFTER SCHOOL PROGRAM
Operating Revenues:	
Charges for Services:	
Program Fees	\$ 21,778
Total Operating Revenues	<u>21,778</u>
Operating Expenses:	
Salaries	16,792
Supplies	\$ 471
Total Operating Expenses	<u>17,263</u>
Operating Income/(Loss)	<u>4,515</u>
Change in Net Position	4,515
Total Net Position - Beginning	<u>47,888</u>
Total Net Position - Ending	<u><u>\$ 52,403</u></u>

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022**

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

Cash Flows From Operating Activities:	
Receipts from Customers	51,795
Payments to Employees	(16,792)
Payments to Suppliers	(471)
	<hr/>
Net Cash Provided/(Used) by Operating Activities	34,532
	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	34,532
	<hr/>
Balances - Beginning of Year	47,888
	<hr/>
Balances - End of Year	<u>\$ 82,420</u>

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

Operating Income/(Loss)	<u>\$ 4,515</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
(Increase)/Decrease in Interfund Receivable	30,105
(Increase)/Decrease in Accounts Receivable	(88)
	<hr/>
Total Adjustments	30,017
	<hr/>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 34,532</u>

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

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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of five members appointed to three-year terms. These terms are staggered so that two members’ terms expire in a given year and on term expires in the third year. The District provides a full range of educational services appropriate to grades levels kindergarten through sixth grade. These include regular, vocational, as well as special education for handicapped youngsters. The District has an approximate enrollment at June 30, 2022 of 139 students.

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

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

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2022.

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

The District reports the following major proprietary funds:

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

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

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

Budgets/Budgetary Control

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

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

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

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2022 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Interfund Receivables/Payables

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

Capital Assets

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

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

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

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

Compensated Absences

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

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

Unearned Revenue

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2022.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. The District has evaluated the effects of GASB Statement No. 87 and has determined the provisions of this Statement do not need to be applied due to the immaterial effect on the government-wide financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 96, Subscription-Based Information Technology Arrangements. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 101, Compensated Absences. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2022**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the District’s bank balance of \$975,775 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	855,548
Uninsured and Uncollateralized		120,227
		\$ 975,775

Investments

The District had no investments at June 30, 2022.

Note 3. Reserve Accounts

Maintenance Reserve

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

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

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Ending Balance, June 30, 2022 and 2021	\$	105,394
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EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 4. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 328,283	\$ 328,283
State Awards	38,564	-	38,564
Total	\$ 38,564	\$ 328,283	\$ 366,847

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 156,351	\$ -	\$ -	\$ 156,351
Total Capital Assets not being depreciated	156,351	-	-	156,351
Capital Assets being depreciated:				
Land Improvements	-	-	-	-
Buildings and Improvements	7,405,191	-	-	7,405,191
Equipment	416,018	43,290	-	459,308
Total Capital Assets being depreciated	7,821,209	43,290	-	7,864,499
Less: Accumulated Depreciation:				
Land Improvements	-	-	-	-
Buildings and Improvements	(2,199,661)	(181,371)	-	(2,381,032)
Equipment	(272,406)	(17,102)	-	(289,508)
Total Accumulated Depreciation	(2,472,067)	(198,473)	-	(2,670,540)
Total Capital Assets being depreciated, net	5,349,142	(155,183)	-	5,193,959
Total Governmental Activities Capital Assets, net	\$ 5,505,493	\$ (155,183)	\$ -	\$ 5,350,310

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 6. Interfund Receivables, Payables and Transfers

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

The District had no individual fund receivables/payables balances at June 30, 2022.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 30,995	\$ -
Special Revenue Fund	-	890
Afterschool Program	-	30,105
	\$ 30,995	\$ 30,995

There were no interfund transfers during the fiscal year.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,890,000	\$ -	\$ 325,000	\$ 3,565,000	\$ 185,000
Compensated Absences	216,370	13,349	-	229,719	-
Net Pension Liability	415,798	50,863	-	466,661	-
	\$ 4,522,168	\$ 64,212	\$ 325,000	\$ 4,261,380	\$ 185,000

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

A. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2022, bonds payable consisted of the following individual issues:

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 7. Long-Term Obligations (continued)

During May 2016, the District issued \$4,393,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 2.00% to 3.00% and mature on September 15, 2037.

Principal and Interest due on the outstanding bonds as of June 30, 2022 is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 185,000	\$ 46,466	\$ 231,466
2024	190,000	44,616	234,616
2025	195,000	42,716	237,716
2026	205,000	40,766	245,766
2027	210,000	38,716	248,716
2028-2032	1,175,000	156,381	1,331,381
2033-2037	1,405,000	64,875	1,469,875
	<hr/>		
Total Outstanding as of June 30, 2022	\$ 3,565,000	\$ 434,535	\$ 3,999,535
	<hr/>		

C. Bonds Authorized But Not Issued

As of June 30, 2022, the District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2022, the School District reported a liability of \$466,661 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was 0.003939%, which was an increase of 0.001389% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension expense/(benefit) of (\$19,661) in the government-wide financial statements. This pension expense/(benefit) was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 7,360	\$ 3,341
Changes of Assumptions	2,430	166,134
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	122,931
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	267,512	3,393
School District Contributions Subsequent to Measurement Date	43,275	-
	\$ 320,577	\$ 295,799

\$43,275 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2022	\$ (7,207)
2023	(5,146)
2024	(3,508)
2025	(2,637)
2026	1
	\$ (18,497)

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2026		2.00 - 6.00% Based on Years of Service
Thereafter		3.00 - 7.00% Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
	PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 642,272</u>	<u>\$ 466,661</u>	<u>\$ 326,827</u>

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.003939%	0.002550%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021 was \$5,838,414. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.012144%, which was a decrease of 0.0000445% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the School District recognized \$137,380 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

Inflation		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	1.55 - 4.45%	Based on Years of Service
Thereafter	2.75 - 5.65%	Based on Years of Service
Investment Rate of Return	7.00%	

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	6,907,819	5,838,414	4,940,181
	<u>\$ 6,907,819</u>	<u>\$ 5,838,414</u>	<u>\$ 4,940,181</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Balances at June 30, 2022 and June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,458,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
District's portion of the Plan's total Net Pension Liability	0.01214%	0.01210%

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Other Post-Retirement Benefits (continued):

Total Nonemployer OPEB Liability: \$ 60,007,650,970

Inflation Rate: 2.50%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	2.75 - 5.65% based on years of service	3.00 - 7.00% based on years of service	Not Applicable

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$7,152,021. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the School District was 0.011918%, which was a decrease of 0.001414% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$611,949 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2021 measurement date.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Other Post-Retirement Benefits (continued):

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 8,566,998	\$ 7,152,021	\$ 6,037,811
State of New Jersey's Total Non- employer Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 5,789,584	\$ 7,152,021	\$ 8,981,673
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,045,886,863	18,009,362,976
Contributions Made in Fiscal Year Year Ending 2022 After June 30, 2021 Measurement Date **	TBD	-
	\$ 19,225,423,829	\$ 24,447,624,783

** Employer Contributions made after June 30, 2021 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
	\$ (5,222,200,954)

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 9. Other Post-Retirement Benefits (continued):

Plan Membership

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability

Service Cost	\$ 3,217,184,264
Interest Cost	1,556,661,679
Difference Between Expected & Actual Experience	(11,385,071,658)
Changes of Benefit Terms	(63,870,842)
Changes of Assumptions	59,202,105
Contributions: Member	39,796,196
Gross Benefit Payments	(1,226,213,382)
Net Change in Total OPEB Liability	(7,802,311,638)
Total OPEB Liability (Beginning)	67,809,962,608
Total OPEB Liability (Ending)	\$ 60,007,650,970
Total Covered Employee Payroll	\$ 14,425,669,769
Net OPEB Liability as a Percentage of Payroll	415.98%

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

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for post-retirement medical costs, normal costs, long-term disability and reimbursed social security were \$461,543, \$107,835, \$149 and \$105,192, respectively.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

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

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

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 15. Compensated Absences

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

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, the liability for compensated absences reported on the government-wide Statement of Net Position was \$229,719. No liability was recorded on the proprietary fund Statement of Net Position at June 30, 2022.

Note 16. Tax Abatements

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

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

Note 17. Commitments

The District had no contractual commitments at June 30, 2022.

Note 18. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve the General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 was \$317,179.

