

Comprehensive Annual Financial Report

of the

Egg Harbor Township Board of Education

Egg Harbor Township, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Egg Harbor Township Board of Education

Business Administration

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-12
Organizational Chart	13
Roster of Officials	14
Consultants and Advisors	15
FINANCIAL SECTION	
Independent Auditor's Report	16-18
Required Supplementary Information - Part I	
Management's Discussion and Analysis	19-28
Basic Financial Statements	
A District-wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B Fund Financial Statement	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Financial Statements	39-65

TABLE OF CONTENTS (continued)

		Page
	Required Supplemental Information - Part II	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	66-77
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	78-79
	Notes to the Required Supplementary Information	
	C-3 Budget-to-GAAP Reconciliation	80
	Required Supplementary Information - Part III	
	RSI-3a Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	81
	RSI-3b Schedule of District Contributions (PERS)	82
	RSI-4a Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	83
	RSI-4b Schedule of District Contributions (TPAF)	84
	Other Supplementary Information	
D	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis	85-87
	E-2 Preschool Education aid Schedule of Expenditures - Budgetary Basis	N/A
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	88
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	89
	F-2a -	
	F-2k Schedules of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	90-100
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Net Position	N/A
	G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-3 Combining Statement of Cash Flows	N/A

TABLE OF CONTENTS (continued)

		Page
	Internal Service Fund:	
	G-4 Combining Statement of Net Position	N/A
	G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-6 Combining Statement of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	101
	H-2 Combining Statement of Changes in Fiduciary Net Position	102
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	103
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	104-105
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	106-107
	I-2 Schedule of Obligations under Capital Leases	108
	I-3 Debt Service Fund Budgetary Comparison Schedule	109
 STATISTICAL SECTION (Unaudited) 		
Introduction to the Statistical Section		
Financial Trends		
	J-1 Net Position by Component	110
	J-2 Changes in Net Position	111-113
	J-3 Fund Balances - Governmental Funds	114
	J-4 Changes in Fund Balances - Governmental Funds	115-116
	J-5 General Fund Other Local Revenue by Source	117
Revenue Capacity		
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	118
	J-7 Direct and Overlapping Property Tax Rates	119
	J-8 Principal Property Taxpayers	120
	J-9 Property Tax Levies and Collections	121
Debt Capacity		
	J-10 Ratios of Outstanding Debt by Type	122
	J-11 Ratios of General Bonded Debt Outstanding	123
	J-12 Direct and Overlapping Governmental Activities Debt	124
	J-13 Legal Debt Margin Information	125

TABLE OF CONTENTS (continued)

	Page
STATISTICAL SECTION (Unaudited) - continued	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	126
J-15 Principal Employers	127
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	128
J-17 Operating Statistics	129
J-18 School Building Information	130-131
J-19 Schedule of Required Maintenance Expenditures by School Facility	132
J-20 Insurance Schedule	133-134
SINGLE AUDIT SECTION	
K-1 Independent Auditor's Report - Government Auditing Standards	135-136
K-2 Independent Auditor's Report - OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	137-138
K-3 Schedule of Expenditures of Federal Awards, Schedule A	139
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	140
K-5 Notes to the Schedules of Awards and Financial Assistance	141-143
K-6 Schedule of Findings and Question Costs	
Part I - Summary of Auditor's Results	144-145
Part 2 - Schedule of Financial Statement Findings	146
Part 3 - Schedule of State Award Findings and Questioned Costs	146
K-7 Summary Schedule of Prior Audit Findings	146

Introductory Section

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December 7, 2015

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

The comprehensive annual financial report of the Township of Egg Harbor School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendment of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Township of Egg Harbor School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Township of Egg Harbor Board of Education and all its schools constitute the District's reporting entity.

For the 2014-2015 school year, the District's schools were organized as follows:

H. R. Swift School – This school houses a portion of the pre-kindergarten and the kindergarten through third grade classes. The pre-kindergarten classes are for handicapped children and are subsidized through a Federal Grant. Centralized registration offices, the Kids Klub (latchkey) coordinator and a child study team are located here in modular buildings. The school was built in 1956, and has undergone several renovations and additions in 1967, 1970 and 2003.

E. H. Slaybaugh School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District's pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District's second and third grade classes. The elementary school building was built in 1970 and was renovated in 1989 and 2003. The primary school building was constructed in 2007.

C. J. Davenport School Complex – There is a primary school building and elementary school building housed on this campus. The primary school houses a portion of the District’s pre-kindergarten and kindergarten through first grade classes. The elementary school houses a portion of the District’s second and third grade classes, as well as the elementary autistic special education program. The elementary school building was built in 1976 and renovated in 2003. The primary school was constructed in 2007.

Dr. Joyanne D. Miller School – This school houses the District’s entire fourth and fifth grade population. This building was constructed in 2003.

Alder Avenue Middle School – This school houses a portion of the District’s sixth through eighth grade classes. The Board of Education public meeting room is also at this location. The building was constructed in 1992, and was renovated in 2007.

Fernwood Avenue Middle School – The District’s remaining sixth, seventh and eighth grade classes are housed in this school. This school also has a large auditorium that is used by the community. This building was constructed in 1992.

EHT High School – The ninth, tenth, eleventh and twelfth grade classes are housed in this school. The Arthur O. Marinelli Athletic Field House is also on this site. This structure contains locker rooms for home and away teams, athletic trainer treatment room, boys’ and girls’ coaches’ offices, a concession stand and public rest rooms for sporting events. The athletic complex contains an artificial turf field that is used by a majority of the varsity school athletic programs. The building was constructed in 1983 and was renovated in 2003 and 2012.

Eagle Academy – This school is an alternative school for grades 7-12. The District is leasing this building from the Township of Egg Harbor. The school building is almost 100 years old. The district is currently upgrading the HVAC and electrical systems, and replacing all the windows. District officials are working with the Township officials to transfer title to the school district as the Township has no current planned use for this facility.

In addition to the basic elementary curriculum emphasizing English Language Arts and Mathematics, each District school provides:

- Remedial instruction
- Resource room instruction for classifiable learning disabilities
- Speech and language development services
- Occupational and physical therapy services
- Enrichment classes
- Computer instruction
- Art and music instruction
- STEM and media instruction
- Library programs
- Health and physical education
- Guidance and child study team services
- Full time nurses
- Before and after school child care (grades 1-5)

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The District provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational, as well as special education for handicapped children. The District completed the 2014-2015 fiscal year with an enrollment of 7,766 students. The average daily enrollment for 2014-2015 was 7,489 students, which is 19 students below the previous year's average daily enrollment. The following details the changes in the student enrollment in the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014/2015	7,489	-0.25%
2013/2014	7,508	-2.30%
2012/2013	7,685	-0.59%
2011/2012	7,731	-2.44%
2010/2011	7,924	2.71%
2009/2010	7,715	1.07%
2008/2009	7,633	0.71%
2007/2008	7,579	1.17%
2006/2007	7,491	2.80%
2005/2006	7,287	3.70%

2) **ECONOMIC CONDITION AND OUTLOOK:** The severe economic down-turn has continued to have an impact on our school district. The past explosive growth in residential real estate development from 2000 through 2010 has seen a marked decrease and the area's economic engine, the Atlantic City Casino industry, has not been immune to the recession. Recent casino closings have severely impacted the Egg Harbor Township residents with thousands of residents unemployed. The unemployment rate in the district is very high at 8.1% compared to the nation at 5.5%.

The NextGen Aviation and Technology Park, located at the Federal Aviation Administration's William J. Hughes Technical Center in Egg Harbor Township, was expected to add 2,000 new, stable, high-paying engineering and technical jobs to start, with more to follow. However, the park has faced continued difficulties, ranging from attracting tenants to alleged financial mismanagement by a top development official. The park and Richard Stockton College signed a memorandum of understanding that marks the end of one of the park's major hurdles and provides it with an established development partner. The college is supplementing the park's expenses for three to five years, and in exchange, the college would benefit from research opportunities and student internships.

The district has some exposure to the federal budget, as the Federal Aviation Administration employs a very large number of people, about 3,500, and the Air National Guard and US Coast Guard are also top employers in the district. There is some economic development, including a Walmart which is expected to be completed within the next 18 months adding to the commercial tax base.

Egg Harbor Township continues to be underfunded under the New Jersey state aid funding formula. Because of revenue caps that have been in existence under every funding formula since 2000, our district's state aid has not kept pace with the student population growth. During the 2014-15 school year, our calculated state aid was reduced by \$18,793,434 due to revenue caps and state aid freezes. This on-going state aid gap was financed through higher property taxes during this period. According to the funding formula, Egg Harbor Township's local fair share is for the 2014-15 school year was \$61,170,656 but the actual school property tax levy was \$71,015,418. The Governor's two percent tax levy cap coupled with current real estate market conditions are presenting challenges to maintaining student programs and current staffing levels.

3) **MAJOR INITIATIVES:** During the 2014-2015 school year the Egg Harbor Township School District successfully implemented the three major objectives as follows:

- A. To build capacity of all teachers to increase student engagement and learning through continued expansion and implementation of Science, Technology, Engineering, and Mathematics (STEM) across grades PK-12.

- B. To build capacity of all teachers to align instruction and assessment in preparation for and implementation of the ***Partnership for Assessment of Readiness for College and Careers (PARCC)***.
- C. To build capacity of all teachers to implement literacy strategies across all grade levels to improve student achievement.

In addition to meeting these goals, the district implemented a theme entitled – “Believe and Achieve.” The focus of this theme was to point students, teachers, staff, and administration to a focus on two key elements in our schools – student achievement and our character development program “Believe in You.” By marrying these two powerful concepts we saw improvements in academics due to focused attention on achievement.

The district implemented a variety of program components and emphasized using achievement data in both the formative and summative forms as well as through local, state and federal assessment tools and data.

The district also has continued to enjoy success in its energy conservation program by monitoring and modifying energy consumption. We have engaged in a multi-year program with Cenergistic, a national energy savings consulting firm, which resulted in nearly \$6 million in energy cost avoidance. We have enhanced that program with a new electricity demand response program through Enemroc, a national firm that works with utility companies to provide opportunities for payments in exchange for being on call to significantly reduce consumption during possible brownouts. Together these tools provide district leadership with valuable information that helps the district and its employees to save and maximize resources so we can continue to keep our focus on students and learning. Those efforts, beyond the direct cost avoidances, have brought grant money and positive recognition to the school district through a variety of media.

The Egg Harbor Township Board of Education and Administration continue to navigate the challenging times in our 21st Century as paradigms shift. We believe that working creatively, working efficiently, and working together as a community of learners we can and will continue to be “Proud to Be EHT!”

Curriculum and professional development activities:

1. The professional development structures and designs offered included:
 - a. District wide in-services
 - b. In service days which are building and/or district directed
 - c. Professional days – teacher choice
 - d. School Business days – District generated
 - e. Monthly staff meetings
 - f. Weekly Professional Learning Communities
 - g. Before, during, and after school building based opportunities
 - h. Summer workshops
 - i. NJEA convention attendance

Grade levels and/or departments were partnered. Teams utilized Professional Learning Community (PLC) time to review student work and collaborate about successful strategies. The District continues to use a modified version (as agreed upon through collaboration with the District Evaluation Advisory Committee) of the ***Charlotte Danielson Framework for Teaching and Learning***. Partnerships have been developed with Atlantic Cape Community College, Richard Stockton College and Rowan University for teacher preparation. Additional partnerships include Southern Regional Institute & Educational Technology Training Center (SRI & ETTC) and online and on-site professional development course offerings from New Jersey Education Association.

Common assessments (i.e. quarterly and trimester benchmark tests) were developed by teachers across the grade levels, inclusive of special education staff, during summer curriculum workshops/institutes sponsored by the District.

PLC’s, staff meetings, School Leadership Team and I & RS play a major role in providing additional feedback to supplement professional development needs assessment results in developing school professional development opportunities.

A district objective to emphasize literacy across the curriculum has prompted us to partner with the American Reading Company to provide job embedded professional development in English Language Arts. Professional development models include fishbowls, whole group, and individual training.

2. We continue to work on the alignment of curriculum to the **Common Core State Standards**, creating pacing guides and assessment tools to create learning experiences that allow students to integrate knowledge, skills, and methods of inquiry in all academic areas.
3. The District supports professional development needs by providing job-embedded opportunities to assist teachers in developing an expanding range of strategies to accommodate a wide array of student learners.
4. The District continues to address professional learning gaps not addressed in schools by sustaining learning communities through team, department, and grade level meetings regarding the different buildings' needs and concerns with a focus on data analysis.
5. The Egg Harbor School Township School District has increased contractual time for teachers to work in Professional Learning Communities by thirty minutes per week throughout all schools. Through this the District is able to support the development of productive team structures for teachers and administration to analyze data results to drive instruction.
6. The District plan is communicated to staff through school-based staff meetings and then posted on the District's common network server; which is accessible to all staff members. Furthermore, the plan is communicated to the community via www.eht.k12.nj.us. As part of a purposeful plan to increase and improve communication with the community, the District has created Egg Harbor Township Schools Facebook and Twitter accounts.
7. The connection between student goals and professional development opportunities includes the establishment of Professional Learning Communities which analyze data in order to guide future instruction and offer new professional development opportunities.
8. Two (2) in-service days in September, and one (1) in-service day in October and February, respectively, were provided aimed to address the district goal to build a culture that explores, embraces, measures and adapts to support individual student learning and achievement through STEM, PLC and literacy objectives..

Information Technology Services

During the 2014-2015 school year, the Information Technology Services Department dedicated itself in the following areas:

HARDWARE:

- A district wide inventory of hardware with the focus of maintaining the minimum 5/1 student computer ratios across the district was performed. Repairs tickets documented in the IT Direct application total 916. The number of Help Desk calls during the 2014-2015 school year totaled 4,172.
- Began to work to meet new requirements for wind loads of the WAN towers. The High School and Miller tower were completed in the 2014-15 school year. Davenport, Alder and Transportation towers will be addressed and completed in the 2015-16 school year.
- Replaced and upgraded the end of life voicemail/call attendant system for the District.
- In conjunction with Community Partnership for EHT Schools Education Foundation, we completed the build out of four (4) new computer labs at the Miller School.
- Continued replacement plan of District Data Network equipment such as switching devices and servers.
- Cutover the new Xtel communications for phone lines and internet bandwidth. This switch resulted in over \$30,000 savings a year over previous providers. This was accomplished through MRESC contract pricing.

CONSTRUCTION:

- Assisted with the planning and layout of computer technology, projection, KERI security door cards, and printing for the new Bridge Alternative School Program to open for the 2015-2016 school year.

TRAINING:

- The district regularly conducts building level and district level technology training and coordination with the assistance of the Director of Human Resources and the cooperation from the Southern Regional Institute & Educational Technology Training Center (ETTC). Our district hosts and facilitates any requests from the ETTC in order to have our faculty and staff be able to participate in technology training within our own district facilities. During the 2014-2015 school year, we fully utilized the hours attributed to our district.

EHT TV2:

- The community/district broadcast channel, EHT TV2 has continued to provide excellent programming during the 2014-2015 school year. These productions range from various High School sports and performing arts productions, informative sessions such as the "Superintendent's Round Table", and Township productions such as the "Mayor's Forum" and the filming of town hall meetings.
- The department utilizes the Telvue Video Message Board System and digital video servers for video programming. This also includes PEGTV video archives for distribution on the internet, live internet distribution of the EHTTV2 video channels and other emergency management features through the new interface. During the 2014-2015 school year, EHT TV2 responded quickly to emergency snow closures, township notifications and information, as well as school events and programming.

SOFTWARE/ASSESSMENTS/PARCC:

- Assisted in evaluating new Staff Evaluation systems which led to an agreement with OnCourse Evaluate
- Began the conversion process of moving from Novell Networks/Groupwise Email to Microsoft Networks and Exchange email to be completed the summer of 2015. This move results in an additional \$45,000 plus savings in licensing costs.
- Successfully conducted the PARCC test District wide through the use of the District computer labs, network servers, and internet service.

SECURITY:

- Focus in security projects has dealt with the maintenance and replacement of aging cameras and DVRs.
- Participation in crisis teams and continued evaluation of emergency procedures.

NJSMART (NJ Standards Measurement and Resource for Teaching)

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

STUDENT INFORMATION SYSTEM:

- Standard support and upgrades of Infinite Campus were conducted throughout the 2014-2015 school year. Changes in the look and feel related to HTML 5 occurred. As with past practice, we update a sample/staging database and allowed the school teacher trainers and key Infinite Campus users to evaluate and train before we completed the upgrade.

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ESEA-NCLB
FY 2015
July 1, 2014-June 30, 2015
Title I, II-A, III, III-Immigrant
Grant Implementation

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

Below are some exciting programs funded by ESEA-NCLB funds approved by the Board of Education:

1. An after school program during the 2014-2015 school year for 131 Miller School Title I students to enhance reading and math academic achievement. This program ran for 2 hours per week from November 2014 through April 2015. Transportation services home from the after-school services were also supplied for these Title I students.
2. Title I parent coordinators were hired at Davenport Elementary School (2) and Miller Elementary School (2) to educate Title I parents regarding the reading and math curricula and pacing guides in each grade level. They also instructed parents in PARCC, helping children with homework and how to meaningfully participate in parent-teacher conferences. Mandated Title I Needs Assessment, Parent-Student-Teacher compact, Parent's Right to Know and District/Building Board Policies on Parental Involvement were also discussed and received parental input Over 500+ parents and children attended these trainings during 2014-2015.
3. The EHT ESEA/NCLB website was improved to increase parent, teacher, student and administrator knowledge of ESEA/NCLB. The ELA and Math Pacing Guides for 2014-2015 were added and other academic websites were updated to increase parent participation and knowledge of ESEA/NCLB as well as various resources. PARCC websites were added to increase parental awareness of the standards and test skills needed by their children. During 2014-2015, the ESEA-NCLB district website received over 3,000 hits!
4. Test data analysts were hired through Title IIA funds. The purpose of these teacher data analysts was to identify student strengths and weaknesses on benchmark assessments to improve student test scores. Additional hours were given to Fernwood and the High School as they are identified RAC schools for 2014-2015.

Program objectives were consistent with Egg Harbor Township district goals established by the Board of Education and the new QSAC regulations. Consistent with New Jersey's nonpublic school regulations, the educational needs of the non-public schools, i.e. Atlantic Christian and English Creek Academy, were met via multiple consultations with the non-public officials.

English Language Learners: Egg Harbor Township completed and received approval for its 2014-2017 Three Year Program Plan. During 2014-2015, 228 ELL students district-wide received ELL services consistent with Title III. We have completed the development of a four year "cycle" for coursework with ELL high school students. This is designed to help ELL students meet required HSPA standards as well as the revised WIDA standards which are assessed by the ACCESS testing, additional state testing for ELL students.

Focus School Status for Fernwood Avenue Middle School and EHT High School

Based on state test data for three years (Spring 2009, 2010 and 2011), EHT High School and Fernwood Avenue Middle School continued to be designated as Focus Schools during 2014-2015. They received this designation as a result of having large achievement gaps within subgroups. They continued to receive ongoing visits from RAC Team 7 during 2014-2015.

Title I programs were implemented in the Targeted Assistance Title I Schools, i.e. Davenport and Miller Elementary Schools. Multiple assessment measures were used to determine eligibility. Examples of assessments used for eligibility and/or progress measurement were: American Reading Company EIRLA, trimester benchmark tests in ELA and Math and teacher recommendations. Title I funds paid for 18 split funded remedial teachers. The programs were as follows:

Davenport (K-3) and Miller Schools (4-5)

Eligible students were serviced in an in-class support or pull-out structure from 2 to 5 times per week for 30 to 40 minute sessions. Title I teachers reinforced the reading and math skills introduced by way of the newly revised pacing guides in ELA and Math. The revised pacing guides are aligned with the CCCS and teaching the necessary skills prior to state testing dates. This was the first year of the PARCC assessment. Although Spring 2015 PARCC was a baseline assessment, Title I teachers assisted students in the reading and math skills needed to take the assessment. A Phonics First Morning Program for Title I students was conducted with a total of 57 second and third grade Title I students attending. An after-school program was provided for 131 Miller Title I students.

Title I parents were provided with workshops by parent coordinators (Davenport and Miller), to inform them of the Title I regulations, how to monitor their child's performance, and how to work with their child to improve achievement. At both schools, parents were also instructed in how to use the EHT ESEA/NCLB website for educational opportunities for their children.

