

**TOWNSHIP OF HADDON
SCHOOL DISTRICT
HADDON TOWNSHIP, NEW JERSEY**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2010

**Township of Haddon School District
Table of Contents**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information – Part I	
Management's Discussion and Analysis	15
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	24
A-2 Statement of Activities	25
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Proprietary Funds:	
B-4 Statement of Net Assets	32
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	33
B-6 Statement of Cash Flows	34
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	35
B-8 Statement of Changes in Fiduciary Net Assets	36
Notes to the Financial Statements	37
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	59
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Budgetary Comparison Schedule – General Fund -- ARRA ESF Fund 16	70
C-1c Budgetary Comparison Schedule – General Fund -- ARRA GSF Fund 17	71
C-2 Budgetary Comparison Schedule – Special Revenue Fund	72
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule- Note to RSI	74

**Township of Haddon School District
Table of Contents (Cont'd)**

	Page
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 Revenues and Expenditures – Budgetary Basis	77
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	81
F-2 Summary Statement of Project Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	82
F-2a Statement of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	83
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	85
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	86
G-3 Combining Statement of Cash Flows	87
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	89
H-2 Statement of Changes in Fiduciary Net Assets	90
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	91
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	92

**Township of Haddon School District
Table of Contents (Cont'd)**

	Page
Other Supplementary Information (Cont'd)	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	94
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Budgetary Comparison Schedule-Debt Service Fund	95
 STATISTICAL SECTION	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	98
J-2 Changes in Net Assets	99
J-3 Fund Balances, Governmental Funds	102
J-4 Changes in Fund Balances, Governmental Funds	103
J-5 General Fund – Other Local Revenue by Source	104
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	106
J-7 Direct and Overlapping Property Tax Rates	107
J-8 Principal Property Taxpayers	108
J-9 Property Tax Levies and Collections	109
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	111
J-11 Ratios of Net General Bonded Debt Outstanding	112
J-12 Direct and Overlapping Governmental Activities Debt	113
J-13 Legal Debt Margin Information	114
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	116
J-15 Principal Non-Governmental Employers	117
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	119
J-17 Operating Statistics	120
J-18 School Building Information	121
J-19 Schedule of Required Maintenance	122
J-20 Insurance Schedule	123
 SINGLE AUDIT SECTION	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB	125
K-3 Schedule of Expenditures of Federal Awards, Schedule A	128
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	130
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	132
K-6 Schedule of Findings and Questioned Costs	134
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	139

INTRODUCTORY SECTION



HADDON TOWNSHIP BOARD OF EDUCATION

500 RHOADS AVENUE • WESTMONT, NEW JERSEY 08108
PHONE: 856-869-7750 ext. 1100 • FAX: 856-854-7792
WEBSITE: www.haddon.k12.nj.us

Mark J. Raivetz, Ed.D.
Superintendent of Schools
856-869-7750 Ext. 1100
mraivetz@haddon.k12.nj.us

Lisa A. Palmer, Ed.D.
School Business Administrator/
Board Secretary
856-869-7750 Ext. 1105
lpalmer@haddon.k12.nj.us

Elizabeth Mennig
Supervisor of Teaching & Learning
856-869-7750 Ext. 1108
lmennig@haddon.k12.nj.us

November 9, 2010

Honorable President and
Members of the Board of Education
Haddon Township School District
County of Camden, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Haddon Township School District for the fiscal year ended June 30, 2010, 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. 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 operations 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 District's Management's Discussion and Analysis, 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 U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on compliance and on internal control over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Haddon Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Haddon Township Board of Education and its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2009-10 fiscal year with an average daily enrollment of 2,171 students, which is 3 students lower than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last five years.

1. **REPORTING ENTITY AND ITS SERVICES (Cont'd.):**

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-2010	2,171	-0.13%
2008-2009	2,174	3.22%
2007-2008	2,106	-0.52%
2006-2007	2,117	-1.39%
2005-2006	2,147	-0.47%

2. **ECONOMIC CONDITION AND OUTLOOK:** The Township of Haddon is mainly a residential community with two shopping centers. Numerous retail shops, professional offices and eating establishments are located along Haddon Avenue, a primary artery through Westmont proper. A large number of businesses have been long established in the community. The economic condition of the Township of Haddon is stable. There is an area along Haddon Avenue (the old Dydee plant) which is being redeveloped. While some additional students will come from the project, the district expects to be able to accommodate said students within the current school capacity.
3. **MAJOR INITIATIVES:** Students continued to score above the state averages and achieve proficiency on the New Jersey ASK and the High School Proficiency Assessment. The seniors' average SAT and ACT scores continue to perform at national averages (72% of the class took the SAT's); 81% of the class went on to higher education, with 59% going to four year colleges.
4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft 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). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state 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 the portion related to federal 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 the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or 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, 2010.

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. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the general fund, special revenue fund and debt services fund revenues for the fiscal year ended June 30, 2010.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Sources	\$21,045,085.50	63.03%
State Sources	9,759,655.35	29.23%
Federal Sources	<u>2,584,665.74</u>	<u>7.74%</u>
	<u>\$33,389,406.59</u>	<u>100.00%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2010.

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>
Current Expense:		
Instruction	\$13,057,054.76	38.14%
Community Service Programs	128,107.50	0.37%
Undistributed Expenditures	18,196,885.44	53.15%
Special Revenue	1,689,971.78	4.94%
Capital Outlay	100,518.64	0.29%
Special Schools	57,718.95	0.17%
Charter Schools	14,672.00	0.04%
Debt Service:		
Principal	595,000.00	1.74%
Interest	<u>396,597.50</u>	<u>1.16%</u>
	<u>\$34,236,526.57</u>	<u>100.00%</u>

8. **DEBT ADMINISTRATION:** As of June 30, 2010, the District's outstanding debt issues included \$9,370,000.00 of general obligation bonds. As of June 30, 2010, the district's borrowing capacity is \$46,903,103.49.

9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

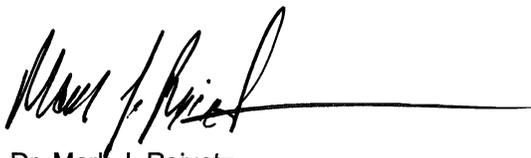
10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION:

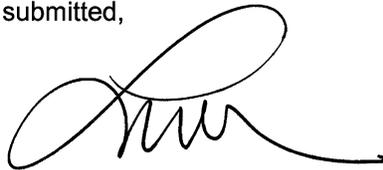
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. 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.

12. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Haddon Township Board 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,



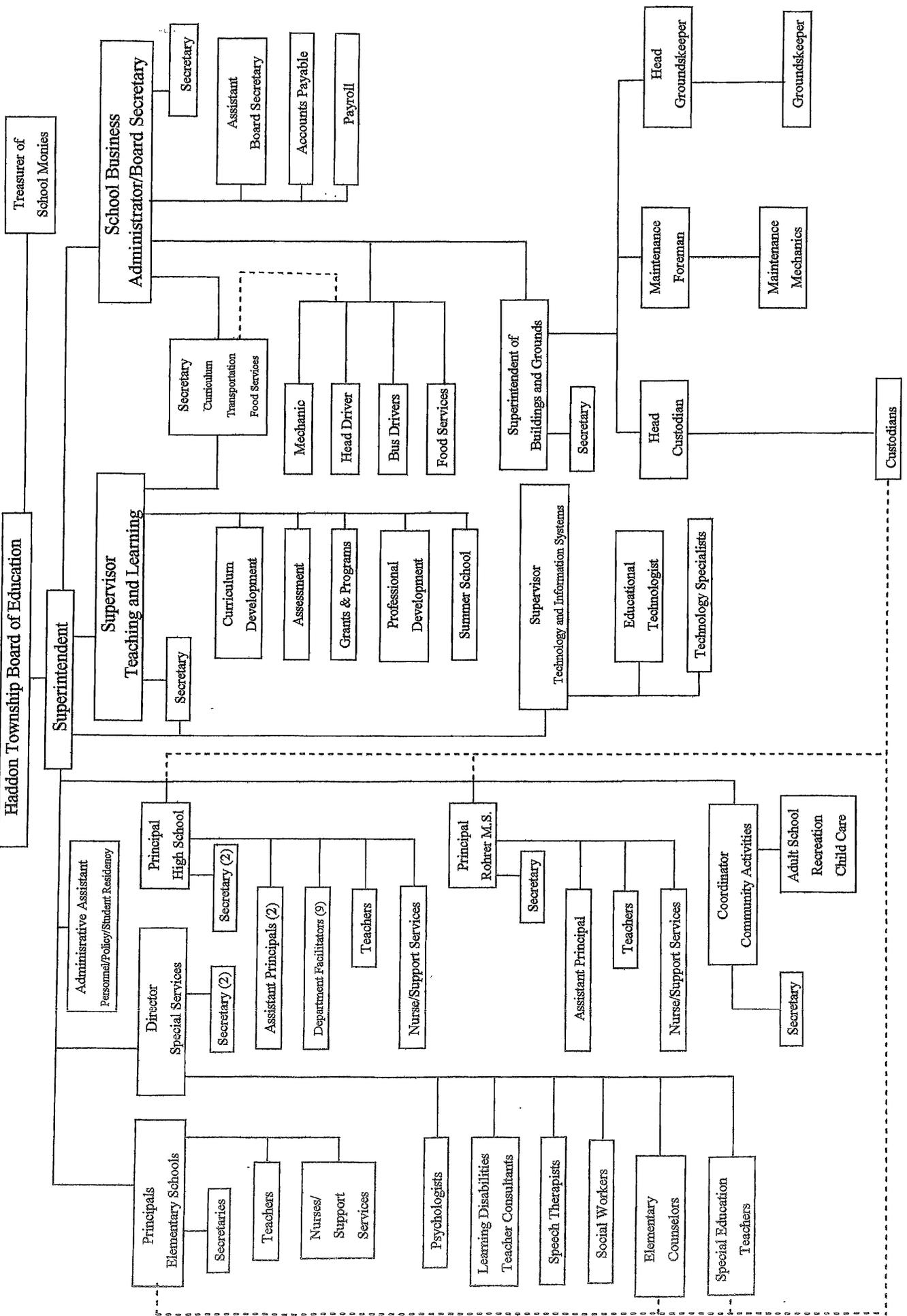
Dr. Mark J. Raivetz
Superintendent



Dr. Lisa A. Palmer
School Business Administrator/
Board Secretary

Functional Organizational Chart 2009-2010

Haddon Township Board of Education



HADDON TOWNSHIP BOARD OF EDUCATION
WESTMONT, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2010

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Cavallo, President	2013
Bonnie Richards, Vice President	2013
James Mulroy	2013
Charles Albino	2012
Wendy Caputi	2012
Robert Brown	2012
Laura Chudd	2011
William Mann	2011
John Kendall	2011
 <u>Other Officials</u>	
Dr. Mark J. Raivetz, Superintendent	
Dr. Lisa A. Palmer, Business Administrator/Board Secretary	
Denise Adams, Treasurer	

HADDON TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Alan R. Schmoll, Esquire
Capehart and Scatchard
C.S. 5016, Suite 300
Laurel Corporate Center
8000 Midlantic Drive
Mt. Laurel, NJ 08054

Official Depositories

1st Colonial National Bank
1040 Haddon Avenue
Collingswood, NJ 08108

TD Bank, N.A.
Haddon Avenue
Haddonfield, NJ 08033

NJARM
224 Strawbridge Drive
Moorestown, NJ 08057

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Haddon School District
Westmont, New Jersey 08108

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Haddon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Haddon School District's management. 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 in compliance with audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 and each major fund of the Township of Haddon School District in the County of Camden, State of New Jersey as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2010 on our consideration of the Township of Haddon School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Haddon School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Public School Accountant No. CS 20CS00223300

Voorhees, New Jersey
October 29, 2010

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

The Honorable President and
Members of the Board of Education
Township of Haddon School District
Westmont, New jersey 08108

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Haddon School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 29, 2010. 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Haddon School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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 school district's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Haddon School District's financial statements are free of 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

K.M. Applegate

Kirk N. Applegate
Certified Public Accountant
Public School Accountant No. 20CS00223300

Voorhees, New Jersey
October 29, 2010

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF HADDON SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010 (Unaudited)

The discussion and analysis of the Township of Haddon School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole: readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets decreased \$1,099,711.40.
- General revenues accounted for \$31,455,146.53 in revenue or 94.21% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,934,260.06 or 5.79% of total revenues of \$33,389,406.59.
- The School District had \$34,247,995.85 in expenses; \$3,713,781.84 of these expenses was offset by program specific charges for services, grants or contributions.
- Among governmental funds, the General Fund had \$30,718,252.73 in revenues and \$31,777,359.57 in expenditures. The General Fund's balance decreased by \$1,058,561.80 from 2009.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures and Part II, budgetary comparison schedules, notes to the to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements, Exhibit A-1 and A-2 are district wide financial statements that provide both long-term and short term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the district-wide statements.

The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short term and long term financial information about those types of activities that operate like a business.

Overview of the Financial Statements (Cont'd)

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources 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 another section, Part II, which contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determined whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-Wide and fund financial statements.

The School District as a Whole

The statement of Net Assets provides the perspective of the School District as a whole.

The following schedule provides a summary of the School District's net assets for 2010 and 2009.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S NET ASSETS						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 2,041,479	\$ 1,980,451	\$ 230,336	\$ 287,153	\$ 2,271,816	\$ 2,267,603
Capital Assets	22,421,465	22,990,180	44,957	50,992	22,466,422	23,041,173
Total Assets	24,462,944	24,970,631	275,294	338,145	24,738,238	25,308,776
Long-term Liabilities Outstanding	9,198,370	9,767,495			9,198,370	9,767,495
Other Liabilities	2,350,688	1,208,804	43,120	86,706	2,393,808	1,295,510
Total Liabilities	11,549,058	10,976,299	43,120	86,706	11,592,178	11,063,005
Net Assets:						
Invested in Capital Assets, Net of Related Debt	13,236,925	13,238,101	44,957	50,992	13,281,882	13,289,093
Restricted	150,415	1,248,803			150,415	1,248,803
Unrestricted (Deficit)	(473,454)	(492,572)	187,216	200,447	(286,238)	(292,125)
Total Net Assets	\$ 12,913,886	\$ 13,994,332	\$ 232,174	\$ 251,439	\$ 13,146,060	\$ 14,245,771

The District's combined net assets were \$13,146,059.78 on June 30, 2010. This was a decrease of \$1,099,711.40.

The net assets of the business type activities decreased by \$19,264.90.

The School District as a Whole (Cont'd)

The following schedule shows changes in net assets for fiscal year 2010 and 2009.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CHANGES IN NET ASSETS							
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>			<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Revenues:							
Program Revenues:							
Charges for Services	\$ 89,550	\$ 28,703	\$ 610,503	\$ 645,131	\$ 700,053	\$ 673,835	
Operating Grants and Contributions	1,934,260	1,901,130	144,864	132,114	2,079,124	2,033,244	
Property Taxes	20,799,133	20,157,446			20,799,133	20,157,446	
Grants and Contributions not Restricted to Specific Programs	10,410,061	9,936,425			10,410,061	9,936,425	
Other	156,948	68,771			156,948	68,771	
Total Revenues	33,389,951.63	32,092,475	755,367	777,245	34,145,319	32,869,719	
Expenses:							
Instruction	13,873,719	13,318,106			13,873,719	13,318,106	
Support Services	20,246,169	18,972,407			20,246,169	18,972,407	
Other	128,108	122,709			128,108	122,709	
Food Service			720,021	738,855	720,021	738,855	
Other			277,014	259,094	277,014	259,094	
Total Expenses	34,247,996	32,413,222	997,034	997,949	35,245,030	33,411,171	
Increase (Decrease) in Net Assets before Transfers	(858,044)	(320,747)	(241,667)	(220,704)	(1,099,711)	(541,451)	
Special Items				(563)		(563)	
Transfers	(222,402)	(274,000)	222,402	274,000	-	-	
Increase in Net Assets	(1,080,447)	(594,747)	(19,265)	52,733	(1,099,711)	(542,014)	
Net Assets, July 1	13,994,332	14,589,080	251,439	198,706	14,245,771	14,787,785	
Net Assets, June 30	\$ 12,913,886	\$ 13,994,332	\$ 232,174	\$ 251,439	\$ 13,146,060	\$ 14,245,771	

Governmental Activities

Property taxes and federal and state aid made up 99.26% of revenues for governmental activities for the School District for fiscal year 2010. Federal, state and local grants accounted for 36.97% of revenue.

The total net cost of all programs and services for 2010 and 2009 was \$30,534,214.01 and \$29,238,259.64 respectively. Instruction comprises 42.91% of District net cost of services for 2010.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The schedule below shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

TOWNSHIP OF HADDON SCHOOL DISTRICT NET COSTS OF GOVERNMENTAL ACTIVITIES					
<u>Governmental Activities</u>	<u>Source</u>	<u>2010</u>		<u>2009</u>	
		<u>Total Costs of Services</u>	<u>Net Costs of Services</u>	<u>Total Costs of Services</u>	<u>Net Costs of Services</u>
Instruction:					
Regular	A-2	\$ 11,105,807	\$ 10,334,088	\$ 10,673,361	\$ 9,983,164
Special Education	A-2	1,672,145	1,672,145	1,590,708	1,590,708
Other Special Instruction	A-2	362,412	362,412	352,149	352,149
Other Instruction	A-2	733,355	733,355	701,887	701,887
Community Services Program/Operations	A-2	128,108	128,108	122,709	122,709
Support Services:					
Tuition	A-2	2,316,315	1,405,116	1,879,906	1,426,875
Student and Instruction Related Services	A-2	3,370,838	3,370,838	3,279,634	3,279,634
School Administrative Services	A-2	2,166,351	2,119,661	2,073,442	2,028,183
Other Administrative Services	A-2	482,896	482,896	490,724	490,724
Plant Operations and Maintenance	A-2	3,294,675	3,294,675	3,153,172	3,153,172
Pupil Transportation	A-2	801,929	801,929	778,599	778,599
Unallocated Benefits	A-2	7,185,158	5,207,948	6,477,462	4,576,742
Special Schools	A-2	57,719	57,719	55,160	55,160
Charter Schools	A-2	14,672	14,672		
Capital Outlay	A-2	6,963		193,581	165,571
Interest on Long-term Debt	A-2	419,196	419,196	443,945	386,201
Unallocated Depreciation	A-2	112,017	112,017	127,704	127,704
Unallocated Amortization of Deferred Costs	A-2	17,441	17,441	19,080	19,080
Total Governmental Activities		\$ 34,247,996	\$ 30,534,214	\$ 32,413,222	\$ 29,238,260

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

Governmental Activities (Cont'd)

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits include the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the school district.