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 19. Fund Balance

General Fund – Of the \$972,285 General Fund balance at June 30, 2022 \$317,179 is restricted for current year excess surplus, \$274,197 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$105,394 is restricted for maintenance reserve; \$45,940 has been assigned as encumbrances for the year ending June 30, 2022 and \$229,575 is unassigned.

Special Revenue Fund – Of the \$232 deficit Special Revenue fund balance at June 30, 2022 \$1,529 is restricted for student activities, and (\$1,761) is unassigned.

Debt Service Fund – Of the \$29 Debt Service fund balance at June 30, 2022 \$29 is restricted for debt service payments.

Note 20. Deficit Fund Balances

The District has a deficit fund balance of (\$232) in the Special Revenue Fund as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the fund statements (modified accrual basis) of \$232 is less than the Special Revenue Fund’s portion of the last two state aid payments.

Note 21. Deficit in Net Position

Unrestricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$467,149. The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 22. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 17, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,501,851	\$ -	\$ 2,501,851	\$ 2,501,851	\$ -
Interest Earned on Maintenance Reserve	10-1XXX	175	(175)	-	-	-
Unrestricted Miscellaneous Revenues	10-1XXX	-	-	-	9,034	9,034
Total Local Sources		2,502,026	(175)	2,501,851	2,510,885	9,034
State Sources:						
Transportation Aid	10-3121	59,476	-	59,476	59,476	-
Special Education Categorical Aid	10-3132	91,218	-	91,218	91,218	-
Equalization Aid	10-3176	349,957	-	349,957	349,957	-
Security Aid	10-3177	36,819	-	36,819	36,819	-
Extraordinary Aid	10-3131	-	-	-	33,307	33,307
Non Public Transportation	10-3198	-	-	-	290	290
Security Grant	10-3XXX	-	20,000	20,000	20,000	-
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	461,543	461,543
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	107,835	107,835
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	149	149
Reimbursed TPAF Social Security Contributions		-	-	-	105,192	105,192
Total State Sources		537,470	20,000	557,470	1,265,786	708,316
Total Revenues		3,039,496	19,825	3,059,321	3,776,671	717,350
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	56,739	4,084	60,823	60,823	-
Kindergarten	11-110-100-101	58,245	700	58,945	58,945	-
Grades 1 - 5	11-120-100-101	337,385	(79,433)	257,952	255,592	2,360
Grades 6 - 8	11-130-100-101	102,203	60,595	162,798	162,798	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	219,129	(1,205)	217,924	217,231	693
Other Purchased Services	11-190-100-500	17,860	-	17,860	15,250	2,610
General Supplies	11-190-100-610	95,010	-	95,010	79,462	15,548
Textbooks	11-190-100-640	5,000	-	5,000	899	4,101
Total Regular Programs - Instruction		891,571	(15,259)	876,312	851,000	25,312
Special Education Instruction						
Learning and Language Disabilities:						
Salaries of Teachers	11-204-100-101	180,285	(104,453)	75,832	60,095	15,737
Other Salaries for Instruction	11-204-100-106	62,697	(2,880)	59,817	51,087	8,730
Purchased Prof.-Ed. Services	11-204-100-320	28,500	2,880	31,380	27,969	3,411
Other Purch. Serv.	11-204-100-500	3,780	-	3,780	3,780	-
General Supplies	11-204-100-610	500	-	500	36	464
Total Multiple Disabilities		275,762	(104,453)	171,309	142,967	28,342
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	70,370	128,337	198,707	198,707	-
Other Purchased Services	11-213-100-500	3,780	-	3,780	3,780	-
General Supplies	11-213-100-610	250	-	250	-	250
Total Resource Room/Resource Center		74,400	128,337	202,737	202,487	250
Preschool Disabilities- Full Time:						
Salaries of Teachers	11-216-100-101	58,995	-	58,995	58,995	-
Total Preschool Disabilities- Full Time		58,995	-	58,995	58,995	-
Total Special Education		409,157	23,884	433,041	404,449	28,592

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	154,847	(11,847)	143,000	119,162	23,838
Other Purchased Services	11-230-100-500	3,780	-	3,780	3,780	-
General Supplies	11-230-100-610	250	-	250	-	250
Total Basic Skills/Remedial		158,877	(11,847)	147,030	122,942	24,088
Total Instruction		1,459,605	(3,222)	1,456,383	1,378,391	77,992
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's Special - Within State	11-000-100-562	113,000	(7,867)	105,133	46,303	58,830
Tuition to CSSD & Reg. Day Schools	11-000-100-565	-	414	414	414	-
Tuition to Private School for Disabled - Within State	11-000-100-566	59,000	(17,700)	41,300	16,994	24,306
Total Undistributed Expenditures - Instruction		172,000	(25,153)	146,847	63,711	83,136
Attendance and Social Work Services:						
Salaries	11-000-211-100	116,601	-	116,601	106,674	9,927
Total Attendance and Social Work Services		116,601	-	116,601	106,674	9,927
Health Services:						
Salaries	11-000-213-100	1,000	-	1,000	1,000	-
Purchased Professional & Technical Services	11-000-213-300	70,540	(92)	70,448	64,462	5,986
Supplies and Materials	11-000-213-600	1,200	284	1,484	1,118	366
Total Health Services		72,740	192	72,932	66,580	6,352
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	36,480	-	36,480	36,480	-
Supplies and Materials	11-000-216-600	500	519	1,019	977	42
Total Other Support Services - Students - Related Services		36,980	519	37,499	37,457	42
Other Support Services - Students - Extra:						
Salaries	11-000-217-100	10,800	2,700	13,500	10,800	2,700
Total Other Support Services - Students - Extra		10,800	2,700	13,500	10,800	2,700
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	57,000	(15,358)	41,642	37,396	4,246
Purchased Professional & Educational Services	11-000-219-320	30,000	10,830	40,830	38,354	2,476
Supplies and Materials	11-000-219-600	500	-	500	436	64
Total Other Support Services - Students - Special Services		87,500	(4,528)	82,972	76,186	6,786
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	600	-	600	595	5
Total Educational Media Services/School Library		600	-	600	595	5
Instructional Staff Training Services:						
Purchased Professional Educational Services	11-000-223-320	1,500	(266)	1,234	1,027	207
Total Instructional Staff Training Services		1,500	(266)	1,234	1,027	207

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	91,340	15,366	106,706	106,706	-
Legal Services	11-000-230-331	20,000	-	20,000	16,614	3,386
Audit Fees	11-000-230-332	17,000	(1,380)	15,620	15,040	580
Communications/Telephone	11-000-230-530	500	-	500	441	59
BOE Other Purchased Services	11-000-230-585	500	-	500	91	409
Other Purchased Services	11-000-230-590	1,000	(30)	970	869	101
Supplies and Materials	11-000-230-610	250	2,680	2,930	2,930	-
Miscellaneous Expenditures	11-000-230-890	5,400	11,409	16,809	16,809	-
BOE Membership Dues	11-000-230-895	6,000	1,964	7,964	7,114	850
Total Support Services General Administration		141,990	30,009	171,999	166,614	5,385
Support Services School Administration:						
Salaries of Secretarial & Clerical Assistants	11-000-240-105	3,000	4,958	7,958	7,958	-
Total Support Services School Administration		3,000	4,958	7,958	7,958	-
Business & Other Support Services:						
Salaries	11-000-251-100	67,000	-	67,000	66,912	88
Miscellaneous Expenditures	11-000-251-890	100	-	100	-	100
Total Business & Other Support Services		67,100	-	67,100	66,912	188
Regular Maintenance School Facilities:						
Salaries	11-000-261-100	15,945	173	16,118	16,118	-
Cleaning, Repair & Maintenance Services	11-000-261-420	35,000	26,143	61,143	59,974	1,169
General Supplies	11-000-261-610	10,000	(4,245)	5,755	3,775	1,980
Total Regular Maintenance School Facilities		60,945	22,071	83,016	79,867	3,149
Custodial Services:						
Salaries	11-000-262-100	52,136	-	52,136	50,445	1,691
Insurance	11-000-262-520	40,000	-	40,000	37,749	2,251
Energy (Electricity)	11-000-262-622	49,000	14,078	63,078	63,078	-
Energy (Gasoline)	11-000-262-626	13,000	-	13,000	9,858	3,142
Other Objects	11-000-262-800	1,500	(644)	856	217	639
Total Custodial Services		155,636	13,434	169,070	161,347	7,723
Security:						
General Supplies	11-000-266-610	3,000	(625)	2,375	1,401	974
Total Security		3,000	(625)	2,375	1,401	974
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School)-Regular	11-000-270-160	43,336	(8,988)	34,348	33,812	536
Contracted Services - Aid in Lieu of Payments	11-000-270-503	6,000	(188)	5,812	3,000	2,812
Contracted Services (Other Than Between Home & School)	11-000-270-512	3,500	-	3,500	(469)	3,969
Contracted Services (Between Home & School)	11-000-270-513	106,000	-	106,000	87,497	18,503
Contracted Services - Special Education Vendors	11-000-270-514	28,000	-	28,000	11,156	16,844
Transportation Supplies	11-000-270-615	-	188	188	188	-
Total Student Transportation Services		186,836	(8,988)	177,848	135,184	42,664