Title IIA funds were utilized to fully fund one Class Size Reduction teacher. They were also used to pay for the following stipend positions: Grades K-5 ELA and Math Trimester Test Data Analysis professionals and Grades 6-8 and grade 11 ELA and Math Quarterly Test Data Analysis Professionals.

Title III funds were utilized to pay for one split funded bilingual teacher and for one split funded ELL teacher as well as for instructional supplies.

Title III-Immigrant funds were utilized to support an after-school program for immigrant students at the EHT High School, Fernwood and Alder Avenue Middle Schools.

Non-Public School NCLB Activities

Title IIA funds were utilized to pay for professional conferences for Atlantic Christian School.

Individuals with Disabilities Education Act (IDEIA)

FY 2015

2014-2015

Grant Implementation

Once again FY 2015 IDEIA grant required that the district reserve 15% or \$270,651 that had to be allocated to Coordinated Early Intervention Services (CEIS) due to an over-representation of minorities in the special education population. In addition, CEIS funding was carried forward from the FY 2014 grant in the amount of \$170,054. The following was purchased using CEIS funds: license renewal for ST Math for the Miller School, Phonics First training for ELL, literacy coaches and reading specialist at the secondary level, American Reading coaching and instruction manuals for general education 6th grade teachers and 6-8th grade literacy coaches as well as low level high interest reading materials for use by at risk students who were struggling with reading in grade 6 through 8. In addition, 600 licenses of Think Through Math and two days of staff training were purchased for use with students in grades 6-8 who scored partially proficient on the ASK. To use Think Through Math, iPads and storage carts were purchased for each math teacher.

Throughout the 2012-2015 school year, CEIS funds were used to develop a space for students who exhibited behavioral issues in the high school. Computer equipment and furniture was purchased for use by these students. This program, known as Bridge, is for students who have been suspended repeatedly or who have been violent in the high school. It is designed as an alternative education program for students who otherwise would be on home instruction or at the County Alternative School due to their disruptive behaviors. It is a blended learning program where some instruction is conducted by teachers in the classroom and some instruction is conducted using online learning.

FY 2015 IDEIA funds again paid for approximately \$700,000 in out of district tuition placements for EHT disabled students from pre-school through grade 12. Such placements included Atlantic County Special Services School District, Cape May County Special Services, Gloucester County Special Services, Yale Academy, and Coastal Academy, among other private placements. As in the past, IDEIA funds also provided for an Out of District case manager/consultant, independent contractors to provide physical and occupational therapy services, translation services, independent evaluations, substitute sign language interpreter services and two CST secretaries. Funds also were used to purchase special instructional materials for the lower functioning students who require unique books, curriculum, etc. as well as special equipment for disabled students.

IDEIA funds also provided home instruction services for disabled students throughout the 2014-2015 school year. This permitted disabled students to continue to meet the goals of their IEPs.

In addition, IDEIA funds also were used to purchase testing supplies for the district's Child Study Teams and evaluation and instructional materials for the preschool disabled students. Funds also were used to pay for substitutes for teachers to attend annual review meetings as well as to provide for CST services throughout the summer for students referred late in the previous school year. Approximately \$350,000 was used to fund the Extended School Year program for those students who exhibit significant regression and require a long time to recoup the information.

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STUDENT TESTING

SCHOLASTIC APTITUDE TEST (SAT) Mean Scores – Class of 2015

Year	Test Takers	Reading	Math	Writing	Composite
2004-2005	228	507	510	n/a	1017
2005-2006	275	478	493	n/a	971
2006-2007	314	477	486	n/a	963
2007-2008	295	481	503	486	1470
2008-2009	328	477	498	470	1445
2009-2010	338	493	507	484	1484
2010-2011	403	477	497	475	1449
2011-2012	393	488	507	479	1474
2012-2013	413	490	504	485	1479
2013-2014	409	482	504	473	1459
2014-2015	417	492	508	478	1478

2014-2015 SCHOLASTIC APTITUDE TEST (SAT) EHTHS COMPARISONS WITH NJ AND NATIONAL SCORES

	Test-Takers	WRITING	MATH	READING
EHTHS	417	478	508	492
NEW JERSEY	85,021	499	521	500
NATIONAL	1,98,521	484	511	495

2015 GRADUATES CONTINUING EDUCATION

Year	Four-Year School	Two-Year School	Voc/Tech School	Military	Work
2005	39%	39%	26%		
2006	43%	41%	5%		
2007	40%	43%	5%		
2008	41%	45%	5%	2%	7%
2009	43%	42%	4%	4%	7%
2010	42%	42%	4%	4%	7%
2011	44%	42%	5%	4%	5%
2012	43%	42%	5%	4%	6%
2013	44%	43%	5%	4%	6%
2014	49%	34%	5%	7%	5%
2015	53%	32%	4%	6%	5%

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

- 7) **DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issues included \$63,635,000 in refunding bonds and \$24,425,000 in general obligation bonds. The proceeds of these bond issues were to provide funds for capital improvement to the District's buildings. These improvements include repairs and renovations to the High School, Davenport, Slaybaugh and Swift elementary schools, additions to the High School and Swift elementary school, the construction of two new elementary schools as well as another addition to the High School, boiler and chiller replacements, window replacements, roof replacements, solar panel installation, upgrades to the high school athletic complex, and the construction of a fueling canopy.

- 8) **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC, CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund 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.

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

Respectfully submitted,

Scott P. McCartney

Scott P. McCartney, Ed. D.
Superintendent

Kateryna W. Bechtel

Kateryna W. Bechtel, CPA
School Business Administrator/
Board Secretary

EGG HARBOR TOWNSHIP BOARD OF EDUCATION

EGG HARBOR TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James W. Galvin, President	2016
John "Jack" Haines, Vice-President	2015
Pete Castellano	2015
Lisa Dagit	2015
Louis Della Barca	2016
Ray R. Ellis, Jr.	2016
Christopher J. Moran	2017
Justin A. Riggs	2017
Barbara Szilagyi	2017
 <u>Other Officials</u>	
Scott McCartney, Ed. D., Superintendent	
Kateryna W. Bechtel, CPA, Board Secretary/Business Administrator	
William Donio, Esq., Solicitor	

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

Architect

The Spiegle Group
120 Sanhican Drive
Trenton, NJ 08618

Audit Firm

Ford Scott & Associates, LLC
Certified Public Accountants
1535 Haven Avenue
PO Box 538
Ocean City, NJ 08226

Attorney

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

Engineer

Polistina & Associates
6684 Washington Avenue
Egg Harbor Township, NJ 08234

Bond Counsel

McManimon & Scotland, LLC
One Riverfront Plaza, 4th Floor
Newark, NJ 07102

Official Depository

Ocean City Home Bank
1184 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, Egg Harbor Township, New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Egg Harbor Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB's Circulars 04-04 and 15-08, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB's Circulars 04-04 and 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor Township School District's internal control over financial reporting and compliance.

Very truly yours,

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

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

December 7, 2015

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Required Supplementary Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Egg Harbor Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- In the District's Governmental Activities, the net position of the District increased \$2,859,429. This increase is the result of the District realizing revenue in excess of expenditures. The State of New Jersey continued to defer both June state aid payments until July 2015.
- The State of New Jersey reimbursed the District \$3,872,293 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$6,895,842 on behalf of the District for TPAF Pension and Post-Employment Benefits Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- In accordance with New Jersey State Statutes, the unassigned fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in next year's budget as budgeted fund balance. As of June 30, 2015 the District had excess surplus of \$14,321,512, or approximately 11.8% of the district's general fund budget, of which \$6,686,806 was applied to the 2015-16 budget. As of June 30, 2014 the District had excess surplus of \$12,500,605, or approximately 10.7% of the district's general fund budget, of which \$5,813,799 was applied to the 2014-15 school budget.
- During the fiscal year ended June 30, 2015, the District's General Fund revenue realized was \$1,693,709 more than total expenditures. The District realized more revenue due to unanticipated tuition revenue, unanticipated miscellaneous revenue, as well as an increase in property tax revenue. During the prior fiscal year, revenue realized was \$2,908,905 greater than total expenditures.
- In the District's business-type activities, net position decreased \$39,802 during fiscal year 2015 as compared to a net decrease of \$33,336 in fiscal year 2014. Due to declining economic conditions in the region, more students were eligible for free or reduced price meals which resulted in an increase in federal and state reimbursements. In addition, to keep costs down, the food service program continued to enter into consortiums for the purchase of food and supplies. During the 2015 and 2014 fiscal years, the General Fund did not transfer funds to the Food Service Fund to cover operating deficits. The Enterprise Fund also includes the Kids Klub latchkey program which operated at a loss of \$34,975 for the fiscal year ended June 30, 2015.

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OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities

from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. During the 2014-2015 school year, net position for governmental funds increased by \$2,859,429. This net increase is due to the overall increase in revenue, in particular property taxes levied on properties within the District. Also, the District realized \$667,441 in tuition that was not anticipated as a result of homeless and state responsible students from other districts. The expenditures of the District remained stable between the 2015 and 2014 fiscal years. The financial condition of the District, excluding depreciation expense, improved during the 2015 fiscal year with \$7,634,706 in excess fund balance available to apply to the 2017 fiscal year budget. Due to the implementation of GASB 68 the District's Governmental Activities Net Position as of July 1, 2014 was reduced by \$32,364,797 to reflect the District's share of the unfunded liability in the PERS pension plan.

The business-type activities net position decreased due to an excess of expenditures over revenue primarily in the Latchkey Program. Although program revenue decreased by \$133,762, this decrease was offset with an increase in federal and state funding for the school nutrition program in the amount of \$149,848 as a result of additional families qualifying for free or reduced lunch. Expenditures decreased by \$35,068 primarily due to decreased cost of food and milk supplies.

	Governmental Activities	Business- Type Activities	Total 2015	Governmental Activities	Business- Type Activities	Total 2014
Current and other assets	\$19,190,603	1,346,547	20,537,150	20,779,186	1,425,854	22,205,040
Capital assets	193,797,790	169,101	193,966,891	198,321,562	151,742	198,473,304
Total assets	212,988,393	1,515,648	214,504,041	219,100,748	1,577,596	220,678,344
Deferred outflows of resources	5,435,538		5,435,538	1,887,303		1,887,303
Long-term liabilities	126,081,541	50,362	126,131,903	99,009,755	46,966	99,056,721
Other liabilities	2,231,493	51,891	2,283,384	4,291,352	77,433	4,368,785
Total liabilities	128,313,034	102,253	128,415,287	103,301,107	124,399	103,425,506
Deferred inflows of resources	3,479,659		3,479,659	1,550,338		1,550,338
Net position						
Invested in capital assets	104,910,948	169,101	105,080,049	104,590,050	151,742	104,741,792
Restricted	1,337,411		1,337,411	2,635,593		2,635,593
Unrestricted	(19,965,011)	1,244,294	(18,720,717)	8,910,963	1,301,455	10,212,418
Total net position	\$86,631,238	1,413,395	88,044,633	116,136,606	1,453,197	117,589,803

Changes in net position. The total governmental activities revenue of the District increased by \$13,674,591 when compared to the prior fiscal year. During the 2015 fiscal year, the District realized an increase in taxes levied on the property owners of the Township, as well as additional state aid revenue related to the implementation of GASB 68. The local tax levy is 52.02% of total revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 28% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors. The District expenses are primarily related to instruction, administration, and plant operations.

Governmental Activities

	2015		2014	
	Amount	Percentage	Amount	Percentage
Property taxes	\$76,726,909	52.02%	74,906,875	55.98%
Federal and State aid				
Unrestricted	40,923,098	27.75%	40,929,770	30.59%
Restricted	3,259,532	2.21%	3,253,736	2.43%
Tuition	786,941	0.53%	758,420	0.57%
Operating grants and Contributions	25,360,104	17.19%	12,593,881	9.41%
Other	438,952	0.30%	1,378,263	1.02%
Totals	\$147,495,536	100.00%	133,820,945	100.00%

The following schedule summarizes the governmental and business-type activities of the District during the 2015 and 2014 fiscal years.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2015 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2014 Total</u>
Revenues						
Program revenue						
Charges for srvs		1,537,471	1,537,471		1,671,233	1,671,233
Federal grants	\$3,492,013	1,989,047	5,481,060	3,356,773	1,838,914	5,195,687
State grants and Entitlements	62,775,438	34,870	62,810,308	50,130,423	35,155	50,165,578
General revenues						
Property taxes	76,726,909		76,726,909	74,906,875		74,906,875
Tuition	786,941		786,941	758,420		758,420
State aid Entitlements	3,259,532		3,259,532	3,253,736		3,253,736
Other	454,703	1,912	456,615	1,414,718	2,265	1,416,983
Total revenues	\$147,495,536	3,563,300	151,058,836	133,820,945	3,547,567	137,368,512

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	Governmental Activities	Business- Type Activities	2015 Total	Governmental Activities	Business- Type Activities	2014 Total
Expenses						
Instruction:						
Regular	\$54,824,412		54,824,412	\$50,450,296		50,450,296
Special Education	12,629,713		12,629,713	11,493,725		11,493,725
Other special instr.	3,499,661		3,499,661	3,252,789		3,252,789
Other Instruction	1,892,096		1,892,096	1,771,611		1,771,611
Nonpublic school programs	174,675		174,675	228,199		228,199
Support services:						
Tuition	7,960,177		7,960,177	6,214,391		6,214,391
Student & instr related services	22,037,455		22,037,455	19,490,668		19,490,668
School admin srvs	6,570,957		6,570,957	5,867,838		5,867,838
General & business admin services	4,581,496		4,581,496	4,276,394		4,276,394
Plant operations & maintenance	14,758,183		14,758,183	13,966,789		13,966,789
Pupil transport	11,138,585		11,138,585	10,273,699		10,273,699
Capital outlay						
Interest on Long Term Debt						
	4,565,316		4,565,316	4,742,049		4,742,049
Business-type Activities						
		3,601,800	3,601,800		3,636,868	3,636,868
Total expenses	144,632,726	3,601,800	148,234,526	132,028,448	3,636,868	135,665,316
Excess/(Deficit)						
Before special						
Items	2,862,810	(38,500)	2,824,310	1,792,497	(89,301)	1,703,196
Special items	(3,381)	(1,302)	(4,683)	(1,186,731)	55,965	(1,130,766)
Increase/(Decrease) in net position	\$2,859,429	(39,802)	2,819,627	\$605,766	(33,336)	572,430

Business-type Activities

Operating revenues of the District's business-type activities increased \$15,733 from the previous year while expenses decreased by \$35,068. Factors contributing to these results included:

- Slight decrease in student participation in the school lunch programs, however there was an increase in the number of families eligible for free and reduced lunches.
- The cost of food products and related shipping costs decrease as a result of the District participating in various consortiums which are able to obtain lower costs. The lunch prices are within New Jersey limits.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year ended June 30, 2015, the governmental funds reported a combined fund balance of \$18,507,813, which is \$395,527 higher than the beginning of the year. This increase is due to additional revenues realized during the fiscal year, in particular additional taxes and tuition revenue.

The business-type enterprise fund reported a combined net position of \$1,413,395 as of June 30, 2015. This is \$39,802 lower than the prior fiscal year. Although the district saw significant

savings in the cost of food and other supplies the revenue realized through operating these programs was not sufficient to offset those savings.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget by \$1,233,197. This is a result of additional tuition received as well as realizing additional miscellaneous revenue. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions and capital leases, actual expenditures were below the budgeted appropriations by \$9,670,942. The most significant variances occurred as a result of the continued decreases in tuition costs to special services school districts, savings in energy costs, decreases in transportation costs, and decreases in employee health benefits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the District had invested \$193,966,891, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$4,506,413, or 2.27%, over last year. The decrease is due largely to current year depreciation expense.

	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2015 Total</u>	<u>Govern- Mental Activities</u>	<u>Business- Type Activities</u>	<u>2014 Total</u>
Land	\$1,847,000		1,847,000	1,847,000		1,847,000
Const in Progress	4,301,295		4,301,295	4,790,811		4,790,811
Buildings & Bldg improv	183,545,247		183,545,247	187,116,633		187,116,633
Machinery & equipment	373,249	169,101	542,350	455,128	151,742	606,870
Vehicles	3,730,999		3,730,999	4,111,990		4,111,990
Total	\$193,797,790	169,101	193,966,891	198,321,562	151,742	198,473,304

During the 2015 fiscal year the district continued to upgrade facilities and equipment for use throughout the district. These upgrades included renovations and upgrades at various schools, as well as the District as a whole. In addition, the District continued construction on the high school field house and concession stand renovations and expansion. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Long-term Debt

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$88,060,000 and obligations under capital leases of \$826,842.

	Balance 6/30/14	Issued	Retired/ Adjusted	Balance 6/30/15
Governmental Activities:				
Bonds payable	\$92,875,000		4,815,000	88,060,000
Obligations under Capital leases	856,512	468,000	497,670	826,842
Compensated absences Payable	5,278,243	764,257	2,989,138	3,053,362
Net Pension Liability	34,141,337			34,141,337
Total Governmental Activities	<u>133,151,092</u>	<u>1,232,257</u>	<u>8,301,808</u>	<u>126,081,541</u>
Business-Type Activities				
Compensated absences Payable	46,966	15,270	11,874	50,362
Total Business-Type Activities	<u>46,966</u>	<u>15,270</u>	<u>11,874</u>	<u>50,362</u>
Total	<u>\$133,198,058</u>	<u>1,247,527</u>	<u>8,313,682</u>	<u>126,131,903</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The student population in the District has increased by over 1,100 students over the past 12 years, reflecting an 18% enrollment growth, second highest in the state. This enrollment growth has resulted in a significant strain on the school district and the local taxpayers and despite slight decreases in student enrollments during the past three years, the District continues to provide a thorough and efficient education with significant under-funding of state support. Under the school funding formula, the District's categorical state aid for 2014-15 was \$40,025,978, reflecting an increase of \$148,030 from the 2013-14.

The district's 2015-16 tax levy was not required to be approved by the voters due to the district moving the annual election to November, in accordance with State statute. The statute provides districts the option to move their school elections to the general election in November, and tax levies within the 2% statutory cap in increases did not require voter approval. The 2015-16 tax levy is \$72,986,000, which is at the statutory maximum tax levy increase of 2% over the 2014-15 tax levy plus an allowable tax levy adjustment for increases in health benefits. The District's state aid of \$40,025,978 increased due to new aid categories, PARCC Readiness and Per Pupil Growth Aid.