“Other” includes special schools and unallocated depreciation.

The School District's Funds

The school district's funds are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$33,389,406.59 and expenditures were \$34,464,628.85. The net change in the Capital Projects Fund was a decrease of \$5,700.00.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. The most significant budgeted fund is the General Fund.

During the course of the 2010 fiscal year, the School District modified its General Fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of previous year's encumbrances.

Capital Assets

At the end of fiscal year 2010, the School District had \$22,466,422.05 invested in land, buildings, furniture, equipment and vehicles. The following schedule shows a summary of the fiscal 2010 balances.

TOWNSHIP OF HADDON SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)							
	Governmental Activities		Business-Type Activities		Total		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Land	\$ 1,121,580	\$ 1,121,580			\$ 1,121,580	\$ 1,121,580	
Land Improvements	250,865	277,823			250,865	277,823	
Building Improvements	20,251,531	20,810,542			20,251,531	20,810,542	
Equipment	598,144	632,117	\$ 44,957	\$ 50,992	643,102	683,109	
Vehicles	199,345	148,119			199,345	148,119	
Total	\$ 22,421,465	\$ 22,990,180	\$ 44,957	\$ 50,992	\$ 22,466,422	\$ 23,041,173	

Debt Administration

As of June 30, 2010, the School District had \$9,370,000.00 of outstanding debt.

Township of Haddon School District Long-term Debt Schedule				
<u>Governmental Activity</u>	<u>Balance June 30, 2010</u>	<u>Balance June 30, 2009</u>	<u>Increase/ Decrease</u>	<u>% Change</u>
General Serial Bonds	\$ 9,370,000.00	\$ 9,965,000.00	(\$ 595,000.00)	-5.97%
Compensated Absences	628,829.82	636,815.34	(7,985.52)	-1.25%
Total	<u>\$9,998,829.82</u>	<u>\$ 10,601,815.34</u>	<u>(\$ 602,985.52)</u>	<u>-5.69%</u>

Economic Factors and Next Year's Budget

The Haddon Township School District is in good financial condition presently. While the district does not foresee significant growth, future finances are not without challenges in an era of uncertain State funding.

Contacting the School District's Financial Management

This financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Lisa A. Palmer, Ed.D., School Business Administrator/Board Secretary at Haddon Township Board of Education Administration office, 500 Rhoads Avenue, Westmont, NJ 08108 or email at lpalmer@haddon.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents		\$ 199,707.87	\$ 199,707.87
Receivables, net	\$ 64,740.25	15,422.48	80,162.73
Intergovernmental Receivables	1,637,258.66	6,901.72	1,644,160.38
Inventory		8,304.27	8,304.27
Restricted Assets:			
Restricted Cash and Cash Equivalents	4,475.70		4,475.70
Investment	145,939.74		
Capital Reserve Account - Cash	1.00		1.00
Deferred Costs	189,063.99		189,063.99
Capital Assets, net	22,421,464.57	44,957.48	22,466,422.05
Total Assets	24,462,943.91	275,293.82	24,592,297.99
LIABILITIES:			
Cash Overdraft	141,052.80		141,052.80
Accounts Payable	123,673.94		123,673.94
Accrued Interest Payable	72,666.67		72,666.67
Intergovernmental Payable	886,631.66		886,631.66
Deferred Revenue	511,663.01	43,120.00	554,783.01
Noncurrent Liabilities:			
Due within One Year	615,000.00		615,000.00
Due beyond One Year	9,198,369.87		9,198,369.87
Total Liabilities	11,549,057.95	43,120.00	11,592,177.95
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	13,236,924.52	44,957.48	13,281,882.00
Restricted for:			
Debt Service	4,475.70		4,475.70
Capital Projects	145,940.74		145,940.74
Unrestricted (Deficit)	(473,455.00)	187,216.34	(286,238.66)
Total Net Assets	\$ 12,913,885.96	\$ 232,173.82	\$ 13,146,059.78

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 11,105,807.41		\$ 771,719.82		\$ (10,334,087.59)		\$ (10,334,087.59)
Special Education	1,672,145.41				(1,672,145.41)		(1,672,145.41)
Other Special Instruction	362,411.61				(362,411.61)		(362,411.61)
Other Instruction	733,354.77				(733,354.77)		(733,354.77)
Community Services Programs / Operations	128,107.50				(128,107.50)		(128,107.50)
Support Services:							
Tuition	2,316,315.19	\$ 89,550.00	821,649.46		(1,405,115.73)		(1,405,115.73)
Student and Instruction Related Services	3,370,837.89				(3,370,837.89)		(3,370,837.89)
School Administrative Services	2,166,351.01		46,690.00		(2,119,661.01)		(2,119,661.01)
Other Administrative Services	482,895.63				(482,895.63)		(482,895.63)
Plant Operations and Maintenance	3,294,674.56				(3,294,674.56)		(3,294,674.56)
Pupil Transportation	801,929.37				(801,929.37)		(801,929.37)
Unallocated Benefits	7,185,157.85		1,977,209.76		(5,207,948.09)		(5,207,948.09)
Special Schools	57,718.95				(57,718.95)		(57,718.95)
Charter Schools	14,672.00				(14,672.00)		(14,672.00)
Capital Outlay	6,962.80		6,962.80				
Interest on Long-Term Debt	419,195.87				(419,195.87)		(419,195.87)
Unallocated Depreciation	112,017.47				(112,017.47)		(112,017.47)
Unallocated Amortization of Deferred Costs	17,440.56				(17,440.56)		(17,440.56)
Total Governmental Activities	34,247,995.85	89,550.00	3,624,231.84	\$ -	(30,534,214.01)	\$ -	(30,534,214.01)
Business-Type Activities:							
Food Service	720,020.53	336,690.70	144,864.32			(238,465.51)	(238,465.51)
Other	277,013.54	273,811.87				(3,201.67)	(3,201.67)
Total Business-Type Activities	997,034.07	610,502.57	144,864.32	-	-	(241,667.18)	(241,667.18)
Total Primary Government	\$ 35,245,029.92	\$ 700,052.57	\$ 3,769,096.16	\$ -	(30,534,214.01)	(241,667.18)	(30,775,881.19)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					19,818,314.00		19,818,314.00
Taxes Levied for Debt Service					980,819.00		980,819.00
Federal and State Aid not Restricted					8,720,089.25		8,720,089.25
Miscellaneous Income					156,402.50		156,402.50
Cancellation of Accounts Payable					545.04		545.04
Transfers:							
Governmental					(222,402.28)	222,402.28	
Total General Revenues, Special Items, Extraordinary Items and Transfers					29,453,767.51	222,402.28	29,676,169.79
Change in Net Assets					(1,080,446.50)	(19,264.90)	(1,099,711.40)
Net Assets -- July 1					13,994,332.46	251,438.72	14,245,771.18
Net Assets -- June 30					\$ 12,913,885.96	\$ 232,173.82	\$ 13,146,059.78

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2010

	<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				\$ 4,475.70	\$ 4,475.70
Investment			\$ 145,939.74		145,939.74
Restricted - Cash and Cash Equivalents	\$ 1.00				1.00
Receivables, net	6,924.39	\$ 57,815.86			64,740.25
Receivables from Other Governments	456,931.66	1,180,327.00			1,637,258.66
Interfund	523,093.81				523,093.81
Total Assets	\$ 986,950.86	\$ 1,238,142.86	\$ 145,939.74	\$ 4,475.70	\$ 2,375,509.16
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash Overdraft	\$ 141,052.80				\$ 141,052.80
Accounts Payable	93,038.56	\$ 30,635.38			123,673.94
Payable to State Government	710,981.00	175,650.66			886,631.66
Interfund		523,093.81			523,093.81
Deferred Revenue	2,900.00	508,763.01			511,663.01
Total Liabilities	947,972.36	1,238,142.86	\$ -	\$ -	2,045,062.42
Fund Balances:					
Reserved for:					
Encumbrances	122,395.00				122,395.00
Capital Reserve Account	1.00				1.00
Unreserved, Reported In:					
General Fund	(83,417.50)				(83,417.50)
Capital Projects Fund			145,939.74		145,939.74
Debt Service Fund				4,475.70	4,475.70
Total Fund Balances	38,978.50	-	145,939.74	4,475.70	189,393.94
Total Liabilities and Fund Balances	\$ 986,950.86	\$ 1,238,142.86	\$ 145,939.74	\$ 4,475.70	\$ 2,234,456.36

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$32,715,847.51, and the accumulated depreciation is \$10,294,382.94					\$ 22,421,464.57
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(9,813,369.87)
Accrued interest on bonds payable, is not due and payable in the current period and therefore are not reported as liabilities in the funds.					(72,666.67)
Deferred Costs, such as bond issue costs, are not recorded as an asset in the governmental funds.					<u>189,063.99</u>
Net assets of governmental activities					<u>\$ 12,913,885.96</u>

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 19,818,314.00			\$ 980,819.00	\$ 20,799,133.00
Tuition Charges	89,550.00				89,550.00
Miscellaneous	156,039.42			363.08	156,402.50
State Sources	9,306,753.06	\$ 452,902.29			9,759,655.35
Federal Sources	1,347,596.25	1,237,069.49			2,584,665.74
Total Revenues	30,718,252.73	1,689,971.78	\$ -	981,182.08	33,389,406.59
EXPENDITURES:					
Current:					
Regular Instruction	10,289,142.97	771,719.82			11,060,862.79
Special Education Instruction	1,672,145.41				1,672,145.41
Other Special Instruction	362,411.61				362,411.61
Other Instruction	733,354.77				733,354.77
Community Services Programs / Operations	128,107.50				128,107.50
Support Services and Undistributed Costs:					
Tuition	2,316,315.19				2,316,315.19
Student and Instruction Related Services	2,546,274.39	821,649.46			3,367,923.85
School Administrative Services	2,119,661.01	46,690.00			2,166,351.01
Other Administrative Services	482,097.99				482,097.99
Plant Operations and Maintenance	2,821,508.62				2,821,508.62
Pupil Transportation	760,834.57				760,834.57
Unallocated Benefits	7,150,193.67	42,949.70			7,193,143.37
Special Schools	57,718.95				57,718.95
Transfer of Funds to Charter Schools	14,672.00				14,672.00
Debt Service:					
Principal				595,000.00	595,000.00
Interest and Other Charges				396,597.50	396,597.50
Capital Outlay	100,518.64	6,962.80	5,700.00		113,181.44
Total Expenditures	31,554,957.29	1,689,971.78	5,700.00	991,597.50	34,242,226.57
Excess (Deficiency) of Revenues over Expenditures	(836,704.56)	-	(5,700.00)	(10,415.42)	(852,819.98)

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out	\$ (222,402.28)				\$ (222,402.28)
Cancellation of Prior Year Special Revenue State Aid Payable	1.02				1.02
Cancellation of Accounts Payable	544.02				544.02
Total Other Financing Sources and Uses	(221,857.24)	\$ -	\$ -	\$ -	(221,857.24)
Net Change in Fund Balances	(1,058,561.80)	-	(5,700.00)	(10,415.42)	(1,074,677.22)
Fund Balance -- July 1	1,097,540.30	-	151,639.74	14,891.12	1,264,071.16
Fund Balance -- June 30	\$ 38,978.50	\$ -	\$ 145,939.74	\$ 4,475.70	\$ 189,393.94

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2010

Total Net Change in Fund Balances - Governmental Funds	\$ (1,074,677.22)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>	
Depreciation Expense	\$ (674,934.51)
Capital Asset Additions	<u>106,218.64</u>
	(568,715.87)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>	595,000.00
<p>In the statement of activities, deferred loss on refunding bonds is amortized and recorded as interest expense, In the governmental funds, the deferred loss on refunding is not recorded.</p>	(27,460.87)
<p>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. (+)</p>	4,862.50
<p>In the statement of activities, amortization of deferred costs in the statement of activities is accrued, In the governmental funds, amortization is not recorded.</p>	(17,440.56)
<p>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 (+).</p>	7,985.52
	<hr/>
Change in Net Assets of Governmental Activities	<u><u>\$ (1,080,446.50)</u></u>

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-Type Activities - Enterprise Funds							<u>Totals</u>
	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$ 38,723.89	\$ 95,543.98	\$ 5,378.57	\$ 1,453.78	\$ 54,397.79	\$ 4,119.86	\$ 90.00	\$ 199,707.87
Accounts Receivable:								
State	374.28							374.28
Federal	6,527.44							6,527.44
Other	14,651.58	770.90						15,422.48
Inventories	8,304.27							8,304.27
Total Current Assets	68,581.46	96,314.88	5,378.57	1,453.78	\$ 54,397.79	4,119.86	90.00	230,336.34
Noncurrent Assets:								
Furniture, Machinery and Equipment	201,280.94							201,280.94
Less: Accumulated Depreciation	156,323.46							156,323.46
Total Noncurrent Assets	44,957.48	-	-	-	-	-	-	44,957.48
Total Assets	113,538.94	96,314.88	5,378.57	1,453.78	54,397.79	4,119.86	90.00	275,293.82
LIABILITIES :								
Current Liabilities:								
Deferred Revenue					43,120.00	-		43,120.00
Total Current Liabilities	-	-	-	-	43,120.00	-	-	43,120.00
Total Liabilities	-	-	-	-	43,120.00	-	-	43,120.00
NET ASSETS:								
Invested in Capital Assets Net of Related Debt	44,957.48							44,957.48
Unrestricted	68,581.46	96,314.88	5,378.57	1,453.78	11,277.79	4,119.86	90.00	187,216.34
Total Net Assets	\$ 113,538.94	\$ 96,314.88	\$ 5,378.57	\$ 1,453.78	\$ 11,277.79	\$ 4,119.86	\$ 90.00	\$ 232,173.82

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund							Total Enterprise
	Food Service	Latchkey Program	Adult School	Summer Institute	Summer Recreation	Summer Enrichment	Wellness Program	
OPERATING REVENUES:								
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ 147,027.50							\$ 147,027.50
Daily Sales - Non-Reimbursable Programs	189,663.20							189,663.20
Community Service Activity		\$ 165,034.39	\$ 40,344.50		\$ 48,422.98	\$ 20,010.00		273,811.87
Total Operating Revenues	336,690.70	165,034.39	40,344.50	\$ -	48,422.98	20,010.00	\$ -	610,502.57
OPERATING EXPENSES:								
Salaries	358,976.93	123,605.50	26,686.53		41,844.66	16,369.03		567,482.65
Employee Benefits	42,893.79	9,594.73	1,574.21		3,201.12	1,252.24		58,516.09
Food Service Management Fee	21,760.77							21,760.77
Other Purchased Services	21,914.73	2,144.73	15,640.36			380.00		40,079.82
General Supplies	17,148.13	33,733.99	-		986.44			51,868.56
Depreciation	6,034.70							6,034.70
Cost of Sales	251,291.48							251,291.48
Total Operating Expenses	720,020.53	169,078.95	43,901.10	-	46,032.22	18,001.27	-	997,034.07
Operating Income (Loss)	(383,329.83)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(386,531.50)
NONOPERATING REVENUES (EXPENSES):								
State Sources:								
State School Lunch Program	6,000.92							6,000.92
State School Breakfast Program	210.00							210.00
Federal Sources:								
National School Lunch Program	102,384.30							102,384.30
National Breakfast Program	3,001.42							3,001.42
Food Distribution Program	33,267.68							33,267.68
Total Nonoperating Revenues (Expenses)	144,864.32	-	-	-	-	-	-	144,864.32
Income (Loss) before Contributions and Transfers	(238,465.51)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(241,667.18)
Operating Transfers In (Out) - General Fund	222,402.28	-	-	-	-	-	-	222,402.28
Change in Net Assets	(16,063.23)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(19,264.90)
Total Net Assets -- July 1	129,602.17	100,359.44	8,935.17	1,453.78	8,887.03	2,111.13	90.00	251,438.72
Total Net Assets -- June 30	\$ 113,538.94	\$ 96,314.88	\$ 5,378.57	\$ 1,453.78	\$ 11,277.79	\$ 4,119.86	\$ 90.00	\$ 232,173.82

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds							Total Enterprise
	Food Service	Latchkey Program	Adult School	Summer Institute	Summer Recreation	Summer Enrichment	Wellness Program	
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from Customers	\$ 338,359.95	\$ 164,263.49	\$ 40,344.50		\$ 45,417.98	\$ 1,330.00		\$ 589,715.92
Payments to Employees	(358,976.93)	(123,605.50)	(26,686.53)		(41,844.66)	(16,369.03)		(567,482.65)
Payments for Employee Benefits	(42,893.79)	(9,594.73)	(1,574.21)		(3,201.12)	(1,252.24)		(58,516.09)
Payments to Food Management Company	(63,693.76)							(63,693.76)
Payments to Vendors	(234,388.47)	(39,860.52)	(15,640.36)		(986.44)	(380.00)		(291,255.79)
Net Cash Provided by (used for) Operating Activities	(361,593.00)	(8,797.26)	(3,556.60)	\$ -	(614.24)	(16,671.27)	\$ -	(391,232.37)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital Acquisitions	-	-	-	-	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
State Sources	6,181.52							6,181.52
Federal Sources	104,218.12							104,218.12
Operating Subsidies and Transfers from/to other Funds	222,402.28							222,402.28
Net Cash Provided by (used for) Non-Capital Financing Activities	332,801.92	-	-	-	-	-	-	332,801.92
Net Increase (Decrease) in Cash and Cash Equivalents	(28,791.08)	(8,797.26)	(3,556.60)		(614.24)	(16,671.27)		(58,430.45)
Balances -- July 1	67,514.97	104,341.24	8,935.17	1,453.78	55,012.03	20,791.13	90.00	258,138.32
Balances -- June 30	\$ 38,723.89	\$ 95,543.98	\$ 5,378.57	\$ 1,453.78	\$ 54,397.79	\$ 4,119.86	\$ 90.00	\$ 199,707.87
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (383,329.83)	\$ (4,044.56)	\$ (3,556.60)	\$ -	\$ 2,390.76	\$ 2,008.73	\$ -	\$ (386,531.50)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization	6,034.70							6,034.70
Federal Commodities	33,267.68							33,267.68
(Increase) Decrease in Accounts Receivable, net	(429.83)	(770.90)						(1,200.73)
(Increase) Decrease in Inventories	783.46							783.46
Increase (Decrease) in Accounts Payable	(17,919.18)	(3,981.80)						(21,900.98)
Increase (Decrease) in Deferred Revenue					(3,005.00)	(18,680.00)		(21,685.00)
Total Adjustments	21,736.83	(4,752.70)	-	-	(3,005.00)	(18,680.00)	-	(4,700.87)
Net Cash Provided by (used for) Operating Activities	\$ (361,593.00)	\$ (8,797.26)	\$ (3,556.60)	\$ -	\$ (614.24)	\$ (16,671.27)	\$ -	\$ (391,232.37)

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 338,228.14	\$ 154,779.56	\$ 130,598.69
Accounts Receivable	50,170.00		
	<u>388,398.14</u>	<u>154,779.56</u>	<u>130,598.69</u>
LIABILITIES:			
Payable to District			3,519.44
Payable to Student Groups		154,779.56	
Payroll Deductions and Withholdings			127,079.25
		<u>-</u>	<u>154,779.56</u>
Total Liabilities		<u>\$ 154,779.56</u>	<u>\$ 130,598.69</u>
NET ASSETS:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 388,398.14</u>		

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan member	\$ 41,728.36
Investment earnings:	
Interest	<u>4,569.48</u>
Total Additions	46,297.84
DEDUCTIONS:	
Unemployment Claims	<u>19,644.69</u>
Change in Net Assets	26,653.15
Net Assets -- July 1	<u>361,744.99</u>
Net Assets -- June 30	<u><u>\$ 388,398.14</u></u>

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

TOWNSHIP OF HADDON SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Township of Haddon School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, 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. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades Pre K - 12 at the School District's seven schools. The Township of Haddon School District has an approximate enrollment at June 30, 2010 of 2,171.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Financial Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for two additional sub-funds resulting from federal legislation signed into law on February 17, 2009. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. The New Jersey State Department of Education requires that the ARRA - Education Stabilization Fund (ESF) and the ARRA - Government Services Fund (GSF) be recorded as separate sub-funds.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the federal and state government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations:

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School District has decided that periodic determination of revenues earned, expenses incurred, and / or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Latchkey Program Fund - This fund accounts for the financial activity related to providing after-school services.