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Unallocated Benefits Employee Benefits:						
Social Security Contributions -						
Other	11-000-291-220	29,000	8,431	37,431	37,431	-
PERS Contributions	11-000-291-241	30,000	16,133	46,133	46,133	-
Unemployment Compensation	11-000-291-250	9,000	-	9,000	8,853	147
Health Benefits	11-000-291-270	574,000	(80,433)	493,567	408,133	85,434
Other Employee Benefits	11-000-291-290	43,400	(6,388)	37,012	24,923	12,089
Unused Sick Payments	11-000-291-299	14,300	36,505	50,805	50,805	-
Total Unallocated Benefits - Employee Benefits		699,700	(25,752)	673,948	576,278	97,670
Interest Earning on Maintenance Reserve	10-606	175	(175)	-	-	-
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	461,543	(461,543)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	107,835	(107,835)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	149	(149)
Reimbursed TPAF Social Security Contributions		-	-	-	105,192	(105,192)
Total Undistributed Expenditures		1,817,103	8,396	1,825,499	2,233,310	(407,811)
Facilities Acquisitions						
Buildings	12-000-400-722	-	20,000	20,000	20,000	-
Total Facilities Acquisitions		-	20,000	20,000	20,000	-
Total Expenditures - Current Expense		3,276,708	25,174	3,301,882	3,631,701	(329,819)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		(237,212)	(5,349)	(242,561)	144,970	387,531
Fund Balances, July 1		881,337	-	881,337	881,337	-
Fund Balances, June 30		\$ 644,125	\$ (5,349)	638,776	\$ 1,026,307	\$ 387,531

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 5,349
Total	\$ 5,349

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 317,179
Maintenance Reserve	105,394
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	274,197
Assigned Fund Balance:	
Year-End Encumbrances	45,940
Unassigned Fund Balance	283,597
Subtotal	1,026,307
Reconciliation to Governmental Fund Schedules (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(54,022)
Fund Balance Per Governmental Funds (GAAP)	\$ 972,285

**EAGLESWOOD SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES:					
Federal Sources	\$ 79,596	\$ 571,286	\$ 650,882	\$ 450,204	\$ (200,678)
State Sources	17,612	-	17,612	17,612	-
Local Sources	3,500	-	3,500	9,589	6,089
Total Revenues	100,708	571,286	671,994	477,405	(194,589)
EXPENDITURES:					
Instruction:					
Salaries	36,388	103,747	140,135	112,157	27,978
Tuition	-	42,000	42,000	41,423	577
General Supplies	-	228,210	228,210	196,315	31,895
Total Instruction	36,388	373,957	410,345	349,895	60,450
Support Services:					
Employee Benefits	-	33,608	33,608	7,735	25,873
Purchased Professional-Educational Services	49,851	118,494	168,345	69,520	98,825
Other Purchased Services	2,969	19,568	22,537	14,540	7,997
General Supplies	8,000	25,659	33,659	26,126	7,533
Student Activities	3,500	-	3,500	10,969	(7,469)
Total Support Services	64,320	197,329	261,649	128,890	132,759
Total Outflows	100,708	571,286	671,994	478,785	193,209
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(1,380)	(1,380)
Fund Balance, July 1	2,909	-	2,909	2,909	-
Fund Balance, June 30	\$ 2,909	\$ -	\$ 2,909	\$ 1,529	\$ (1,380)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Student Activities	<u>\$ 1,529</u>
	<u>\$ 1,529</u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 3,776,671	\$ 477,405
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	40,189
State aid revenue adjustment due to last state aid payment not being recognized in accordance with GASB No. 33		
Prior Year	56,416	4,453
Current Year	(54,022)	(1,761)
	\$ 3,779,065	\$ 520,286
Total Revenues as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
	\$ 3,779,065	\$ 520,286
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,631,701	\$ 478,785
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	40,189
	-	40,189
Total Expenditures as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		
	\$ 3,631,701	\$ 518,974

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00394%	0.00255%	0.00245%	0.00236%	0.00234%	0.00252%	0.00335%	0.00344%	0.00263%
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	\$ 466,661	\$ 415,798	\$ 441,929	\$ 465,100	\$ 544,674	\$ 745,608	\$ 752,895	\$ 643,361	\$ 502,125
District's covered-employee payroll	\$ 217,168	\$ 261,863	\$ 186,195	\$ 166,173	\$ 157,644	\$ 168,273	\$ 206,897	\$ 213,766	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	214.88%	158.78%	237.35%	279.89%	345.51%	443.09%	363.90%	300.97%	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.33%	56.27%	26.27%	53.60%	48.10%	40.14%	57.93%	52.08%	48.72%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 43,275	\$ 46,133	\$ 27,893	\$ 23,857	\$ 23,496	\$ 21,676	\$ 22,365	\$ 28,835	\$ 28,328
Contributions in relation to the contractually required contribution	43,275	46,133	27,893	23,857	23,496	21,676	22,365	28,835	28,328
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 217,168	\$ 261,863	\$ 249,801	\$ 186,195	\$ 166,173	\$ 157,644	\$ 168,237	\$ 206,897	N/A
Contributions as a percentage of covered payroll	19.93%	17.62%	11.17%	12.81%	14.14%	13.75%	13.29%	13.94%	N/A

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.000%	0.000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	5,838,414	7,967,559	7,290,866	7,231,372	8,108,488	8,838,970	6,432,113	5,132,182	5,617,362
	<u>\$ 5,838,414</u>	<u>\$ 7,967,559</u>	<u>\$ 7,290,866</u>	<u>\$ 7,231,372</u>	<u>\$ 8,108,488</u>	<u>\$ 8,838,970</u>	<u>\$ 6,432,113</u>	<u>\$ 5,132,182</u>	<u>\$ 5,617,362</u>
District's covered-employee payroll	\$ 1,358,754	\$ 1,385,161	\$ 1,233,656	\$ 1,316,320	\$ 1,233,850	\$ 1,185,375	\$ 1,197,891	\$ 1,091,841	N/A
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	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	35.52%	24.60%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A

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

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

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

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

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

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

	2022	2021	2020	2019	2018
District's Total OPEB Liability					
Service Cost	\$ 422,543	\$ 223,445	\$ 237,061	\$ 263,647	\$ 317,495
Interest Cost	185,531	200,489	252,358	272,459	234,355
Differences Between Expected and Actual Differences	(2,362,552)	1,537,622	(1,192,080)	(703,449)	-
Changes of Assumptions	7,056	1,651,452	83,205	(730,547)	(945,515)
Contributions: Member	4,743	4,771	5,078	5,883	6,336
Gross Benefit Payments	(146,146)	(157,394)	(171,304)	(170,228)	(172,057)
Net Change in District's Total OPEB Liability	(1,888,825)	3,460,385	(785,682)	(1,062,235)	(559,386)
District's Total OPEB Liability (Beginning)	9,040,846	5,580,461	6,366,143	7,428,378	7,987,764
District's Total OPEB Liability (Ending)	<u>\$ 7,152,021</u>	<u>\$ 9,040,846</u>	<u>\$ 5,580,461</u>	<u>\$ 6,366,143</u>	<u>\$ 7,428,378</u>
District's Covered Employee Payroll	\$ 1,575,922	\$ 1,647,024	\$ 1,419,851	\$ 1,482,493	\$ 1,391,494
District's Net OPEB Liability as a Percentage of Payroll	454%	549%	393%	429%	534%

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate was unchanged from 7.00% as of June 30, 2020 and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

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OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES
 AND EXPENDITURES - BUDGETARY BASIS
 FOR FISCAL YEAR ENDED JUNE 30, 2022