In addition, the district's share of state aid continues to be reduced because of revenue growth caps. The 2015-16 state aid calculated and uncapped should be \$68,773,307, but the actual aid received was \$40,025,978. Under the school funding formula, the required local share to be raised by taxes for 2014-15 was \$61,942,888. The actual tax levy was \$72,986,000, which reflects an additional tax burden of \$11,043,112 resulting from many years of flat funding and state aid caps, coupled with the mandated growth as a Pinelands High Density Growth area. The housing market and economy has slowed down the rate of student growth, but many developments have been approved and can be built out as the economy recovers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT - WIDE FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,047,752	1,076,403	17,124,155
Receivables, net	663,727		663,727
Internal balances	(47,116)	47,116	-
Due from Trust & Agency	10,050		10,050
Due from other governments	2,516,190	158,724	2,674,914
Inventory		64,304	64,304
Capital assets not being depreciated			
Construction in progress	4,301,295		4,301,295
Land	1,847,000		1,847,000
Capital assets, net	187,649,495	169,101	187,818,596
Total Assets	<u>212,988,393</u>	<u>1,515,648</u>	<u>214,504,041</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on bond issue refunding	1,877,827		1,877,827
Deferred outflows related to pensions	3,557,711		3,557,711
Total Deferred Outflows of Resources	<u>5,435,538</u>	<u>-</u>	<u>5,435,538</u>
LIABILITIES			
Accounts payable	447,247	6,166	453,413
Other liabilities	1,567,446		1,567,446
Payable to state government	2,312		2,312
Unearned revenue	214,488	45,725	260,213
Noncurrent liabilities:			
Due within one year	5,846,784		5,846,784
Due beyond one year	86,093,420	50,362	86,143,782
Net Pension Liability	34,141,337		34,141,337
Total liabilities	<u>128,313,034</u>	<u>102,253</u>	<u>128,415,287</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on bond issue refunding	1,445,021		1,445,021
Deferred inflows related to pensions	2,034,638		2,034,638
Total Deferred Inflows of Resources	<u>3,479,659</u>	<u>-</u>	<u>3,479,659</u>
NET POSITION			
Invested in capital assets, net of related debt	104,910,948	169,101	105,080,049
Restricted for:			
Debt service	13,584		13,584
Capital projects	1,323,827		1,323,827
Unrestricted	(19,965,011)	1,244,294	(18,720,717)
Total net position	<u>\$ 86,631,238</u>	<u>1,413,395</u>	<u>88,044,633</u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 41,326,805	13,497,607	786,941	10,754,600	(43,282,871)		(43,282,871)
Special education	9,385,277	3,244,436		1,974,770	(10,654,943)		(10,654,943)
Other special instruction	2,523,991	975,670		593,855	(2,905,806)		(2,905,806)
Other instruction	1,502,431	389,665		237,175	(1,654,921)		(1,654,921)
Nonpublic school programs	174,675				(174,675)		(174,675)
Support services:							
Tuition	5,769,374	2,190,803		1,333,462	(6,626,715)		(6,626,715)
Student & instruction related services	16,458,626	5,578,829		4,158,781	(17,878,674)		(17,878,674)
School administrative services	4,575,787	1,995,170		1,214,387	(5,356,570)		(5,356,570)
General and business administrative services	3,361,506	1,219,990		742,563	(3,838,933)		(3,838,933)
Plant operations and maintenance	10,715,155	4,043,028		2,460,844	(12,297,339)		(12,297,339)
Pupil transportation	8,033,968	3,104,617		1,889,667	(9,248,918)		(9,248,918)
Unallocated benefits	36,239,815	(36,239,815)					
Capital outlay	-						
Interest on long-term debt	4,565,316				(4,565,316)		(4,565,316)
Total governmental activities	<u>144,632,726</u>	<u>-</u>	<u>786,941</u>	<u>25,360,104</u>	<u>(118,485,681)</u>	<u>-</u>	<u>(118,485,681)</u>
Business-type activities:							
Food Service	3,254,280		1,225,494	2,023,917		(4,869)	(4,869)
Child Care	347,520		311,977	-		(35,543)	(35,543)
Total business-type activities	<u>3,601,800</u>	<u>-</u>	<u>1,537,471</u>	<u>2,023,917</u>	<u>(118,485,681)</u>	<u>(40,412)</u>	<u>(40,412)</u>
Total primary government	<u>\$ 148,234,526</u>	<u>-</u>	<u>2,324,412</u>	<u>27,384,021</u>	<u>(118,485,681)</u>	<u>(40,412)</u>	<u>(118,526,093)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					71,015,418		71,015,418
Taxes levied for debt service					5,711,491		5,711,491
Federal and State aid not restricted					40,923,098		40,923,098
Federal and State aid restricted					3,259,532		3,259,532
Investment Earnings					41,339	1,912	43,251
Miscellaneous Income					397,613		397,613
Other financing sources/(uses):							
(Loss) on disposal of capital assets					(3,381)	(1,302)	(4,683)
Cancellation of prior year receivable					-	-	-
Cancellation of prior year liability					-	-	-
Total general revenues and special items					<u>121,345,110</u>	<u>610</u>	<u>121,345,720</u>
Change in Net Position					<u>2,859,429</u>	<u>(39,802)</u>	<u>2,819,627</u>
Net Position—beginning (restated)					<u>83,771,809</u>	<u>1,453,197</u>	<u>85,225,006</u>
Net Position—ending					<u>\$ 86,631,238</u>	<u>1,413,395</u>	<u>88,044,633</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 14,704,001		1,330,167	13,584	16,047,752
Receivables, net	17,977	645,750			663,727
Due from other funds	424,621		-		424,621
Receivables from other governments	2,516,190	-	-		2,516,190
Total assets	<u>17,662,789</u>	<u>645,750</u>	<u>1,330,167</u>	<u>13,584</u>	<u>19,652,290</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	385,473	58,604	3,170		447,247
Due to other governments		2,312			2,312
Due to other funds	62,787	395,730	3,170		461,687
Other liabilities	18,743				18,743
Unearned revenue	25,384	189,104		-	214,488
Total liabilities	<u>492,387</u>	<u>645,750</u>	<u>6,340</u>	<u>-</u>	<u>1,144,477</u>
Fund Balances:					
Restricted for:					
Excess Surplus	7,634,706				7,634,706
Excess Surplus - Designated for Subsequent Year's Expenditures	6,686,806				6,686,806
Capital Reserve Fund	2,501,000				2,501,000
Capital Projects			191,281		191,281
Debt service fund				20	20
Committed for:					
Encumbrances			1,132,546		1,132,546
Assigned to:					
Encumbrances	347,890				347,890
Designated for subsequent year's expenditures	-			13,564	13,564
Unassigned, reported in:					
General fund	-				-
Total Fund balances	<u>17,170,402</u>	<u>-</u>	<u>1,323,827</u>	<u>13,584</u>	<u>18,507,813</u>
Total liabilities and fund balances	<u>\$ 17,662,789</u>	<u>645,750</u>	<u>1,330,167</u>	<u>13,584</u>	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					
					193,797,790
Deferred inflow of resources					
Gain on 10/1/04 refunding bond issue					
					(1,445,021)
Deferred outflows of resources					
Loss on 12/5/06 refunding bond issue					
					1,759,280
Loss on 12/1/12 refunding bond issue					
					118,548
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds					
					(32,618,264)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					
Bond payable					
					(88,060,000)
Capital leases					
					(826,842)
Accrued interest payable					
					(1,548,703)
Compensated absences					
					(3,053,362)
Net position of governmental activities					
					<u>\$ 86,631,238</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 71,015,418			5,711,491	76,726,909
Tuition Charges	786,941				786,941
Interest	41,339				41,339
Miscellaneous	397,593			20	397,613
Local sources		15,751			15,751
State sources	51,311,044	174,675		3,259,532	54,745,251
Federal sources	380,189	3,111,824			3,492,013
Total revenues	<u>123,932,524</u>	<u>3,302,250</u>	<u>-</u>	<u>8,971,043</u>	<u>136,205,817</u>
EXPENDITURES					
Current:					
Regular instruction	32,833,212	2,268,732			35,101,944
Special education instruction	7,835,258				7,835,258
Other special instruction	2,057,868				2,057,868
Other instruction	1,316,270				1,316,270
Nonpublic school programs		174,675			174,675
Support services and undistributed costs:					
Tuition	4,722,724				4,722,724
Student & instruction related services	13,030,206	763,151			13,793,357
School administrative services	3,622,601				3,622,601
Other administrative services	2,778,659				2,778,659
Plant operations and maintenance	8,783,610				8,783,610
Pupil transportation	6,550,746				6,550,746
Unallocated Benefits	36,239,815				36,239,815
Debt service:					
Principal				4,815,000	4,815,000
Interest and other charges				4,193,766	4,193,766
Capital outlay	2,935,846	95,692	1,260,459		4,291,997
Total expenditures	<u>122,706,815</u>	<u>3,302,250</u>	<u>1,260,459</u>	<u>9,008,766</u>	<u>136,278,290</u>
Excess (Deficiency) of revenues over expenditures	<u>1,225,709</u>	<u>-</u>	<u>(1,260,459)</u>	<u>(37,723)</u>	<u>(72,473)</u>
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	468,000				468,000
Decrease in capital reserve	670,526				670,526
Withdrawal from Capital Reserve	(670,526)				(670,526)
Cancellation of prior year receivable					-
Total other financing sources and uses	<u>468,000</u>		<u>-</u>	<u>-</u>	<u>468,000</u>
Net change in fund balances	1,693,709	-	(1,260,459)	(37,723)	395,527
Fund balance—July 1	15,476,693	-	2,584,286	51,307	18,112,286
Fund balance—June 30	<u>\$ 17,170,402</u>	<u>-</u>	<u>1,323,827</u>	<u>13,584</u>	<u>18,507,813</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ 395,527

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

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

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

	Depreciation expense	(7,995,158)	
	Loss on disposition of capital assets	(3,381)	
	Capital outlays	<u>3,474,767</u>	(4,523,772)

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 5,312,670

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. (468,000)

Capital lease proceeds

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 75,749

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

	District pension contributions	1,503,286	
	Cost of benefits earned, net of employee contributions	<u>(1,756,753)</u>	(253,467)

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

		2,224,881	
Compensated absences		105,316	
Amortization of gain on 2004 refunding bond issue		(8,945)	
Amortization of loss on 2006 refunding bond issue		(530)	

Change in net position of governmental activities \$ 2,859,429

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 723,911	352,492	1,076,403
Accounts receivable	158,724		158,724
Interfund Receivable	54,854	6,977	61,831
Inventories	64,304		64,304
Total current assets	<u>1,001,793</u>	<u>359,469</u>	<u>1,361,262</u>
Noncurrent assets:			
Furniture, machinery & equipment	321,474		321,474
Less accumulated depreciation	(152,373)		(152,373)
Total noncurrent assets	<u>169,101</u>	<u>-</u>	<u>169,101</u>
Total assets	<u>1,170,894</u>	<u>359,469</u>	<u>1,530,363</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,058	1,108	6,166
Interfund payable	14,617	98	14,715
Deferred revenue	45,725	-	45,725
Total current liabilities	<u>65,400</u>	<u>1,206</u>	<u>66,606</u>
Noncurrent liabilities:			
Compensated absences	50,362		50,362
Total noncurrent liabilities	<u>50,362</u>	<u>-</u>	<u>50,362</u>
Total liabilities	<u>115,762</u>	<u>1,206</u>	<u>116,968</u>
NET POSITION			
Invested in capital assets	169,101		169,101
Unrestricted	886,031	358,263	1,244,294
Total net position	<u>\$ 1,055,132</u>	<u>358,263</u>	<u>1,413,395</u>

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund		Total
	Food Service	Non-Major Fund Latchkey Program	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 1,144,847		1,144,847
Daily sales - non-reimbursable programs	49,153		49,153
Special functions	31,494		31,494
Latchkey program revenue		311,977	311,977
Total operating revenues	<u>1,225,494</u>	<u>311,977</u>	<u>1,537,471</u>
Operating expenses:			
Cost of sales	1,412,234		1,412,234
Salaries	1,327,158	282,190	1,609,348
Employee benefits	403,097	30,899	433,996
General supplies & materials	90,202	34,431	124,633
Depreciation	21,589		21,589
Total Operating Expenses	<u>3,254,280</u>	<u>347,520</u>	<u>3,601,800</u>
Operating (loss)	<u>(2,028,786)</u>	<u>(35,543)</u>	<u>(2,064,329)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	34,870		34,870
Federal sources:			
National school lunch program	1,498,142		1,498,142
National school breakfast program	250,455		250,455
Special milk program	9,057		9,057
Food distribution program	231,393		231,393
Loss on disposal of fixed assets	(1,302)		(1,302)
Interest and investment revenue	1,344	568	1,912
Total nonoperating revenues	<u>2,023,959</u>	<u>568</u>	<u>2,024,527</u>
(Loss) before contributions & transfers	<u>(4,827)</u>	<u>(34,975)</u>	<u>(39,802)</u>
Other financing sources:			
Cancellation off prior year liability	-		-
Change in net position	(4,827)	(34,975)	(39,802)
Total net position—beginning	1,059,959	393,238	1,453,197
Total net position—ending	<u>\$ 1,055,132</u>	<u>358,263</u>	<u>1,413,395</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		Total
	Food Service	Non-Major Fund Latchkey Program	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,225,494	311,977	1,537,471
Payments to employees	(1,327,158)	(282,190)	(1,609,348)
Payments for employee benefits	(399,701)	(30,899)	(430,600)
Payments to suppliers	(90,202)	(38,847)	(129,049)
Payments to cost of sales	(1,203,509)		(1,203,509)
Net cash (used for) operating activities	<u>(1,795,076)</u>	<u>(39,959)</u>	<u>(1,835,035)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	38,788		38,788
Federal Sources	1,933,589		1,933,589
Payments from other funds	(205,246)	(6,984)	(212,230)
Net cash provided by/(used for) non-capital financing activities	<u>1,767,131</u>	<u>(6,984)</u>	<u>1,760,147</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Acquisition of capital assets	(40,250)		(40,250)
Net cash (used for) capital financing activities	<u>(40,250)</u>	<u>-</u>	<u>(40,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,344	568	1,912
Net cash provided by investing activities	<u>1,344</u>	<u>568</u>	<u>1,912</u>
Net (decrease) in cash and cash equivalents	(66,851)	(46,375)	(113,226)
Balances—beginning of year	790,762	398,867	1,189,629
Balances—end of year	<u>723,911</u>	<u>352,492</u>	<u>1,076,403</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:			
Operating (loss)	(2,028,786)	(35,543)	(2,064,329)
Adjustments to reconcile (loss) to net cash (used for) operating activities			
Depreciation and net amortization	21,589		21,589
Federal commodities	231,393		231,393
(Increase) in inventories	(1,542)		(1,542)
(Decrease) in accounts payable	(23,037)	(4,416)	(27,453)
Increase in deferred revenue	1,911		1,911
Increase in compensated absences	3,396		3,396
Total adjustments	<u>233,710</u>	<u>(4,416)</u>	<u>229,294</u>
Net cash (used for) operating activities	<u>\$ (1,795,076)</u>	<u>(39,959)</u>	<u>(1,835,035)</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,090,295	18	626,088
Interfunds receivable	-	-	956
	<hr/>	<hr/>	<hr/>
Total assets	1,090,295	18	627,044
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Payable to student groups			456,109
Interfunds payable			11,006
Conduit activities payable			154,489
Payroll deductions and withholdings			5,440
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	627,044
	<hr/>	<hr/>	<hr/>
NET POSITION			
Held in trust for unemployment claims and other purposes	\$ 1,090,295		
	<hr/>		
Reserved for scholarships		18	
		<hr/>	

The accompanying notes are an integral part of these financial statements

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	\$ 118,788	
Total Contributions	<u>118,788</u>	<u>-</u>
Investment earnings:		
Interest	1,550	268
Net investment earnings	<u>1,550</u>	<u>268</u>
Total additions	<u>120,338</u>	<u>268</u>
DEDUCTIONS		
Transferred to Education Foundation		200,250
Unemployment claims	55,774	
Total deductions	<u>55,774</u>	<u>200,250</u>
Change in net position	64,564	(199,982)
Net position—beginning of the year	<u>1,025,731</u>	<u>200,000</u>
Net position—end of the year	<u>\$ 1,090,295</u>	<u>18</u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

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Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

The Egg Harbor Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Egg Harbor Township School District had an enrollment at June 30, 2015 and 2014 of 7,565 and 7,660 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

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

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

Fund Balances – Governmental Funds

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

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

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

2. Proprietary Funds:

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

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

3. Fiduciary Funds:

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2015, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	55,731
Supplies		8,573
	\$	64,304

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food service inventory on June 30, 2015 is \$45,725.

4. Capital Assets:

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

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(f). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The Board of Education approved the following significant budgetary appropriation transfers during the 2015 fiscal year:

<u>Account Name</u>	<u>Amount</u>
Salaries of Teachers – Grades 1-5	\$230,531
Salaries of Teachers – Grades 6-8	140,274
Learning and Language Disabilities – Salaries	244,682
Multiple Disabilities – Salaries	(330,318)
Resource Room – Salaries	225,489
Tuition to Private Schools for the Disabled – w/in State	(434,718)
Other Support Services – Students – Extra Services Salaries	241,129
Other Support Services – Students – Child Study Team Salaries	107,900
Student Transportation Services	
Lease Purchase Payments – School Buses	115,908
Transportation Supplies	(133,035)
Contracted Srvs (Special Ed Students)-Joint Agree.	460,000
Unallocated Benefits	
Other Retirement Contributions – PERS	(109,000)
Health Benefits	(310,000)
Facilities Acquisition and Construction Services:	
Construction Services	1,081,707
Transfer to Charter Schools	109,000

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2014/15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement is effective for fiscal periods beginning after June 30, 2015, will not have any effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2015, the District had no investments.

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

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) which mandates the collateralization of all government deposits, or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$1,339,154 of the District's bank balance of \$21,972,775 was exposed to custodial credit risk.

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**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Construction in progress	\$4,790,811	2,571,802	(3,061,318)	4,301,295
Land	1,847,000			1,847,000
Total capital assets not being depreciated	<u>6,637,811</u>	<u>2,571,802</u>	<u>(3,061,318)</u>	<u>6,148,295</u>
Bldg and bldg improve	281,785,124	3,601,318		284,846,442
Machinery & equipment	15,604,166	435,457	(14,356)	16,025,267
Vehicles	8,252,596	467,508		8,702,104
Total at historical cost	<u>305,641,886</u>	<u>3,964,283</u>	<u>(14,356)</u>	<u>309,591,813</u>
Less accum depr	<u>(113,958,135)</u>	<u>(7,995,158)</u>	<u>10,975</u>	<u>(121,942,318)</u>
Total capital assets being depr, net of accum depr	<u>191,683,751</u>	<u>(4,030,875)</u>	<u>(3,381)</u>	<u>169,649,495</u>
Governmental activities capital assets, net	<u><u>\$198,321,562</u></u>	<u><u>(1,459,073)</u></u>	<u><u>(3,064,699)</u></u>	<u><u>193,797,790</u></u>
Business-type activities:				
Equipment	\$307,292	40,250	(26,068)	321,474
Less accum depr for:				
Equipment	<u>(155,550)</u>	<u>(21,589)</u>	<u>24,766</u>	<u>(152,373)</u>
Business-type activities capital assets, net	<u><u>\$151,742</u></u>	<u><u>18,661</u></u>	<u><u>(1,302)</u></u>	<u><u>169,101</u></u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	2,977,816
Special education		715,781
Other special instruction		215,250
Other instruction		85,967
Tuition		483,331
Student & instruction related services		1,230,791
School administrative expenses		440,170
General and business administration		269,152
Plant operations and maintenance		891,965
Student transportation services		684,935
	\$	<u><u>7,995,158</u></u>

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$4,193,766.

NOTE 5. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1	\$	3,171,526
Interest earnings		2,000
Deposits – included in adopted budget		297,782
Withdrawals		
Board resolution – 9/9/14 – Renovations to the High School		(550,000)
Board resolution – 5/26/15 – Roof mounted PV systems at various schools		(145,308)
Board resolution – 6/24/13 – Concrete repairs at Fernwood Avenue Middle School		(275,000)
Ending balance, June 30	\$	<u><u>2,501,000</u></u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred \$970,308 to the capital outlay accounts. The transfer was made from the general fund capital reserve account to fund the following projects at various buildings within the District.

		<u>6/30/15</u>
Renovations to the High School	\$	550,000
Roof mounted PV systems at various schools		145,308
Wide Area Network (WAN)		
Concrete repairs at Fernwood Avenue Middle School		275,000
	\$	<u><u>970,308</u></u>

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 7. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance			Amounts	
	06-30-14	Issued	Retired	Balance	Due Within
				6-30-15	One year
Governmental Activities					
Bonds & loans payable:					
School bonds	\$92,875,000	-	4,815,000	88,060,000	5,030,000
Obligations under capital Leases	856,512	468,000	487,670	826,842	288,717
	<u>93,731,512</u>	<u>468,000</u>	<u>5,302,670</u>	<u>88,886,842</u>	<u>5,318,717</u>
Other liabilities:					
Compensated absences Payable	5,278,243	764,257	2,989,138	3,053,362	528,067
Net Pension Liability	34,141,337	-	-	34,141,337	-
Governmental activities long-Term liabilities	<u>133,151,092</u>	<u>1,232,257</u>	<u>8,291,808</u>	<u>126,081,541</u>	<u>5,846,784</u>
Business-type Activities:					
Compensated absences Payable	46,966	15,270	11,874	50,362	-
Business-type activities long-Term-liabilities	<u>\$46,966</u>	<u>15,270</u>	<u>11,874</u>	<u>50,362</u>	<u>-</u>

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

A. Bonds Payable:

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

Long-term debt as of June 30, 2015 consisted of the following:

\$50,735,000 Refunding Bonds dated October 1, 2004 payable in annual installments on January 15, 2005 and each July 15 thereafter commencing in 2012 and continuing through 2025. Semi-annual interest payments are due, at rates ranging from 3.00% to 5.75%, on January 15 and July 15, commencing January 15, 2005. The total savings to the District was \$1,588,925, or 3.021% as a result of refunding the 2001 bond issue. The refunding bonds are not subject to redemption prior to their stated maturities. The balance remaining as of June 30, 2015 was \$42,175,000.