Adult School Fund - This fund accounts for financial activity related to providing adult school services.

Summer Recreation – This fund accounts for financial activity related to providing summer recreation services.

Wellness Program – This fund accounts for financial activity related to providing wellness services.

Summer Institute – This fund accounts for financial activity related to providing teachers with additional summer instructional training.

Summer Enrichment – This fund accounts for financial activity related to providing summer enrichment services.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds, an unemployment compensation trust fund, a student activity fund, and payroll fund.

Measurement Focus

District-wide Financial Statements - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days after fiscal year end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Accounting (Cont'd)**

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, 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 School 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. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets / Budgetary Control (Cont'd) - Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the one or more June state aid payments.

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2010 and 2009 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2010, the amounts earned by these employees were disbursed to the employees' own individual accounts.

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves - The School District reserves portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, excess surplus and capital reserve accounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program, adult school program fees, wellness program fees, summer recreation fees, summer enrichment fees, summer institute program fees and fees for the school age child care program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balances totaling \$2,265,118.95 as of June 30, 2010, \$500,000.00 was insured by the Federal Deposit Insurance Corporation, \$1,590,575.58 was collateralized under the Governmental Unit Deposit Protection Act and \$174,543.37 was uninsured and uncollateralized.

Note 3: INVESTMENT IN SECURITIES

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

Note 3: INVESTMENT IN SECURITIES (CONT'D)

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All of the School District's investments are held in the New Jersey Arbitrage Rebate Management Program.

As of June 30, 2010, the School District's investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
N.J. Arbitrage Rebate Management Program	N/A	\$ 146,720.89

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School 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.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in Note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. The School District has no investment policy that would further limit its investment choices.

As of June 30, 2010, the School District's investments had the following ratings:

<u>Investment</u>	<u>Standard and Poors</u>
N.J. Arbitrage Rebate Management Program	AAA

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policies place no limit on the amount the School District may invest in any one issuer. 100% of the School District's investments are in the New Jersey Arbitrage Rebate Management Program. These investments are reported in the School District's General Fund.

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

There was no capital reserve activity for the fiscal year ended June 30, 2010.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Intergovernmental	\$ 456,931.66	\$ 1,180,327.00	\$ 6,901.72		\$ 1,644,160.38
Other	6,924.39	57,815.86	15,422.48	\$ 50,170.00	130,332.73
Total	<u>\$ 463,856.05</u>	<u>\$ 1,238,142.86</u>	<u>\$ 22,324.20</u>	<u>\$ 50,170.00</u>	<u>\$ 1,774,493.11</u>

Note 6: INVENTORY

Inventory in the food service fund at June 30, 2010 consisted of the following:

Food	\$ 6,653.06
Supplies	<u>1,651.21</u>
	<u>\$ 8,304.27</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,121,580.00			\$ 1,121,580.00
Capital Assets, being Depreciated:				
Land Improvements	805,497.00			805,497.00
Building and Improvements	28,702,154.00			28,702,154.00
Equipment	1,227,932.57	\$ 8,712.64	\$ 19,703.44	1,216,941.77
Vehicles	824,918.00	97,506.00	71,652.00	850,772.00
Total Capital Assets, being Depreciated	<u>31,560,501.57</u>	<u>106,218.64</u>	<u>91,355.44</u>	<u>31,575,364.77</u>

Note 7: CAPITAL ASSETS (CONT'D)

Less Accumulated Depreciation for:				
Land Improvements	\$ 527,673.81	\$ 26,958.24		\$ 554,632.05
Building and Improvements	7,891,612.33	559,010.99		8,450,623.32
Equipment	595,815.59	42,685.56	\$ 19,703.44	618,797.71
Vehicles	676,799.40	46,279.72	71,652.00	651,427.12
	<u>9,691,901.13</u>	<u>674,934.51</u>	<u>* 91,355.44</u>	<u>10,275,480.20</u>
Total Accumulated Depreciation				
Total Capital Assets, being Depreciated, Net	<u>22,990,180.44</u>	<u>(568,715.87)</u>	<u>-</u>	<u>22,421,464.57</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,111,760.44</u>	<u>\$ (568,715.87)</u>	<u>\$ -</u>	<u>\$ 23,543,044.57</u>
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Equipment	\$ 201,280.94			\$ 201,280.94
Less Accumulated Depreciation	<u>150,288.76</u>	<u>\$ 6,034.69</u>		<u>156,323.45</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 50,992.18</u>	<u>\$ 6,034.69</u>	<u>\$ -</u>	<u>\$ 44,957.49</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 44,944.62
Student and Instruction Related Services	2,914.04
School Administrative Services	797.64
Plant Operations and Maintenance	473,165.94
Pupil Transportation	41,094.80
Unallocated	<u>112,017.47</u>
Total Depreciation Expense	<u>\$ 674,934.51</u>

Note 8: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2010, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 9,965,000.00		\$ (595,000.00)	\$ 9,370,000.00	\$ 615,000.00
Compensated Absences	636,815.34		(7,985.52)	628,829.82	
	10,601,815.34	\$ -	(602,985.52)	9,998,829.82	615,000.00
Deferred Amount on Refunding	(212,920.82)		(27,460.87)	(185,459.95)	
Governmental Activity Long-term Liabilities	<u>\$ 10,388,894.52</u>	<u>\$ -</u>	<u>\$ (575,524.65)</u>	<u>\$ 9,813,369.87</u>	<u>\$ 615,000.00</u>

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 615,000.00	\$ 360,470.00	\$ 975,470.00
2012	645,000.00	335,881.25	980,881.25
2013	675,000.00	309,900.00	984,900.00
2014	705,000.00	282,800.00	987,800.00
2015	730,000.00	254,537.50	984,537.50
2016	760,000.00	225,112.50	985,112.50
2017	795,000.00	195,006.25	990,006.25
2018	820,000.00	164,725.00	984,725.00
2019	855,000.00	131,181.25	986,181.25
2020	885,000.00	94,206.25	979,206.25
2021	930,000.00	56,800.00	986,800.00
2022	955,000.00	19,100.00	974,100.00
	<u>\$ 9,370,000.00</u>	<u>\$ 2,429,720.00</u>	<u>\$ 11,799,720.00</u>

Bonds Authorized But Not Issued - As of June 30, 2010, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 9: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefore through private sale or delivery thereof. In accordance with this statute, on June 3, 2010, the School District issued a State School Aid Anticipation Note in the amount of \$710,981.00, at an annual interest rate of 1.5%, maturing on July 7, 2010. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the Note.

Note 10: OPERATING LEASES

At June 30, 2010, the School District had operating lease agreements in effect for copy machines and phone system. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2011	\$ 71,299.13
2012	71,299.13
2013	71,299.13
2014	71,299.13
	<u>\$ 285,196.52</u>

Rental payments under operating leases for the fiscal year ended June 30, 2010 were \$110,864.40.

Note 11: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, School District employees, who qualify, will participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

Note 11: PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd) - The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Excess Pension Asset Credit</u>	<u>School District</u>
2010	\$ 115,046.00	\$ 147,820.00	\$ 262,866.00	\$ -	\$ 262,866.00
2009	101,403.00	117,285.00	218,688.00	-	218,688.00
2008	127,557.00	98,301.00	225,858.00	45,171.60	180,686.40

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). 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 N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The District had no employees enrolled in this plan for the year ending June 30, 2010.

Note 12: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

Note 13: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2010, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$44,516.00 and \$836,072.00, respectively.

Note 14: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2010	\$ 50,170.00	\$ 41,728.36	\$ 69,814.69	\$ 388,398.14
2009	NONE	40,978.17	34,150.04	361,744.99
2008	NONE	39,183.95	53,006.23	339,808.21

Note 14: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund.

The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)
 General Liability
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Environmental Legal Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained from the following address:

Burlington County Insurance Pool
 Joint Insurance Fund.
 P.O. Box 449
 Marlton, New Jersey 08053

Note 15: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit 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:

Lincoln Investment Planning
 Siracusa Benefits Program
 Midland National Life Insurance Company
 Equitable

Note 16: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

Note 16: COMPENSATED ABSENCES (CONT'D)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, the liability for compensated absences in the governmental activities fund type was \$628,829.82.

Note 17: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as June 30, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 523,093.81	
Special Revenue		\$ 523,093.81
	<u>\$ 523,093.81</u>	<u>\$ 523,093.81</u>

District's are not permitted to have a cash deficit in the Special Revenue Fund, as a result an interfund was created to comply with this requirement.

Note 18: CAPITAL DEBT REFUNDING

On August 24, 2005, the School District issued \$9,995,000.00 in Refunding School Bonds with varying interest rates from 3.125% to 4.50% to advance refund \$7,525,000.00 of outstanding 2001 Series bonds with interest rates of 4.625% to 5.00% and \$1,938,000.00 of outstanding 2002 Series bonds with interest rates of 4.50% to 5.00%. The net proceeds of \$9,982,885.28 (after payment of issuance costs) were used to purchase U.S. Treasury Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 and 2002 Series bonds. As a result, the 2001 and 2002 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The School District advance refunded the 2001 and 2002 Series bonds to reduce its total debt service payments over the next sixteen years by almost \$520,000.00 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$392,182.36.

Note 19: DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2010, a deficit of \$473,454.00 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibit A-1 is as follows:

Balances, June 30, 2010:	
Fund Balances (Deficit) (Exclusive of Capital Projects and Debt Service Funds):	
Unreserved	\$ (83,417.50)
Reserved for Encumbrances	122,395.00
Assets:	
Deferred Costs	189,063.99
Liabilities:	
Accrued Interest on Bonds	(72,666.67)
Compensated Absences	<u>(628,829.82)</u>
Unrestricted Net Assets (Deficit)	<u>\$ (473,455.00)</u>

Note 20: DEFICIT FUND BALANCE

The School District has a deficit fund balance of \$83,417.50 in the general fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$83,417.50 is less than the June state aid payments.

Note 21: FUND BALANCES**RESERVED**

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below:

For Encumbrances - The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2010, \$122,395.00 has been reserved for this purpose.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve 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, as presented on Exhibit C-1, at June 30, 2010 is \$26,157.51.

For Capital Reserve Account - As of June 30, 2010, the balance in the capital reserve account is \$1.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

UNRESERVED

General Fund - Of the \$737,385.99 unreserved General Fund fund balance at June 30, 2010 (see Exhibit C-1), \$77,769.00 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$659,616.99 is undesignated.

Debt Service Fund - Of the \$4,475.70 unreserved Debt Service Fund fund balance at June 30, 2010, \$4,412.00 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2011 and \$63.70 is undesignated.

Note 22: LITIGATION

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 19,818,314.00		\$ 19,818,314.00	\$ 19,818,314.00	
Tuition	128,000.00		128,000.00	89,550.00	\$ (38,450.00)
Miscellaneous	75,000.00		75,000.00	156,039.42	81,039.42
Total - Local Sources	20,021,314.00	\$ -	20,021,314.00	20,063,903.42	42,589.42
State Sources:					
Equalization Aid	7,359,499.00	(1,335,352.00)	6,024,147.00	5,705,505.00	(318,642.00)
Transportation Aid	295,753.00		295,753.00	192,239.00	(103,514.00)
Special Education Categorical Aid	1,065,723.00		1,065,723.00	1,065,723.00	
Security Aid	170,178.00		170,178.00	110,616.00	(59,562.00)
Extraordinary Aid	250,378.00		250,378.00	306,144.00	55,766.00
Additional N.J. Nonpublic School Transportation Aid				6,989.00	6,989.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				880,588.00	880,588.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,053,672.06	1,053,672.06
Total - State Sources	9,141,531.00	(1,335,352.00)	7,806,179.00	9,321,476.06	1,515,297.06
Federal Sources:					
Medicaid Reimbursement	9,000.00		9,000.00	12,244.25	3,244.25
Equalization Aid - ARRA ESF		1,285,585.00	1,285,585.00	1,285,585.00	
Equalization Aid - ARRA GSF		49,767.00	49,767.00	49,767.00	
	9,000.00	1,335,352.00	1,344,352.00	1,347,596.25	3,244.25
Total Revenues	29,171,845.00	-	29,171,845.00	30,732,975.73	1,561,130.73

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 213,585.00	\$ 25,640.00	\$ 239,225.00	\$ 239,180.48	\$ 44.52
Kindergarten	269,275.00	(11,011.00)	258,264.00	258,257.35	6.65
Grades 1-5	2,837,192.00	(42,457.45)	2,794,734.55	2,794,608.71	125.84
Grades 6-8	1,941,158.00	(63,663.55)	1,877,494.45	1,877,457.79	36.66
Grades 9-12	3,814,542.00	(50,517.00)	3,764,025.00	3,763,767.22	257.78
Regular Programs - Home Instruction:					
Salaries of Teachers	13,000.00	6,425.00	19,425.00	19,413.55	11.45
Other Purchased Services	5,000.00	(800.00)	4,200.00	4,179.20	20.80
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	481,588.00	21,412.00	503,000.00	502,946.43	53.57
Other Purchase Services for Instruction	147,400.00	(6,600.00)	140,800.00	140,759.93	40.07
General Supplies	606,431.00	(2,841.46)	603,589.54	603,249.22	340.32
Textbooks	137,930.00	(52,601.02)	85,328.98	85,323.09	5.89
Total Regular Programs	10,467,101.00	(177,014.48)	10,290,086.52	10,289,142.97	943.55
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	321,957.00	(10,131.00)	311,826.00	311,825.75	0.25
Other Salaries for Instruction	100,000.00	(11,816.00)	88,184.00	88,183.05	0.95
General Supplies	9,990.00	(1,310.00)	8,680.00	8,677.36	2.64
Total Learning and / or Language Disabilities	431,947.00	(23,257.00)	408,690.00	408,686.16	3.84
Behavioral Disabilities:					
Salaries of Teachers	56,169.00	(800.00)	55,369.00	55,369.00	
Other Salaries for Instruction	16,800.00	100.00	16,900.00	16,900.00	
General Supplies		482.00	482.00	481.64	0.36
Total Behavioral Disabilities	72,969.00	(218.00)	72,751.00	72,750.64	0.36

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 872,397.00	\$ 24,066.00	\$ 896,463.00	\$ 896,461.76	\$ 1.24
Other Salaries for Instruction	86,000.00	41,322.00	127,322.00	127,321.10	0.90
General Supplies	18,000.00	(511.27)	17,488.73	17,487.25	1.48
Total Resource Room / Resource Center	976,397.00	64,876.73	1,041,273.73	1,041,270.11	3.62
Preschool Disabilities - Part-Time:					
Salaries of Teachers	77,949.00	1,840.00	79,789.00	79,789.00	
Other Salaries for Instruction	30,000.00	10,584.00	40,584.00	40,572.35	11.65
General Supplies	3,000.00	(530.00)	2,470.00	2,467.92	2.08
Total Preschool Disabilities - Part-Time	110,949.00	11,894.00	122,843.00	122,829.27	13.73
Home Instruction:					
Salaries of Teachers	38,000.00	(11,719.00)	26,281.00	26,280.83	0.17
Other Purchase Services	5,000.00	(4,600.00)	400.00	328.40	71.60
Total Home Instruction	43,000.00	(16,319.00)	26,681.00	26,609.23	71.77
Total Special Education - Instruction	1,635,262.00	36,976.73	1,672,238.73	1,672,145.41	93.32
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	310,162.00	(32,771.00)	277,391.00	277,348.65	42.35
Other Purchased Services	15,000.00	3,000.00	18,000.00	17,990.00	10.00
General Supplies	8,500.00	(6,331.00)	2,169.00	2,168.76	0.24
Total Basic Skills / Remedial - Instruction	333,662.00	(36,102.00)	297,560.00	297,507.41	52.59
Bilingual Education - Instruction:					
Salaries of Teachers	32,674.00	27,455.00	60,129.00	59,908.00	221.00
Other Purchase Services	1,000.00	(855.00)	145.00	145.00	145.00
General Supplies	4,000.00	(1,330.00)	2,670.00	2,585.34	84.66
Textbooks	1,000.00	1,420.00	2,420.00	2,410.86	9.14
Total Bilingual Education - Instruction	38,674.00	26,690.00	65,364.00	64,904.20	459.80