	TITLE I	TITLE II	TITLE IV	TITLE VI	REAP	CRRSA	LEARNING	MENTAL	CRRSA	ARP	PRESCHOOL	IDEA	IDEA	STUDENT	TOTALS	
				ESSE	ESSE	ESSE	ACCE	HEALTH	ESSE	MENTAL	EDUCATION	PART B	PRE-	ACTIVITIES		
				II	II	II	LERATION	III	III	HEALTH	AID	BASIC	SCHOOL			
Revenues:																
Federal Sources	\$ 20,604	\$ 4,520	\$ 10,000	\$ 20,203	\$ 83,267	\$ 165,352	\$ 5,555	\$ 20,000	\$ 165,352	\$ 75,452	\$ 17,612	\$ 41,423	\$ 3,828	\$ -	\$ 450,204	
State Sources	-	-	-	-	-	-	-	-	-	-	17,612	-	-	-	17,612	
Local Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	9,589	9,589	
Total Revenues	\$ 20,604	\$ 4,520	\$ 10,000	\$ 20,203	\$ 83,267	\$ 165,352	\$ 5,555	\$ 20,000	\$ 165,352	\$ 75,452	\$ 17,612	\$ 41,423	\$ 3,828	\$ 9,589	\$ 477,405	
Expenditures:																
Instruction:																
Salaries	19,139	-	-	-	-	64,124	5,555	-	64,124	1,899	17,612	-	3,828	-	112,157	
Tuition	-	-	-	-	-	-	-	-	-	-	-	41,423	-	-	41,423	
General Supplies	-	-	10,000	20,203	74,252	77,577	-	-	77,577	14,283	-	-	-	-	196,315	
Total Instruction	19,139	-	10,000	20,203	74,252	141,701	5,555	-	141,701	16,182	17,612	41,423	3,828	-	349,895	
Support Services:																
Employee Benefits	1,465	-	-	-	-	-	-	-	-	6,270	-	-	-	-	7,735	
Purchased Professional Services	-	4,520	-	-	-	-	-	20,000	-	45,000	-	-	-	-	69,520	
Other Purchased Services	-	-	-	-	-	6,540	-	-	6,540	8,000	-	-	-	-	14,540	
General Supplies	-	-	-	-	9,015	17,111	-	-	17,111	-	-	-	-	-	26,126	
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	10,969	10,969	
Total Support Services	1,465	4,520	-	-	9,015	23,651	-	20,000	23,651	59,270	-	-	-	10,969	128,890	
Total Expenditures	20,604	4,520	10,000	20,203	83,267	165,352	5,555	20,000	165,352	75,452	17,612	41,423	3,828	10,969	478,785	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,380)	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,909	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,529	

**EAGLESWOOD TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID OF EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 17,612	\$ 17,612	\$ -
Total Instruction	<u>17,612</u>	<u>17,612</u>	<u>-</u>
Total Expenditures	<u>\$ 17,612</u>	<u>\$ 17,612</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 17,612
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	<u>-</u>
Total Preschool Education Aid Funds Available for 2021-2022 Budget	17,612
Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(17,612)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	-
Add: June 30, 2022 Unexpended Preschool Education Aid Funds	<u>-</u>
2021-2022 Carryover - Preschool Education Aid Funds	<u>\$ -</u>
2021-2022 Preschool Education Aid Funds Carryover Budgeted in 2022-2023	<u>\$ -</u>

I. Long-Term Debt

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**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
					JUNE 30, 2021			JUNE 30, 2022
General Improvements	1/1/2007	\$ 1,666,000		4.25%	\$ 155,000	\$ -	\$ 155,000	\$ -
General Improvements	5/25/2016	4,393,900	9/15/22	1.35%	3,735,000	-	170,000	3,565,000
			9/15/23	1.50%				
			9/15/24	1.65%				
			9/15/25	1.80%				
			9/15/26	1.95%				
			9/15/27	2.20%				
			9/15/28	2.30%				
			9/15/29	2.35%				
			9/15/30	2.50%				
			9/15/31	2.60%				
			9/15/32	2.70%				
			9/15/33	2.80%				
			9/15/34	2.90%				
			9/15/35	3.00%				
			9/15/36	3.05%				
Total					\$ 3,890,000	\$ -	\$ 325,000	\$ 3,565,000

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 265,379	\$ -	\$ 265,379	\$ 265,379	\$ -
State Sources					
Debt Service Aid	128,268	-	128,268	128,268	-
Total Revenues	<u>393,647</u>	<u>-</u>	<u>393,647</u>	<u>393,647</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	101,219	-	101,219	101,219	-
Redemption of Principal	325,000	-	325,000	325,000	-
Total Expenditures	<u>426,219</u>	<u>-</u>	<u>426,219</u>	<u>426,219</u>	<u>-</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	<u>(32,572)</u>	<u>-</u>	<u>(32,572)</u>	<u>(32,572)</u>	<u>-</u>
Fund Balance, July 1	<u>38,242</u>	<u>-</u>	<u>38,242</u>	<u>32,601</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 5,670</u>	<u>\$ -</u>	<u>\$ 5,670</u>	<u>\$ 29</u>	<u>\$ 5,641</u>

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 1,785,310	\$ 1,615,493	\$ 1,490,196	\$ 1,416,818	\$ 1,333,244	\$ 876,115	\$ (3,321,193)	\$ 753,135	\$ 700,721	\$ 653,746
Restricted	698,328	640,788	536,365	459,184	685,041	444,092	4,634,633	313,960	255,147	195,204
Unrestricted	(467,149)	(582,530)	(599,227)	(627,684)	(772,184)	(611,721)	(520,868)	(468,808)	37,026	51,031
Total Governmental Activities Net Position	\$ 2,016,489	\$ 1,673,751	\$ 1,427,334	\$ 1,248,318	\$ 46,101	\$ 708,486	\$ 792,572	\$ 598,287	\$ 992,894	\$ 899,981
Business-Type Activities:										
Unrestricted	52,403	47,888	48,005	45,355	43,426	36,343	32,955	22,089	9,141	3,978
Total Business-Type Activities Net Position	\$ 52,403	\$ 47,888	\$ 48,005	\$ 45,355	\$ 43,426	\$ 36,343	\$ 32,955	\$ 22,089	\$ 9,141	\$ 3,978
Government-Wide:										
Net Investment in Capital Assets	\$ 1,785,310	\$ 1,615,493	\$ 1,490,196	\$ 1,416,818	\$ 1,333,244	\$ 876,115	\$ (3,321,193)	\$ 753,135	\$ 700,721	\$ 653,746
Restricted	698,328	640,788	536,365	459,184	685,041	444,092	4,463,433	313,960	255,147	195,204
Unrestricted	(414,746)	(534,642)	(551,222)	(582,329)	(728,757)	(575,378)	(487,913)	(446,719)	46,167	55,009
Total Government Net Position	\$ 2,068,892	\$ 1,721,639	\$ 1,475,339	\$ 1,293,673	\$ 1,289,528	\$ 744,829	\$ 654,327	\$ 620,376	\$ 1,002,035	\$ 903,959

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Instruction:										
Regular	\$ 1,241,084	\$ 981,441	\$ 1,570,315	\$ 1,680,121	\$ 1,893,741	\$ 809,196	\$ 782,949	\$ 759,508	\$ 782,546	\$ 810,565
Special Education	404,449	310,345	427,175	454,626	504,486	304,641	288,604	234,155	262,333	202,222
Other Special Instruction	122,942	213,441	405,536	376,234	393,915	173,942	172,790	196,293	118,659	115,063
Support Services & Undistributed Costs:										
Tuition	63,711	57,307	181,814	372,607	243,557	116,573	116,245	111,093	31,777	2,018
Attendance & Social Work Services	106,674	110,139	-	-	-	-	-	-	-	-
Health Services	66,580	69,038	-	-	-	-	-	-	-	-
Student & Instruction Related Services	253,333	240,414	479,841	409,812	409,082	303,292	306,413	336,432	319,782	305,282
Library	595	595	-	-	-	-	-	-	-	-
Instructional Staff Training	1,027	2,042	-	-	-	-	-	-	-	-
Other Administrative Services	-	-	232,508	186,653	170,030	129,955	143,647	149,575	137,429	139,673
Central Services	-	-	86,932	99,032	97,772	74,718	78,125	79,916	60,282	63,128
School Administrative Services	7,958	3,000	3,957	3,228	3,304	-	-	-	-	-
General Administrative Services	166,614	145,592	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	219,325	203,992	263,319	231,821	216,743	162,146	155,309	168,808	167,951	160,282
Pupil Transportation	135,184	193,227	263,250	266,035	223,357	147,177	146,917	163,126	132,304	131,066
Business & Other Support Services	66,912	65,000	-	-	-	-	-	-	-	-
Unallocated Benefits	838,800	909,503.00	-	-	-	866,532	1,095,038	829,922	598,009	606,927
On Behalf TPAP Pension and Social Security Contributions	242,572	603,806	-	-	-	-	-	-	-	-
Interest & Other Charges	-	-	115,990	124,840	141,899	128,203	50,290	41,050	45,550	49,850
Interest on Long-Term Debt	96,846	106,709	-	-	-	-	-	-	-	-
Unallocated Depreciation	198,473	201,286	-	-	-	62,052	62,357	62,586	63,025	63,478
Total Governmental Activities Expenses	4,233,079	4,416,877	4,030,637	4,205,009	4,297,886	3,278,427	3,398,684	3,132,464	2,719,647	2,649,554
Business-Type Activities:										
Afterschool Program	17,263	117	10,262	15,245	12,782	7,903	13,680	14,957	13,086	14,592
Total Business-Type Activities Expense	17,263	117	10,262	15,245	12,782	7,903	13,680	14,957	13,086	14,592
Total District Expenses	\$ 4,250,342	\$ 4,416,994	\$ 4,040,899	\$ 4,220,254	\$ 4,310,668	\$ 3,286,330	\$ 3,412,364	\$ 3,147,421	\$ 2,732,733	\$ 2,664,146
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,068,235	\$ 1,190,334	\$ 741,432	\$ 954,919	\$ 1,230,569	\$ 476,857	\$ 701,634	\$ 551,784	\$ 304,895	\$ 347,554
Total Governmental Activities Program Revenues	1,068,235	1,190,334	741,432	954,919	1,230,569	476,857	701,634	551,784	304,895	347,554