\$23,052,000 School Bonds dated 4/1/05 payable in annual installments through 4/1/30. Interest is paid semiannually at varying rates ranging from 3.75% to 4.00% per annum. On December 14, 2006 the District, through a refunding bond issue, called the bonds maturing on 4/1/22 and 4/1/25 through 4/1/30 totaling \$13,572,000. On November 15, 2012 the District, through a refunding bond issue, called the

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

bonds maturing on 4/1/16 through 4/1/24 totaling \$6,685,000. The balance remaining as of June 30, 2015 was \$0.

\$15,410,000 Refunding Bonds dated December 14, 2006 payable in annual installments through April 1, 2030. Interest is paid semiannually at varying rates ranging from 3.50% to 4.125% per annum. The total savings to the District was \$413,095, or 3.04% as a result of refunding the 2005 bond issue. Bonds maturing on or after 4/1/17 are redeemable at the option of the Board in whole or in part, on any date on or after 4/1/16 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2015 was \$14,750,000.

\$27,924,000 School bonds dated 9/15/08 payable in annual installments beginning 9/15/12 and continuing through 9/15/28. Interest is paid semiannually at varying rates between 4.00% per annum and 4.25% per annum. Bonds maturing on or after 9/15/19 are redeemable at the option of the Board in whole or in part, on any date on or after 9/15/18 at par, plus unpaid accrued interest to the date fixed for redemption. The balance remaining as of June 30, 2015 was \$24,425,000.

On November 15, 2012 the District issued \$6,805,000 in refunding school bonds. These bonds were authorized by a board of education approved refunding bond ordinance in September 2012 which provided for the refunding of all or a portion of the callable portion of the \$23,052,000 issue dated April 1, 2005. The total savings to the District was \$403,186, or 6.03% as a result of refunding the 2005 bond issue. The callable portion refunded includes the bonds maturing on April 1, 2016 and annually thereafter through April 1, 2024 and total \$6,685,000. Semi-annual interest payments are due, at rates ranging from 2.00% to 4.00%, on April 1 and October 1, commencing April 1, 2013. The bonds will mature annually on April 1, commencing in 2013 through 2024. Refunding bonds maturing on or after April 1, 2023 are subject to redemption prior to maturity at the option of the Board on any date on or after April 1, 2022. The balance remaining as of June 30, 2015 was \$6,710,000.

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

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,030,000	3,997,192	9,027,192
2017	5,260,000	3,769,641	9,029,641
2018	5,525,000	3,516,079	9,041,079
2019	5,760,000	3,249,354	9,009,354
2020	6,040,000	2,970,016	9,010,016
2021-2025	34,775,000	10,087,524	44,862,524
2026-2030	25,670,000	2,510,914	28,180,914
	<u>\$ 88,060,000</u>	<u>30,100,718</u>	<u>118,160,718</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015 the Board had authorized but not issued bonds in the amount of \$1,357.

C. Capital Leases Payable:

The District is leasing various equipment, vehicles, and facilities totaling \$2,568,554 under capital leases. Semiannual lease payments are made to First Niagara, SunTrust Leasing Co., Banc of America, U.S. Bank Corp., and TD Equipment Finance, and include interest at a rate of 1.495% to 4.155% per annum. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2015.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

	Amount
Year ending June 30,	
2016	\$ 307,075
2017	161,900
2018	132,733
2019	132,733
2020	132,733
Thereafter	-
Total minimum lease payments	867,174
Less amount representing interest	40,332
Present value of lease payments	\$ 826,842

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

Description	Cost	Accumulated Depreciation	Remaining Value
Transportation Equipment	\$ 2,568,534	1,558,080	1,010,454

NOTE 8. PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Egg Harbor Township School District Notes to Financial Statements June 30, 2015

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.1% and the PERS rate is 10.9% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2015, 2014, and 2013 were \$2,665,060, \$2,052,704, and \$3,127,494, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013 were \$1,503,286, \$1,332,587, and \$1,223,404, respectively, equal to the required contributions for each year.

The Board's total payroll for the years ended June 30, 2015, 2014, and 2013 was \$71,226,718, \$66,708,087, and \$67,101,735, covered payroll was \$50,023,842, \$49,227,235, and \$49,131,489 for TPAF; and \$12,921,914, \$12,372,353, and \$12,234,369 for PERS.

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PERS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

NOTE 9. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

At June 30, 2015, the District reported a liability of \$34,141,337 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.18235222927%, which was an increase of 3.45% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,756,753. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience		
Changes of assumptions	\$ 1,073,587	
Net difference between projected and actual earnings on pension plan investments		2,034,638
Changes in proportion and differences between District contributions and proportionate share of contributions	980,838	
District contributions subsequent to the measurement date	1,503,286	
 Total	\$ 3,557,711	2,034,638

\$1,503,286 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,			
2016	\$	(341,860)	
2017		(341,860)	
2018		(341,860)	
2019		(341,860)	
2020		268,327	
Thereafter		118,062	
Total	\$	(981,051)	

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate		3.01%
Salary increases:		
2012-2021		2.15% - 4.40% (based on age)
Thereafter		3.15% - 5.40% (based on age)
Investment rate of return:		7.90%

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.39%) or 1-percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 42,950,964	34,141,337	26,743,492

Pension plan fiduciary net position.

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

NOTE 10. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		259,337,251
Total	\$	259,337,251

The net pension liability was measured as of June 30, 2014 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$13,954,779 and revenue of \$13,954,779 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience		105,874
Changes of assumptions	\$ 11,116,138	
Net difference between projected and actual earnings on pension plan investments		7,780,191
Changes in proportion and differences between District contributions and proportionate share of contributions		404,364
District contributions subsequent to the measurement date	2,665,060	
Total	\$ 13,781,198	8,290,429

\$2,655,060 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	(679,564)
2017		(679,564)
2018		(679,564)
2019		(679,564)
2020		1,583,990
Thereafter		3,959,975
Total	\$	2,825,709

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement:

Inflation Rate		2.50%
Salary increases		
2012-2021		Varies based on experience
Thereafter		Varies based on experience
Investment rate of return		7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
Cash	6.00%	0.50%
Core fixed Income	0.00%	2.19%
Core bonds	1.00%	1.38%
Short-term bonds	0.00%	1.00%
Intermediate-term bonds	11.20%	2.60%
Long-term bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High yield bonds	5.50%	4.15%
Non-US fixed income	0.00%	1.41%
Inflation-indexed bonds	2.50%	1.30%
Broad US equities	25.90%	5.88%
Large cap US equities	0.00%	5.62%
Mid cap US equities	0.00%	6.39%
Small cap US equities	0.00%	7.39%
Developed foreign equities	12.70%	6.05%
Emerging market equities	6.50%	8.90%
Private equity	8.25%	9.15%
Hedge funds/absolute return	12.25%	3.85%
Real estate (property)	3.20%	4.43%
Real estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long credit bonds	0.00%	3.74%

Discount rate. The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.68% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.68%) or 1-percentage point higher (5.68%) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 11. LABOR CONTRACTS

As of June 30, 2015, the District's employees are organized in two collective bargaining units.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
EHT Education Association	All regularly employed certified personnel, secretarial, and clerical personnel, and paraprofessional. This contract also includes regularly employed custodial, grounds, maintenance, and cafeteria personnel, except supervisors.	June 30, 2016
Principals' and Supervisors' Association	All certified administrative personnel, excluding the Superintendent, Asst Superintendents, Business Administrator, and all employees considered confidential by law.	June 30, 2018

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

NOTE 12. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 13. SPECIAL PAY DEFERRAL PLAN

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

NOTE 14. DEFERRED COMPENSATION

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

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

NOTE 15. COMPENSATED ABSENCES

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

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

Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

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

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

NOTE 16. LITIGATION

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

NOTE 17. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the \$17,170,402 General Fund fund balance at June 30, 2015, \$347,890 is committed for encumbrances (actual encumbrances of \$1,760,850 less deficit in unassigned fund balance of \$1,412,960); \$14,321,512 is restricted as excess surplus in accordance with NJSA 18A:7F-7 (\$6,686,806 of the total restricted for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$2,501,000 has been restricted in the Capital Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$0 is unassigned. During the fiscal year, authorized and approved appropriations of \$2,600,384 in surplus were made on June 30, 2015.

Debt Service Fund – Of the \$13,584 Debt Service Fund fund balance at June 30, 2015, \$13,584 is restricted in accordance with N.J.S.A. 7F-41c(2).

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, as amended. New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$14,321,512, of which \$6,686,806 has been included in the 2015-16 budget. The excess fund balance at June 30, 2014 was \$12,500,605.

NOTE 19. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation and State Aid to fund the District operations and debt service. During the 2014-15 fiscal year, 99% of the Districts operations were funded through property taxes and State aid.

NOTE 20. RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2015 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	None	120,338	55,774	1,090,295
2013-2014	None	115,308	157,958	1,025,731
2012-2013	None	116,302	168,439	1,068,381

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The workers compensation account is reported in the general fund. Only amounts that are current liabilities have been included as a charge against the budget line item. For the fiscal year ended June 30, 2015, \$0 was charged to the worker’s compensation budget line item. The balance of estimated unpaid claims and settlement expense as of June 30, 2015 and 2014 was \$18,743 and \$19,737, respectively. There is a potential contingent liability that exceeds the amount the District has in the worker’s compensation fund.

<u>Fiscal Year Ended</u>	<u>Balance Beginning of Year</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Balance End of Year</u>
6/30/15	\$19,737		994	18,743
6/30/14	38,686		18,949	19,737
6/30/13	39,025		339	38,686

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Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015

NOTE 21. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2015, several interfunds remained on the various balance sheets of the Egg Harbor Township Board of Education.

	From	To
General Fund:		
Special Revenue Fund	\$395,730	
Capital Projects Fund	3,170	
Enterprise Fund		47,116
Trust and Agency Fund	10,050	
Special Revenue Fund:		
General Fund		395,730
Capital Projects Fund:		
General Fund		3,170
Enterprise Fund:		
General Fund	47,116	
Trust and Agency Fund:		
General Fund		10,050
	<u>\$456,066</u>	<u>456,066</u>

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

NOTE 22. RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 68, as discussed in notes 9 and 10 above.

Beginning net position as previously reported at June 30, 2014	\$	116,136,606
Prior period adjustment - Implementation GASB 68		
Net pension liability (measurement date)		(33,690,007)
Deferred outflows - District's contributions made during fiscal year 2014		1,325,210
		<u>1,325,210</u>
Total prior period adjustment		<u>(32,364,797)</u>
Net position as restated, July 1, 2014	\$	83,771,809

**Egg Harbor Township School District
Notes to Financial Statements
June 30, 2015**

NOTE 24. SUBSEQUENT EVENTS

On July 15, 2015, the District entered into the following capital lease agreement:

Effective July 15, 2015, lease purchase of various equipment and school buses. Lease is payable in annual principal installments ranging from \$148,758 to \$568,000. Interest at a rate ranging from 1.430% to 1.570% per annum, is payable semiannually. \$ 2,676,358

The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments:

Year ending June 30,	Amount
2016	\$ 568,000
2017	510,934
2018	510,934
2019	510,934
2020	510,934
Thereafter	148,758
Total minimum lease payments	2,760,494
Less amount representing interest	84,136
Present value of lease payments	\$ 2,676,358

On November 24, 2015 the Board approved an ordinance to refund the outstanding principal balance of the General Obligation – Refunding Bonds issued on December 5, 2006. The ordinance authorizes the issuance of up to \$15,000,000 in Refunding Bonds to refund the outstanding balance of the 2006 issue maturing on or after April 1, 2016.

The District has evaluated subsequent events through December 7, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure or adjustment.

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Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 71,015,418		71,015,418	71,015,418	-
Tuition	119,500		119,500	786,941	667,441
Interest	185,000		185,000	41,339	(143,661)
Miscellaneous	20,000		20,000	397,593	377,593
Total - Local Sources	71,339,918	-	71,339,918	72,241,291	901,373
State Sources:					
Equalization Aid	33,108,509		33,108,509	33,108,509	-
Categorical Special Education Aid	4,392,582		4,392,582	4,392,582	-
Categorical Transportation Aid	775,825		775,825	775,825	-
Categorical Security Aid	1,530,474		1,530,474	1,530,474	-
Special Education Extraordinary Aid	475,238		475,238	475,238	-
PARCC Readiness	74,015		74,015	74,015	-
Per Pupil Growth Aid	74,015		74,015	74,015	-
Under Adequacy Aid	70,558		70,558	70,558	-
Nonpublic School Transportation Aid	-		-	52,273	52,273
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	6,895,842	6,895,842
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	3,872,293	3,872,293
Total - State Sources	40,501,216	-	40,501,216	51,321,624	10,820,408
Federal Sources:					
Medical Assistance Program	100,638		100,638	292,796	192,158
ARRA/SEMI Unrestricted	-		-	87,393	87,393
Total - Federal Sources	100,638	-	100,638	380,189	279,551
Total Revenues	111,941,772	-	111,941,772	123,943,104	12,001,332

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	354,777	27,966	382,743	340,697	42,046
Kindergarten	774,141	50,116	824,257	785,282	38,975
Grades 1-5	11,118,666	230,531	11,349,197	10,855,251	493,946
Grades 6-8	7,856,641	140,274	7,996,915	7,812,107	184,808
Grades 9-12	10,886,039	7,549	10,893,588	10,636,087	257,501
Regular Programs - Home Instruction:					
Salaries of Teachers	198,587	(320)	198,267	123,200	75,067
Purchased Professional - Educational Services	32,509	24,000	56,509	52,831	3,678
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	246,688	(18,373)	228,315	220,641	7,674
Purchased Professional - Educational Services	60,000	5,065	65,065	39,152	25,913
Other Purchased Services	20,500	-	20,500	5,108	15,392
General Supplies	1,281,380	(28,445)	1,252,935	1,148,435	104,500
Textbooks	396,007	(3,571)	392,436	335,622	56,814
Total Regular Programs	33,225,935	434,792	33,660,727	32,354,413	1,306,314
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	438,746	244,682	683,428	654,761	28,667
Other Salaries for Instruction	24,776	592	25,368	-	25,368
General Supplies	15,679	(3,077)	12,602	11,987	615
Textbooks	6,094	(1,798)	4,296	3,840	456
Total Learning and/or Language Disabilities	485,295	240,399	725,694	670,588	55,106
Multiple Disabilities					
Salaries of Teachers	1,051,920	(330,318)	721,602	685,868	35,734
General Supplies	10,573	6,695	17,268	14,216	3,052
Textbooks	744	(511)	233	233	-
Total Multiple Disabilities	1,063,237	(324,134)	739,103	700,317	38,786

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	6,055,797	225,489	6,281,286	6,027,277	254,009
Other Salaries for Instruction	103,082	10,016	113,098	110,416	2,682
General Supplies	54,166	(4,572)	49,594	46,046	3,548
Textbooks	4,340	(279)	4,061	3,898	163
Total Resource Room/Resource Center	6,217,385	230,654	6,448,039	6,187,637	260,402
Preschool Disabilities - Part Time					
Salaries of Teachers	136,274	2,901	139,175	133,810	5,365
Other Salaries for Instruction	48,634	1,160	49,794	47,951	1,843
General Supplies	3,500	1,000	4,500	2,202	2,298
Total Preschool Disabilities - Part Time	188,408	5,061	193,469	183,963	9,506
Preschool Disabilities - Full Time					
Salaries of Teachers	111,115	(14,434)	96,681	91,139	5,542
General Supplies	2,200	-	2,200	1,614	586
Total Preschool Disabilities - Full Time	113,315	(14,434)	98,881	92,753	6,128
Total Special Education - Instruction	8,067,640	137,546	8,205,186	7,835,258	369,928
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,650,488	32,496	1,682,984	1,344,499	338,485
General Supplies	3,360	-	3,360	3,235	125
Total Basic Skills/Remedial - Instruction	1,653,848	32,496	1,686,344	1,347,734	338,610
Bilingual Education - Instruction:					
Salaries of Teachers	752,136	17,851	769,987	703,884	66,103
Purchased Professional - Educational Services	4,000	-	4,000	36	3,964
General Supplies	7,070	-	7,070	6,214	856
Total Bilingual Education - Instruction	763,206	17,851	781,057	710,134	70,923

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
School Sponsored Cocurricular Activities - Instruction:					
Salaries	228,185	5,695	233,880	219,400	14,480
Purchased Services	6,900	-	6,900	6,854	46
Supplies and Materials	11,500	(3,750)	7,750	7,637	113
Other Objects	1,000	-	1,000	482	518
Total School Sponsored Cocurricular Activities - Instruction	247,585	1,945	249,530	234,373	15,157
School-Sponsored Athletics - Instruction					
Salaries	468,899	14,090	482,989	413,386	69,603
Purchased Services	20,812	-	20,812	18,729	2,083
Supplies and Materials	124,726	(2,824)	121,902	102,557	19,345
Other Objects	22,860	17,000	39,860	31,860	8,000
Transfers to Cover Deficit (Agency Funds)	87,344	(17,000)	70,344	70,344	-
Total School-Sponsored Athletics - Instruction	724,641	11,266	735,907	636,876	99,031
Alternative Education Program					
Salaries	415,083	13,934	429,017	419,052	9,965
Purchased Professional & Technical Services	35,800	-	35,800	20,582	15,218
General Supplies	8,030	(468)	7,562	5,043	2,519
Textbooks	1,400	-	1,400	344	1,056
Total Alternative Education Program	460,313	13,466	473,779	445,021	28,758
Total Instruction	45,143,168	649,362	45,792,530	43,563,809	2,228,721
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	44,055	45,003	89,058	80,077	8,981
Tuition to Other LEAs Within the State - Special	37,899	-	37,899	14,395	23,504
Tuition to County Voc. School Dist. - Regular	863,553	160,000	1,023,553	1,020,640	2,913
Tuition to CSSD & Regional Day Schools	1,868,562	114,718	1,983,280	1,973,782	9,498
Tuition to Private Schools for the Disabled - Within State	2,074,300	(434,718)	1,639,582	1,417,790	221,792
Tuition to Private Schools Disabled & Other LEAs-Special - Outside State	69,000	(45,000)	24,000	-	24,000
Tuition - State Facilities	240,810	-	240,810	216,040	24,770
Total Undistributed Expenditures - Instruction	5,198,179	(159,997)	5,038,182	4,722,724	315,458

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work:					
Salaries	239,743	5,532	245,275	236,139	9,136
Other Purchased Services	5,200	-	5,200	3,535	1,665
Supplies and Materials	2,000	506	2,506	2,354	152
Total Undistributed Expenditures - Attendance and Social Work	246,943	6,038	252,981	242,028	10,953
Undistributed Expenditures - Health Services:					
Salaries	932,578	21,711	954,289	900,584	53,705
Purchased Professional and Technical Services	51,150	355	51,505	35,083	16,422
Supplies and Materials	16,649	3,599	20,248	18,743	1,505
Total Undistributed Expenditures - Health Services	1,000,377	25,665	1,026,042	954,410	71,632
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	1,155,343	87,503	1,242,846	1,184,911	57,935
Purchased Professional - Educational Services	186,169	-	186,169	101,868	84,301
Supplies and Materials	27,341	(4,000)	23,341	17,155	6,186
Total Undistributed Expenditures - Other Support Services - Students - Related Services	1,368,853	83,503	1,452,356	1,303,934	148,422
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	2,541,454	241,129	2,782,583	2,729,094	53,489
Purchased Professional - Educational Services	280,000	-	280,000	172,884	107,116
Supplies and Materials	30,000	-	30,000	9,300	20,700
Total Undistributed Expenditures - Other Support Services - Extra Services	2,851,454	241,129	3,092,583	2,911,278	181,305