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 163,193.00	\$ 2,340.00	\$ 165,533.00	\$ 165,531.62	\$ 1.38
Transfers to Cover Deficits	71,475.00	(9,025.00)	62,450.00	62,449.85	0.15
Total School Sponsored Cocurricular Activities - Instruction	<u>234,668.00</u>	<u>(6,685.00)</u>	<u>227,983.00</u>	<u>227,981.47</u>	<u>1.53</u>
School Sponsored Athletics - Instruction:					
Salaries	343,061.00	(17,262.00)	325,799.00	325,798.46	0.54
Other Purchased Services	2,000.00	1,575.00	3,575.00	3,570.39	4.61
Transfers to Cover Deficits	194,717.00	(18,540.00)	176,177.00	176,004.45	172.55
Total School Sponsored Athletics - Instruction	<u>539,778.00</u>	<u>(34,227.00)</u>	<u>505,551.00</u>	<u>505,373.30</u>	<u>177.70</u>
Total Instruction	<u>13,249,145.00</u>	<u>(190,361.75)</u>	<u>13,058,783.25</u>	<u>13,057,054.76</u>	<u>1,728.49</u>
Community Services Programs / Operations:					
Salaries	123,012.00	1,061.00	124,073.00	124,072.92	0.08
Other Purchased Services	5,000.00	(2,291.00)	2,709.00	2,708.18	0.82
Supplies and Materials	3,000.00	(1,658.74)	1,341.26	1,326.40	14.86
Total Community Services Programs / Operations	<u>131,012.00</u>	<u>(2,888.74)</u>	<u>128,123.26</u>	<u>128,107.50</u>	<u>15.76</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	15,000.00	15,129.80	30,129.80	30,129.80	
Tuition to Other LEAs Within the State-Special	95,928.00	32,707.49	128,635.49	128,635.49	
Tuition to County Vocational - Regular	15,000.00		15,000.00	15,000.00	
Tuition to CSSD and Regular Day Schools	270,110.00	121,644.22	391,754.22	391,753.03	1.19
Tuition to Private Schools for the Disabled - Within State	1,087,706.00	220,406.30	1,308,112.30	1,308,106.22	6.08
Tuition to Private Schools for the Disabled - Outside State	378,248.00	(14,722.35)	363,525.65	363,525.65	
Tuition - State Facilities	22,771.00	(22,771.00)			
Tuition - Other	78,000.00	1,165.00	79,165.00	79,165.00	
Total Undistributed Expenditures - Instruction	<u>1,962,763.00</u>	<u>353,559.46</u>	<u>2,316,322.46</u>	<u>2,316,315.19</u>	<u>7.27</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 38,844.00	\$ 207.00	\$ 39,051.00	\$ 39,050.72	\$ 0.28
Other Purchased Services	500.00	(201.00)	299.00	292.18	6.82
Total Undistributed Expenditures - Attendance and Social Work	<u>39,344.00</u>	<u>6.00</u>	<u>39,350.00</u>	<u>39,342.90</u>	<u>7.10</u>
Undistributed Expenditures - Health Services:					
Salaries	319,543.00	2,288.00	321,831.00	321,830.25	0.75
Other Purchased Services	19,800.00	(1,569.00)	18,231.00	18,145.00	86.00
Supplies and Materials	8,636.00	1,390.91	10,026.91	10,026.74	0.17
Total Undistributed Expenditures - Health Services	<u>347,979.00</u>	<u>2,109.91</u>	<u>350,088.91</u>	<u>350,001.99</u>	<u>86.92</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	245,970.00	9,310.00	255,280.00	255,279.92	0.08
Purchased Professional - Educational Services	381,800.00	(331,075.00)	50,725.00	50,719.85	5.15
Total Undistributed Expenditures - Other Support Services - Students - Related Services	<u>627,770.00</u>	<u>(321,765.00)</u>	<u>306,005.00</u>	<u>305,999.77</u>	<u>5.23</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Service					
Salaries	14,500.00	13,000.00	27,500.00	27,365.05	134.95
Purchased Professional- Educational Services	111,358.00	(67,282.00)	44,076.00	43,992.06	83.94
Total Undistributed Expenditures - Extraordinary Service	<u>125,858.00</u>	<u>(54,282.00)</u>	<u>71,576.00</u>	<u>71,357.11</u>	<u>218.89</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	560,887.00	(16,901.00)	543,986.00	543,979.26	6.74
Salaries of Secretarial and Clerical Assistants	82,379.00	1.00	82,380.00	82,379.04	0.96
Other Purchased Services	7,000.00	(4,900.00)	2,100.00	2,010.98	89.02
Supplies and Materials	9,000.00	(2,212.18)	6,787.82	6,744.42	43.40
Other Objects	21,500.00	(8,484.00)	13,016.00	12,994.42	21.58
Total Undistributed Expenditures - Guidance	<u>680,766.00</u>	<u>(32,496.18)</u>	<u>648,269.82</u>	<u>648,108.12</u>	<u>161.70</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	\$ 606,658.00	\$ (18,855.00)	\$ 587,803.00	\$ 587,759.97	\$ 43.03
Salaries of Secretarial and Clerical Assistants	82,379.00	1.00	82,380.00	82,379.04	0.96
Purchased Professional- Educational Services		990.00	990.00	990.00	
Miscellaneous Purchased Services (400-500 Series other than Residential Costs)	3,000.00	(2,250.00)	750.00	750.00	
Supplies and Materials	11,309.00	373.22	11,682.22	11,670.16	12.06
Total Undistributed Expenditures - Child Study teams	<u>703,346.00</u>	<u>(19,740.78)</u>	<u>683,605.22</u>	<u>683,549.17</u>	<u>56.05</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	99,226.00	5,549.40	104,775.40	104,754.30	21.10
Salaries of Other Professional Staff	22,000.00	(8,560.00)	13,440.00	13,354.40	85.60
Salaries of Secretarial and Clerical Assistants	33,660.00	1,400.00	35,060.00	35,047.92	12.08
Other Objects	2,050.00	(250.00)	1,800.00	1,756.00	44.00
Total Undistributed Expenditures - Improvement of Instruction Services	<u>156,936.00</u>	<u>(1,860.60)</u>	<u>155,075.40</u>	<u>154,912.62</u>	<u>162.78</u>
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	90,934.00	54.00	90,988.00	90,988.00	
Salaries of Secretarial and Clerical Assistants	36,345.00	1.00	36,346.00	36,345.12	0.88
Purchased Professional and Technical Services	35,745.00	(2,955.00)	32,790.00	32,706.00	84.00
Other Purchased Services	30,370.00	24,704.00	55,074.00	55,073.20	0.80
Travel	320.00	(320.00)			
Supplies and Materials	40,560.00	(17,200.00)	23,360.00	23,215.72	144.28
Total Undistributed Expenditures - Educational Media Services / School Library	<u>234,274.00</u>	<u>4,284.00</u>	<u>238,558.00</u>	<u>238,328.04</u>	<u>229.96</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	22,056.00	1,563.10	23,619.10	23,578.88	40.22
Salaries of Other Professional Staff	4,692.00	100.00	4,792.00	4,783.92	8.08
Other Purchased Services	44,481.00	(18,725.00)	25,756.00	25,687.92	68.08
Supplies and Materials	2,700.00	(2,000.00)	700.00	623.95	76.05
Total Undistributed Expenditures - Instructional Staff Training Services	<u>73,929.00</u>	<u>(19,061.90)</u>	<u>54,867.10</u>	<u>54,674.67</u>	<u>192.43</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 236,075.00	\$ 8,228.05	\$ 244,303.05	\$ 244,133.04	\$ 170.01
Legal Services	31,000.00	(19,813.00)	11,187.00	10,189.56	997.44
Audit Fees	39,000.00	(2,500.00)	36,500.00	36,500.00	
Communications/Telephone	63,000.00	(16,117.00)	46,883.00	46,802.17	80.83
BOE Other Purchased Services	4,500.00	(3,000.00)	1,500.00	1,162.00	338.00
Other Purchased Services	117,300.00	(22,300.00)	95,000.00	94,673.51	326.49
General Supplies	10,300.00	3,930.86	14,230.86	13,902.17	328.69
BOE In-House Training and Meeting Supplies	2,000.00	(1,925.00)	75.00		75.00
Miscellaneous Expenditures	27,100.00	(7,150.00)	19,950.00	19,788.54	161.46
BOE Membership Dues and Fees	14,800.00	150.00	14,950.00	14,947.00	3.00
Total Undistributed Expenditures - Support Services - General Administration	545,075.00	(60,496.09)	484,578.91	482,097.99	2,480.92
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	871,577.00	1.00	871,578.00	871,577.28	0.72
Salaries of Other Professional Staff	212,956.00	(20,401.00)	192,555.00	192,447.83	107.17
Salaries of Secretarial and Clerical Assistants	326,968.00	4,968.00	331,936.00	331,858.55	77.45
Other Purchased Services	31,304.00	(445.00)	30,859.00	30,594.65	264.35
Travel	4,500.00	(4,300.00)	200.00	181.95	18.05
Supplies and Materials	63,689.00	(24,806.09)	38,882.91	38,786.29	96.62
Other Objects	18,700.00	(2,900.00)	15,800.00	15,745.13	54.87
Total Undistributed Expenditures - Support Services - School Administration	1,529,694.00	(47,883.09)	1,481,810.91	1,481,191.68	619.23
Undistributed Expenditures- Support Services- Central Services:					
Salaries	363,688.00	25,013.11	388,701.11	388,680.15	20.96
Purchased Technical Services	41,200.00	(7,850.00)	33,350.00	33,311.05	38.95
Miscellaneous Purchased Services	4,600.00	(1,550.00)	3,050.00	2,980.00	70.00
Supplies and Materials	15,500.00	(2,651.61)	12,848.39	12,796.75	51.64
Miscellaneous Expenditures	8,500.00	(1,600.00)	6,900.00	6,818.11	81.89
Total Undistributed Expenditures- Support Services- Central Services	433,488.00	11,361.50	444,849.50	444,586.06	263.44

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures- Support Services- Administration					
Information Technology:					
Salaries	\$ 179,128.00	\$ 5,750.00	\$ 184,878.00	\$ 184,866.72	\$ 11.28
Purchased Technical Services	9,000.00	250.00	9,250.00	9,016.55	233.45
Other Purchased Services	2,000.00	(2,000.00)			
<hr/>					
Total Undistributed Expenditures- Support Services- Administration	190,128.00	4,000.00	194,128.00	193,883.27	244.73
<hr/>					
Undistributed Expenditures - Required Maintenance for					
School Facilities					
Salaries	222,700.00	(8,405.00)	214,295.00	213,940.11	354.89
Cleaning, Repair and Maintenance Services	274,038.00	(20,500.00)	253,538.00	253,312.00	226.00
General Supplies	108,900.00	(36,050.00)	72,850.00	72,436.16	413.84
<hr/>					
Total Undistributed Expenditures -	605,638.00	(64,955.00)	540,683.00	539,688.27	994.73
<hr/>					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,194,646.00	(28,627.00)	1,166,019.00	1,165,415.59	603.41
Purchased Technical Services		97,660.00	97,660.00	97,656.55	3.45
Cleaning, Repair, and Maintenance Service	167,690.00	846.25	168,536.25	133,033.70	35,502.55
Other Purchased Property Services	63,500.00	2,900.00	66,400.00	66,080.90	319.10
Insurance	84,000.00	27,000.00	111,000.00	110,724.00	276.00
Miscellaneous Purchased Services	27,500.00	(2,900.00)	24,600.00	24,581.70	18.30
General Supplies	128,410.00	(28,901.31)	99,508.69	99,267.74	240.95
Energy (Heat and Electricity)	637,000.00	(51,859.00)	585,141.00	585,060.17	80.83
<hr/>					
Total Undistributed Expenditures - Operation and Maintenance	2,302,746.00	16,118.94	2,318,864.94	2,281,820.35	37,044.59
<hr/>					

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation- Regular	\$ 92,118.00	\$ 38,150.00	\$ 130,268.00	\$ 130,146.49	\$ 121.51
Salaries for Pupil Transportation- Special	238,877.00	42,000.00	280,877.00	280,781.88	95.12
Salaries for Pupil Transportation- Other		6,000.00	6,000.00	6,000.00	
Salaries for Non- Public Transportation	60,398.00	(34,340.00)	26,058.00	26,039.92	18.08
Cleaning, Repair, and Maintenance Service	5,000.00	(4,600.00)	400.00	396.06	3.94
Contracted Services - Aid In Lieu of Payments - Nonpublic Schools	42,000.00	(1,200.00)	40,800.00	40,771.80	28.20
Contracted Services - (Special Education Students) -ESCs & CTSA's	155,551.00	35,050.00	190,601.00	190,502.75	98.25
Miscellaneous Purchased Services-Transportation	13,100.00	(600.00)	12,500.00	12,406.08	93.92
Supplies and Materials	80,000.00	(6,100.00)	73,900.00	73,789.59	110.41
Total Undistributed Expenditures - Student Transportation Services	687,044.00	74,360.00	761,404.00	760,834.57	569.43
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Social Security Contributions - Other	390,000.00	(1,810.00)	388,190.00	387,630.63	559.37
Other Retirement Contributions	270,000.00	29,319.00	299,319.00	299,319.00	
Workers Compensation	180,000.00	(35,202.00)	144,798.00	144,798.00	
Health Benefits	3,918,170.00	253,997.00	4,172,167.00	4,172,106.68	60.32
Tuition Reimbursements	50,000.00	47,250.00	97,250.00	47,250.00	50,000.00
Other Employee Benefits	72,779.00	129,230.00	202,009.00	164,829.30	37,179.70
Total Undistributed Expenditures - Unallocated Benefits - Employee Benefits	4,880,949.00	422,784.00	5,303,733.00	5,215,933.61	87,799.39
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				880,588.00	(880,588.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,053,672.06	(1,053,672.06)
Total On-behalf Contributions	-	-	-	1,934,260.06	(1,934,260.06)
Total Undistributed Expenditures	16,127,727.00	266,043.17	16,393,770.17	18,196,885.44	(1,803,115.27)
Total Current Expense	29,507,884.00	72,792.68	29,580,676.68	31,382,047.70	(1,801,371.02)

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Capital Outlay:					
Equipment:					
Grades 9-12		\$ 3,013.00	\$ 3,013.00	\$ 3,012.64	\$ 0.36
Undistributed Expenditures:					
School Buses - Special	\$ 104,000.00	(3,013.00)	100,987.00	97,506.00	3,481.00
Total Equipment	104,000.00	-	104,000.00	100,518.64	3,481.36
Total Capital Outlay	104,000.00	-	104,000.00	100,518.64	3,481.36
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	37,000.00	965.00	37,965.00	37,964.57	0.43
General Supplies	4,000.00	(3,911.65)	88.35	87.49	0.86
Total Summer School - Instruction	41,000.00	(2,946.65)	38,053.35	38,052.06	1.29
Summer School - Support Services:					
Salaries	7,000.00	2,168.00	9,168.00	9,282.78	(114.78)
Salaries- Secreterial and Clerical	10,000.00	500.00	10,500.00	10,384.11	115.89
Total Special Schools	58,000.00	(278.65)	57,721.35	57,718.95	2.40
Transfer of Funds to Charter Schools	-	14,672.00	14,672.00	14,672.00	-
Total Expenditures	29,669,884.00	87,186.03	29,757,070.03	31,554,957.29	(1,797,887.26)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(498,039.00)	(87,186.03)	(585,225.03)	(821,981.56)	(236,756.53)
Other Financing Sources (Uses):					
Operating Transfers Out:					
Transfer to Food Service Fund - Board Contribution	(200,000.00)	(22,406.63)	(222,406.63)	(222,402.28)	4.35
Cancellation of Accounts Payable				544.02	544.02
Cancellation of Prior Year Special Revenue Fund - Due to State				1.02	1.02
Total Other Financing Sources (Uses)	(200,000.00)	(22,406.63)	(222,406.63)	(221,857.24)	549.39

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (698,039.00)	\$ (109,592.66)	\$ (807,631.66)	\$ (1,043,838.80)	\$ (236,207.14)
Fund Balances, July 1	1,929,778.30	-	1,929,778.30	1,929,778.30	-
Fund Balances, June 30	<u>\$ 1,231,739.30</u>	<u>\$ (109,592.66)</u>	<u>\$ 1,122,146.64</u>	<u>\$ 885,939.50</u>	<u>\$ (236,207.14)</u>
RECAPITULATION:					
Reserve for Encumbrances Payable				\$ 122,395.00	
Capital Reserve				1.00	
Reserve for Excess Surplus (2009-10)				26,157.51	
Unreserved-Designated for Subsequent Year's Expenditures				77,769.00	
Unrestricted Fund Balance				<u>659,616.99</u>	
				885,939.50	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(846,961.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 38,978.50</u>	

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule -- ARRA ESF
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources:					
Equalization Aid -- ARRA ESF	\$ -	\$ 1,285,585.00	\$ 1,285,585.00	\$ 1,285,585.00	\$ -
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Health Benefits	-	1,285,585.00	1,285,585.00	1,285,585.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule -- ARRA GSF
 General Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources:					
Equalization Aid -- ARRA GSF	\$ -	\$ 49,767.00	\$ 49,767.00	\$ 49,767.00	\$ -
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Unallocated Benefits - Employee Benefits:					
Health Benefits	-	49,767.00	49,767.00	49,767.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid	\$ 547,447.00	\$ -	\$ 547,447.00	\$ 452,902.29	\$ (94,544.71)
Total - State Sources	<u>547,447.00</u>	<u>-</u>	<u>547,447.00</u>	<u>452,902.29</u>	<u>(94,544.71)</u>
Federal Sources:					
No Child Left Behind					
Title I	157,060.00		157,060.00	107,993.22	(49,066.78)
Title I - ARRA	44,008.00		44,008.00	33,624.28	(10,383.72)
Title I - SIA - ARRA	2,876.00		2,876.00	2,000.33	(875.67)
Title IIA	64,238.00		64,238.00	61,558.65	(2,679.35)
Title IID	1,703.00		1,703.00	1,703.00	
Title III	5,839.00		5,839.00	5,839.00	
Title IV	11,136.00		11,136.00	11,007.54	(128.46)
I.D.E.I.A., Part B	696,040.00		696,040.00	566,835.74	(129,204.26)
I.D.E.I.A., Part B - ARRA	703,834.00		703,834.00	407,966.62	(295,867.38)
I.D.E.I.A., Part B, Preschool Incentive	16,278.00		16,278.00	16,278.00	
I.D.E.I.A., Part B, Preschool Incentive - ARRA	25,450.00		25,450.00	25,450.00	
Total - Federal Sources	<u>1,728,462.00</u>	<u>-</u>	<u>1,728,462.00</u>	<u>1,240,256.38</u>	<u>(488,205.62)</u>
Total Revenues	<u>\$ 2,275,909.00</u>	<u>\$ -</u>	<u>\$ 2,275,909.00</u>	<u>\$ 1,693,158.67</u>	<u>\$ (582,750.33)</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2010