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-Type Activities: Charges for Services:	-	-	12,913	17,174	19,865	11,291	24,546	27,905	18,249	17,229
Total Business Type Activities Program Revenues	21,778	-	12,913	17,174	19,865	11,291	24,546	27,905	18,249	17,229
Total District Program Revenues	\$ 1,090,013	\$ 1,190,334	\$ 754,345	\$ 972,093	\$ 1,250,434	\$ 488,148	\$ 726,180	\$ 579,689	\$ 323,144	\$ 364,783
Net (Expense)/Revenue:										
Governmental Activities	\$ (3,164,844)	\$ (3,226,543)	\$ (3,289,205)	\$ (3,250,090)	\$ (3,067,317)	\$ (2,801,570)	\$ (2,697,050)	\$ (2,580,680)	\$ (2,414,752)	\$ (2,302,000)
Business-Type Activities	4,515	(117)	2,650	1,928	7,083	3,388	10,866	12,948	5,163	2,637
Total Government-Wide Net Expense	\$ (3,160,329)	\$ (3,226,660)	\$ (3,286,555)	\$ (3,248,162)	\$ (3,060,234)	\$ (2,798,182)	\$ (2,686,184)	\$ (2,567,732)	\$ (2,409,589)	\$ (2,299,363)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	\$ 2,501,851	\$ 2,427,234	\$ 2,379,641	\$ 2,152,212	\$ 2,110,012	\$ 1,901,135	\$ 1,863,858	\$ 1,827,312	\$ 1,650,760	\$ 1,618,392
Taxes Levied for Debt Service	265,379	292,205	299,958	255,473	268,532	244,904	104,771	104,506	104,115	103,539
Federal & State Aid Not Restricted	721,729	709,550	786,168	829,912	812,035	721,600	727,361	724,168	722,034	718,789
Miscellaneous Revenue	18,623	41,552	2,455	7,709	10,697	6,445	9,645	18,012	14,856	2,215
Tuition Received	-	-	-	7,000	18,400	14,600	14,500	14,500	15,900	9,200
Special Item- Adjustment to Capital Assets	-	-	-	-	385,258	-	-	-	-	-
Total Governmental Activities	\$ 3,507,582	\$ 3,470,541	\$ 3,468,222	\$ 3,252,306	\$ 3,604,934	\$ 2,888,684	\$ 2,720,135	\$ 2,688,498	\$ 2,507,665	\$ 2,452,135
Total District-Wide	\$ 3,507,582	\$ 3,470,541	\$ 3,468,222	\$ 3,252,306	\$ 3,604,934	\$ 2,888,684	\$ 2,720,135	\$ 2,688,498	\$ 2,507,665	\$ 2,452,135
Change in Net Position:										
Governmental Activities	\$ 342,738	\$ 243,998	\$ 179,017	\$ 2,216	\$ 537,617	\$ 87,114	\$ 23,085	\$ 107,818	\$ 92,913	\$ 150,135
Business-Type Activities	4,515	(117)	2,650	1,928	7,083	3,388	10,866	12,948	5,163	2,637
Total District	\$ 347,253	\$ 243,881	\$ 181,667	\$ 4,144	\$ 544,700	\$ 90,502	\$ 33,951	\$ 120,766	\$ 98,076	\$ 152,772

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

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 696,770	\$ 605,278	\$ 498,123	\$ 421,129	\$ 483,092	\$ 387,305	\$ 282,296	\$ 330,263	\$ 273,554	\$ 216,680
Assigned	45,940	16,874	25,647	7,574	1,991	3,337	77,105	676	870	-
Unassigned	229,575	202,769	200,953	213,725	199,939	193,893	195,185	194,364	187,976	184,700
Total General Fund	\$ 972,285	\$ 824,921	\$ 724,723	\$ 642,428	\$ 685,022	\$ 584,535	\$ 554,586	\$ 525,303	\$ 462,400	\$ 401,380
All Other Governmental Funds:										
Assigned, Reported in:										
Capital Projects Fund	-	-	-	26,010	144,884	1,916,314	4,134,360	2,389	2,389	2,389
Debt Service Fund	29	32,601	38,242	12,908	57,065	56,787	587	7	9	5
Student Activities	1,529	2,909	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	(1,761)	(4,453)	(2,187)	(3,357)	(3,307)	(3,543)	(3,543)	(3,305)	(2,600)	(2,991)
Total All Other Governmental Funds	\$ (203)	\$ 31,057	\$ 36,055	\$ 35,561	\$ 198,642	\$ 1,969,558	\$ 4,131,404	\$ (909)	\$ (202)	\$ (597)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Tax Levy	\$ 2,767,230	\$ 2,719,439	\$ 2,679,599	\$ 2,407,685	\$ 2,378,544	\$ 2,146,039	\$ 1,968,629	\$ 1,931,818	\$ 1,754,875	\$ 1,721,931
Tuition Charges	-	-	-	7,000	18,400	14,600	14,500	14,500	15,900	9,200
Miscellaneous	18,623	41,552	2,455	7,709	10,697	6,445	9,645	18,012	14,856	2,216
State Sources	1,416,752	1,332,760	1,276,764	1,311,512	1,223,887	1,100,558	1,047,890	992,413	937,497	983,580
Federal Sources	490,393	146,236	79,353	115,553	87,271	97,899	95,485	94,720	89,432	82,763
Total Revenue	4,692,998	4,239,987	4,038,171	3,849,458	3,718,799	3,365,541	3,136,149	3,051,463	2,812,560	2,799,690
Expenditures										
Current Expense:										
Instruction	1,768,475	1,505,227	1,337,370	1,320,393	1,278,444	1,287,779	1,244,343	1,189,956	1,163,538	1,127,850
Undistributed Expenditures	2,362,200	2,204,614	2,188,231	2,187,335	1,919,443	1,744,462	1,703,431	1,640,961	1,429,857	1,396,368
Capital Outlay	20,000	11,583	-	118,874	1,771,431	2,218,046	261,029	-	-	-
Debt Service	426,219	425,782	429,781	428,531	419,911	247,151	158,750	158,350	157,750	156,950
Total Expenditures	4,576,894	4,147,206	3,955,382	4,055,134	5,389,228	5,497,438	3,367,553	2,989,267	2,751,145	2,681,168
Excess (Deficiency) of Revenues Over/(Under) Expenditures	116,104	92,781	82,789	(205,675)	(1,670,429)	(2,131,897)	(231,404)	62,196	61,415	118,522
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	-	4,393,000	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	4,393,000	-	-	-
Net Change in Fund Balances	\$ 116,104	\$ 92,781	\$ 82,789	\$(205,675)	\$(1,670,429)	\$(2,131,897)	\$ 4,161,596	\$ 62,196	\$ 61,415	\$ 118,522
Debt Service as a Percentage of Noncapital Expenditures	10.32%	11.48%	12.19%	11.82%	8.45%	4.71%	4.95%	5.59%	6.08%	6.22%