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	2,164,258	50,596	2,214,854	2,127,130	87,724
Salaries of Secretarial and Clerical Assistants	188,781	4,382	193,163	181,878	11,285
Other Purchased Professional and Technical Services	16,320	-	16,320	14,464	1,856
Other Purchased Services	5,890	-	5,890	2,778	3,112
Supplies and Materials	30,540	588	31,128	25,344	5,784
Total Undistributed Expenditures - Other Support Services - Guidance	2,405,789	55,566	2,461,355	2,351,594	109,761
Undistributed Expenditures - Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	1,823,498	107,900	1,931,398	1,799,943	131,455
Salaries of Secretarial and Clerical Assistants	287,420	6,570	293,990	285,848	8,142
Other Purchased Professional and Technical Services	12,800	-	12,800	6,782	6,018
Residential Costs	55,250	-	55,250	-	55,250
Miscellaneous Purchased Services	29,193	-	29,193	23,979	5,214
Supplies and Materials	66,539	4,082	70,621	69,481	1,140
Total Undistributed Expenditures - Other Support Services - Child Study Teams	2,274,700	118,552	2,393,252	2,186,033	207,219
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	986,119	(15,500)	970,619	965,532	5,087
Salaries of Other Professional Staff	385,268	27,957	413,225	403,526	9,699
Total Undistributed Expenditures - Improv. of Instr. Services	1,371,387	12,457	1,383,844	1,369,058	14,786

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	924,040	(15,032)	909,008	865,564	43,444
Salaries of Technology Coordinators	85,388	-	85,388	84,596	792
Purchased Professional and Technical Services	320,299	(35,494)	284,805	126,304	158,501
Other Purchased Services	46,279	(9,442)	36,837	20,052	16,785
Supplies and Materials	290,145	(13,245)	276,900	268,140	8,760
Other Objects	14,959	-	14,959	14,535	424
Total Undistributed Expenditures - Educational Media Services - School Library	1,681,110	(73,213)	1,607,897	1,379,191	228,706
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	134,516	(2,499)	132,017	124,746	7,271
Salaries of Other Professional Staff	77,335	12,167	89,502	85,735	3,767
Purchased Professional - Educational Services	213,203	(13,505)	199,698	115,254	84,444
Other Purchased Services	11,145	199	11,344	3,356	7,988
Supplies and Materials	5,600	-	5,600	3,589	2,011
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Instructional Staff Training Svcs	441,799	(3,638)	438,161	332,680	105,481
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	652,225	5,474	657,699	649,579	8,120
Legal Services	245,000	-	245,000	218,531	26,469
Audit Fees	37,000	(1,000)	36,000	36,000	-
Architectural/Engineering Services	78,427	1,134	79,561	55,459	24,102
Other Purchased Professional Services	33,500	19,262	52,762	47,610	5,152
Communications/Telephone	257,484	56,622	314,106	275,240	38,866
Other Purchased Services	305,575	(15,497)	290,078	249,657	40,421
General Supplies	17,602	-	17,602	12,484	5,118
BOE In-House Training/Meeting Supplies	11,500	-	11,500	10,422	1,078
Miscellaneous Expenditures	19,600	-	19,600	16,704	2,896
BOE Membership Dues and Fees	37,000	-	37,000	30,922	6,078
Total Undistributed Expenditures - Support Services - Gen. Admin.	1,694,913	65,995	1,760,908	1,602,608	158,300

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Dir	1,900,880	14,100	1,914,980	1,912,685	2,295
Salaries of Other Professional Staff	469,391	-	469,391	469,354	37
Salaries of Secretarial and Clerical Assistants	980,345	82,769	1,063,114	1,008,672	54,442
Purchased Professional and Technical Services	53,800	579	54,379	38,802	15,577
Other Purchased Services	122,144	-	122,144	118,994	3,150
Supplies and Materials	57,131	(2,146)	54,985	34,780	20,205
Other Objects	42,299	(9)	42,290	39,314	2,976
Total Undistributed Expenditures - Support Serv. - School Admin.	3,625,990	95,293	3,721,283	3,622,601	98,682
Undistributed Expenditures - Central Services					
Salaries	583,416	-	583,416	579,980	3,436
Purchased Technical Services	51,138	-	51,138	50,976	162
Miscellaneous Purchased Services (400-500 series)	273,285	(7,973)	265,312	212,126	53,186
Supplies and Materials	19,500	(4,622)	14,878	8,328	6,550
Miscellaneous Expenditures	8,000	-	8,000	5,702	2,298
Total Undistributed Expenditures - Central Services	935,339	(12,595)	922,744	857,112	65,632
Undistributed Expenditures - Administrative Information Technology					
Salaries	314,279	-	314,279	265,054	49,225
Purchased Technical Services	68,503	(17,819)	50,684	29,895	20,789
Supplies and Materials	36,654	-	36,654	23,990	12,664
Total Undistributed Expenditures - Admin. Information Technology	419,436	(17,819)	401,617	318,939	82,678
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	645,051	15,489	660,540	616,065	44,475
Cleaning, Repair, and Maintenance Services	328,390	84,825	413,215	171,949	241,266
General Supplies	166,844	1	166,845	148,904	17,941
Other Objects	2,500	-	2,500	1,664	836
Total Undistributed Expenditures - Required Maint for School Facilities	1,142,785	100,315	1,243,100	938,582	304,518

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	4,153,894	(1,491)	4,152,403	3,871,508	280,895
Cleaning, Repair and Maintenance Services	242,386	11,000	253,386	211,035	42,351
Rental of Land & Building Other than Lease Purch Agmt	9,950	-	9,950	9,550	400
Other Purchased Property Services	184,804	500	185,304	172,475	12,829
Insurance	510,892	-	510,892	501,208	9,684
General Supplies	358,528	4,400	362,928	349,912	13,016
Energy (Electricity)	2,244,726	(42,650)	2,202,076	1,617,981	584,095
Other Objects	2,800	(2,000)	800	149	651
Energy (Natural Gas)	532,500	-	532,500	468,268	64,232
Energy (Oil)	8,000	-	8,000	4,530	3,470
Total Undistributed Expenditures - Custodial Services	8,248,480	(30,241)	8,218,239	7,206,616	1,011,623
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	374,917	8,635	383,552	353,092	30,460
Cleaning, Repair and Maintenance Services	46,500	5,000	51,500	43,813	7,687
General Supplies	67,000	20,847	87,847	79,869	7,978
Total Undistributed Expenditures - Care & Upkeep of Grounds	488,417	34,482	522,899	476,774	46,125
Undistributed Expenditures - Security					
Salaries	154,543	3,239	157,782	143,603	14,179
Cleaning, Repair and Maintenance Services	75,303	(595)	74,708	9,737	64,971
General Supplies	10,484	(2,675)	7,809	7,703	106
Other Objects	-	595	595	595	-
Total Undistributed Expenditures - Security	240,330	564	240,894	161,638	79,256
Total Undistributed Expenditures - Oper & Main of Plant Services	10,120,012	105,120	10,225,132	8,783,610	1,441,522
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Transp (Between Home and School)-Reg.	2,249,941	(1,726)	2,248,215	2,065,150	183,065
Sal for Pupil Transp (Between Home and School)-Sp Ed	261,142	23,000	284,142	280,770	3,372
Sal for Pupil Transp (Other than Bet. Home & School)	183,745	(2,156)	181,589	128,695	52,894
Other Purchased Professional and Technical Services	31,332	-	31,332	24,364	6,968
Cleaning, Repair, and Maintenance Services	258,186	(500)	257,686	186,746	70,940
Lease Purchase Payments - School Buses	622,169	115,908	738,077	538,076	200,001

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Contracted Services - (Between Home and School) - Joint Agree.	505,033	(41,000)	464,033	393,690	70,343
Contracted Services - (Between Home and School) - Vendors	9,000	-	9,000	-	9,000
Contracted Services - (Special Ed Students) - Vendors	50,000	-	50,000	37,400	12,600
Contracted Services - (Special Ed Students) - Joint Agree.	1,363,157	460,000	1,823,157	1,610,796	212,361
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	88,400	41,000	129,400	117,503	11,897
Contracted Services - Aid in Lieu of Payments - Charter School	29,172	-	29,172	7,867	21,305
Contracted Services - Aid in Lieu of Payments - Choice School	59,228	-	59,228	31,932	27,296
Miscellaneous Purchased Services - Transportation	149,294	-	149,294	149,294	-
Supplies and Materials	9,446	2,230	11,676	11,676	-
Transportation Supplies	1,565,618	(133,035)	1,432,583	955,677	476,906
Miscellaneous Expenditures	10,000	2,000	12,000	11,110	890
Total Undistributed Expenditures - Student Transportation Serv.	7,444,863	465,721	7,910,584	6,550,746	1,359,838
Unallocated Benefits:					
Social Security Contributions	1,270,425	51,524	1,321,949	1,251,883	70,066
Other Retirement Contributions - PERS	1,655,000	(109,000)	1,546,000	1,503,286	42,714
Other Retirement Contributions - Regular	20,000	10,000	30,000	25,095	4,905
Workmen's Compensation	1,395,670	(50,000)	1,345,670	1,343,171	2,499
Health Benefits	22,445,006	(310,000)	22,135,006	20,566,066	1,568,940
Tuition Reimbursement	85,400	(579)	84,821	48,083	36,738
Other Employee Benefits	848,466	-	848,466	734,096	114,370
Total Unallocated Benefits	27,719,967	(408,055)	27,311,912	25,471,660	1,840,232
On-behalf TPAF Pension Contributions (non-budgeted)				6,895,842	(6,895,842)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,872,293	(3,872,293)
Total On-behalf Contributions	-	-	-	10,768,135	(10,768,135)
Total Undistributed Expenditures	70,801,111	599,722	71,400,833	75,728,361	(4,327,528)
Total Current Expense	115,944,279	1,249,084	117,193,363	119,292,170	(2,098,807)
Capital Outlay:					
Interest Deposit to Capital Reserve	-	-	-	-	-
Total Interest Deposit to Capital Reserve	-	-	-	-	-

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Equipment:					
Undistributed Expenditures:					
Grades 1-5	-	40,271	40,271	40,271	-
Grades 6-8	-	18,813	18,813	18,640	173
Grades 9-12	13,295	15,586	28,881	27,385	1,496
Support Services - Regular	-	9,984	9,984	9,984	-
Support Services - Student Transportation-Non Inst. Equip	18,450	14,896	33,346	5,749	27,597
Undist. Expend. - Business Office	5,400	4,622	10,022	5,400	4,622
Undist. Expend. - Admin Info Tech.	138,643	12,494	151,137	27,932	123,205
Undist. Expend. - Required Maint for School Facilities	20,000	402	20,402	20,402	-
Undist. Expend. - Custodial Services	9,000	(9,000)	-	-	-
Undist. Expend. - Care and Upkeep of Grounds	26,100	(1,650)	24,450	24,450	-
Undist. Expend. - Security	57,500	2,675	60,175	35,640	24,535
Total Equipment	288,388	109,093	397,481	215,853	181,628
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	2,742	51,500	54,242	51,975	2,267
Construction Services	1,349,481	1,081,707	2,431,188	1,652,378	778,810
Supplies and Materials	20,000	-	20,000	4,500	15,500
Other Objects - Debt Service Assessment	543,141	-	543,141	543,140	1
Total Facilities Acquisition and Construction Services	1,915,364	1,133,207	3,048,571	2,251,993	796,578
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Transportation	-	-	-	468,000	(468,000)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	468,000	(468,000)
Total Capital Outlay	2,203,752	1,242,300	3,446,052	2,935,846	510,206
Transfer to Charter Schools	393,207	109,000	502,207	478,799	23,408
Total Expenditures	118,541,238	2,600,384	121,141,622	122,706,815	(1,565,193)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,599,466)	(2,600,384)	(9,199,850)	1,236,289	10,436,139

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses):					
Transfers Out:					
Increase in Capital Reserve	(297,782)	-	(297,782)	(297,782)	-
Withdrawal from Capital Reserve				(670,526)	670,526
Interest Deposit to Capital Reserve				(2,000)	2,000
Decrease in Capital Reserve				970,308	(970,308)
Capital Leases (non-budgeted)				468,000	468,000
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(6,897,248)	(2,600,384)	(9,497,632)	1,704,289	10,606,357
Fund Balances, July 1	19,160,760		19,160,760	19,160,760	-
Fund Balances, June 30	<u>\$ 12,263,512</u>	<u>(2,600,384)</u>	<u>9,663,128</u>	<u>20,865,049</u>	<u>10,606,357</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	7,634,706
Excess Surplus-Designated for Subsequent Year's Expenditures	6,686,806
Reserve for Capital Reserve	2,501,000

Assigned Fund Balance:

Year-end Encumbrances	1,760,850
Designated for Subsequent Year's Expenditures	-

Unassigned Fund Balance

	<u>2,281,687</u>
	20,865,049

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

	<u>(3,694,647)</u>
\$	<u>17,170,402</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 39,129	412	39,541	15,338	(24,203)
Total - Local Sources	39,129	412	39,541	15,338	(24,203)
State Sources:					
Nonpublic aid	176,118	870	176,988	173,805	(3,183)
Total - State Sources	176,118	870	176,988	173,805	(3,183)
Federal Sources:					
Title I	961,320	100,013	1,061,333	917,548	(143,785)
Title II	132,175	11,217	143,392	123,630	(19,762)
Title III	66,646	8,090	74,736	61,395	(13,341)
I.D.E.A., Part B	2,072,011	6,043	2,078,054	1,875,167	(202,887)
Vocational Education	250,368	30,238	280,606	143,797	(136,809)
Total - Federal Sources	3,482,520	155,601	3,638,121	3,121,537	(516,584)
Total Revenues	3,697,767	156,883	3,854,650	3,310,680	(543,970)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,187,318	203	1,187,521	1,090,295	97,226
Purchased Professional and Technical Services	327,409	3,659	331,068	269,651	61,417
Other Purchased Services (400-500 series)	681,209	-	681,209	680,571	638
General Supplies	404,085	(8,967)	395,118	302,938	92,180
Textbooks	15,074	-	15,074	15,020	54
Other objects	40,325	4,775	45,100	29,376	15,724
Total instruction	2,655,420	(330)	2,655,090	2,387,851	267,239

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors	298,088	7,617	305,705	282,904	22,801
Personal Services - Employee Benefits	232,925	119,295	352,220	195,425	156,795
Purchased Technical Services	211,947	14,000	225,947	163,855	62,092
Purchased Property Services	18,000	-	18,000	18,000	-
Travel	22,028	(3,796)	18,232	16,770	1,462
Other purchased Services (400-500 series)	115,436	2,693	118,129	114,216	3,913
Supplies & Materials	38,725	11,600	50,325	28,942	21,383
Total support services	937,149	151,409	1,088,558	820,112	268,446
Facilities acquisition and construction services:					
Instructional Equipment	105,198	5,804	111,002	102,717	8,285
Total facilities acquisition and construction services	105,198	5,804	111,002	102,717	8,285
Transfers to Charter Schools					
Total expenditures	3,697,767	156,883	3,854,650	3,310,680	543,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-

Notes to the Required Supplementary Information

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 123,943,104	3,310,680
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		156,884
Current year		(165,314)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,684,067	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,694,647)	
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	123,932,524	3,302,250
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	122,706,815	3,310,680
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		156,884
Current year		(165,314)
Pension expense recognized for GAAP but not for budgetary purposes.	-	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 122,706,815	3,302,250

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Required Supplementary Information
Part III

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

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.1823522927%	0.1762768420%
District's proportionate of the net pension liability (asset)	\$ 34,141,337	\$ 33,690,007
District's covered payroll	\$ 12,372,353	\$ 12,234,369
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	275.95%	275.37%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

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

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

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,328,210	\$ 1,223,404
Contributions in relation to the contractually required contribution	<u>\$ 1,328,210</u>	<u>\$ 1,223,404</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 12,372,353	\$ 12,234,369
Contributions as a percentage of covered-employee payroll	10.74%	10.00%

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

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

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

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>259,337,251</u>	<u>244,617,946</u>
Total	<u>\$ 259,337,251</u>	<u>\$ 244,617,946</u>
District's covered payroll	\$ 49,227,235	\$ 49,131,489
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

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

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,061,183	\$ 3,134,801
Contributions in relation to the contractually required contribution	<u>\$ 2,061,183</u>	<u>\$ 3,134,801</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 49,227,235	\$ 49,131,489
Contributions as a percentage of covered-employee payroll	4.19%	6.38%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

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

SPECIAL REVENUE FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2015

	Nonpublic Textbooks	Nonpublic Auxiliary Aid Compensatory Education	Examination & Classification	Nonpublic Handicapped Aid Corrective Speech	Supplemental Instruction	Nonpublic Nursing	Nonpublic Technology	Total State Funds
REVENUES:								
State Sources	\$ 15,020	71,664	23,606	11,486	17,263	26,885	7,881	173,805
Federal Sources								
Local Sources								
Total revenues	<u>15,020</u>	<u>71,664</u>	<u>23,606</u>	<u>11,486</u>	<u>17,263</u>	<u>26,885</u>	<u>7,881</u>	<u>173,805</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Purchased prof. and technical services		71,664	23,606	11,486	17,263			124,019
Other purchased services							856	856
General supplies	15,020							15,020
Textbooks								
Other objects								
Total instruction	<u>15,020</u>	<u>71,664</u>	<u>23,606</u>	<u>11,486</u>	<u>17,263</u>	<u>-</u>	<u>856</u>	<u>139,895</u>
Support services:								
Salaries of program directors								
Personal services- employee benefits								
Purchased technical services						26,885		26,885
Purchased property services								
Miscellaneous purchased services								
Travel								
Supplies and materials								
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,885</u>	<u>-</u>	<u>26,885</u>
Facilities acquisition and const. serv.:								
Instructional equipment							7,025	7,025
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,025</u>	<u>7,025</u>
Transfer to charter schools								
Total expenditures	<u>\$ 15,020</u>	<u>71,664</u>	<u>23,606</u>	<u>11,486</u>	<u>17,263</u>	<u>26,885</u>	<u>7,881</u>	<u>173,805</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2015

	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Title I Part A	Title II Part A	Title III English Language Enhancement	Title III Immigrant	Carl D. Perkins Vocational	Total Federal Funds
REVENUES:								
State Sources								
Federal Sources								
Local Sources								
Total revenues	\$ 1,780,614	94,553	917,548	123,630	48,877	12,518	143,797	3,121,537
	<u>1,780,614</u>	<u>94,553</u>	<u>917,548</u>	<u>123,630</u>	<u>48,877</u>	<u>12,518</u>	<u>143,797</u>	<u>3,121,537</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	257,183	47,555	661,888	61,206	37,586	7,298	5,080	1,077,796
Purchased prof. and technical services	135,080						8,362	143,442
Other purchased services	680,009							680,009
General supplies	237,305	41,416	2,290		3,172	4,862	13,150	301,995
Textbooks								
Other objects							29,376	29,376
Total instruction	<u>1,309,577</u>	<u>88,971</u>	<u>664,178</u>	<u>61,206</u>	<u>40,758</u>	<u>11,960</u>	<u>55,968</u>	<u>2,232,618</u>
Support services:								
Salaries of program directors	124,323		96,912	35,228			26,441	282,904
Personal services- employee benefits	29,325	3,638	135,846	15,916	8,119	558	2,023	195,425
Purchased technical services	127,385			9,585				136,970
Purchased property services	18,000		18,000	1,695			4,799	18,000
Miscellaneous purchased services	89,722						16,770	114,216
Travel			2,612					2,612
Supplies and materials	24,386	1,944						26,330
Total support services	<u>413,141</u>	<u>5,582</u>	<u>253,370</u>	<u>62,424</u>	<u>8,119</u>	<u>558</u>	<u>50,033</u>	<u>793,227</u>
Facilities acquisition and const. serv.:								
Instructional equipment	57,896						37,796	95,692
Total facilities acquisition and construction services	<u>57,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,796</u>	<u>95,692</u>
Transfer to charter schools								
Total expenditures	\$ 1,780,614	94,553	917,548	123,630	48,877	12,518	143,797	3,121,537
	<u>1,780,614</u>	<u>94,553</u>	<u>917,548</u>	<u>123,630</u>	<u>48,877</u>	<u>12,518</u>	<u>143,797</u>	<u>3,121,537</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED June 30, 2015