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Instruction:					
Salaries of Teachers	\$ 288,571.00		\$ 288,571.00	\$ 170,934.28	\$ 117,636.72
Purchased Professional - Technical Services	380,817.00		380,817.00	64,788.44	316,028.56
Other Purchased Services (400-500 series)	185,675.00		185,675.00	382,165.00	(196,490.00)
General Supplies	282,251.00		282,251.00	99,632.32	182,618.68
Textbooks	79,943.00		79,943.00	56,297.72	23,645.28
Total Instruction	1,217,257.00	\$ -	1,217,257.00	773,817.76	443,439.24
Support Services:					
Other Salaries	46,690.00		46,690.00	46,690.00	
Personal Services - Employee Benefits	55,814.00		55,814.00	42,949.70	12,864.30
Purchased Professional - Educational Services	383,119.00		383,119.00	326,347.00	56,772.00
Purchased Professional - Technical Services	469,090.00		469,090.00	433,158.00	35,932.00
Other Purchased Services (400-500 series)	25,033.00		25,033.00	23,336.49	1,696.51
Supplies and Materials	24,794.00		24,794.00	24,396.65	397.35
Other Objects	26,112.00		26,112.00	15,500.27	10,611.73
Total Support Services	1,030,652.00	-	1,030,652.00	912,378.11	118,273.89
Facilities Acquisition and Construction Services:					
Acquisition of Buildings	21,000.00		21,000.00		21,000.00
Non-Instructional Equipment	7,000.00		7,000.00	6,962.80	37.20
Total Facilities Acquisition and Construction Services	28,000.00	-	28,000.00	6,962.80	21,037.20
Total Expenditures	2,275,909.00	-	2,275,909.00	1,693,158.67	582,750.33
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2010

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 30,732,975.73	\$ 1,693,158.67
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,186.89)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	832,238.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year	<u>(846,961.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 30,718,252.73</u></u>	<u><u>\$ 1,689,971.78</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,554,957.29	\$ 1,693,158.67
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>(3,186.89)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 31,554,957.29</u></u>	<u><u>\$ 1,689,971.78</u></u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF HADDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	No Child Left Behind							Total Carried Forward
	Title I	Title I - ARRA	Title I - SIA - ARRA	Title IIA	Title IID	Title III	Title IV	
REVENUES:								
Federal Sources	\$ 107,993.22	\$ 33,624.28	\$ 2,000.33	\$ 61,558.65	\$ 1,703.00	\$ 5,839.00	\$ 11,007.54	\$ 223,726.02
State Sources								
Total Revenues	107,993.22	33,624.28	2,000.33	61,558.65	1,703.00	5,839.00	11,007.54	223,726.02
EXPENDITURES:								
Instruction:								
Salaries of Teachers	87,493.28	29,338.00	1,586.00	49,717.00				168,134.28
Purchased Professional - Technical Services								7,520.00
Other Purchased Services (400-500 series)	7,520.00							7,520.00
General Supplies	400.00		293.00				767.70	1,460.70
Textbooks								
Total Instruction	95,413.28	29,338.00	1,879.00	49,717.00	-	-	767.70	177,114.98
Support Services:								
Other Salaries								
Personal Services - Employee Benefits	12,579.94	4,286.28	121.33	7,263.65				24,251.20
Purchased Professional - Educational Services				4,578.00		5,839.00		10,417.00
Purchased Professional - Technical Services					497.00		2,731.00	3,228.00
Other Purchased Services (400-500 series)					1,206.00		2,992.00	4,198.00
Supplies and Materials							4,516.84	4,516.84
Other Objects								
Total Support Services	12,579.94	4,286.28	121.33	11,841.65	1,703.00	5,839.00	10,239.84	46,611.04
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment								
Total Expenditures	107,993.22	33,624.28	2,000.33	61,558.65	1,703.00	5,839.00	11,007.54	223,726.02
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward	I.D.E.I.A. Part B			Nonpublic Textbook Aid, Ch. 194, L. 1979	NJ Nonpublic Nursing Aid	Total Carried Forward
		Basic	Basic - ARRA	Preschool Incentive			
REVENUES:							
Federal Sources	\$ 223,726.02	\$ 566,835.74	\$ 407,966.62	\$ 16,278.00	\$ 25,450.00		\$ 1,240,256.38
State Sources						\$ 56,297.72	\$ 80,674.57
Total Revenues	223,726.02	566,835.74	407,966.62	16,278.00	25,450.00	56,297.72	1,377,228.67
EXPENDITURES:							
Instruction:							
Salaries of Teachers	168,134.28	2,800.00					170,934.28
Purchased Professional - Technical Services		64,788.44					64,788.44
Other Purchased Services (400-500 series)	7,520.00	366,467.00		8,178.00			382,165.00
General Supplies	1,460.70	26,696.80	69,074.82	2,400.00			99,632.32
Textbooks						56,297.72	56,297.72
Total Instruction	177,114.98	460,752.24	69,074.82	10,578.00	-	56,297.72	773,817.76
Support Services:							
Other Salaries						46,690.00	46,690.00
Personal Services - Employee Benefits	24,251.20	214.20				18,484.30	42,949.70
Purchased Professional - Educational Services	10,417.00						10,417.00
Purchased Professional - Technical Services	3,228.00	67,000.00	331,929.00	5,551.00	25,450.00		433,158.00
Other Purchased Services (400-500 series)	4,198.00	19,138.49					23,336.49
Supplies and Materials	4,516.84	19,730.81		149.00			24,396.65
Other Objects						15,500.27	15,500.27
Total Support Services	46,611.04	106,083.50	331,929.00	5,700.00	25,450.00	-	80,674.57
Facilities Acquisition and Construction Services:							
Non-Instructional Equipment	-		6,962.80				6,962.80
Total Expenditures	223,726.02	566,835.74	407,966.62	16,278.00	25,450.00	56,297.72	1,377,228.67
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Total Brought Forward	N.J. Nonpublic Auxiliary Services Ch. 192			N.J. Nonpublic Handicapped Services Ch. 193			Total
		Compensatory Education	English as a Second Language	Home Instruction	Supplemental Instruction	Examination and Classification	Corrective Speech	
REVENUES:								
Federal Sources	\$ 1,240,256.38							\$ 1,240,256.38
State Sources	136,972.29	\$ 205,834.00	\$ 5,831.00	\$ 20,031.00	\$ 29,260.00	\$ 54,084.00	\$ 890.00	452,902.29
Total Revenues	1,377,228.67	205,834.00	5,831.00	20,031.00	29,260.00	54,084.00	890.00	1,693,158.67
EXPENDITURES:								
Instruction:								
Salaries of Teachers	170,934.28							170,934.28
Purchased Professional - Technical Services	64,788.44							64,788.44
Other Purchased Services (400-500 series)	382,165.00							382,165.00
General Supplies	99,632.32							99,632.32
Textbooks	56,297.72							56,297.72
Total Instruction	773,817.76	-	-	-	-	-	-	773,817.76
Support Services:								
Other Salaries	46,690.00							46,690.00
Personal Services - Employee Benefits	42,949.70							42,949.70
Purchased Professional - Educational Services	10,417.00	205,834.00	5,831.00	20,031.00	29,260.00	54,084.00	890.00	326,347.00
Purchased Professional - Technical Services	433,158.00							433,158.00
Other Purchased Services (400-500 series)	23,336.49							23,336.49
Supplies and Materials	24,396.65							24,396.65
Other Objects	15,500.27							15,500.27
Total Support Services	596,448.11	205,834.00	5,831.00	20,031.00	29,260.00	54,084.00	890.00	912,378.11
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment	6,962.80							6,962.80
Total Expenditures	1,377,228.67	205,834.00	5,831.00	20,031.00	29,260.00	54,084.00	890.00	1,693,158.67
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2010

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2010</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2002 EDA Grant/Bond Sale Haddon Twp High School & New Construction	April 15, 2002	\$ 9,008,203.45	\$ 8,856,563.71	\$ 5,700.00	\$ 145,939.74

TOWNSHIP OF HADDON SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
Haddon Township High School Rehabilitation and New Construction
From Inception and for the Fiscal Year Ended June 30, 2010

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources--SCC Grant	\$ 4,650,428.98		\$ 4,650,428.98	\$ 4,650,428.98
Bond Proceeds and Transfers	8,196,995.42		8,196,995.42	8,196,995.42
Total Revenues	12,847,424.40	\$ -	12,847,424.40	12,847,424.40
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	1,027,423.92		1,027,423.92	1,031,777.43
Construction Services	11,668,360.74	5,700.00	11,674,060.74	11,815,646.97
Total Expenditures	12,695,784.66	5,700.00	12,701,484.66	12,847,424.40
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 151,639.74	\$ (5,700.00)	\$ 145,939.74	\$ -

Additional Project Information:

Project Number	#201403
Grant Date	5/30/02
Bond Authorization Date	2/26/01 & 1/17/02
Bonds Authorized	\$ 8,275,522.91
Bonds Issued	\$ 8,275,522.91
Original Authorized Cost	\$ 13,509,004.60
Additional Authorized Cost	\$ (655,880.20)
Revised Authorized Cost	\$ 12,853,124.40
Percentage Increase over Original Authorized Cost	-4.86%
Percentage Completion	98.86%
Original Target Completion Date	8/30/2006
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Assets
June 30, 2010

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Total</u>
ASSETS:								
Current Assets:								
Cash and Cash Equivalents	\$ 38,723.89	\$ 95,543.98	\$ 5,378.57	\$ 1,453.78	\$ 54,397.79	\$ 4,119.86	\$ 90.00	\$ 199,707.87
Accounts Receivable:								
State	374.28							374.28
Federal	6,527.44							6,527.44
Other	14,651.58	770.90						15,422.48
Inventories	8,304.27							8,304.27
Total Current Assets	68,581.46	96,314.88	5,378.57	1,453.78	54,397.79	4,119.86	90.00	230,336.34
Noncurrent Assets:								
Furniture, Machinery and Equipment	201,280.94							201,280.94
Less Accumulated Depreciation	156,323.46							156,323.46
Total Noncurrent Assets	44,957.48	-	-	-	-	-	-	44,957.48
Total Assets	113,538.94	96,314.88	5,378.57	1,453.78	54,397.79	4,119.86	90.00	275,293.82
LIABILITIES:								
Current Liabilities:								
Deferred Revenue					43,120.00			43,120.00
Total Current Liabilities	-	-	-	-	43,120.00	-	-	43,120.00
Total Liabilities	-	-	-	-	43,120.00	-	-	43,120.00
NET ASSETS:								
Invested in Capital Assets	44,957.48							44,957.48
Unrestricted	68,581.46	96,314.88	5,378.57	1,453.78	11,277.79	4,119.86	90.00	187,216.34
Total Net Assets	\$ 113,538.94	\$ 96,314.88	\$ 5,378.57	\$ 1,453.78	\$ 11,277.79	\$ 4,119.86	\$ 90.00	\$ 232,173.82

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Total</u>
OPERATING REVENUES:								
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ 147,027.50							\$ 147,027.50
Daily Sales - Non-Reimbursable Programs	189,663.20							189,663.20
Community Service Activities		\$ 165,034.39	\$ 40,344.50		\$ 48,422.98	\$ 20,010.00		273,811.87
Total Operating Revenues	336,690.70	165,034.39	40,344.50	\$ -	48,422.98	20,010.00	\$ -	610,502.57
OPERATING EXPENSES:								
Salaries	358,976.93	123,605.50	26,686.53		41,844.66	16,369.03		567,482.65
Employee Benefits	42,893.79	9,594.73	1,574.21		3,201.12	1,252.24		58,516.09
Food Service Management Fee	21,760.77							21,760.77
Other Purchased Services	21,914.73	2,144.73	15,640.36			380.00		40,079.82
General Supplies	17,148.13	33,733.99			986.44			51,868.56
Depreciation	6,034.70							6,034.70
Cost of Sales	251,291.48							251,291.48
Total Operating Expenses	720,020.53	169,078.95	43,901.10	-	46,032.22	18,001.27	-	997,034.07
Operating Income / (Loss)	(383,329.83)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(386,531.50)
NONOPERATING REVENUES (EXPENSES):								
State Sources:								
State School Lunch Program	6,000.92							6,000.92
State School Breakfast Program	210.00							210.00
Federal Sources:								
National School Lunch Program	102,384.30							102,384.30
National Breakfast Program	3,001.42							3,001.42
Food Distribution Program	33,267.68							33,267.68
Total Nonoperating Revenues (Expenses)	144,864.32	-	-	-	-	-	-	144,864.32
Income (Loss) before Transfers	(238,465.51)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(241,667.18)
Operating Transfer In - General Fund	222,402.28							222,402.28
Change in Net Assets	(16,063.23)	(4,044.56)	(3,556.60)	-	2,390.76	2,008.73	-	(19,264.90)
Net Assets -- July 1	129,602.17	100,359.44	8,935.17	1,453.78	8,887.03	2,111.13	90.00	251,438.72
Net Assets -- June 30	\$ 113,538.94	\$ 96,314.88	\$ 5,378.57	\$ 1,453.78	\$ 11,277.79	\$ 4,119.86	\$ 90.00	\$ 232,173.82

TOWNSHIP OF HADDON SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Adult School</u>	<u>Summer Institute</u>	<u>Summer Recreation</u>	<u>Summer Enrichment</u>	<u>Wellness Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from Customers	\$ 338,359.95	\$ 164,263.49	\$ 40,344.50		\$ 45,417.98	\$ 1,330.00		\$ 589,715.92
Payments to Employees	(358,976.93)	(123,605.50)	(26,686.53)		(41,844.66)	(16,369.03)		(567,482.65)
Payments for Employee Benefits	(42,893.79)	(9,594.73)	(1,574.21)		(3,201.12)	(1,252.24)		(58,516.09)
Payments to Food Management Company	(63,693.76)							(63,693.76)
Payments to Vendors	(234,388.47)	(39,860.52)	(15,640.36)		(986.44)	(380.00)		(291,255.79)
Net Cash Provided by (used for) Operating Activities	(361,593.00)	(8,797.26)	(3,556.60)	\$ -	(614.24)	(16,671.27)	\$ -	(391,232.37)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital Acquisitions	-	-	-	-	-	-	-	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
State Sources	6,181.52							6,181.52
Federal Sources	104,218.12							104,218.12
Operating Subsidies and Transfers from/to Other Funds	222,402.28							222,402.28
Net Cash Provided by (used for) Non-Capital Financing Activities	332,801.92	-	-	-	-	-	-	332,801.92
Net Increase (Decrease) in Cash and Cash Equivalents	(28,791.08)	(8,797.26)	(3,556.60)	-	(614.24)	(16,671.27)	-	(58,430.45)
Cash and Cash Equivalents -- July 1	67,514.97	104,341.24	8,935.17	1,453.78	55,012.03	20,791.13	90.00	258,138.32
Cash and Equivalents -- June 30	\$ 38,723.89	\$ 95,543.98	\$ 5,378.57	\$ 1,453.78	\$ 54,397.79	\$ 4,119.86	\$ 90.00	\$ 199,707.87
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (383,329.83)	\$ (4,044.56)	\$ (3,556.60)	\$ -	\$ 2,390.76	\$ 2,008.73	\$ -	\$ (386,531.50)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization	6,034.70							6,034.70
Federal Commodities	33,267.68							33,267.68
(Increase) Decrease in Accounts Receivable-Other, net	(429.83)	(770.90)						(1,200.73)
(Increase) Decrease in Inventories	783.46							783.46
Increase (Decrease) in Accounts Payable	(17,919.18)	(3,981.80)						(21,900.98)
Increase (Decrease) in Deferred Revenue					(3,005.00)	(18,680.00)		(21,685.00)
Total Adjustments	21,736.83	(4,752.70)	-	-	(3,005.00)	(18,680.00)	-	(4,700.87)
Net Cash Provided by (used for) Operating Activities	\$ (361,593.00)	\$ (8,797.26)	\$ (3,556.60)	\$ -	\$ (614.24)	\$ (16,671.27)	\$ -	\$ (391,232.37)

FIDUCIARY FUNDS

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2010

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 338,228.14	\$ 154,779.56	\$ 130,598.69	\$ 623,606.39
Accounts Receivable	50,170.00			50,170.00
	<u>388,398.14</u>	<u>\$ 154,779.56</u>	<u>\$ 130,598.69</u>	<u>673,776.39</u>
LIABILITIES:				
Payable to District			\$ 3,519.44	3,519.44
Payable to Student Groups		\$ 154,779.56		154,779.56
Payroll Deductions and Withholdings			127,079.25	127,079.25
Total Liabilities	-	<u>\$ 154,779.56</u>	<u>\$ 130,598.69</u>	<u>285,378.25</u>
NET ASSETS:				
Held in Trust for Unemployment Claims and Other Purposes	<u>388,398.14</u>			<u>388,398.14</u>
Total Net Assets	<u>\$ 388,398.14</u>			<u>\$ 388,398.14</u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 41,728.36
Investment Earnings:	
Interest	<u>4,569.48</u>
Total Additions	46,297.84
DEDUCTIONS:	
Unemployment Claims	<u>19,644.69</u>
Change in Net Assets	26,653.15
Net Assets -- July 1	<u>361,744.99</u>
Net Assets -- June 30	<u><u>\$ 388,398.14</u></u>