Source: District records

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

FISCAL YEAR ENDING <u>JUNE 30,</u>	INTEREST ON <u>INVESTMENTS</u>	TUITION <u>OTHER</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2022	\$ -	\$ -	\$ 9,034	\$ 9,034
2021	-	-	35,069	35,069
2020	175	-	2,184	2,359
2019	3,191	7,000	4,348	14,538
2018	2,029	18,400	7,807	28,236
2017	-	14,600	2,041	16,641
2016	-	14,500	4,936	19,436
2015	-	14,500	12,134	26,634
2014	-	15,900	14,852	30,752
2013	1,035	9,200	1,176	11,411
Total	<u>6,429</u>	<u>94,100</u>	<u>93,581</u>	<u>194,110</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2022	\$ 21,061,900	\$ 179,948,400	\$ 2,330,456	\$ 234,974,700	\$ -	\$ 234,974,700	1.833	\$ 251,137,900
2021	21,963,900	178,173,600	28,135,000	234,078,200	-	267,849,200	1.833	234,078,200
2020	22,282,100	176,853,600	28,974,600	233,917,100	-	267,769,600	1.163	267,769,600
2019	22,332,100	177,802,400	28,752,200	233,786,200	-	233,786,200	1.146	233,786,200
2018	22,863,600	177,642,500	28,898,200	234,303,700	-	234,303,700	1.028	234,303,700
2017	25,549,100	176,936,900	28,113,700	235,749,600	-	235,749,600	1.628	235,749,600
2016	26,046,300	177,811,600	29,041,400	237,970,700	-	237,970,700	1.537	237,970,700
2015	25,145,900	178,845,900	29,983,700	239,066,900	-	239,066,900	1.452	246,639,134
2014	27,018,000	180,405,800	29,865,300	242,369,800	434,584	242,804,384	1.411	254,981,708
2013	25,860,200	182,014,100	29,239,800	242,194,800	434,584	242,629,384	1.335	264,047,789

Source: Ocean County Abstract of Ratables

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

FISCAL YEAR ENDED JUNE 30,	OVERLAPPING RATES					
	<u>SCHOOL DISTRICT DIRECT RATE</u>			TOWNSHIP OF EAGLESWOOD	OCEAN COUNTY	TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT			
2022	1.160	0.664	1.824	0.443	0.393	2.660
2021	1.182	0.651	1.833	0.425	0.335	2.593
2020	1.206	0.667	1.873	0.493	0.346	2.712
2019	1.146	0.667	1.813	0.416	0.336	2.565
2018	1.028	0.624	1.652	0.418	0.324	2.394
2017	1.009	0.619	1.628	0.415	0.342	2.385
2016	0.902	0.635	1.537	0.406	0.358	2.301
2015	0.823	0.629	1.452	0.398	0.423	2.273
2014	0.796	0.615	1.411	0.388	0.399	2.198
2013	0.723	0.612	1.335	0.379	0.412	2.126

Source: Ocean County Abstract of Ratables

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

Taxpayer	2022		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

\$	-	-
----	---	---

Taxpayer	2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$	-	-
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Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2022	\$ 2,767,230	\$ 2,767,230	100%
2021	2,719,439	2,719,439	100%
2020	2,679,599	2,679,599	100%
2019	2,407,685	2,407,685	100%
2018	2,378,544	2,378,544	100%
2017	2,146,039	2,146,039	100%
2016	1,968,629	1,968,629	100%
2015	1,931,818	1,931,818	100%
2014	1,721,931	1,721,931	100%
2013	1,721,931	1,721,931	100%

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

DEBT CAPACITY INFORMATION

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

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA
	GENERAL OBLIGATION BONDS	LOANS PAYABLE	TOTAL DISTRICT	
2022	\$ 3,565,000	\$ -	\$ 3,565,000	\$ 2,041
2021	3,890,000	-	3,890,000	2,259
2020	4,205,000	-	4,205,000	2,600
2019	4,515,000	-	4,515,000	2,817
2018	4,815,000	-	4,815,000	3,009
2017	5,098,000	-	5,098,000	3,194
2016	5,184,250	-	5,184,250	3,261
2015	950,000	-	950,000	596
2014	1,065,000	-	1,065,000	670
2013	1,175,000	-	1,175,000	737

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

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

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2022	N/A	\$ 267,849,200	\$ 3,565,000	1.45%	2,259
2021	1,747	267,849,200	3,890,000	1.45%	2,259
2020	1,613	267,769,600	4,205,000	1.57%	2,600
2019	1,606	233,786,200	4,515,000	1.93%	2,808
2018	1,602	234,303,700	4,815,000	2.06%	2,989
2017	1,599	235,749,600	5,098,000	2.16%	3,180
2016	1,593	237,970,700	5,184,250	2.18%	3,230
2015	1,596	239,066,900	950,000	0.40%	594
2014	1,592	242,804,384	1,065,000	0.44%	664
2013	1,596	242,629,384	1,175,000	0.48%	733

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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Eagleswood	\$ 3,380,000	100%	\$ 3,380,000
Other Debt:			
County of Ocean - Township's Share (%)	490,104,150	0.25%	<u>1,232,997</u>
Subtotal, Overlapping Debt			1,187,557.21
Eagleswood Township School District Direct Debt			<u>3,565,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 5,392,557.21</u></u>

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 5,985,470	\$ 5,891,748	\$ 5,753,764	\$ 5,691,215	\$ 5,963,886	\$ 6,002,852	\$ 6,045,612	\$ 6,169,978	\$ 6,399,543	\$ 4,431,248
Total Net Debt Applicable to Limit	3,565,000	3,890,000	4,205,000	4,515,000	4,515,000	5,098,000	5,223,000	950,000	1,065,000	1,175,000
Legal Debt Margin	\$ 2,420,470	\$ 2,001,748	\$ 1,548,764	\$ 1,176,215	\$ 1,448,886	\$ 904,852	\$ 822,612	\$ 5,219,978	\$ 5,334,543	\$ 3,256,248
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59.56%	66.02%	73.08%	79.33%	75.71%	84.93%	86.39%	15.40%	16.64%	26.52%

Legal Debt Margin Calculation

	Equalized Valuation Basis
2021	\$ 242,064,952
2020	\$ 236,926,061
2019	\$ 239,265,377
	<u>\$ 718,256,390</u>
	<u>\$ 239,418,797</u>
	<u>\$ 5,985,470</u>
	<u>\$ 3,565,000</u>
	<u>\$ 2,420,470</u>

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

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

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DEMOGRAPHIC AND ECONOMIC STATISTICS
& OPERATING INFORMATION

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**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	OCEAN COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE
2022	1,747	N/A	N/A	7.50%
2021	1,722	N/A	N/A	5.80%
2020	1,617	92,725,248	57,344	4.80%
2019	1,603	85,787,751	53,517	4.80%
2018	1,600	82,760,000	51,725	6.00%
2017	1,596	80,368,176	50,356	6.50%
2016	1,590	77,633,340	48,826	6.80%
2015	1,593	75,296,331	47,267	8.90%
2014	1,590	71,863,230	45,197	7.00%
2013	1,594	69,391,602	43,533	9.50%

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2022		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
	DATA NOT AVAILABLE		
Total	-		0.00%
Total Employment - (Estimated)	-		
	DATA NOT AVAILABLE		
	DATA NOT AVAILABLE		
	DATA NOT AVAILABLE		
	2013		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
	DATA NOT AVAILABLE		
Total	-		0.00%
Total Employment - 2013 (Estimated)	-		

Source: Ocean County Department of Economic Development and Tourism;
The Township of Eagleswood, Official Statements

N/A - Information was not available at reporting time

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	15	15	14	14	14	14	14	14	14	14
Special Education	5	5	5	5	5	5	5	5	5	5
Other Support Instruction Vocational	6	6	6	4	4	4	4	6	5	4
Support Services:										
Health Services	1	1	1	1	1	1	1	1	1	1
Student & Instruction Related Services										
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services										
Central Services										
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant Operations & Maintenance	2	2	2	2	2	2	2	2	2	2
Pupil Transportation										
Total	33	33	32	30	30	30	30	32	31	30