	Workforce Investment Board (WIB)	Total All Other Funds	Totals
REVENUES:			
State Sources	-	-	173,805
Federal Sources	-	-	3,121,537
Local Sources	15,338	15,338	15,338
Total revenues	\$ 15,338	15,338	3,310,680
EXPENDITURES:			
Instruction:			
Salaries of teachers	12,499	12,499	1,090,295
Purchased prof. and technical services	2,190	2,190	269,651
Other purchased services	562	562	680,571
General supplies	87	87	302,938
Textbooks	-	-	15,020
Other objects	-	-	29,376
Total instruction	15,338	15,338	2,387,851
Support services:			
Salaries of program directors	-	-	282,904
Personal services- employee benefits	-	-	195,425
Purchased technical services	-	-	163,855
Purchased property services	-	-	18,000
Miscellaneous purchased services	-	-	114,216
Travel	-	-	16,770
Supplies and materials	-	-	28,942
Total support services	-	-	820,112
Facilities acquisition and const. serv.:			
Instructional equipment	-	-	102,717
Total facilities acquisition and construction services	-	-	102,717
Transfer to charter schools	-	-	-
Total expenditures	\$ 15,338	15,338	3,310,680

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CAPITAL PROJECTS FUND

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
Year Ended June 30, 2015

Number	Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
SP#200324	Construction of elementary school	3/28/00	\$ 21,670,374	21,433,993	(486)	236,867
	Various Repairs and Renovations at Slaybaugh Elementary	4/15/08	4,391,664	3,783,409	608,255	-
SP#1310-035-08-1000	Swift Elementary School		1,546,156	1,473,476	72,680	-
SP#1310-050-08-1000	Egg Harbor Township High School		8,431,026	8,416,275	14,751	-
SP#1310-005-08-1000	Swift/Slaybaugh Elementary Schools Roof Project		1,479,500	-	418,150	1,061,350
	Various Repairs and Renovations at Egg Harbor Township High School	8/26/10	45,800	38,001	7,799	-
SP#1310-005-10-1001	Fernwood Avenue Middle School		857,809	855,338	2,471	-
SP#1310-039-10-1006	Alder Avenue Middle School		493,040	401,849	91,191	-
SP#1310-038-10-1004	Slaybaugh Elementary		1,187,063	938,553	15,218	233,292
N/A	Renovation/Expansion of High School Field House and Concession Stand	11/13/12	799,350	768,920	30,430	-
N/A	Swift Elementary School Modular Building Project	6/11/13	483,800	458,191	-	25,609
Totals			<u>\$ 41,385,582</u>	<u>38,568,005</u>	<u>1,260,459</u>	<u>1,557,118</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2015

Revenues and other Financing Sources

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

Expenditures and other Financing Uses

Salaries	-
Purchased professional and technical services	45,230
Legal services	-
Land and improvements	-
Construction services	1,215,229
Equipment purchases	-
Total expenditures	<u>1,260,459</u>
Excess (deficiency) of revenues over (under) expenditures	(1,260,459)
Fund balance - beginning	2,817,577
Fund balance - ending	<u>\$ 1,557,118</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Construction of Dr. Joyanne D. Miller Elementary School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 21,670,374		21,670,374	21,670,374
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>21,670,374</u>	<u>-</u>	<u>21,670,374</u>	<u>21,670,374</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	74,592		74,592	74,592
Legal services	21,528		21,528	21,528
Contingency	57,505		57,505	57,505
Construction services	20,510,154	(486)	20,509,668	20,746,535
Furniture & equipment purchases	770,214		770,214	770,214
Total expenditures	<u>21,433,993</u>	<u>(486)</u>	<u>21,433,507</u>	<u>21,670,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 236,381</u>	<u>486</u>	<u>236,867</u>	<u>-</u>

Additional project information:

Project number	SP-200324
Grant Date	N/A
Bond Authorization Date	3/28/00
Bonds Authorized	21,800,000
Bonds Issued	21,800,000
Original Authorized Cost	21,800,000
Additional/Reduction in Authorized Cost	(129,626)
Revised Authorized Cost	21,670,374

Percentage Increase over Original Authorized Cost	-0.59%
Percentage Completion	100.00%
Original target completion date	9/1/03
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 4,391,664		4,391,664	4,391,664
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>4,391,664</u>	<u>-</u>	<u>4,391,664</u>	<u>4,391,664</u>
Expenditures and other Financing Uses				
Salaries	13,358		13,358	13,358
Purchased professional and technical services	182,165		182,165	182,165
Legal services	98		98	98
Contingency			-	
Construction services	3,587,788	608,255	4,196,043	4,196,043
Furniture & equipment purchases			-	
Total expenditures	<u>3,783,409</u>	<u>608,255</u>	<u>4,391,664</u>	<u>4,391,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 608,255</u>	<u>(608,255)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-035-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	4,391,664
Bonds Issued	-
Original Authorized Cost	4,391,664
Additional Authorized Cost	-
Revised Authorized Cost	4,391,664
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Swift Elementary School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 1,546,156		1,546,156	1,546,156
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay			-	
Total revenues	<u>1,546,156</u>	<u>-</u>	<u>1,546,156</u>	<u>1,546,156</u>
Expenditures and other Financing Uses				
Salaries	5,789		5,789	5,789
Purchased professional and technical services	108,972		108,972	108,972
Legal services	60		60	60
Contingency			-	
Construction services	1,358,655	72,680	1,431,335	1,431,335
Furniture & equipment purchases			-	
Total expenditures	<u>1,473,476</u>	<u>72,680</u>	<u>1,546,156</u>	<u>1,546,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 72,680</u>	<u>(72,680)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-050-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	1,903,196
Bonds Issued	-
Original Authorized Cost	1,903,196
Additional Authorized Cost	(357,040)
Revised Authorized Cost	1,546,156
Percentage Increase over Original Authorized Cost	-18.76%
Percentage Completion	100.00%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 6,425,900		6,425,900	6,425,900
Township of Egg Harbor			-	
Transfer from capital reserve	2,005,126		2,005,126	2,005,126
Transfer from capital outlay			-	
Total revenues	<u>8,431,026</u>	<u>-</u>	<u>8,431,026</u>	<u>8,431,026</u>
Expenditures and other Financing Uses				
Salaries	19,545		19,545	19,545
Purchased professional and technical services	329,980		329,980	329,980
Legal services	169		169	169
Contingency	68,729		68,729	68,729
Construction services	7,997,852	14,751	8,012,603	8,012,603
Furniture & equipment purchases			-	
Total expenditures	<u>8,416,275</u>	<u>14,751</u>	<u>8,431,026</u>	<u>8,431,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 14,751</u>	<u>(14,751)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-005-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	6,425,900
Bonds Issued	-
Original Authorized Cost	6,425,900
Additional Authorized Cost	2,005,126
Revised Authorized Cost	8,431,026
Percentage Increase over Original Authorized Cost	31.20%
Percentage Completion	100.00%
Original target completion date	6/30/09
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Swift and Slaybaugh Elementary Schools Roof Project
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources:				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers	\$ 1,479,500		1,479,500	1,897,650
Township of Egg Harbor			-	
Transfer from capital reserve			-	-
Transfer from capital outlay			-	
Total revenues	<u>1,479,500</u>	<u>-</u>	<u>1,479,500</u>	<u>1,897,650</u>
Expenditures and other Financing Uses:				
Salaries			-	
Purchased professional and technical services		45,230	45,230	97,230
Legal services			-	
Contingency			-	
Construction services		372,920	372,920	1,800,420
Furniture & equipment purchases			-	
Total expenditures	<u>-</u>	<u>418,150</u>	<u>418,150</u>	<u>1,897,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,479,500</u>	<u>(418,150)</u>	<u>1,061,350</u>	<u>-</u>

Additional project information:

Project number	01-1310-005-08-1000
Grant date	N/A
Bond Authorization Date	4/15/08
Bonds Authorized	
Bonds Issued	-
Original Authorized Cost	1,479,500
Additional Authorized Cost	-
Revised Authorized Cost	1,479,500
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	22.04%
Original target completion date	6/30/09
Revised target completion date	6/30/15

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at the High School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program	\$ 24,203		24,203	24,203
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	24,203		24,203	24,203
Transfer from capital outlay			-	
Total revenues	<u>48,406</u>	<u>-</u>	<u>48,406</u>	<u>48,406</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	5,186		5,186	
Legal services			-	5,186
Contingency			-	
Construction services	35,421	7,799	43,220	43,220
Furniture & equipment purchases			-	
Total expenditures	<u>40,607</u>	<u>7,799</u>	<u>48,406</u>	<u>48,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,799</u>	<u>(7,799)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-005-10-1001
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	45,800
Additional Authorized Cost	2,606
Revised Authorized Cost	48,406

Percentage Increase over Original Authorized Cost	5.69%
Percentage Completion	100.00%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Fernwood Middle School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program	\$ 439,853		439,853	439,853
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	51,596		51,596	51,596
Transfer from capital outlay	363,754		363,754	363,754
Total revenues	<u>855,203</u>	<u>-</u>	<u>855,203</u>	<u>855,203</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	49,178		49,178	49,178
Legal services			-	
Contingency			-	
Construction services	803,554	2,471	806,025	806,025
Furniture & equipment purchases			-	
Total expenditures	<u>852,732</u>	<u>2,471</u>	<u>855,203</u>	<u>855,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,471</u>	<u>(2,471)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-039-10-1006
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	929,985
Additional Authorized Cost	(77,428)
Revised Authorized Cost	852,557

Percentage Increase over Original

Authorized Cost	-8.33%
Percentage Completion	100.00%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Alder Middle School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program	\$ 259,014		259,014	259,014
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	30,525		30,525	30,525
Transfer from capital outlay	203,501		203,501	203,501
Total revenues	<u>493,040</u>	<u>-</u>	<u>493,040</u>	<u>493,040</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	28,079		28,079	28,079
Legal services			-	
Contingency			-	
Construction services	373,770	91,191	464,961	464,961
Furniture & equipment purchases			-	
Total expenditures	<u>401,849</u>	<u>91,191</u>	<u>493,040</u>	<u>493,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 91,191</u>	<u>(91,191)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	01-1310-038-10-1004
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	1,272,725
Additional Authorized Cost	(779,685)
Revised Authorized Cost	493,040

Percentage Increase over Original

Authorized Cost	-61.26%
Percentage Completion	100.00%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Repairs and Renovations at Slaybaugh Elementary School
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program	\$ 596,368		596,368	596,368
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve			-	
Transfer from capital outlay	590,695		590,695	590,695
Total revenues	<u>1,187,063</u>	<u>-</u>	<u>1,187,063</u>	<u>1,187,063</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services	69,879		69,879	69,879
Legal services			-	
Contingency			-	
Construction services	868,674	15,218	883,892	1,117,184
Furniture & equipment purchases			-	
Total expenditures	<u>938,553</u>	<u>15,218</u>	<u>953,771</u>	<u>1,187,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 248,510</u>	<u>(15,218)</u>	<u>233,292</u>	<u>-</u>

Additional project information:

Project number	01-1310-035-10-1003
Grant date	8/26/10
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	1,307,425
Additional Authorized Cost	(115,689)
Revised Authorized Cost	1,191,736

Percentage Increase over Original

Authorized Cost	-8.85%
Percentage Completion	80.35%
Original target completion date	8/31/11
Revised target completion date	6/30/13

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Renovation/Expansion of High School Field House and Concession Stand
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	\$ 799,350		799,350	799,350
Transfer from capital outlay			-	
Total revenues	<u>799,350</u>	<u>-</u>	<u>799,350</u>	<u>799,350</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services			-	
Legal services			-	
Contingency			-	
Construction services	768,920	30,430	799,350	799,350
Furniture & equipment purchases			-	
Total expenditures	<u>768,920</u>	<u>30,430</u>	<u>799,350</u>	<u>799,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 30,430</u>	<u>(30,430)</u>	<u>-</u>	<u>-</u>

Additional project information:

Project number	N/A
Grant date	N/A
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	799,350
Additional Authorized Cost	-
Revised Authorized Cost	799,350
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original target completion date	6/30/14
Revised target completion date	6/30/14

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Projects Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Swift School Modular Building Project
From Inception and for the Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and other Financing Sources				
State sources -				
School Facilities Grant Program			-	
NJ Department of Treasury Grant			-	
NJ Economic Development Authority			-	
Bond proceeds and transfers			-	
Township of Egg Harbor			-	
Transfer from capital reserve	\$ 483,800		483,800	483,800
Transfer from capital outlay			-	
Total revenues	<u>483,800</u>	<u>-</u>	<u>483,800</u>	<u>483,800</u>
Expenditures and other Financing Uses				
Salaries			-	
Purchased professional and technical services			-	
Legal services			-	
Contingency			-	
Construction services	458,191		458,191	483,800
Furniture & equipment purchases			-	
Total expenditures	<u>458,191</u>	<u>-</u>	<u>458,191</u>	<u>483,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 25,609</u>	<u>-</u>	<u>25,609</u>	<u>-</u>

Additional project information:

Project number	N/A
Grant date	N/A
Bond Authorization Date	N/A
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	483,800
Additional Authorized Cost	-
Revised Authorized Cost	483,800
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	94.71%
Original target completion date	6/30/14
Revised target completion date	6/30/14

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FIDUCIARY FUNDS

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2015

H-1

	Trust		Agency			
	Private Purpose	Total Trusts	Student Activity	Conduit	Payroll	Total Agency
Unemployment Compensation						
\$	1,090,295	1,090,313	456,109	154,489	15,490	626,088
Cash and cash equivalents	18	-			956	956
Interfunds receivable						
Total Assets	<u>1,090,295</u>	<u>1,090,313</u>	<u>456,109</u>	<u>154,489</u>	<u>16,446</u>	<u>627,044</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Payroll deductions and withholdings					5,440	5,440
Interfunds payable					11,006	11,006
Due to student groups			456,109			456,109
Conduit activities payable				154,489		154,489
Total Liabilities	<u>-</u>	<u>-</u>	<u>456,109</u>	<u>154,489</u>	<u>16,446</u>	<u>627,044</u>
Net Position						
Reserved - Trust		1,090,295				
Unemployment Scholarship	18	18				
Total net position	<u>1,090,295</u>	<u>1,090,313</u>				
Total net position	<u>\$ 1,090,295</u>	<u>1,090,313</u>				

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
June 30, 2015

H-2

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Total Trusts</u>
OPERATING REVENUES:			
Local sources:			
Interest on investments	\$ 1,550	268	1,818
Scholarship Contribution			-
Employee Contributions	<u>118,788</u>		<u>118,788</u>
Total operating revenues	<u>120,338</u>	<u>268</u>	<u>120,606</u>
OPERATING EXPENSES:			
Transferred to Education Foundation		200,250	200,250
Payments of unemployment claims	<u>55,774</u>		<u>55,774</u>
Total operating expenses	<u>55,774</u>	<u>200,250</u>	<u>256,024</u>
Operating (Loss)	<u>64,564</u>	<u>(199,982)</u>	<u>(135,418)</u>
Net Income	<u>64,564</u>	<u>(199,982)</u>	<u>(135,418)</u>
Net position, July 1	<u>1,025,731</u>	<u>200,000</u>	<u>1,225,731</u>
Net position, June 30	<u>\$ 1,090,295</u>	<u>18</u>	<u>1,090,313</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

H-3

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2015	Balance June 30, 2015
Elementary and Middle Schools	\$ 111,244	95,102	71,501		134,845
Graduated Classes	27,766		27,766		-
Athletic Fund	10,093	74,597	72,635		12,055
High School Students	177,415	477,733	346,902		308,246
Eagle's Nest School Store	-	500			500
Alternative School (Grades 7-12)	981	843	1,361		463
Total all schools	\$ 327,499	648,775	520,165	-	456,109

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2015

H-4a

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and cash equivalents	\$ 22,350	78,148,819	78,155,679	15,490
Interfund accounts receivable	1,760	956	1,760	956
Total assets	24,110	78,149,775	78,157,439	16,446
LIABILITIES:				
Payroll deductions and withholdings	24,110	78,138,769	78,157,439	5,440
Due to general fund		11,006		11,006
Total liabilities	\$ 24,110	78,149,775	78,157,439	16,446

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Agency Fund - Conduit
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2015

H-4b

OPERATING REVENUES:

Local sources:	
Contributions	<u>\$ 82,630</u>
Total operating revenues	<u>82,630</u>

OPERATING EXPENSES:

Purchased professional services	<u>31,281</u>
Total operating expenses	<u>31,281</u>
Operating Income	51,349
Net position, July 1	<u>103,140</u>
Net position, June 30	<u><u>\$ 154,489</u></u>

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LONG-TERM DEBT

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EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015
			Date	Amount				
General Obligation - Refunding Bonds	10/1/04	\$ 50,735,000	7/15/15	1,375,000	3.550%			
			7/15/15	1,490,000	3.500%			
			7/15/16	3,020,000	5.500%			
			7/15/17	3,195,000	5.500%			
			7/15/18	3,375,000	5.500%			
			7/15/19	3,570,000	5.500%			
			7/15/20	3,775,000	5.500%			
			7/15/21	3,995,000	5.500%			
			7/15/22	4,220,000	5.500%			
			7/15/23	4,460,000	5.500%			
			7/15/24	4,715,000	5.750%			
		7/15/25	4,985,000	5.750%	\$ 44,925,000	2,750,000	42,175,000	
School Bonds	4/1/05	23,052,000	-	-	4.000%	740,000	740,000	-
General Obligation - Refunding Bonds	12/5/06	15,410,000	4/1/16	75,000	3.750%			
			4/1/17	80,000	4.000%			
			4/1/18-19	85,000	4.000%			
			4/1/20	90,000	4.000%			
			4/1/21	95,000	4.000%			
			4/1/22	955,000	4.000%			
			4/1/23	95,000	3.500%			
			4/1/24	100,000	3.500%			
			4/1/25	1,035,000	3.500%			
			4/1/26	980,000	3.500%			
			4/1/27	2,315,000	3.500%			
		4/1/28	2,515,000	3.500%				
		4/1/29	3,220,000	4.125%				
		4/1/30	3,025,000	4.125%	14,825,000	75,000	14,750,000	

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
School Bonds	9/15/08	27,924,000	9/15/15	1,275,000	4.000%				
			9/15/16	1,335,000	4.000%				
			9/15/17	1,400,000	4.000%				
			9/15/18	1,465,000	4.000%				
			9/15/19	1,530,000	4.000%				
			9/15/20	1,605,000	4.000%				
			9/15/21	1,675,000	4.000%				
			9/15/22	1,755,000	4.000%				
			9/15/23	1,835,000	4.000%				
			9/15/24	1,920,000	4.000%				
			9/15/25	2,010,000	4.125%				
			9/15/26	2,105,000	4.200%				
			9/15/27	2,205,000	4.250%				
			9/15/28	2,310,000	4.250%	25,645,000		1,220,000	24,425,000
General Obligation - Refunding Bonds	12/5/12	6,805,000	4/1/16	815,000	3.000%				
			4/1/17	825,000	3.000%				
			4/1/18	845,000	3.000%				
			4/1/19	835,000	3.000%				
			4/1/20-21	850,000	3.000%				
			4/1/23	835,000	4.000%				
			4/1/24	855,000	3.500%	6,740,000		30,000	6,710,000
						<u>\$ 92,875,000</u>		<u>4,815,000</u>	<u>88,060,000</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2015

I-2

Series	Date of Inception	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2014	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2015
Blue Bird Type D (refinance) 54 passenger buses (22)	8/15/06	4.155%	\$ 1,438,805	\$ 206,493		206,493	-
Blue Bird 54 passenger buses (14)	8/15/06	4.155%	941,000	194,485		95,263	99,222
Blue Bird 54 passenger buses (3) 29 passenger buses (3) 25 passenger bus (1) with wheelchair lift	8/15/07	4.170%	530,000	81,000		26,000	55,000
International 54 passenger buses (2) 29 passenger buses (1)	9/9/09	4.250%	255,000	80,000		40,000	40,000
Blue Bird 54 passenger buses (4)	1/14/14	1.810%	374,534	294,534		46,914	247,620
U.S. Bancorp 25 passenger wheelchair bus (1) 54 passenger buses (4)	10/29/14	1.495%	\$ 468,000	-	468,000	83,000	385,000
				<u>\$ 856,512</u>	<u>468,000</u>	<u>497,670</u>	<u>826,842</u>