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
ELEMENTARY SCHOOLS:				
Edison School	\$ 2,135.69	\$ 837.59	\$ 324.00	\$ 2,649.28
Jennings School	755.81	590.66	1,135.27	211.20
Stoy School	977.02	803.74	648.54	1,132.22
Strawbridge School	5,312.71	1,788.74	1,546.87	5,554.58
Van Sciver School	3,012.32	1,246.67	827.00	3,431.99
Total Elementary Schools	12,193.55	5,267.40	4,481.68	12,979.27
SENIOR HIGH SCHOOLS:				
Haddon Township	55,671.44	681,610.68	595,938.40	141,343.72
COMMUNITY ACTIVITIES:				
Community Activity	200.50			200.50
Peace Night	253.86	2.21		256.07
	454.36	2.21	-	456.57
Total Student Activity	\$ 68,319.35	\$ 686,880.29	\$ 600,420.08	\$ 154,779.56

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS:				
Cash and Cash Equivalents	\$ 123,964.79	\$ 8,947,549.82	\$ 8,940,915.92	\$ 130,598.69
Total Assets	\$ 123,964.79	\$ 8,947,549.82	\$ 8,940,915.92	\$ 130,598.69
LIABILITIES:				
Payroll Deductions and Withholdings Due General Fund	\$ 123,392.12 572.67	\$ 8,944,603.05 2,946.77	\$ 8,940,915.92	\$ 127,079.25 3,519.44
Total Liabilities	\$ 123,964.79	\$ 8,947,549.82	\$ 8,940,915.92	\$ 130,598.69

LONG-TERM DEBT

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2009</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>					
School District	4-15-02	\$ 2,803,000.00	4-15-11	\$ 135,000.00	4.400%	\$ 265,000.00		\$ 130,000.00	\$ 135,000.00
School District	8-24-05	9,995,000.00	4-15-11	480,000.00	3.625%				
			4-15-12	645,000.00	4.006%				
			4-15-13	675,000.00	3.870%				
			4-15-14	705,000.00	3.982%				
			4-15-15	730,000.00	3.897%				
			4-15-16	760,000.00	4.000%				
			4-15-17	795,000.00	3.750%				
			4-15-18	820,000.00	3.750%				
			4-15-19	855,000.00	4.250%				
			4-15-20	885,000.00	4.250%				
			4-15-21	930,000.00	4.000%				
			4-15-22	955,000.00	4.000%				
						9,700,000.00		465,000.00	9,235,000.00
						\$ 9,965,000.00	\$ -	\$ 595,000.00	\$ 9,370,000.00

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 980,819.00		\$ 980,819.00	\$ 980,819.00	
Interest Earned on Deposits				363.08	\$ 363.08
Total Revenues	980,819.00	\$ -	980,819.00	981,182.08	363.08
EXPENDITURES:					
Regular Debt Service:					
Interest	396,598.00		396,598.00	396,597.50	0.50
Redemption of Principal	595,000.00		595,000.00	595,000.00	
Total Regular Debt Service	991,598.00	-	991,598.00	991,597.50	0.50
Total Expenditures	991,598.00	-	991,598.00	991,597.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,779.00)	-	(10,779.00)	(10,415.42)	363.58
Fund Balance, July 1	14,891.12	-	14,891.12	14,891.12	-
Fund Balance, June 30	\$ 4,112.12	\$ -	\$ 4,112.12	\$ 4,475.70	\$ 363.58
<u>Recapitulation</u>					
Unreserved-Designated for Subsequent Year's Expenditures				\$ 4,412.00	
Unrestricted Fund Balance				63.70	
				<u>\$ 4,475.70</u>	

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 and J-2 are only presented for the last eight fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2003; thus, ten year comparative financial information is unavailable.

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Net Assets by Component
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 13,236,925	\$ 13,238,101	\$ 13,258,256	\$ 13,290,313	\$ 13,286,306	\$ 13,312,548	\$ 13,482,427	\$ 6,338,937
Restricted	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482	997,317	1,251,394
Unrestricted (Deficit)	<u>(473,454)</u>	<u>(492,571)</u>	<u>(263,517)</u>	<u>2,666</u>	<u>(84,844)</u>	<u>220,168</u>	<u>815,705</u>	<u>391,170</u>
Total Governmental Activities Net Assets	<u>\$ 12,913,886</u>	<u>\$ 13,994,332</u>	<u>\$ 14,589,080</u>	<u>\$ 14,815,517</u>	<u>\$ 14,128,784</u>	<u>\$ 14,047,198</u>	<u>\$ 15,295,449</u>	<u>\$ 7,981,501</u>
Business-type Activities:								
Invested in Capital Assets, Net of Related Debt	\$ 44,957	\$ 50,992	\$ 57,150	\$ 63,308	\$ 64,384	\$ 75,628	\$ 75,284	\$ 83,159
Unrestricted	<u>187,216</u>	<u>200,447</u>	<u>141,556</u>	<u>58,133</u>	<u>53,660</u>	<u>43,245</u>	<u>35,596</u>	<u>37,324</u>
Total Business-type Activities Net Assets	<u>\$ 232,174</u>	<u>\$ 251,439</u>	<u>\$ 198,706</u>	<u>\$ 121,441</u>	<u>\$ 118,044</u>	<u>\$ 118,873</u>	<u>\$ 110,880</u>	<u>\$ 120,483</u>
District-wide:								
Invested in Capital Assets, Net of Related Debt	\$ 13,281,882	\$ 13,289,093	\$ 13,315,406	\$ 13,353,621	\$ 13,350,690	\$ 13,388,176	\$ 13,557,711	\$ 6,422,096
Restricted	150,415	1,248,803	1,594,341	1,522,539	927,322	514,482	997,317	1,251,394
Unrestricted	<u>(286,238)</u>	<u>(292,125)</u>	<u>(121,962)</u>	<u>60,799</u>	<u>(31,184)</u>	<u>263,413</u>	<u>851,301</u>	<u>428,494</u>
Total District-wide Net Assets	<u>\$ 13,146,060</u>	<u>\$ 14,245,771</u>	<u>\$ 14,787,785</u>	<u>\$ 14,936,958</u>	<u>\$ 14,246,828</u>	<u>\$ 14,166,071</u>	<u>\$ 15,406,329</u>	<u>\$ 8,101,984</u>

Source: District Records (Exhibit A-1)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:								
Governmental Activities:								
Instruction:								
Regular	\$ 11,105,807	\$ 10,673,361	\$ 10,229,020	\$ 10,043,424	\$ 9,656,973	\$ 9,552,282	\$ 9,287,529	\$ 8,657,686
Special Education	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998	1,162,230	963,065
Other Special Education	362,412	352,149	277,584	195,614	267,172	226,158	202,995	316,218
Other Instruction	733,355	701,887	678,301	616,388	640,396	580,457	555,635	511,903
Community Service Programs	128,108	122,709	112,046	153,709	152,745	174,659	177,447	164,573
Support Services:								
Tuition	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679	1,405,643	1,338,964
Student and Instruction Related Services	3,370,838	3,279,634	3,116,040	2,528,267	2,437,327	2,228,656	2,275,224	2,035,279
School Administrative Services	2,166,351	2,073,442	2,078,088	1,958,601	1,861,708	1,844,645	1,734,482	1,644,136
General and Business Administrative Services	482,896	490,724	499,635	459,082	458,927	493,060	526,730	472,339
Plant Operations and Maintenance	3,294,675	3,153,172	3,178,751	3,504,518	3,147,831	2,967,617	2,855,622	2,443,325
Pupil Transportation	801,929	778,599	791,294	716,773	710,348	656,482	571,844	541,333
Unallocated Benefits	7,185,158	6,477,462	7,401,411	6,178,294	6,198,426	5,510,624	4,916,041	4,326,735
Special Schools	57,719	55,160	48,010	36,487	56,229	101,154	88,602	111,560
Charter Schools	14,672							
Capital Outlay	6,963	193,581	268,696	282,395	79,039	386,009		
Interest on Long-term Debt	419,196	443,945	471,121	497,255	380,568	604,157	530,217	769,920
Amortization of Bond Issuance Costs	17,441	127,704	19,080	127,645	16,267	4,626	4,626	4,626
Unallocated Depreciation	112,017	19,080	127,704	19,080	150,478	121,227	101,795	
Total Governmental Activities Expenses	34,247,996	32,413,222	32,585,529	30,267,434	29,074,607	27,993,490	26,396,662	24,301,662
Business-type Activities:								
Food Service	720,021	738,855	693,636	667,237	655,187	661,007	632,212	557,353
Other	277,014	259,094	181,870	183,589	146,954	114,895	118,401	95,642
Total Business-type Activities Expense	997,034	997,949	875,506	850,827	802,141	775,902	750,613	652,995
Total District Expenses	\$ 35,245,030	\$ 33,411,171	\$ 33,461,035	\$ 31,118,260	\$ 29,876,748	\$ 28,769,392	\$ 27,147,275	\$ 24,954,657

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues:								
Governmental Activities:								
Charges for Services:								
Instruction: Tuition	\$ 89,550	\$ 28,703	\$ 72,719	\$ 54,350	\$ 25,750	\$ 20,077	\$ 26,948	\$ 17,300
Operating Grants and Contributions	3,624,232	3,146,259	4,178,698	3,221,425	3,288,020	2,977,195	2,808,882	1,469,745
Capital Grants and Contributions						55,254		
Total Governmental Activities Program Revenues	<u>3,713,782</u>	<u>3,174,962</u>	<u>4,251,417</u>	<u>3,275,775</u>	<u>3,313,770</u>	<u>3,052,526</u>	<u>2,835,830</u>	<u>1,487,045</u>
Business-type activities:								
Charges for services								
Food Service	336,691	362,543	380,197	371,749	395,538	416,507	403,025	377,157
Other	273,812	282,588	215,823	173,100	152,372	128,833	125,202	83,515
Operating Grants and Contributions	144,864	132,114	118,561	103,180	102,903	99,701	86,184	74,805
Total Business-type Activities Program Revenues	<u>755,367</u>	<u>777,245</u>	<u>714,580</u>	<u>648,029</u>	<u>650,812</u>	<u>645,041</u>	<u>614,411</u>	<u>535,477</u>
Total District Program Revenues	<u>\$ 4,469,149</u>	<u>\$ 3,952,207</u>	<u>\$ 4,965,997</u>	<u>\$ 3,923,804</u>	<u>\$ 3,964,582</u>	<u>\$ 3,697,567</u>	<u>\$ 3,450,241</u>	<u>\$ 2,022,522</u>
Net (Expense)/Revenue:								
Governmental Activities	\$ (30,534,214)	\$ (29,238,260)	\$ (28,334,112)	\$ (26,991,658)	\$ (25,760,838)	\$ (24,940,964)	\$ (23,560,832)	\$ (22,814,617)
Business-type Activities	<u>(241,667)</u>	<u>(220,704)</u>	<u>(160,926)</u>	<u>(202,798)</u>	<u>(151,329)</u>	<u>(130,861)</u>	<u>(136,202)</u>	<u>(117,518)</u>
Total District-wide Net Expense	<u>\$ (30,775,881)</u>	<u>\$ (29,458,964)</u>	<u>\$ (28,495,038)</u>	<u>\$ (27,194,456)</u>	<u>\$ (25,912,166)</u>	<u>\$ (25,071,825)</u>	<u>\$ (23,697,034)</u>	<u>\$ (22,932,135)</u>

(Continued)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 19,818,314	\$ 19,056,071	\$ 18,712,714	\$ 18,335,228	\$ 16,347,855	\$ 14,497,649	\$ 14,317,455	\$ 14,317,455
Taxes Levied for Debt Service	980,819	1,101,375	938,212	1,027,245	1,083,860	1,106,759	1,129,278	1,129,278
Unrestricted Grants and Contributions	8,720,089	8,691,296	8,493,970	8,254,592	8,291,748	8,258,675	8,155,122	8,155,122
Miscellaneous Income	156,403	120,694	199,686	263,186	260,885	450,649	442,341	442,341
Other	545	(11,328)	3,243	4,335	5,077	(354,976)		
Disposal / Deletion of Assets		(40,595)	(150)			(141,045)		
Transfers	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)	(126,600)	(126,600)
Total Governmental Activities	29,453,768	28,643,513	28,107,675	27,678,391	25,842,425	23,692,711	23,917,596	23,917,596
Business-type Activities:								
Investment Earnings							27,450	27,450
Cancellation of Accounts Receivable		(563)	(1,810)					
Transfers	222,402	274,000	240,000	206,195	150,500	125,000	126,600	126,600
Total Business-type Activities	222,402	273,437	238,191	206,195	150,500	125,000	154,050	154,050
Total District-wide	\$ 29,676,170	\$ 28,916,950	\$ 28,345,865	\$ 27,884,586	\$ 25,992,925	\$ 23,817,711	\$ 24,071,646	\$ 24,071,646
Change in Net Assets:								
Governmental Activities	\$ (1,080,447)	\$ (594,747)	\$ (226,437)	\$ 686,733	\$ 81,587	\$ (1,248,253)	\$ 356,764	\$ 1,102,979
Business-type Activities	(19,265)	52,733	77,264	3,397	(829)	(5,861)	17,848	36,532
Total District	\$ (1,099,711)	\$ (542,014)	\$ (149,173)	\$ 690,130	\$ 80,758	\$ (1,254,114)	\$ 374,612	\$ 1,139,511

Source: District Records (Exhibit A-2)

TOWNSHIP OF HADDON SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Eight Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:								
Reserved	\$ 122,395	\$ 109,593	\$ 116,060	\$ 241,055	\$ 168,115	\$ 87,523	\$ 186,382	\$ 79,757
Reserve for Excess Surplus								42,412
Capital Reserve	1	1	1	1	1	1	1	1
Unreserved	<u>(83,418)</u>	<u>987,947</u>	<u>1,674,267</u>	<u>1,559,866</u>	<u>880,214</u>	<u>684,382</u>	<u>1,044,374</u>	<u>922,938</u>
Total General Fund	<u>\$ 38,979</u>	<u>\$ 1,097,540</u>	<u>\$ 1,790,328</u>	<u>\$ 1,800,922</u>	<u>\$ 1,048,330</u>	<u>\$ 771,906</u>	<u>\$ 1,230,757</u>	<u>\$ 1,045,108</u>
All Other Governmental Funds:								
Reserved								
Unreserved, Reported in:								
Special Revenue Fund								\$ (4,840.00)
Capital Projects Fund	\$ 145,940	\$ 151,640	\$ 151,640	\$ 163,400	\$ 210,431	\$ 338,106	987,256	1,130,969
Debt Service Fund	<u>4,476</u>	<u>14,891</u>	<u>30,266</u>	<u>65,648</u>	<u>56,161</u>	<u>16,696</u>	<u>10,061</u>	<u>3,095</u>
Total All Other Governmental Funds	<u>\$ 150,415</u>	<u>\$ 166,531</u>	<u>\$ 181,906</u>	<u>\$ 229,048</u>	<u>\$ 266,592</u>	<u>\$ 354,802</u>	<u>\$ 997,317</u>	<u>\$ 1,129,224</u>

Source: District Records (Exhibit B-1)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Tax Levy	\$ 20,799,133	\$ 20,157,446	\$ 19,650,926	\$ 19,362,473	\$ 17,431,715	\$ 15,604,408	\$ 15,446,733	\$ 13,470,873	\$ 12,468,855	\$ 11,516,645
Tuition Charges	89,550	28,703	72,719	54,350	25,750	20,077	26,948	17,300	11,130	18,437
Miscellaneous	156,403	123,690	202,929	267,521	260,885	450,649	442,341	391,585	484,677	440,338
Private Sources									4,749	307
State Sources	9,759,655	11,083,293	12,033,277	10,786,995	10,938,564	10,636,465	10,296,167	9,361,100	15,526,918	8,817,583
Federal Sources	2,584,666	754,262	639,391	689,022	641,204	654,658	667,837	557,988	579,198	467,742
Total Revenue	33,389,407	32,147,394	32,599,242	31,160,361	29,298,117	27,366,257	26,880,026	23,798,846	29,075,527	21,261,052
Expenditures:										
Instruction										
Regular Instruction	11,060,863	10,612,733	10,165,182	9,971,600	9,578,484	9,472,872	9,209,919	8,566,078	8,202,185	7,694,232
Special Education Instruction	1,672,145	1,590,708	1,397,476	1,290,823	1,226,084	1,214,998	1,162,230	963,065	945,330	883,486
Other Special Instruction	362,412	352,149	277,584	195,614	267,172	226,158	202,995	316,218	336,729	416,285
Other Instruction	733,355	701,887	678,301	616,388	640,396	580,457	555,635	511,903	508,149	500,665
Adult / Continuing Education Programs	128,108	122,709	112,046	153,709	152,745	174,659	177,447	164,573	158,883	136,050
Support Services:										
Tuition	2,316,315	1,879,906	1,891,274	1,659,079	1,634,090	1,326,679	1,405,643	1,338,964	1,349,131	1,299,899
Student and Instruction Related Services	3,367,924	3,276,447	3,112,847	2,524,769	2,433,456	2,225,056	2,270,954	2,028,863	1,900,213	1,702,597
School Administrative Services	2,166,351	2,072,862	2,076,964	1,957,477	1,859,357	1,840,547	1,728,707	1,625,467	1,141,439	1,122,457
Other Administrative Services	482,098	489,685	497,642	456,205	457,044	489,219	522,763	472,339	791,982	782,343
Plant Operations and Maintenance	2,821,509	2,677,661	2,705,137	3,030,271	2,672,280	2,488,448	2,390,674	1,958,400	1,858,141	1,798,761
Pupil Transportation	760,835	742,473	752,532	680,802	665,905	608,034	523,661	496,576	458,287	425,559
Unallocated Benefits	7,193,143	6,620,666	7,274,376	6,153,821	5,907,024	5,528,236	4,922,864	4,269,558	3,278,021	3,371,178
Special Schools	57,719	55,160	48,010	36,487	56,229	101,154	88,602	111,560	122,432	120,502
Charter Schools	14,672									
Capital Outlay	113,181	193,581	383,096	375,496	256,171	496,968	302,852	2,651,408	11,603,762	4,161,961
Debt Service:										
Principal	595,000	752,000	590,000	653,000	795,000	600,000	590,000	570,000	455,000	350,333
Interest and Other Charges	396,598	426,606	454,512	483,579	366,544	614,163	644,738	674,439	568,849	131,646
Total Expenditures	34,242,227	32,567,231	32,416,978	30,239,120	28,967,980	27,987,648	26,699,684	26,719,411	33,678,533	24,897,954
Excess (Deficiency) of Revenues Over (Under) Expenditures	(852,820)	(419,838)	182,264	921,242	330,138	(621,391)	180,342	(2,920,565)	(4,603,006)	(3,636,902)
Other Financing Sources (Uses):										
Sale of Bonds									2,803,000	9,500,000
Accounts Receivable/Payable Canceled	545	(14,324)			5,077	(354,976)				
Transfers Out	(222,402)	(274,000)	(240,000)	(206,195)	(147,000)	(125,000)	(126,600)	(100,000)	(94,000)	(90,000)
Total Other Financing Sources (Uses)	(221,857)	(288,324)	(240,000)	(206,195)	(141,923)	(479,976)	(126,600)	(100,000)	2,709,000	9,410,000
Net Change in Fund Balances	\$ (1,074,677)	\$ (708,162)	\$ (57,736)	\$ 715,047	\$ 188,215	\$ (1,101,367)	\$ 53,742	\$ (3,020,565)	\$ (1,894,006)	\$ 5,773,098
Debt Service as a Percentage of Noncapital Expenditures	2.9%	3.6%	3.3%	3.8%	4.0%	4.4%	4.7%	5.2%	4.6%	2.3%