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2022	139	\$ 3,631,701	20,688	-13.19%	19	7	138.8	128.1	-4.62%	92.29%
2021	140	2,896,374	20,688	-13.19%	19	7	139.7	134.3	9.61%	96.11%
2020	131	3,121,957	23,832	-15.47%	19	9.1	131.0	122.5	7.29%	93.51%
2019	128	3,608,586	28,192	4.69%	19	9.1	122.1	127.2	-8.88%	104.18%
2018	134	3,608,586	26,930	14.87%	19	8.1	134.0	133.2	-5.10%	99.40%
2017	144	3,375,939	23,444	11.97%	19	8.1	141.2	134.9	-7.29%	95.54%
2016	153	3,203,384	20,937	6.17%	19	8.1	152.3	146.6	10.20%	96.26%
2015	143	2,819,943	19,720	8.47%	19	7.2	138.2	132.4	-3.02%	95.80%
2014	143	2,599,822	18,181	3.28%	19	7.5	142.5	134.5	4.86%	94.39%
2013	137	2,411,542	17,602	11.13%	19	7.2	135.9	127.7	-3.62%	93.97%

Sources: District records

Note: Enrollment based on annual October district count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
- b. Teaching staff includes only full-time equivalents of certificated staff.
- c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>DISTRICT BUILDINGS</u>										
Elementary Schools:										
Administration Offices:										
Square Feet	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Capacity	200	200	200	200	200	175	175	175	175	175
Enrollment	139	140	131	128	134	144	153	143	143	137

Number of Schools at June 30, 2022:
Elementary = 1

Source: District Facilities Office, District Records

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

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

<u>SCHOOL FACILITIES</u>	<u>PROJECT NUMBER</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Elementary School: Eagleswood	N/A	\$ 79,867	\$ 38,062	\$ 56,270	\$ 40,196	\$ 38,568	\$ 43,890	\$ 48,451	\$ 47,353	\$ 57,089	\$ 53,683
Grand Total		\$ 79,867	\$ 38,062	\$ 56,270	\$ 40,196	\$ 38,568	\$ 43,890	\$ 48,451	\$ 47,353	\$ 57,089	\$ 53,683

Source: District Records

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

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

Source: District Records

SINGLE AUDIT SECTION

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Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Eagleswood Township School District (the “School District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated March 17, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses, described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001, 2022-002 and 2022-003.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and are described in the accompanying schedule of findings and questioned costs as Finding No. 2022-001, 2022-002 and 2022-003.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

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

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

Medford, New Jersey
March 17, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

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

Report on Compliance for Each Major State Program

Qualified Opinion

We have audited the Eagleswood Township School District's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2022. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on State Aid Public

In our opinion, the School District did not comply, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Aid Public for the year ended June 30, 2022.

Basis for Qualified Opinion

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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion State Aid Public

As described in the accompanying schedule of findings and questioned costs, the School District did not comply with requirements regarding State Aid Public, as described in Finding No's 2022-002 and 2022-003.

Compliance with such requirements is necessary, in our opinion, for the School District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of School District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the New Jersey OMB’s Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as Finding No’s 2022-004, 2022-005 and 2022-006. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the School District’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor’s Management Report on Administrative Findings- Financial, Compliance and Performances as Finding No. 2022-002 that we consider to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the School District’s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School District’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
March 17, 2023

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/PASS - THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2022	UNEARNED REVENUE JUNE 30, 2022	DUO TO GRANTOR 2022
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
Title I Part A	84.010	S010A210030	100-034-5064-194	\$ 27,752	7/1/21-9/30/22	\$ -	\$ -	\$ 4,831	\$ (20,604)	\$ -	\$ (15,773)	\$ -	\$ -
Title I Part A	84.010	S010A200030	100-034-5064-194	26,811	7/1/20-9/30/21	(11,491)	-	11,491	-	-	-	-	-
Title I Part A	84.010	S010A190030	100-034-5064-194	25,348	7/1/19-9/30/20	6,572	-	-	-	-	-	-	6,572
Subtotal						(4,919)	-	16,322	(20,604)	-	(15,773)	-	6,572
Title II Part A	84.367A	S367A210029	100-034-5063-290	4,520	7/1/21-9/30/22	-	-	4,520	(4,520)	-	-	-	-
Title IV Part A	84.424	S424A210031	100-034-5069-031	10,000	7/1/21-9/30/22	-	-	10,000	(10,000)	-	-	-	-
Title IV Part A	84.424	S424A190031	100-034-5069-031	10,000	7/1/20-9/30/21	(990)	-	990	-	-	-	-	-
Subtotal						(990)	-	10,990	(10,000)	-	-	-	-
Rural Education Achievement Program	84.358A	S358A213891	Unavailable	15,751	7/1/21-9/30/22	-	-	15,751	(12,068)	-	-	3,683	-
Rural Education Achievement Program	84.358A	S358A203891	Unavailable	19,142	7/1/20-9/30/21	8,135	-	-	(8,135)	-	-	-	-
Subtotal						8,135	-	15,751	(20,203)	-	-	3,683	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	100-034-5065-016	43,296	7/1/21-9/30/22	-	-	2,563	(34,886)	-	(32,323)	-	-
ARP I.D.E.A. Part B, Basic Regular	84.027x	H027X210100	100-034-5065-094	6,537	7/1/21-9/30/22	-	-	6,537	(6,537)	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	42,271	7/1/20-9/30/21	(4,684)	-	4,684	-	-	-	-	-
Subtotal						(4,684)	-	13,784	(41,423)	-	(32,323)	-	-
I.D.E.A. Preschool	84.173	H173A210114	100-034-5065-020	3,271	7/1/21-9/30/22	-	-	1,963	(3,494)	-	(1,531)	-	-
ARP I.D.E.A. Preschool	84.173x	H173X210114	100-034-5065-095	557	7/1/21-9/30/22	-	-	334	(334)	-	-	-	-
I.D.E.A. Preschool	84.173	H173A200114	100-034-5065-020	3,230	7/1/20-9/30/21	(969)	-	969	-	-	-	-	-
Subtotal						(969)	-	3,266	(3,828)	-	(1,531)	-	-
Total Special Education Cluster						(5,653)	-	17,050	(45,251)	-	(33,854)	-	-
COVID-19 CARES Emergency Relief Grant	84.425D	S425D200027	100-034-5120-513	20,375	3/13/20-9/30/23	(2,179)	-	2,179	-	-	-	-	-
COVID-19 CRRSA ESSER II	84.425D	S425D210027	100-034-5120-518	90,086	3/13/20-9/30/23	(5,834)	-	28,955	(83,267)	-	(60,146)	-	-
COVID-19 Learning Acceleration	84.425U	S425U210027	100-034-5120-518	50,000	3/13/20-9/30/24	-	-	-	(5,555)	-	(5,555)	-	-
COVID-19 Mental Health	84.425U	S425U210027	100-034-5120-518	45,000	3/13/20-9/30/24	-	-	-	(20,000)	-	(20,000)	-	-
COVID-19 CRRSA ESSER III	84.425U	S425U210027	100-034-5120-518	202,463	3/13/20-9/30/24	-	-	-	(165,352)	-	(165,352)	-	-
ARP Mental Health ESSER III	84.425U	S425U210027	100-034-5120-518	45,000	3/13/20-9/30/24	(8,013)	-	31,134	(75,452)	-	(326,505)	-	-
Subtotal						(11,440)	-	95,767	(450,204)	-	(376,132)	3,683	6,572
Total U.S. Department of Education						\$ (11,440)	\$ -	\$ 95,767	\$ (450,204)	\$ -	\$ (376,132)	\$ 3,683	\$ 6,572
Total Expenditures of Federal Awards													