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,711,491	-	5,711,491	5,711,491	-
Other Miscellaneous				20	20
	<u>5,711,491</u>	<u>-</u>	<u>5,711,491</u>	<u>5,711,511</u>	<u>20</u>
State Sources:					
Debt Service Aid Type II	3,259,532	-	3,259,532	3,259,532	-
Total - State Sources	<u>3,259,532</u>	<u>-</u>	<u>3,259,532</u>	<u>3,259,532</u>	<u>-</u>
Total Revenues	8,971,023	-	8,971,023	8,971,043	20
EXPENDITURES:					
Regular Debt Service:					
Interest	4,193,766	-	4,193,766	4,193,766	-
Redemption of Principal	4,815,000	-	4,815,000	4,815,000	-
Total Regular Debt Service	<u>9,008,766</u>	<u>-</u>	<u>9,008,766</u>	<u>9,008,766</u>	<u>-</u>
Total expenditures	9,008,766	-	9,008,766	9,008,766	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,743)	-	(37,743)	(37,723)	20
Fund Balance, July 1	51,307	-	51,307	51,307	-
Fund Balance, June 30	<u>13,564</u>	<u>-</u>	<u>13,564</u>	<u>13,584</u>	<u>20</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Expenditures	13,564
Restricted Fund Balance	<u>20</u>
	<u>13,584</u>

Statistical Section

Financial Trends (J-1 through J-5)

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

Revenue Capacity (J-6 through J-9)

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

Debt Capacity (J-10 through J-13)

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

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

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

Operating Information (J-16 through J-20)

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 39,306,247	38,524,993	65,409,682	68,517,439	78,925,882	80,245,144	107,596,509	106,080,616	104,590,050	104,910,948
Restricted	34,697,055	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301
Unrestricted*	(9,456,186)	(9,020,267)	(7,336,108)	(18,155,056)	(12,189,021)	(2,941,253)	3,448,528	5,512,921	(23,453,834)	(19,965,011)
Total governmental activities net position	64,547,116	64,639,265	92,314,235	89,672,104	83,977,734	86,485,210	115,706,633	115,530,840	83,771,809	86,631,238
Business-type activities										
Net investment in capital assets	8,247	59,631	64,568	154,785	139,764	124,316	113,406	147,741	151,742	169,101
Unrestricted	77,192	262,480	291,589	511,873	912,539	1,339,255	1,628,015	1,338,792	1,301,455	1,244,294
Total business-type activities net position	85,439	322,111	356,157	666,658	1,052,303	1,463,571	1,741,421	1,486,533	1,453,197	1,413,395
District-wide										
Net investment in capital assets	39,314,494	38,584,624	65,474,250	68,672,224	79,065,646	80,369,460	107,709,915	106,228,357	104,741,792	105,080,049
Restricted	34,697,055	35,134,539	34,240,661	39,309,721	17,240,873	9,181,319	4,661,596	3,937,303	2,635,593	1,685,301
Unrestricted	(9,378,994)	(8,757,787)	(7,044,519)	(17,643,183)	(11,276,482)	(1,601,998)	5,013,461	6,851,713	10,212,418	(18,720,717)
Total district net position	\$ 64,632,555	64,961,376	92,670,392	90,338,762	85,030,037	87,948,781	117,384,972	117,017,373	117,589,803	88,044,633

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

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

Source: CAFR Schedule A-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	32,856,171	35,755,679	44,610,760	45,612,915	49,702,067	46,770,376	48,007,801	50,851,116	50,450,298	54,824,412
Special education	8,041,863	9,243,100	10,447,761	10,359,391	10,975,613	9,832,790	10,277,868	11,368,892	11,493,725	12,629,713
Other special education	1,581,791	1,833,470	2,022,923	2,845,120	2,857,779	2,388,646	3,194,760	3,139,061	3,252,789	3,499,661
Other instruction	1,182,748	1,341,128	1,592,984	1,627,343	2,305,275	1,610,354	1,795,683	1,925,211	1,771,611	1,892,096
Nonpublic school programs	331,811	247,722	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675
Support Services:										
Tuition	4,669,094	4,326,100	4,617,756	5,339,044	4,539,129	4,110,824	5,595,481	6,355,186	6,214,391	7,960,177
Student & instruction related services	10,675,035	11,211,589	13,284,517	14,216,429	15,927,155	15,643,313	17,002,463	19,522,106	19,490,668	22,037,455
General administrative services	3,497,578	3,824,605	3,984,247	4,064,643	4,208,735	3,867,251	3,956,528	4,368,385	4,276,394	4,581,496
School administrative services	3,507,991	3,874,447	4,100,130	4,312,650	5,093,246	5,118,734	5,484,702	6,006,631	5,867,838	6,570,957
Plant operations and maintenance	10,994,484	12,201,742	14,110,569	15,299,962	15,135,986	13,928,061	13,904,927	13,998,124	13,966,789	14,758,183
Pupil transportation	9,106,023	9,445,930	8,821,333	9,113,711	9,696,290	9,371,628	9,806,929	10,075,822	10,273,699	11,138,585
Special Schools	182,844	198,060	246,120	251,555	-	-	-	-	-	-
Interest on long-term debt	4,577,714	4,385,934	4,245,200	4,411,123	5,606,697	4,942,981	4,679,467	4,333,013	4,742,049	4,565,316
Capital Outlay	309,664	309,664	-	-	-	-	-	2,000	-	-
Total governmental activities expenses	91,205,147	98,199,170	112,410,639	117,724,922	126,375,376	117,818,183	123,934,921	132,035,106	132,028,450	144,632,726
Business-type activities:										
Food service	2,901,381	2,904,526	3,316,662	3,367,972	3,282,613	2,770,324	2,924,766	3,423,983	3,307,547	3,254,280
Child Care	308,349	333,692	379,271	395,166	354,299	312,264	319,206	342,188	329,321	347,520
Total business-type activities expense	3,209,730	3,238,218	3,695,933	3,763,138	3,636,912	3,082,588	3,243,972	3,766,171	3,636,868	3,601,800
Total district expenses	94,414,877	101,437,388	116,106,572	121,488,060	130,012,288	120,900,771	127,178,893	135,801,277	135,665,318	148,234,526
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	5,725	4,695	4,205	-	-	-	-	-	-	-
Tuition	77,136	54,619	86,606	117,355	68,362	322,020	503,161	723,162	758,420	786,941
Operating grants and contributions	7,860,730	10,608,785	11,423,527	9,126,728	10,533,002	10,733,173	11,672,736	13,904,322	12,593,881	25,360,104
Total governmental activities program revenues	7,943,591	10,668,099	11,514,338	9,244,083	10,601,364	11,055,193	12,175,897	14,627,484	13,352,301	26,147,045

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services										
Food service	1,448,147	1,519,027	1,613,890	1,762,168	1,713,237	1,624,980	1,508,441	1,370,924	1,352,940	1,225,494
Child care	379,599	418,344	416,505	402,202	376,114	363,521	338,588	325,824	318,293	311,977
Operating grants and contributions	982,246	1,109,599	1,281,265	1,460,900	1,566,779	1,494,938	1,669,251	1,811,708	1,874,069	2,023,917
Total business type activities program revenues	2,809,992	3,046,970	3,311,660	3,625,270	3,656,130	3,483,439	3,516,280	3,508,456	3,545,302	3,561,388
Total district program revenues	10,753,583	13,715,069	14,825,998	12,869,353	14,257,494	14,538,632	15,692,177	18,135,940	16,897,603	29,708,433
Net (Expense)/Revenue										
Governmental activities	(83,261,556)	(87,531,071)	(100,896,301)	(108,480,839)	(115,774,012)	(106,762,990)	(111,759,024)	(117,407,622)	(118,676,149)	(118,485,681)
Business-type activities	(399,738)	(191,248)	(384,273)	(137,868)	19,218	400,851	272,308	(257,715)	(91,566)	(40,412)
Total district-wide net expense	(83,661,294)	(87,722,319)	(101,280,574)	(108,618,707)	(115,754,794)	(106,362,139)	(111,486,716)	(117,665,337)	(118,767,715)	(118,526,093)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	48,685,023	50,843,214	63,222,982	59,739,242	63,470,098	63,300,938	64,566,957	67,204,500	69,175,095	71,015,418
Taxes levied for debt service	4,269,318	4,222,368	4,139,846	4,178,493	4,892,610	5,208,360	5,115,855	5,739,984	5,731,760	5,711,491
Unrestricted grants and contributions	29,749,540	29,933,028	30,931,744	37,998,580	37,396,131	36,430,511	39,589,730	40,238,195	40,929,772	40,923,098
Federal and state aid restricted	3,196,421	3,929,213	3,152,322	3,297,657	4,051,939	3,176,748	30,542,358	3,250,869	3,253,736	3,259,532
Transportation charges										
Investment earnings	1,332,186	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339
Miscellaneous income	242,731	301,994	131,731	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613
Special items	(72,053)	(2,091,837)	25,067,305	157,653	203,043	(323,687)	433,797	(167,573)	(1,186,731)	(3,381)
Transfers	(380,000)	(393,000)	(393,401)	(385,033)	(357,161)					
Total governmental activities	87,023,166	87,623,220	128,571,271	105,838,708	110,079,642	109,270,466	140,917,367	117,231,829	119,281,915	121,345,110
Business-type activities:										
Investment earnings	17,796	34,920	24,918	7,917	9,266	10,417	5,542	2,827	2,265	1,912
Special items	380,000	393,000	393,401	385,033	357,161	-	-	-	55,965	(1,302)
Transfers	397,796	427,920	418,319	448,369	366,427	10,417	5,542	2,827	58,230	610
Total business-type activities	87,420,962	88,051,140	128,989,590	106,287,077	110,446,069	109,280,883	140,922,909	117,234,656	119,340,145	121,345,720

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Change in Net Position										
Governmental activities	3,761,610	92,149	27,674,970	(2,642,131)	(5,694,370)	2,507,476	2,507,476	29,158,343	605,766	2,859,429
Business-type activities	(1,942)	236,672	34,046	310,501	385,645	411,268	411,268	277,850	(33,336)	(39,802)
Total district	<u>3,759,668</u>	<u>328,821</u>	<u>27,709,016</u>	<u>(2,331,630)</u>	<u>(5,308,725)</u>	<u>2,918,744</u>	<u>2,918,744</u>	<u>29,436,193</u>	<u>572,430</u>	<u>2,819,627</u>

Change in Net Position
Governmental activities
Business-type activities
Total district

Source: CAFR Schedule A-2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted										
Committed						3,288,889	5,918,996	9,035,850	15,672,131	16,822,512
Assigned					(1,187,551)	5,092,461	5,388,432	3,379,001	-	-
Unassigned						301,863	471,036	152,937	-	347,890
Reserved	9,510,351	7,524,256	10,497,827	10,924,049	7,164,472			(0)	(195,438)	-
Unreserved	942,136	1,124,179	1,340,851	(1,002,959)	(1,187,551)					
Total general fund	<u>10,452,487</u>	<u>8,648,435</u>	<u>11,838,678</u>	<u>9,921,091</u>	<u>5,976,921</u>	<u>8,683,213</u>	<u>11,778,464</u>	<u>12,567,788</u>	<u>15,476,693</u>	<u>17,170,402</u>
All Other Governmental Funds										
Restricted										
Committed						2,225,921	2,731,142	3,149,561	453,308	191,301
Assigned						2,876,357	729,708	749,999	2,144,542	1,132,546
Unassigned								-	37,743	13,564
Reserved	331,726	2,248,195	924,018	9,141,444	3,193,406		2	37,743	-	-
Unreserved, reported in:										
Special revenue fund	(28,577)	(28,577)	(28,577)	-	-					
Capital projects fund	24,458,882	23,090,766	21,886,172	10,102,784	3,689,589					
Debt service fund	64,370	23,127	8,626	-	-					
Total all other governmental funds	<u>24,826,401</u>	<u>25,333,511</u>	<u>22,790,239</u>	<u>19,244,228</u>	<u>6,882,995</u>	<u>5,102,278</u>	<u>3,460,852</u>	<u>3,937,303</u>	<u>2,635,593</u>	<u>1,337,411</u>

The requirements related to reporting fund balances in all governmental funds were modified by the Governmental Accounting Standards Board (GASB) starting with fiscal year ending June 30, 2011.

Source: CAFR Schedule B-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 52,954,341	55,065,582	67,362,828	63,917,735	68,362,708	68,509,298	69,682,812	72,943,484	74,906,875	76,726,909
Tuition charges	77,136	54,619	86,606	117,355	68,362	322,020	503,161	723,162	758,420	786,941
Transportation charges										
Interest earnings	1,332,186	878,240	2,318,742	571,745	393,742	428,608	94,849	40,643	37,315	41,339
Miscellaneous	148,456	306,689	135,936	280,371	29,240	1,048,988	573,821	926,211	1,340,948	397,613
Local sources	134,730	16,129	17,232	121,697	89,726	70,201	83,696	80,932	36,455	15,751
State sources	38,424,801	42,079,421	43,014,597	47,695,428	42,424,817	46,333,813	76,949,960	53,791,957	53,384,159	54,745,251
Federal sources	2,347,160	2,375,476	2,475,764	2,605,840	9,466,529	3,936,418	4,771,168	3,520,497	3,356,773	3,492,013
Total revenue	95,418,810	100,776,156	115,411,705	115,310,171	120,835,124	120,649,346	152,659,467	132,026,886	133,820,945	136,205,817
Expenditures										
Instruction										
Regular Instruction	26,400,956	28,151,621	33,128,570	33,559,452	35,679,871	34,419,675	34,587,035	35,102,304	35,205,925	35,101,944
Special education instruction	6,094,441	6,603,506	7,399,402	7,360,619	7,600,335	6,794,254	7,076,809	7,581,713	7,585,720	7,835,258
Other special instruction	1,177,353	1,290,177	1,411,857	2,017,871	1,926,862	1,648,521	2,197,648	2,032,077	2,075,277	2,057,868
Other instruction	888,535	955,992	1,127,189	1,155,686	1,757,760	1,243,611	1,355,886	1,417,191	1,313,499	1,316,270
Nonpublic school programs	331,811	247,722	326,339	271,036	327,404	233,225	228,312	89,559	228,199	174,675
Support Services:										
Tuition	3,275,263	2,689,298	2,950,776	3,364,205	2,773,305	2,276,121	3,204,415	3,822,196	3,724,846	4,722,724
Student & instruction related services	8,215,775	8,407,953	9,765,885	10,418,560	11,068,011	10,847,890	11,809,563	13,168,955	13,233,770	13,793,357
General administrative services	2,524,363	2,682,231	2,716,949	2,775,962	2,806,420	2,554,836	2,618,284	2,808,404	2,839,377	2,778,659
School Administrative services	2,583,967	2,776,309	2,883,757	3,061,745	3,073,874	3,125,619	3,367,287	3,501,399	3,509,442	3,622,601
Plant operations and maintenance	8,201,148	8,599,212	9,872,178	10,704,263	10,310,439	9,356,191	9,136,762	8,802,111	9,266,653	8,783,610
Pupil transportation	7,199,273	7,140,085	6,091,422	6,286,850	6,573,305	6,471,752	6,558,242	6,524,541	6,838,838	6,550,746
Unallocated employee benefits	15,466,418	20,602,086	25,430,478	26,248,423	31,065,098	28,222,108	30,220,266	34,608,681	33,907,585	36,239,815
Special Schools	136,657	140,268	174,998	179,675	-	-	-	-	-	-
Capital outlay	2,832,868	5,728,646	4,264,995	11,211,686	13,137,361	3,745,614	30,696,942	2,353,522	3,719,997	4,291,997
Debt service:										
Principal										
Interest and other charges	2,800,000	2,980,000	3,035,000	3,185,000	3,265,000	3,400,000	3,410,000	4,429,226	4,620,000	4,815,000
Total expenditures	4,656,069	4,362,454	4,321,538	4,172,324	5,688,175	4,985,108	4,817,207	4,522,886	4,365,516	4,193,766
Excess (Deficiency) of revenues over (under) expenditures	92,784,897	103,357,560	114,901,333	125,973,357	137,053,220	119,324,525	151,284,658	130,764,765	132,434,644	136,278,290
	2,633,913	(2,581,404)	510,372	(10,663,186)	(16,218,096)	1,324,821	1,374,809	1,262,121	1,386,301	(72,473)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,769,528	1,645,382	530,000	700,000	255,000	-	-	-	374,534	468,000
Debt service assessment						(400,347)				
Cancellation of prior year receivables									(153,640)	-
Cancellation of prior year payables						1,101	79,016	3,654		
Bond proceeds		32,080		13,137	14,854					
Proceeds of refunding debt		13,572,000		27,924,000				6,805,000		
Payment to refunded debt escrow agent		(13,572,000)						(6,805,000)		
Recoveries for storm damage										
Insurance								398,700		
FEMA								74,883		
Expenses related to storm damage								(398,700)		
Insurance								(74,883)		
FEMA								1,406,400		
Transfers in	1,322,563	3,057,611	60,000	1,431,704	106,822	1,657,522	466,600	1,406,400		
Transfers out	(1,702,563)	(3,450,611)	(453,401)	(1,816,737)	(463,983)	(1,657,522)	(466,600)	(1,406,400)		
Total other financing sources (uses)	1,389,528	1,284,462	136,599	28,252,104	(87,307)	(399,246)	79,016	3,654	220,894	468,000
Net change in fund balances	\$ 4,023,441	(1,296,942)	646,971	17,588,918	(16,305,403)	925,575	1,453,825	1,265,775	1,607,195	395,527
Debt service as a percentage of noncapital expenditures	8.29%	7.52%	6.65%	6.41%	7.23%	7.25%	6.82%	6.97%	6.98%	6.83%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Adult Evening School Tuition	Refund of Prior Year Expenditures	Lawsuit Settlements	Use of Facilities	Gain/Loss on Sale of Capital Assets	Easement Fees	Sale of SRECS	Misc.	Total
2006	5,725	62,804		21,736				58,191	148,456
2007	4,695	74,997		32,839		170,000		24,158	306,689
2008	4,205	83,476		7,975				40,280	135,936
2009	-	259,784		11,587				9,000	280,371
2010	919	26,492		350				395,221	422,982
2011	1,845	20,054		26,358			998,538	430,802	1,477,597
2012	2,032	17,455		44,143			475,378	34,813	573,821
2013	2,025	10,964	621,319	44,328			196,135	51,440	926,211
2014	2,790	1,046,090		88,597			172,175	17,732	1,327,384
2015		106,761		82,979			184,200	23,653	397,593

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Cltarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Class I Railroad	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2006	161,498,900	1,675,678,100	3,272,800	430,100	432,335,600	-	8,452,000	2,281,667,500	2,288,689,705	15,300	7,006,905	2,288,689,705	2.36	3,354,374,476
2007	159,294,300	1,800,348,500	2,763,000	399,800	444,702,400	-	8,452,000	2,415,980,000	2,422,349,800	15,300	6,354,500	2,422,349,800	2.53	4,228,224,472
2008	137,144,000	1,911,350,500	3,363,500	508,400	426,413,900	27,295,200	8,210,400	2,514,285,900	2,520,683,400	15,300	6,382,200	2,520,683,400	2.60	4,945,425,544
2009	125,401,800	1,971,682,300	3,875,800	527,000	423,293,700	28,633,700	8,210,400	2,561,624,700	2,568,660,900	15,300	7,020,900	2,568,660,900	2.58	5,395,212,980
2010	118,169,900	1,988,870,600	3,888,200	529,000	422,623,800	28,633,700	8,210,400	2,570,923,600	2,577,790,700	15,300	6,851,800	2,577,790,700	2.65	5,359,232,225
2011	113,010,400	1,989,216,200	3,707,300	529,100	427,410,800	28,633,700	8,210,400	2,570,717,900	2,576,936,100	15,300	6,202,900	2,576,936,100	2.68	5,046,878,378
2012	108,161,300	1,980,745,900	3,730,300	439,800	430,765,500	28,633,700	8,210,400	2,560,686,900	2,567,168,090	15,300	6,465,890	2,567,168,090	2.52	4,739,095,606
2013	177,625,200	3,022,057,300	5,717,200	535,300	797,608,100	47,398,600	16,192,000	4,067,133,700	4,077,448,734	15,300	10,299,734	4,077,448,734	1.79	7,045,876,506
2014	166,478,000	3,046,695,000	5,084,900	554,100	798,150,900	43,509,200	16,192,000	4,076,664,100	4,084,855,229	15,300	8,175,829	4,084,855,229	1.83	4,188,735,879
2015	151,264,300	3,060,824,300	5,457,400	734,300	787,632,800	43,509,200	16,192,000	4,065,614,300	4,074,216,362	15,300	8,586,762	4,074,216,362	1.90	4,166,224,052