Source: District Records (Exhibit B-2)

TOWNSHIP OF HADDON SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Refunds of Prior Year Expenses	\$ 19,427.35	\$ 12,136.00	\$ 9,792.00	\$ 10,080.00			\$ 2,334.56	\$ 7,837.22	\$ 11,293.76	\$ 16,251.31
Telephone Commissions							5.20	57.21	147.00	204.68
Use of Facilities Fees	3,130.00		2,690.00	4,704.00	\$ 4,654.00	\$ 4,872.02	1,726.30	1,894.45	1,500.00	3,771.81
Recycling Refund		38.38								
Camp Fees	1,430.00	1,130.00								
Sale of Obsolete Equipment			205.00	100.00	122.39		187.00	631.00	105.00	75.00
Transcript Fees								16.00	29.00	23.00
Photocopy Usage								391.00	687.65	279.45
Special Education Medicaid Initiative										77.90
Summer School					28,930.00	26,905.00	28,261.50	22,175.00	31,263.00	32,970.56
Restitution		400.00		1,900.00		1,000.00	80.00		284.00	411.18
Township Share of Prior Years Community Activities	84,831.03	70,383.96	65,919.64	91,586.99	87,244.73	79,523.59	80,563.51	83,182.53	75,082.64	66,525.50
Adult Education Fees								37,386.00	40,414.00	47,959.00
Interest on Investments	38,420.71	24,880.73	91,958.84	115,651.00	71,088.73	35,841.53	21,390.27	25,431.31	42,321.68	86,322.37
Proceeds from Sale of Bid Specifications								600.00	2,200.00	1,400.00
Summer Recreation					16,781.50	25,750.50	30,017.00	32,274.50	29,154.00	24,778.00
Wellness Program						380.00	920.00	920.00	1,055.00	1,020.00
Obligations	1,582.84	1,918.00	1,968.50	2,160.17	3,685.00	3,912.93	5,521.80	3,004.04	3,385.13	3,205.74
Rohrer Foundation Donation						200,000.00	200,000.00			
Public Record Fees							265.75			
Flu Shot Reimbursement									620.00	
PSE&G Smart Start Building Rebates							36,508.29			
Prior Year Tuition Refund	4,869.23	2,841.00		4,033.00						
Homeless Student Tuition - Paid by State				8,195.00						
E-Rate Refunds				798.40	15,572.81	44,040.51	5,330.89	10,196.35	12,579.70	
Safety Incentive Award		600.00		3,722.00						
Miscellaneous	2,348.26	2,254.12	4,296.37	769.77	4,292.16	8,561.17	11,255.22	3,919.30	7,730.24	8,679.49
Transportation Refund			12,076.21		8,714.29	7,816.70	7,941.10	17,599.56	16,007.04	17,056.90
	<u>\$ 156,039.42</u>	<u>\$ 116,582.19</u>	<u>\$ 188,906.56</u>	<u>\$ 243,700.33</u>	<u>\$ 241,085.61</u>	<u>\$ 438,603.95</u>	<u>\$ 432,308.39</u>	<u>\$ 247,515.47</u>	<u>\$ 275,858.84</u>	<u>\$ 311,011.89</u>

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2010	\$ 2,725,000.00	\$ 566,764,500.00	\$ -	\$ 78,116,000.00	\$ 3,349,400.00	\$ 32,174,000.00	\$ 683,128,900.00	\$ 509,300.00	\$ 683,638,200.00	\$ 105,521,700.00	\$ 1,436,102,294.00	\$ 3.092
2009	2,658,600.00	565,633,300.00	-	78,203,000.00	3,557,000.00	32,174,000.00	682,225,900.00	473,486.00	682,699,386.00	105,874,800.00	1,446,688,300.00	2.999
2008	2,848,700.00	564,026,900.00	-	78,165,400.00	4,262,200.00	32,160,900.00	681,464,100.00	465,861.00	681,929,961.00	105,702,900.00	1,357,885,189.00	2.919
2007	2,677,100.00	562,685,200.00	-	78,238,900.00	4,323,300.00	32,160,900.00	680,085,400.00	457,942.00	680,543,342.00	105,137,800.00	1,228,968,108.00	2.866
2006	2,846,900.00	561,088,400.00	-	80,796,300.00	4,818,300.00	32,160,900.00	681,710,800.00	509,769.00	682,220,569.00	104,465,000.00	1,247,693,816.00	2.697
2005	2,884,900.00	558,785,100.00	-	80,631,200.00	4,967,800.00	32,160,900.00	679,429,900.00	642,547.00	680,072,447.00	104,209,500.00	1,089,647,035.00	2.428
2004	2,756,000.00	556,795,000.00	-	80,016,400.00	4,967,800.00	32,160,900.00	676,696,100.00	735,796.00	677,431,896.00	104,075,800.00	951,151,667.00	2.292
2003	3,143,500.00	554,856,800.00	-	79,709,300.00	4,967,800.00	32,160,900.00	674,835,300.00	889,152.00	675,724,452.00	103,805,200.00	846,971,524.00	2.139
2002	3,388,200.00	552,670,300.00	-	78,468,300.00	4,689,800.00	31,713,300.00	670,929,900.00	946,379.00	671,876,279.00	104,338,200.00	751,427,251.00	1.931
2001	3,516,700.00	551,856,600.00	-	79,494,400.00	5,153,600.00	31,713,300.00	671,734,600.00	959,185.00	672,693,785.00	103,302,100.00	712,015,182.00	1.782

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax rates are per \$100

Source: Camden County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service (2)</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Haddon</u>	Camden <u>County</u>	
2010	\$ 2.948	\$ 0.144	\$ 3.092	\$ 0.868	\$ 1.080	\$ 1.371	\$ 6.411
2009	2.847	0.152	2.999	0.861	1.081	1.313	6.254
2008	2.779	0.140	2.919	0.864	1.094	1.267	6.144
2007	2.722	0.144	2.866	0.799	0.975	1.288	5.928
2006	2.542	0.155	2.697	0.680	0.843	1.302	5.522
2005	2.267	0.161	2.428	0.678	0.775	1.170	5.051
2004	2.127	0.165	2.292	0.695	0.668	1.024	4.679
2003	1.994	0.145	2.139	0.683	0.618	1.084	4.524
2002	1.799	0.132	1.931	0.668	0.534	1.025	4.158
2001	1.687	0.095	1.782	0.416	0.506	0.962	3.666

Source: Municipal Tax Collector

TOWNSHIP OF HADDON SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	2010			2000		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Haddon View Assoc	\$ 19,981,800	1	2.92%	\$ 19,981,800	1	3.00%
Kimco Realty Corp	9,819,200	2	1.44%	6,200,000	3	0.93%
Haddon Hills % Goldberg	8,209,000	3	1.20%	8,209,000	2	1.23%
Commonwealth/media real estate	4,902,900	4	0.72%	4,956,500	4	0.74%
First States Investors	3,306,990	5	0.48%			
Lawland Assoc	3,296,700	6	0.48%	2,200,000	7	0.33%
FW-NJ Westmont Shopping Center	2,769,300	7	0.41%			
ILCL Center Assoc	2,530,300	8	0.37%			
Colls/ W Investors LLC	1,767,500	9	0.26%			
RPW Investment Holdings	1,193,200	10	0.17%			
First Peoples Bank				3,227,000	5	0.48%
Rorher & Sayer				2,946,000	6	0.44%
Peter Frasca				1,933,500	8	0.29%
Alfred Whetterhahn				1,732,700	9	0.26%
FUNB				1,700,000	10	0.26%
Total	<u>\$ 57,776,890</u>		<u>8.45%</u>	<u>\$ 53,086,500</u>		<u>7.98%</u>

Source: District CAFR & Municipal Tax Assessor

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2010	\$ 20,799,133	\$ 20,799,133	100.00%	-
2009	20,157,446	20,157,446	100.00%	-
2008	19,650,926	19,650,926	100.00%	-
2007	19,362,473	19,362,473	100.00%	-
2006	17,431,715	17,431,715	100.00%	-
2005	15,604,408	15,604,408	100.00%	-
2004	15,446,733	15,446,733	100.00%	-
2003	13,470,873	13,470,873	100.00%	-
2002	12,468,855	12,468,855	100.00%	-
2001	11,516,645	11,516,645	100.00%	-

(1) 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.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business-Type <u>Activities</u>		Percentage of Personal Income (2)	Per Capita Personal Income (3)
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>	<u>Total District</u>		
2010	\$ 9,370,000.00	-	-	-	-	\$ 9,370,000.00	N/A	N/A
2009	9,965,000.00	-	-	-	-	9,965,000.00	N/A	\$ 694
2008	10,717,000.00	-	-	-	-	10,717,000.00	1.81%	747
2007	11,307,000.00	-	-	-	-	11,307,000.00	1.96%	786
2006	11,960,000.00	-	-	-	-	11,960,000.00	2.15%	829
2005	12,223,000.00	-	-	-	-	12,223,000.00	2.34%	845
2004	12,823,000.00	-	-	-	-	12,823,000.00	2.54%	885
2003	13,413,000.00	-	-	-	-	13,413,000.00	2.74%	921
2002	13,983,000.00	-	-	-	-	13,983,000.00	2.95%	957
2001	11,635,000.00	-	-	-	-	11,635,000.00	2.52%	797

N/A - Information not Available

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

TOWNSHIP OF HADDON 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 Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 9,370,000.00	-	\$ 9,370,000.00	1.62%	Unavailable
2009	9,965,000.00	-	9,965,000.00	1.73%	694
2008	10,717,000.00	-	10,717,000.00	1.86%	747
2007	11,307,000	-	11,307,000	1.97%	786
2006	11,960,000	-	11,960,000	2.07%	829
2005	12,223,000	-	12,223,000	2.12%	845
2004	12,823,000	-	12,823,000	2.24%	885
2003	13,413,000	-	13,413,000	2.35%	921
2002	13,983,000	-	13,983,000	2.46%	957
2001	11,635,000	-	11,635,000	2.04%	797

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

Township of Haddon School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2009
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Haddon Township</u>
Municipal Debt: (1)				
Haddon Township School District	\$ 9,965,000.00	\$ 9,965,000.00		
Haddon Township Water, Sewer Utility	14,189,852.00	12,065,112.00	\$ 2,124,740.00	\$ 2,124,740.00
Haddon Township	<u>24,369,851.00</u>	<u>918,397.00</u>	<u>23,451,454.00</u>	<u>23,451,454.00</u>
	<u>48,524,703.00</u>	<u>22,948,509.00</u>	<u>25,576,194.00</u>	<u>25,576,194.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	<u>837,954,155.00</u>	<u>750,442,374.00</u> (3)	<u>87,511,781.00</u>	<u>3,023,300.22</u> (4)
	<u>837,954,155.00</u>	<u>750,442,374.00</u>	<u>87,511,781.00</u>	<u>3,023,300.22</u>
	<u>\$ 886,478,858.00</u>	<u>\$ 773,390,883.00</u>	<u>\$ 113,087,975.00</u>	<u>\$ 28,599,494.22</u>

Sources:

- (1) 2009 Annual Debt Statement
- (2) County's 2009 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Such debt is allocated as a proportion of the Township's share of the total 2009 Equalized Value, which is 3.45%.
The source for this computation was the 2009 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized valuation basis (1)
	2009 \$ 1,429,344,018
	2008 1,440,422,955
	2007 <u>1,350,715,789</u>
	[A] \$ 4,220,482,762
Average equalized valuation of taxable property	[A/3] \$ 1,406,827,587
Debt limit (4% of average equalization value) (2)	[B] 56,273,103 (1)
Total Net Debt Applicable to Limit	[C] <u>9,370,000</u>
Legal Debt Margin	[B-C] <u>\$ 46,903,103</u>

	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Debt limit	\$ 56,273,103.49	\$ 53,844,303.88	\$ 49,158,724.32	\$ 43,821,392.08	\$ 38,473,369.75	\$ 33,959,722.00	\$ 30,768,257.00	\$ 28,577,775.00	\$ 27,518,692.00	\$ 26,811,819.00
Total net debt applicable to limit (3)	<u>9,370,000</u>	<u>9,965,000.00</u>	<u>10,717,000.00</u>	<u>11,307,000.00</u>	<u>11,960,000.00</u>	<u>12,223,000.00</u>	<u>12,823,000.00</u>	<u>13,413,000.00</u>	<u>13,983,000.00</u>	<u>14,438,206.00</u>
Legal debt margin	<u>\$ 46,903,103.49</u>	<u>\$ 43,879,303.88</u>	<u>\$ 38,441,724.32</u>	<u>\$ 32,514,392.08</u>	<u>\$ 26,513,369.75</u>	<u>\$ 21,736,722.00</u>	<u>\$ 17,945,257.00</u>	<u>\$ 15,164,775.00</u>	<u>\$ 13,535,692.00</u>	<u>\$ 12,373,613.00</u>
Total net debt applicable to the limit as a percentage of debt limit	16.65%	18.51%	21.80%	25.80%	31.09%	35.99%	41.68%	46.94%	50.81%	53.85%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2009	14,369	Unavailable	Unavailable	6.9%
2008	14,351	\$ 591,749,134.00	\$ 41,234.00	4.4%
2007	14,387	576,228,124.00	40,052.00	3.3%
2006	14,423	555,054,732.00	38,484.00	3.6%
2005	14,472	522,844,416.00	36,128.00	3.3%
2004	14,488	504,559,088.00	34,826.00	2.1%
2003	14,557	490,236,089.00	33,677.00	2.4%
2002	14,614	474,648,106.00	32,479.00	2.3%
2001	14,594	461,330,934.00	31,611.00	1.6%
2000	14,651	434,709,821.00	29,671.00	1.5%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Information is not available		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	-			-		

Source: Individual Employers

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction										
Regular	151.5	150.5	141.5	141.8	142.8	143.8	146.8	144.3	147.9	150.4
Special education	33.0	32.0	31.1	30.1	29.1	29.3	28.6	27.8	24.7	25.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	28.0	27.0	26.8	26.8	25.8	25.8	24.0	20.0	18.0	17.0
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	26.5	26.5	27.0	27.0	26.0	25.0	25.0	26.0	26.3	24.5
Business administrative services	7.0	7.0	7.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Plant operations and maintenance	30.0	26.5	27.7	27.2	27.2	27.2	26.2	26.2	25.7	25.7
Pupil transportation	23.0	22.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Community Education and Recreation	-	-	-	-	-	-	-	-	-	-
Total	<u>301.0</u>	<u>293.5</u>	<u>282.1</u>	<u>280.4</u>	<u>278.4</u>	<u>278.6</u>	<u>278.1</u>	<u>271.8</u>	<u>270.1</u>	<u>270.1</u>

Source: District Records

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2010	2,171	\$ 33,140,635	\$ 15,265	6.45%	199	1:20.5	1:15.5	1:13.2	2,171	2,070	-0.14%	95.35%
2009	2,174	31,174,802	14,340	-2.52%	198	1:20.6	1:15.7	1:13.2	2,174	2,073	3.32%	95.35%
2008	2,106	30,980,239	14,710	8.39%	199	1:13.5	1:8.2	1:9.8	2,106	2,014	-0.52%	95.62%
2007	2,117	28,732,134	13,572	5.68%	189	1:14.6	1:8.4	1:10.8	2,117	1,999	-1.40%	94.44%
2006	2,147	27,572,154	12,842	9.69%	190	1:18.2	1:21.1	1:20.6	2,147	2,050	-0.46%	95.48%
2005	2,157	26,283,826	11,708	7.60%	192	1:19.0	1:20.9	1:20.1	2,157	2,059	-3.17%	95.47%
2004	2,227	25,162,094	10,881	11.37%	192	1:19.0	1:20.9	1:20.1	2,227	2,118	-0.86%	95.10%
2003	2,247	22,826,545	9,770	9.52%	190	1:19.8	1:20.9	1:20.0	2,247	2,140	-0.63%	95.26%
2002	2,261	21,085,204	8,921	0.93%	188	1:20.3	N/A	1:18.4	2,261	2,151	1.60%	95.15%
2001	2,225	20,408,316	8,839	22.36%	187	1:20.3	N/A	1:18.4	2,225	2,114	-0.58%	94.98%