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

EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	JUNE 30, 2022		MEMO	
								(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
STATE DEPARTMENT OF EDUCATION:											
General Fund:											
Special Education Categorical Aid	495-034-5120-089	\$ 91,218	7/1/21-6/30/22	\$ -	\$ 91,218	\$ (91,218)	\$ -	\$ -	\$ -	\$ 9,168	\$ 91,218
Security Aid	495-034-5120-084	36,819	7/1/21-6/30/22	-	36,819	(36,819)	-	-	-	3,700	36,819
Equalization Aid	495-034-5120-078	349,957	7/1/21-6/30/22	-	349,957	(349,957)	-	-	-	35,176	349,957
Total State Aid- Public					477,994	(477,994)	-	-	-	48,044	477,994
Transportation Aid	495-034-5120-014	59,476	7/1/21-6/30/22	-	59,476	(59,476)	-	-	-	5,978	59,476
Nonpublic Transportation	495-034-5120-014	290	7/1/21-6/30/22	-	-	(290)	-	(290)	-	-	290
Nonpublic Transportation	495-034-5120-014	870	7/1/20-6/30/21	(870)	-	-	-	-	-	-	-
School Security Grant	588-034-5120-001	20,000	7/1/21-6/30/22	-	20,000	(20,000)	-	-	-	-	20,000
Extraordinary Aid- Current Year	495-034-5120-044	33,307	7/1/21-6/30/22	-	-	(33,307)	-	(33,307)	-	-	33,307
Extraordinary Aid- Prior Year	495-034-5120-044	8,315	7/1/20-6/30/21	(8,315)	8,315	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution- Current Year	495-034-5095-003	105,192	7/1/21-6/30/22	-	100,225	(105,192)	-	(4,967)	-	-	105,192
Reimbursed TPAF Social Security Contribution- Prior Year	495-034-5095-003	97,051	7/1/20-6/30/21	(5,448)	5,448	-	-	-	-	-	-
Noncash Assistance: On-Behalf TPAF Pension	100-034-5095-002	461,543	7/1/21-6/30/22	-	461,543	(461,543)	-	-	-	-	461,543
On-Behalf TPAF Post-Retirement Medical	100-034-5095-001	107,835	7/1/21-6/30/22	-	107,835	(107,835)	-	-	-	-	107,835
On-Behalf TPAF Long Term Disability Insurance Contribution	100-034-5095-004	149	7/1/21-6/30/22	-	149	(149)	-	-	-	-	149
Total General Fund				(14,633)	1,241,855	(1,265,786)	-	(38,564)	-	54,022	1,265,786
Special Revenue Fund											
Preschool Education Aid	495-034-5120-086	17,612	7/1/21-6/30/22	-	17,612	(17,612)	-	-	-	1,761	17,612
Total Special Revenue Fund					17,612	(17,612)	-	-	-	1,761	17,612
Debt Service Fund											
Debt Service Type II	495-034-5120-125	128,268	7/1/21-6/30/22	-	128,268	(128,268)	-	-	-	-	128,268
Total Debt Service Fund					128,268	(128,268)	-	-	-	-	128,268
Total State Financial Assistance				(14,633)	1,387,735	(1,411,666)	-	(38,564)	-	55,783	1,411,666
State Financial Assistance Programs not subject to Calculation for Major Program Determination:											
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	461,543	7/1/21-6/30/22							461,543	
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	107,835	7/1/21-6/30/22							107,835	
On-Behalf TPAF Long Term Disability Insurance Contribution	100-034-5095-004	149	7/1/21-6/30/22							149	
Total State Financial Assistance subject to Calculation for Major Program Determination										<u>\$ (842,139)</u>	

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

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2022. 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, 2022.

Note 3. Relationship to Basic Financial Statements

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

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,394 for the general fund and \$42,881 for the special revenue fund. See Exhibit C-3 of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District’s basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,268,180	\$ 1,268,180
Special Revenue Fund	490,393	20,304	510,697
Debt Service Fund	-	128,268	128,268
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 490,393</u>	<u>\$ 1,416,752</u>	<u>\$ 1,907,145</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Eagleswood Township School District had no loan balances outstanding at June 30, 2022.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? X yes no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

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

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

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

Identification of major programs:

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

Dollar threshold used to determine Type A programs

Auditee qualified as low-risk auditee? yes no

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? X yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid Public:
495-034-5120-084	Equalization Aid
495-034-5120-089	Security Aid
	Special Education Categorical Aid

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

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

Finding No 2022-001:

Criteria or Specific Requirement:

N.J.A.C 6A:23A-7.13 requires proper supporting documentation and approvals are required for all receipts and disbursements of the School District.

Condition:

The District was unable to provide sufficient supporting documentation for various disbursements and receipts.

Cause:

Lack of oversight and District turnover.

Effect or Potential Effect:

Potential financial statement misstatement.

Recommendation:

That the District maintain supporting documents for all financial transactions per N.J.A.C. 6A:23A-7.13.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding No. 2022-002

Criteria or Specific Requirement:

School Districts must complete the District Report of Transported Resident Students (DRTRS) in accordance with requirements provided by the Office of School Finance, Department of Education, State of New Jersey. School Districts must complete work papers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the DRTRS report.

Condition:

The District did not retain supporting documentation for the DRTRS report.

Cause:

Lack of controls surrounding the DRTRS process.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (continued)

Finding No. 2022-002 (continued):

Effect or Potential Effect:

The DRTRS report could not be verified and may have an impact on the District’s State Aid allocation.

Recommendation:

That the District implement controls and retain supporting documentation for the DRTRS report.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding No. 2022-003

Criteria or Specific Requirement:

School Districts must complete the Application for State School Aid (ASSA) in accordance with requirements provided by the Office of School Finance, Department of Education, State of New Jersey. School Districts must complete work papers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the ASSA report.

Condition:

The District did not retain supporting documentation for the ASSA report.

Cause:

Lack of controls surrounding the ASSA process.

Effect or Potential Effect:

The ASSA report could not be verified and may have an impact on the District’s State Aid allocation.

Recommendation:

That the District implement controls and retain supporting documentation for the ASSA report.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

STATE FINANCIAL ASSISTANCE

Finding No. 2022-002

Information on the State Program

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

School Districts must complete the District Report of Transported Resident Students (DRTRS) in accordance with requirements provided by the Office of School Finance, Department of Education, State of New Jersey. School Districts must complete work papers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the DRTRS report.

Condition:

The District did not retain supporting documentation for the DRTRS report.

Questioned Costs:

None.

Context:

The District could not provide supporting documentation for the following categories: regular, special education, aid in lieu and special needs transported students.

Effect:

The DRTRS report could not be verified and may have an impact on the District’s State Aid allocation.

Cause:

Lack of controls surrounding the DRTRS process.

**EAGLEWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2022-002 (continued)

Recommendation:

That the District implement controls and retain supporting documentation for the DRTRS report.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

Finding No. 2022-003

Information on the State Program

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

School Districts must complete the Application for State School Aid (ASSA) in accordance with requirements provided by the Office of School Finance, Department of Education, State of New Jersey. School Districts must complete work papers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the ASSA report.

Condition:

The District did not retain supporting documentation for the ASSA report.

Questioned Costs:

None.

Context:

The District could not provide supporting documentation for the following categories: on-roll, private schools for the handicapped and low-income, and bilingual students.

Effect:

The ASSA report could not be verified and may have an impact on the District's State Aid allocation.

Cause:

Lack of controls surrounding the ASSA process.

EXHIBIT K-6

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2022-004

Information on the State Program

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-13.3(g) requires school districts to receive Commissioner approval or executive county superintendent as Commissioner’s designee for line item transfers to any administration appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

Condition:

The District could not provide documentation that it obtained approval for the line item transfers to any administration appropriation account that on a cumulative basis exceeded 10 percent.

Questioned Costs:

None.

Context:

The District could not provide documentation that approvals were obtained when transfers exceeded 10 percent of an administration appropriation account.

Effect:

The District did not comply with N.J.A.C. 6A:23A-13.3(g) requirements.

Cause:

Unknown

Recommendation:

That the District comply with N.J.A.C. 6A:23A-13.3(g) by receiving Commissioner approval or Executive County superintendent as Commissioner’s designee for line item transfers to any administration appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2022-005

Information on the State Program

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-13.3 requires school districts to receive Commissioner approval or executive county superintendent as Commissioner’s designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

Condition:

The District could not provide documentation that it obtained approval for the line item transfers from any general fund appropriation account that on a cumulative basis exceeded 10 percent.

Questioned Costs:

None.

Context:

The District could not provide documentation that approvals were obtained when transfers exceeded 10 percent of an appropriation account.

Effect:

The District did not comply with N.J.S.A. 18A:22-8.1 requirements.

Cause:

Unknown

Recommendation:

That the District comply with N.J.A.C. 6A:23A-13.3 by receiving Commissioner approval or Executive County superintendent as Commissioner’s designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs
(continued)**

Finding No. 2022-006

Information on the State Program:

State Aid Public:

Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084

Criteria or Specific Requirement:

N.J.S.A. 18A:17-10 requires Districts to file a copy of its annual report with the county superintendent on or before August 1st of each year.

Condition:

The District did not file a copy of its annual report with the county superintendent on or before August 1st as required.

Questioned Costs:

None.

Context:

The District could not provide documentation that it filed its annual report with the county superintendent.

Effect:

The District did not comply with N.J.S.A 18A:17-10.

Cause

Unknown

Recommendation:

That the District comply with N.J.S.A 18A:17-10 by filing a copy of its annual report with the county superintendent on or before August 1st of each year.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

FEDERAL AWARDS – N/A

**EAGLESWOOD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance –N/A