Source: District records Tax, list summary & Municipal Tax Assessor

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

* Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

	Egg Harbor Township Board of Education			Egg Harbor Township	Atlantic County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct			
Fiscal Year Ended June 30,						
2006	2.174	0.182	2.357	0.363	0.639	3.359
2007	2.354	0.172	2.526	0.448	0.605	3.579
2008	2.439	0.163	2.602	0.518	0.605	3.725
2009	2.398	0.182	2.580	0.606	0.624	3.810
2010	2.459	0.189	2.648	0.706	0.619	3.973
2011	2.481	0.201	2.682	0.755	0.664	4.101
2012	2.609	0.224	2.833	0.754	0.641	4.228
* 2013	1.646	0.167	1.813	0.519	0.481	4.227
2014	1.717	0.141	1.858	0.538	0.508	2.904
2015	1.768	0.140	1.908	0.550	0.505	2.963

Source: District Records and Municipal Tax Collector

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

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

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

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

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

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
US Realty Financial Corp	35,259,200	1	0.87%	34,083,600	1	1.49%
Shore Mall Associates						
English Creek Partners, LLC	18,077,300	2	0.44%	10,242,600	4	0.45%
Lowe's Home Centers, Inc.	15,624,500	3	0.38%			
Atlantic City Electric Co.	15,038,400	4	0.37%	11,172,900	3	0.49%
Atlantcare Health Services, Inc.	13,682,100	5	0.34%			
Verizon - New Jersey			0.00%	12,236,317	2	0.53%
Home Depot Development Co of MD	10,831,200	6	0.27%	7,397,100	6	0.32%
Margate Bridge Company	9,710,900	7	0.24%	5,914,000	8	0.26%
Hidden Creek Golf Club, LLC	9,321,200	8	0.23%	5,847,500	9	0.26%
MCRS Egg Harbor, LLC	9,269,900	9	0.23%			
Cardiff Center LLC	9,000,000	10	0.22%	7,500,000	5	0.33%
Heathercroft Shopping Center				6,294,200	7	0.28%
Spencer Gifts, Inc.				5,699,000	10	0.25%
Total	145,814,700		3.58%	106,387,217		4.65%

District Net Assessed Value

4,074,216,362

2,288,689,705

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 52,954,341	52,954,341	100%	-
2007	55,065,582	55,065,582	100%	-
2008	67,362,828	67,362,828	100%	-
2009	63,917,735	63,917,735	100%	-
2010	68,362,708	68,362,708	100%	-
2011	68,509,298	68,509,298	100%	-
2012	69,682,812	69,682,812	100%	-
2013	72,943,484	72,943,484	100%	-
2014	74,906,875	74,906,875	100%	-
2015	76,726,909	76,726,909	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases			
2006	91,317,000	3,788,173			95,105,173	6.54%	2,468
2007	90,175,000	4,631,798	59,618		94,866,416	6.20%	2,406
2008	87,140,000	4,273,454	55,419		91,468,873	5.77%	2,292
2009	111,879,000	3,942,669	55,965		115,877,634	7.33%	2,880
2010	108,614,000	3,264,010	55,965		111,933,975	6.50%	2,583
2011	105,214,000	2,284,177	55,965		107,554,142	6.03%	2,485
2012	101,804,000	1,530,055	55,965		103,390,020	6.56%	2,370
2013	97,495,000	964,674	55,965		98,515,639	5.33%	2,246
2014	92,875,000	856,512	-		93,731,512	5.07%	2,136
2015	88,060,000	826,842	-		88,886,842	4.78%	2,027

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	91,317,000	-	91,317,000	3.99%	2,370
2007	90,175,000	-	90,175,000	3.72%	2,287
2008	87,140,000	-	87,140,000	3.46%	2,184
2009	111,879,000	-	111,879,000	4.36%	2,780
2010	108,614,000	-	108,614,000	4.21%	2,506
2011	105,214,000	-	105,214,000	4.08%	2,431
2012	101,804,000	-	101,804,000	3.97%	2,333
2013	97,495,000	-	97,495,000	2.39%	2,222
2014	92,875,000	-	92,875,000	2.27%	2,117
2015	88,060,000	-	88,060,000	2.16%	2,008

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

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

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Egg Harbor	\$ 35,494,751	100.00%	35,494,751
Other debt			
Egg Harbor Township Golf Corporation	8,410,000	100.00%	8,410,000
Atlantic County	146,874,191	11.36%	16,686,615
Subtotal, overlapping debt			60,591,366
Township of Egg Harbor School District debt	88,060,000	100.00%	88,060,000
Total direct and overlapping debt	\$		<u><u>148,651,366</u></u>

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

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

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2006	38,538	1,454,887	37,752	4.20%
2007	39,431	1,529,410	38,787	4.80%
2008	39,900	1,584,389	39,709	5.10%
2009	40,239	1,580,950	39,289	6.20%
2010	43,341	1,721,114	39,711	11.00%
2011	43,288	1,782,903	41,187	11.30%
2012	43,628	1,575,598	42,099	11.60%
2013	43,872	1,846,967	42,099	12.20%
2014	43,872	1,846,967	42,099	10.80%
2015	43,851	1,860,379	42,425	9.70%

Source:

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

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

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, November 21, 2013

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

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2015			2006		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Federal Aviation Administration	3,500	1	16%			0.00%
Egg Harbor Township School District	1,168	2	5%			0.00%
AtlantiCare	546	3	3%			0.00%
Air National Guard	400	4	2%			0.00%
Bosco's	275	5	1%			0.00%
U.S. Coast Guard	255	6	1%			0.00%
Home Depot	248	7	1%			0.00%
Egg Harbor Township	246	8	1%			0.00%
Spencer Gifts	210	9	1%			0.00%
Lowe's	208	10	1%			0.00%
	<u>7,056</u>		<u>33%</u>			<u>-</u>

GASB requires this table present the principal taxpayers for the current year and nine years ago, however information from 2006 was not available. Also, the Township does not update this information on an annual basis, therefore the most recent information is reported.

Source: Township of Egg Harbor Tax Assessor

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	396.9	432.0	484.0	499.6	491.6	457.6	450.0	454.0	452.0	455.5
Regular	96.0	98.0	103.2	100.8	109.0	107.0	118.5	131.5	131.0	170.1
Special education	12.0	13.0	15.6	15.4	15.4	14.4	6.0	6.0	6.0	6.0
Vocational	87.6	87.0	99.8	99.8	99.9	93.2	51.5	51.5	50.0	50.0
Other instruction										
Support Services:										
Student & instruction related services	149.0	142.0	177.0	177.0	177.0	168.0	169.0	176.0	226.0	267.9
General administrative services	8.0	8.0	8.0	8.5	8.5	8.0	8.0	8.5	8.5	8.5
School administrative services	46.0	46.0	48.0	49.0	49.0	49.0	50.0	50.5	52.0	52.5
Central services	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0	10.0	10.0
Administrative information technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Plant operations and maintenance	76.0	92.0	104.0	111.0	106.0	113.0	117.5	122.5	122.5	124.5
Pupil transportation	107.0	112.0	115.0	115.0	115.0	118.0	123.0	120.5	118.5	118.5
Food Service	52.0	47.0	48.0	46.0	44.5	44.5	30.5	30.5	42.0	35.1
Total	1,046.5	1,093.0	1,218.6	1,238.1	1,231.9	1,187.7	1,139.0	1,166.5	1,224.5	1,303.6

1:1 paraprofessionals charged to Support Services: Student & instruction related services were not included as full-time equivalents prior to the 2014 fiscal year. Also, the hours of part-time food service employees were increased during the 2014 fiscal year which resulted in additional full-time equivalents.

Source: District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio										Student Attendance Percentage	
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c		% Change in Average Daily Enrollment
2006	7,513	82,495,960	10,980	3.44%	690	12.5:1	12.3:1	10.9:1	7,287	6,885	4.23%	94.48%
2007	7,869	90,286,460	11,474	4.49%	690	12.5:1	12.7:1	11.0:1	7,490	7,100	2.79%	94.79%
2008	7,982	103,279,800	12,939	12.77%	692	12.5:1	12.7:1	11.0:1	7,579	7,219	1.19%	95.25%
2009	7,978	107,404,347	13,463	4.05%	714	11.0:1	9.85:1	11.4:1	7,633	7,370	0.71%	96.55%
2010	7,984	114,962,684	14,399	6.96%	716	10.8:1	9.25:1	12.1:1	7,715	7,464	1.07%	96.75%
2011	7,875	107,193,803	13,612	-5.47%	672	10.6:1	9.00:1	12.2:1	7,924	7,536	2.71%	95.10%
2012	8,109	112,360,509	13,856	1.80%	676	11.9:1	9.65:1	11.2:1	7,732	7,373	-2.42%	95.36%
2013	7,804	119,459,131	15,307	10.47%	691	10.6:1	10.0:1	10.0:1	7,685	7,324	-3.02%	95.30%
2014	7,648	119,729,131	15,655	2.27%	661	11.5:1	11.0:1	10.0:1	7,508	7,174	-5.25%	95.55%
2015	7,565	122,977,527	16,256	3.84%	711	11.5:1	11.0:1	10.0:1	7,489	7,130	-3.14%	95.21%

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

Note: Enrollment based on annual October district count.

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

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

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

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

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Elementary</u>										
H. Russell Swift School (1956, 1967, 1970, 2003)										
Square Feet	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229	83,229
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	417	432	504	467	476	471	499	448	485	459
E. H. Slaybaugh School (1970, 1989)										
Square Feet	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430	77,430
Capacity (students)	586	586	586	586	586	586	586	586	586	586
Enrollment	557	553	438	426	494	480	462	476	457	416
E. H. Slaybaugh Primary School (2007)										
Square Feet	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807	58,807
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	476	487	476	487	442	456	472	428	402	398
C. J. Davenport School (1976)										
Square Feet	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718	89,718
Capacity (students)	657	657	657	657	657	657	657	657	657	657
Enrollment	576	638	412	439	449	429	468	473	479	484
C. J. Davenport Primary School (2007)										
Square Feet	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646	57,646
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	418	418	418	420	441	434	519	417	402	356
Dr. Joy Miller Elementary School (2003)										
Square Feet	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538	154,538
Capacity (students)	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,152	1,126	1,170	1,131	1,143	1,197	1,261	1,176	1,140	1,169
<u>Middle School</u>										
Fernwood Avenue (1992)										
Square Feet	203,436	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439	203,439
Capacity (students)	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Enrollment	1,214	1,301	1,023	973	966	958	1,025	997	950	930
Alder Avenue (1992, 2007)										
Square Feet	147,334	147,334	169,174	169,174	169,174	169,174	169,174	169,174	169,174	169,174
Capacity (students)	989	989	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389
Enrollment	1,221	1,233	913	897	893	868	871	883	911	925

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High School										
EHT High School (1983, 2003, 2012)	253,636	321,715	321,715	321,715	321,715	321,715	444,715	444,715	444,715	444,715
Square Feet	1,680	1,680	1,680	1,680	1,680	1,680	2,800	2,800	2,800	2,800
Capacity (students)	2,146	2,207	2,392	2,478	2,543	2,492	2,532	2,492	2,422	2,353
Enrollment										
Other										
Central Administration Building (1969)	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744	9,744
(vacant as of 9/1/07)										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
District Warehouse (1976)	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495	8,495
Square Feet	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Transportation (1980)	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360
Square Feet	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	7,400	7,400
Maintenance Building (1980)	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924
Square Feet										
Grounds Building (1980)										
Square Feet										
High School Field House (1995, 2014)										
Square Feet										
Eagle Academy (Leased)										
Square Feet										

Number of Schools at June 30, 2013

- Elementary = 6
- Middle School = 2
- High School = 1
- Other = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
H. Russell Swift Elementary School	N/A	\$ 79,675	\$ 91,498	69,403	54,377	93,557	72,007	72,019	50,732	50,363	69,876
E.H. Slaybaugh Elementary School	N/A	103,901	114,872	116,636	117,528	97,662	109,979	123,376	79,587	163,289	64,953
Clayton J. Davenport Elementary School	N/A	101,354	113,232	132,929	128,963	114,387	130,670	113,139	89,109	84,286	75,318
Joy D. Miller Elementary School	N/A	107,967	118,068	117,911	154,280	91,304	137,012	108,894	100,540	88,335	132,324
Ferwood Avenue Middle School	N/A	132,567	125,207	168,401	156,685	157,845	186,965	149,651	130,167	128,894	170,760
Alder Avenue Middle School	N/A	107,601	119,539	116,781	134,686	125,522	149,511	182,960	129,167	103,041	123,687
Egg Harbor Township High School	N/A	287,826	413,320	274,289	393,555	286,400	294,829	335,473	285,355	197,851	218,697
Total School Facilities		920,891	1,095,736	1,140,074	966,677	1,080,973	1,085,512	864,657	816,059	855,615	724,582
Other Facilities		17,691	7,175	12,509	11,452	16,356	13,513	18,801	37,358	26,206	8,119
Grand Total		\$ 938,582	1,102,911	1,151,526	983,033	1,094,486	1,104,313	902,015	842,265	863,734	731,458

TOWNSHIP OF EGG HARBOR SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	150,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Actual Cash Value	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Educator's Legal Liability		
A. Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	100,000	
Members District Deductible		None

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	Coverage	Deductible
Pollution Legal Liability/Mold Legal Liability		
A. Limit of Liability		
Pollution	3,000,000	
Mold	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		
Pollution		25,000
Mold		50,000
 Cyber Liability		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		25,000
 Flood Policy		
Coverage - Administrative Building	500,000	2,000
 Storage Tank Systems		
Limit of Liability, each occurrence	2,000,000	5,000
Aggregate	2,000,000	
 Student Activity Policy		
All Students and Athletes	6,000,000	None
Student Disability	1,500,000	None
Athletic Disability	1,500,000	None

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF), Harleysville Insurance Co. of NJ, Zurich American Insurance Company, and Peoples Benefit Life Insurance Company.

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated December 7, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Egg Harbor Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Very truly yours,

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

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

December 7, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on Compliance for Each Major Federal & State Program

We have audited the Egg Harbor Township School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Egg Harbor Township School District's major federal and state programs for the year ended June 30, 2015. The Egg Harbor Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Egg Harbor Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, New Jersey Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Egg Harbor Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Egg Harbor Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal and major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Egg Harbor Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Egg Harbor Township School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

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

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

December 7, 2015

EGG HARBOR TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2014

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayments of Prior Years' Balances	Balance at June 30, 2015		
											(Accounts Receivable)	Deferred Revenue	
U. S. Department of Agriculture													
Passed-through State Department of Education:													
	Enterprise Fund:												
10.550	Food Distribution Program		226,656	7/1/13 - 6/30/14	43,814			(43,814)					
10.550	Food Distribution Program		233,304	7/1/14 - 6/30/15			233,304	(187,579)				45,725	
10.553	National School Breakfast Program		198,864	7/1/13 - 6/30/14	\$ (41,978)		41,978						
10.553	National School Breakfast Program		250,455	7/1/14 - 6/30/15	(288,296)		227,048	(250,455)				(23,407)	
10.555	National School Lunch Program		1,449,034	7/1/13 - 6/30/14			288,296						
10.555	National School Lunch Program		1,498,142	7/1/14 - 6/30/15	(1,316)		1,366,584	(1,498,142)				(131,558)	
10.556	Special Milk Program		8,114	7/1/13 - 6/30/14			1,316						
10.556	Special Milk Program		9,057	7/1/14 - 6/30/15			8,367	(9,057)				(690)	
	Total U.S. Department of Agriculture				(287,776)		2,166,893	(1,989,047)				(165,655)	45,725
U.S. Department of Education													
Passed-through State Department of Education:													
	General Fund:												
83.778	Medical Assistance Program	N/A	292,786	7/1/14 - 6/30/15			292,786	(282,786)					
83.778	Medical Assistance Program - ARRA	N/A	87,393				87,393	(87,393)					
	Total General Fund						380,189	(380,189)					
	Special Revenue Fund												
84.010	Title I, Part A	NCLB-1310-14	766,542	9/1/13 - 6/30/14	(162,985)		162,985						
84.010	Title I, Part A	NCLB-1310-15	961,320	9/1/14 - 6/30/15	(162,985)		705,159	(917,548)				(212,389)	
	Total NCLB, Title I, Part A						868,144	(917,548)				(212,389)	
84.367A	Title II, Part A	NCLB-1310-14	133,079	9/1/13 - 6/30/14	(37,895)		37,895						
84.367A	Title II, Part A	NCLB-1310-15	132,175	9/1/14 - 6/30/15	(37,895)		84,426	(123,630)				(39,204)	
	Total NCLB, Title II, Part A, Innovative Programs						122,321	(123,630)				(39,204)	
84.365A	Title III, English Language Enhancement	NCLB-1310-14	57,383	9/1/13 - 6/30/14	(16,718)		16,718						
84.365A	Title III, English Language Enhancement	NCLB-1310-15	54,128	9/1/14 - 6/30/15			33,870	(48,877)				(15,007)	
84.365	Title III, Immigrant	NCLB-1310-14	21,306	9/1/13 - 6/30/14	(1,673)		1,673						
84.365	Title III, Immigrant	NCLB-1310-15	12,518	9/1/14 - 6/30/15			10,435	(12,518)				(2,083)	
	Total NCLB, Title III				(18,391)		62,696	(61,395)				(17,090)	
84.027	I.D.E.A. Part B - Basic	IDEA2014	2,105,063	7/1/13 - 6/30/14	(365,005)		365,002						
84.027	I.D.E.A. Part B - Basic	IDEA2015	2,072,011	7/1/14 - 6/30/15			1,532,478	(1,780,614)				(248,136)	
84.173	I.D.E.A. Part B - Preschool	IDEA2014	76,148	7/1/13 - 6/30/14	(35,639)		35,639						
84.173	I.D.E.A. Part B - Preschool	IDEA2015	102,981	7/1/14 - 6/30/15	(400,644)		62,871	(94,553)				(31,682)	
	Total IDEA Part B				(67,404)		1,995,990	(1,875,167)				(2,938,16)	
84.048	Carl Perkins Vocational PL #101-392	PERK012014	97,111	7/1/13 - 6/30/14	(67,404)		57,354						
84.048	Carl Perkins Vocational PL #101-392	PERK012015	147,387	7/1/14 - 6/30/15			46,546	(143,797)				(97,249)	
	Total Carl Perkins Vocational PL #101-392				(67,404)		103,902	(143,797)				(97,249)	
	Total Special Revenue Fund				(677,319)		3,155,053	(3,121,557)				(645,750)	
	Total Federal Financial Awards				(965,095)		5,700,135	(5,490,773)				(601,405)	45,725

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2015

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$6,885,262 for the general fund and (\$8,843) for the special revenue fund. See the following schedule for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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**Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$44,425,782	173,805	3,259,532	34,870	47,893,989
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		870			870
On-behalf payments recognized for GAAP statements but not included in the Schedule of Expenditures of State Financial Assistance	6,895,842				6,895,842
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(10,580)				(10,580)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$51,311,044</u>	<u>174,675</u>	<u>3,259,532</u>	<u>34,870</u>	<u>54,780,121</u>

Egg Harbor Township Board of Education
Notes to the Schedules of Financial Assistance
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$380,189	3,121,537	1,989,047	5,490,773
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(9,713)		
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>\$380,189</u>	<u>3,111,824</u>	<u>1,989,047</u>	<u>5,481,060</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2015. 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, 2015.

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I -- Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Internal Control over major programs:			
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u>	no
2) Significant deficiencies identified	<u> </u> yes	<u> X </u>	none reported

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

Any audit findings disclosed that are required to be reported in accordance section 510(a) of OMB Circular A-133?	<u> </u> yes	<u> X </u>	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.778</u>	<u>Medical Assistance Program/Medical Assistance Program - ARRA</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u>10.553</u>	<u>Child Nutrition Cluster</u>
<u> </u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs: \$300,000

Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
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**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 04-04? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid - Public Cluster:
_____	_____
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-083	Under Adequacy Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
_____	_____
15-495-034-5120-017	Debt Service Aid Type II
_____	_____

N) Dollar threshold used to determine Type A programs: _____ \$1,436,820 _____

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

NONE

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

NONE

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

STATUS OF PRIOR YEAR FINDINGS

NONE