Sources: District Records

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

	Fiscal Year Ended June 30,									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>District Building</u>										
<u>Elementary</u>										
Thomas Edison (1930, 2002)										
Square Feet	22,615	22,615	22,615	22,615	22,615	22,615	22,615	22,615	22,615	17,022
Capacity (students)	154	154	154	154	154	154	154	154	154	154
Enrollment	191	185	185	133	136	154	148	168	173	146
Clyde Jennings (1924, 2002)										
Square Feet	23,922	23,922	23,922	23,922	23,922	23,922	23,922	23,922	23,922	14,715
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	132	145	145	144	139	136	133	158	157	153
Stoy (1928, 1955)										
Square Feet	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345	22,345
Capacity (students)	186	186	186	186	186	186	186	186	186	186
Enrollment	191	199	199	178	179	183	219	243	253	241
Strawbridge (1926, 1955)										
Square Feet	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983	26,983
Capacity (students)	283	283	283	283	283	283	283	283	283	283
Enrollment	252	247	247	247	252	249	243	303	301	316
Van Sciver										
Square Feet	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782	34,782
Capacity (students)	326	326	326	326	326	326	326	326	326	326
Enrollment	302	297	297	282	298	271	257	331	341	363
<u>Wm. G. Rohrer Middle School (2003)</u>										
Square Feet	46,454	46,454	46,454	46,454	46,454	46,454	46,454	-	-	-
Capacity (students)	476	476	476	476	476	476	476	-	-	-
Enrollment	471	409	409	434	465	515	531	-	-	-
<u>Haddon Twp. High School (1951, 1964, 1994)</u>										
Square Feet	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877	184,877
Capacity (students)	785	785	785	785	785	785	785	1,271	1,271	1,271
Enrollment	632	662	662	707	701	681	694	1,046	1,039	1,008
<u>Other</u>										
Administration Building										
Square Feet	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910
Number of Schools at June 30, 2009										
Elementary = 5										
Middle School = 1										
High School = 1										
Other = 3										

Source: District Records

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

School Facilities	School # (s)	Fiscal Year Ended June 30,									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Haddon Township High School	050	\$ 290,108	\$ 319,616	\$ 284,961	\$ 386,375	\$ 244,506	\$ 193,264	\$ 227,401	\$ 206,480	\$ 202,903	\$ 199,367
Thomas A. Edison Elementary School	060	32,912	24,192	21,634	20,820	20,782	18,192	49,780	22,753	24,714	24,941
Clyde S. Jennings Elementary School	070	31,795	20,000	25,164	20,248	22,282	18,568	35,563	22,928	26,143	26,383
James Stoy Elementary School	080	51,989	19,766	24,362	20,584	26,082	18,005	18,824	22,738	24,419	24,643
Strawbridge Elementary School	090	45,501	23,451	26,394	38,515	24,482	20,065	16,058	28,630	29,487	29,758
Van Sciver Elementary School	100	42,000	72,263	86,174	51,211	28,582	28,920	24,308	31,256	38,011	38,360
Wm. G. Rohrer Middle School	110	45,382	13,052	42,886	41,667	34,203	30,362	56,095			
Total School Facilities		\$ 539,688	\$ 492,340	\$ 511,575	\$ 579,420	\$ 400,919	\$ 327,376	\$ 428,029	\$ 334,785	\$ 345,677	\$ 343,452

* School Facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2010
Unaudited

		<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:			
Property and Auto Physical Damage	(1)	\$ 150,000,000	
Boiler and Machinery	(1)	\$ 100,000,000	
Excess Liability	(1)	Various	
General and Auto Liability	(2)	10,000,000	
Workers Compensation	(4)	Statutory	
School Board Legal Liability			
Legal Liability Policy	(3)	10,000,000	-

- (1) Limit each occurrence, No annual aggregate
- (2) Limit each occurrence, annual unaggregated
- (3) Per claim/ annual aggregate
- (4) Each accident

Source: District Records

SINGLE AUDIT SECTION

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB

The Honorable President and
Members of the Board of Education
Township of Haddon School District
Westmont, New Jersey 08108

Compliance

We have audited Township of Haddon School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2010. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, 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 Township of Haddon 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. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Township of Haddon School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

Management of the Township of Haddon School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the audit committee, management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



Kirk N. Applegate
 Certified Public Accountant
 Public School Accountant No. 20CS00223300

Voorhees, New Jersey
 October 29, 2010

THIS PAGE LEFT BLANK INTENTIONALLY

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2010

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>		<u>Balance</u> <u>June 30, 2009</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education:						
ARRA - SFSF-ESF (Educ. State Grants)	84.394	N/A	\$ 1,285,585.00	7-1-09	6-30-10	
ARRA - SFSF-GFS (Government Services)	84.397	N/A	49,767.00	7-1-09	6-30-10	
Medical Assistance Program (SEMI)	93.778	N/A	12,244.25	7-1-09	6-30-10	
Total General Fund						<u>\$ -</u>
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I, Part A	84.010A	NCLB189010	133,829.00	9-1-09	8-31-10	
Title I, Part A	84.010A	NCLB189009	115,471.00	9-1-08	8-31-09	(25,185.27)
Title I - SIA	84.010A	NCLB189009	2,843.00	9-1-08	8-31-09	(1,838.50)
ARRA - Title I - Part A	84.389	NCLB189010	44,008.00	7-1-09	8-31-11	
ARRA - Title I - SIA Part A	84.389	NCLB189010	2,876.00	7-1-09	8-31-11	
Title II - Part A	84.367A	NCLB189010	60,188.00	9-1-09	8-31-10	
Title II - Part A	84.367A	NCLB189009	61,521.00	9-1-08	8-31-09	(16,410.16)
Title II - Part D	84.318X	NCLB189010	1,363.00	9-1-09	8-31-10	
Title II - Part D	84.318X	NCLB189009	958.00	9-1-08	8-31-09	(268.00)
Title III	84.365A	NCLB189010	5,839.00	9-1-09	8-31-10	
Title IV	84.186A	NCLB189010	6,260.00	9-1-09	8-31-10	
Title IV	84.186A	NCLB189009	6,136.00	9-1-08	8-31-09	1,894.65
I.D.E.I.A.						
Basic	84.027	IDEA189010	581,882.00	9-1-09	8-31-10	
Basic	84.027	IDEA189009	565,598.00	9-1-08	8-31-09	(99,959.98)
ARRA - Basic	84.391	IDEA189010	703,834.00	7-1-09	8-31-11	
PreSchool Incentive	84.173	IDEA189010	16,278.00	9-1-09	8-31-10	
PreSchool Incentive	84.173	IDEA189009	16,063.00	9-1-08	8-31-09	(13,774.04)
ARRA - PreSchool Incentive	84.392	IDEA189010	25,450.00	7-1-09	8-31-11	
Total U.S. Department of Education						<u>(155,541.30)</u>
Total Special Revenue Fund						<u>(155,541.30)</u>
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.550	Unavailable	33,267.68	7-1-09	6-30-10	
Cash Assistance:						
National Breakfast Program	10.553	Unavailable	3,001.42	7-1-09	6-30-10	
National Breakfast Program	10.553	Unavailable	1,675.25	7-1-08	6-30-09	(121.60)
National School Lunch Program	10.555	Unavailable	102,384.30	7-1-09	6-30-10	
National School Lunch Program	10.555	Unavailable	88,223.08	7-1-08	6-30-09	(5,238.24)
Total Enterprise Fund:						<u>(5,359.84)</u>
Total Federal Financial Assistance						<u>\$ (160,901.14)</u>

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Carry-over (Walkover) <u>Amount</u>	Cash <u>Received</u>	<u>Adjustments (A)</u>	Budgetary <u>Expenditures</u>	Repayment of Prior Years' <u>Balances</u>	Balance at June 30, 2010		
					<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Due to Grantor</u>
	\$ 1,285,585.00		\$ 1,285,585.00				
	49,767.00		49,767.00				
	5,872.72		12,244.25		\$ (6,371.53)		
\$ -	1,341,224.72	\$ -	1,347,596.25	\$ -	(6,371.53)	\$ -	\$ -
35,296.73 (35,296.73)	98,069.00 37,251.00	803.00	107,993.22		(35,760.00) (23,231.00) (2,843.00)	61,132.51	1,807.50
4,409.84 (4,409.84)	16,770.00		33,624.28		(44,008.00)	10,383.72	
340.00 (340.00)	268.00		2,000.33		(2,876.00)	875.67	
6,770.65 (6,770.65)	5,839.00 1,251.00		61,558.65		(60,188.00)	2,679.35	359.84
			1,703.00		(4,050.00)		
			5,839.00		(1,363.00)		
			11,007.54		(340.00)		
					(5,009.00)	128.46	1,894.65
					(4,876.00)		
189,863.02 (189,863.02)	532,812.00 100,174.00	(214.02)	566,835.74		(49,070.00) (189,649.00)	129,204.26	75,491.00
1,552.96 (1,552.96)	9,264.00 14,592.00	946.00	407,966.62		(703,834.00)	295,867.38	
			16,278.00		(7,014.00)	946.00	1,552.96
			25,450.00		(735.00)		
					(25,450.00)		
-	816,290.00	1,534.98	1,240,256.38	-	(1,160,296.00)	501,217.35	81,105.95
-	816,290.00	1,534.98	1,240,256.38	-	(1,160,296.00)	501,217.35	81,105.95
	33,267.68		33,267.68				
	2,763.30		3,001.42		(238.12)		
	121.60						
	96,094.98		102,384.30		(6,289.32)		
	5,238.24						
-	137,485.80	-	138,653.40	-	(6,527.44)	-	-
\$ -	\$ 2,295,000.52	\$ 1,534.98	\$ 2,726,506.03	\$ -	\$ (1,173,194.97)	\$ 501,217.35	\$ 81,105.95

TOWNSHIP OF HADDON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2010

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2009</u>	
			<u>From</u>	<u>To</u>	<u>Deferred Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>
General Fund:						
State Department of Education:						
Equalization Aid	10-495-034-5120-078	\$ 5,705,505.00	7-1-09	6-30-10		
Equalization Aid	09-495-034-5120-078	7,409,033.00	7-1-08	6-30-09	\$ (701,775.73)	
Security Aid	10-495-034-5120-084	110,616.00	7-1-09	6-30-10		
Security Aid	09-495-034-5120-084	151,815.00	7-1-08	6-30-09	(14,379.76)	
Special Education Categorical Aid	10-495-034-5120-089	1,065,723.00	7-1-09	6-30-10		
Special Education Categorical Aid	09-495-034-5120-089	991,257.00	7-1-08	6-30-09	(93,890.81)	
Transportation Aid	10-495-034-5120-014	192,239.00	7-1-09	6-30-10		
Transportation Aid	09-495-034-5120-014	234,290.00	7-1-08	6-30-09	(22,191.70)	
Nonpublic School Transportation Aid	10-495-034-5120-014	6,989.00	7-1-09	6-30-10		
Nonpublic School Transportation Aid	09-495-034-5120-014	10,440.00	7-1-08	6-30-09	(10,440.00)	
Extraordinary Special Education Costs Aid	10-100-034-5120-473	306,144.00	7-1-09	6-30-10		
Extraordinary Special Education Costs Aid	09-100-034-5120-473	328,387.00	7-1-08	6-30-09	(328,387.00)	
T.P.A.F. Social Security Aid	10-495-034-5095-002	1,053,672.06	7-1-09	6-30-10		
T.P.A.F. Social Security Aid	09-495-034-5095-002	993,846.23	7-1-08	6-30-09	(49,940.05)	
Total General Fund					(1,221,005.05)	\$ -
Special Revenue Fund:						
State Department of Education:						
Nonpublic Aid:						
Textbook Aid (Ch. 194, L. 1977)	10-100-034-5120-064	79,943.00	7-1-09	6-30-10		
Textbook Aid (Ch. 194, L. 1977)	09-100-034-5120-064	67,999.00	7-1-08	6-30-09		3,878.41
Technology Initiative Aid	09-100-034-5120-373	47,560.00	7-1-08	6-30-09		776.41
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language		207,678.00	7-1-09	6-30-10		
Home Instruction		9,787.00	7-1-09	6-30-10		
		20,031.00	7-1-09	6-30-10		
Auxiliary Services (Ch. 192, L. 1977)						
Compensatory Education						
English as a Second Language		212,603.00	7-1-08	6-30-09		23,894.00
Transportation		7,714.00	7-1-08	6-30-09		1,390.00
Home Instruction		33,819.00	7-1-08	6-30-09		18,512.00
		11,451.00	7-1-08	6-30-09	(11,451.00)	
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification		19,728.00	7-1-09	6-30-10		
Supplementary Instruction		55,746.00	7-1-09	6-30-10		
		59,732.00	7-1-09	6-30-10		
Handicapped Services (Ch. 193, L. 1977)						
Corrective Speech						
Examination and Classification		27,900.00	7-1-08	6-30-09		27,072.00
Supplementary Instruction		64,074.00	7-1-08	6-30-09		22,559.00
		75,992.00	7-1-08	6-30-09		43,642.00
Nursing Services						
Nursing Services	10-100-034-5120-070	94,802.00	7-1-09	6-30-10		
Nursing Services	09-100-034-5120-070	91,791.00	7-1-08	6-30-09		10,251.20
Total Special Revenue Fund					(11,451.00)	151,975.02
Enterprise Fund:						
State Department of Agriculture:						
State School Lunch Aid						
State School Lunch Aid	10-100-010-3350-023	6,000.92	7-1-09	6-30-10		
State School Lunch Aid	09-100-010-3350-023	5,749.48	7-1-08	6-30-09	(332.48)	
State School Breakfast Program	10-100-010-3350-021	210.00	7-1-09	6-30-10		
State School Breakfast Program	09-100-010-3350-021	155.80	7-1-08	6-30-09	(12.40)	
Total Enterprise Fund					(344.88)	-
Total State Financial Assistance					\$ (1,232,800.93)	\$ 151,975.02

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance
 (B) Passed through to Camden County Educational Services Commission

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010			Memo	
					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2010	Cumulative Total Expenditures
	\$ 5,030,233.44		\$ 5,705,505.00		\$ (675,271.56)			\$ (675,271.56)	\$ 5,705,505.00
	701,775.73								
	91,540.04		110,616.00		(19,075.96)			(19,075.96)	110,616.00
	14,379.76								
	946,261.70		1,065,723.00		(119,461.30)			(119,461.30)	1,065,723.00
	93,890.81								
	159,086.82		192,239.00		(33,152.18)			(33,152.18)	192,239.00
	22,191.70								
	10,440.00		6,989.00		(6,989.00)				6,989.00
			306,144.00		(306,144.00)				306,144.00
	328,387.00								
	1,001,075.96		1,053,672.06		(52,596.10)				1,053,672.06
	49,940.05								
\$ -	8,449,203.01	\$ -	8,440,888.06	\$ -	(1,212,690.10)	\$ -	\$ -	(846,961.00)	8,440,888.06
	79,943.00	(0.41)	56,297.72	3,878.00			23,645.28		56,297.72
		(0.41)		776.00					
	207,678.00 (B)		205,834.00				1,844.00		205,834.00
	9,787.00 (B)		5,831.00				3,956.00		5,831.00
			20,031.00		(20,031.00)				20,031.00
				23,894.00					
				1,390.00					
				18,512.00					
	11,451.00								
	19,728.00 (B)		890.00				18,838.00		890.00
	55,746.00 (B)		54,084.00				1,662.00		54,084.00
	59,732.00 (B)		29,260.00				30,472.00		29,260.00
				27,072.00					
				22,559.00					
				43,642.00					
	94,802.00	(0.20)	80,674.57	10,251.00			14,127.43		80,674.57
-	538,867.00	(1.02)	452,902.29	151,974.00	(20,031.00)	-	94,544.71	-	452,902.29
	5,632.44		6,000.92		(368.48)				6,000.92
	332.48								
	204.20		210.00		(5.80)				210.00
	12.40								
-	6,181.52	-	6,210.92	-	(374.28)	-	-	-	6,210.92
\$ -	\$ 8,994,251.53	\$ (1.02)	\$ 8,900,001.27	\$ 151,974.00	\$ (1,233,095.38)	\$ -	\$ 94,544.71	\$ (846,961.00)	\$ 8,900,001.27

TOWNSHIP OF HADDON SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2010

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District'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 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 payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two state June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$14,723.00) for the general fund and \$(3,186.89) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 1,347,596.25	\$ 8,440,888.06	\$ 9,788,484.31
Special Revenue	1,237,069.49	452,902.29	1,689,971.78
Debt Service	-	-	-
Food Service	<u>138,653.40</u>	<u>6,210.92</u>	<u>144,864.32</u>
	<u>\$ 2,723,319.14</u>	<u>\$ 8,900,001.27</u>	<u>\$ 11,623,320.41</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: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent cancellation of Due to State (-\$1.02), cancellation of encumbrances (\$1,749.00) and an adjustment to deferred revenue (-\$214.02).

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. 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 fiscal year ended June 30, 2010.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be a material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.I.A. Part B Basic
84.173	I.D.E.I.A. Part B Preschool Incentive
84.391	A.R.R.A. - I.D.E.I.A. Part B Basic
84.392	A.R.R.A. - I.D.E.I.A. Part B Preschool Incentive
84.394	A.R.R.A. - SFSF-ESF (Educ. State Grants)
84.397	A.R.R.A - SFSF-GFS (Government Services)

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? X yes no

**TOWNSHIP OF HADDON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010**

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes X no

Were significant deficiencies identified that were considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 98-07-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
10-495-034-5120-078	Equalization Aid
10-495-034-5120-089	Special Education Categorical Aid
10-495-034-5120-084	Security Aid
10-495-034-5095-002	Reimbursed TPAF Social Security Contributions

Dollar threshold used to determine Type A programs _____ \$300,000.00 _____

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

HADDON TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section 2- Schedule of Financial Statement Findings

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

N/A - None

HADDON TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

N/A - None

HADDON TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

N/A - None

HADDON TOWNSHIP BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2009-1

Condition

The District could not provide proof that several vendors, subject to Public School Contracts Law and paid more than 15% of the bid threshold by the District, were registered with the State of New Jersey as required by PL. 2004, c57.

Current Status

The condition has been corrected.

Finding No. 2009-2

Condition

The District failed to issue 1099 Forms for several non-incorporated vendors who were paid in excess of \$600.00.

Current Status

The condition has been corrected.

Finding No. 2009-3

Condition

The District's capital asset record did not account for all District assets and included several assets that were no longer owned by the District.

Current Status

The condition has been corrected.

Finding No. 2009-4

Condition

The District did not comply with all requirements included in its travel policies and the School District Accountability Act.

Current Status

The condition has been corrected.

HADDON TOWNSHIP BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FEDERAL AWARDS

N/A - None

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2009-4

Equalization Aid, GMIS No. 495-034-5120-078
Special Education Categorical Aid, GMIS No. 495-034-5120-089
Security Aid, GMIS No. 495-034-5120-084

Condition

The District did not comply with requirements included in its travel policies and the School District Accountability Act.

Current Status

The condition has been corrected.

