

**SCHOOL DISTRICT OF THE
BOROUGH OF HALEDON
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**School District
of the**

Borough of Haledon

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

Comprehensive Annual Financial Report

of the

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

For the Fiscal Year Ended June 30, 2015

Prepared by

**Borough of Haledon Board of Education
Finance Department**

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal.....	1
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors.....	7

FINANCIAL SECTION

Independent Auditor's Report.....	8
Required Supplementary Information - Part I Management's Discussion and Analysis.....	12

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

A-1 Statement of Net Position.....	22
A-2 Statement of Activities.....	23

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet.....	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances.....	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26

Proprietary Funds:

B-4 Statement of Net Position.....	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position.....	28
B-6 Statement of Cash Flows.....	29

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position.....	30
B-8 Statement of Changes in Fiduciary Net Position.....	31

Notes to the Financial Statements.....	32
--	----

Required Supplementary Information - Part II

OUTLINE OF CAFR

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund.....	55
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	60
Notes to the Required Supplementary Information		
C-3	Budgetary Comparison Schedule.	61

Required Supplementary Information - Part III

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

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS.....	73
L-2	Schedule of District Contributions – PERS.	74
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF.....	75
L-4	Notes to Required Schedules of Supplementary Information - Part III.	76

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	62
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	63
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	64
E-2	Schedule of Preschool Education Aid - Budgetary Basis.....	65

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis.	66
F-1a	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Boiler Replacement).	67
F-1b	Schedule of Project Revenues, Expenditures, Project Balance, and Project	

OUTLINE OF CAFR

	Status - Budgetary Basis (Haledon Public School - Replacement of Unit Ventilators).....	68
F-1c	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Roof Replacement).	69
F-1d	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School Other Capital Projects).	70
F-1e	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis (Haledon Public School ADA Upgrades to Toilet Rooms).....	71
F-2	Summary Statement of Project Expenditures.....	72
 G. Proprietary Funds:		
Enterprise Fund:		
G-1	Combining Statement of Net Position.	73
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	74
G-3	Combining Statement of Cash Flows.	75
 Internal Service Fund:		
Not Applicable		
 H. Fiduciary Funds:		
H-1	Combining Statement of Fiduciary Net Position.	76
H-2	Combining Statement of Changes in Fiduciary Net Position.	77
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.	78
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.	79
 I. Long-Term Debt:		
I-1	Not Applicable.	
I-2	Statement of Obligations Under Capital Leases.....	80
 J. Statistical Section (Unaudited)		
<u>Financial Trends</u>		
J-1	Net Position by Component.	81
J-2	Changes in Net Position.	82
J-3	Fund Balances - Governmental Funds.	84
J-4	Changes in Fund Balances - Governmental Funds.....	85
J-5	General Fund Other Local Revenue by Source.....	86

OUTLINE OF CAFR

Revenue Capacity

J-6	Assessed and Estimated Actual Value of Taxable Property.....	87
J-7	Direct and Overlapping Property Tax Rates.....	88
J-8	Principal Property Taxpayers.	89
J-9	School Tax Levies and Collections.....	90

Debt Capacity

J-10	Ratios of Outstanding Debt by Type.....	91
J-11	Ratios of Net General Bonded Debt Outstanding.....	92
J-12	Direct and Overlapping Governmental Activities Debt.	93
J-13	Legal Debt Margin Information.	94

J. Statistical Section (Unaudited), Continued

Demographic and Economic Information

J-14	Demographic and Economic Statistics.	95
J-15	Principal Employers.	96

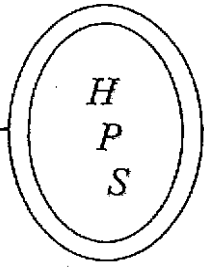
Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.....	97
J-17	Operating Statistics.....	98
J-18	School Building Information.	99
J-19	Schedule of Required Maintenance for School Facilities.....	100
J-20	Insurance Schedule.	101

K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.	102
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular Letter 04-04.....	104
K-3	Schedule of Expenditures of Federal Awards - Schedule A.....	107
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B.....	108
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....	109
K-6	Schedule of Findings and Questioned Costs.....	111
K-7	Summary Schedule of Prior Audit Findings.....	113

INTRODUCTORY SECTION



HALEDON PUBLIC SCHOOL

70 Church Street
Haledon, NJ 07508
Tel: (973) 389-2840
Facsimile: (973) 956-0781

December 4, 2015

Honorable President and
Members of the Board of Education
Borough of Haledon School District
Haledon, NJ 07508

Dear Board Members:

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

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

1) REPORTING ENTITY AND ITS SERVICES: The Haledon Public School District is an independent reporting entity within the criteria adopted by the SASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. Borough of Haledon Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School, Pre-School Handicap and K through 8. These include regular classes for PreK-8 and special education classes for Preschool Handicapped and PreK-8. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1029 students, which is 11 students more than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<i>Fiscal Year</i>	<i>Average Daily Enrollment Student Enrollment</i>	<i>Percent Change</i>
2014-2015	1029	1.08%
2013-2014	1018	1.39%
2012-2013	1004	(3.28%)
2011-2012	1038	(1.14%)
2010-2011	1050	.2%
2009-2010	1052	.5%
2008 - 09	1046	(3.88%)
2007 – 08	1087	4.52%
2006 – 07	1040	3.17%
2005 – 06	1008	.7%
2004 – 05	1001	3.5%
2003 – 04	967	(2.22%)

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Haledon is experiencing limited economic development and growth. It is not expected that there will be any strong economic growth or expansion in the region in the near future.

3) MAJOR INITIATIVES

Major Initiatives Implemented in the 2014-2015 School Year:

Construction – The Haledon Board of Education undertook three major capital projects during the 2014-15 school year. The District replaced a boiler, replaced a large majority of its roof and replaced unit vents in its classrooms throughout the building. For all three projects the District applied for and will receive SDA funding.

Technology – During the 2014-15 school year, the Haledon Board of Education upgraded technology in its classrooms by replacing five promethean boards that had aged out and purchasing 30 chrome books for its students.

Curriculum / Personnel: The district added six (6) teachers during the course of the year (two additional Basic Skills Instructors; three Resource Room Instructors and, due to enrollment, one Pre-K teacher). To assist district administration (especially with teacher evaluation) the district also added a part time guidance counselor. To keep its curriculum up-to-date the district purchased textbooks for its Science and Social Studies programs.

2015-16

The upcoming school year continues the positive changes the school district has had for the past several years. The district will continue to reinvest in its facilities. The district will be installing a new playground and repurposing its home economics room to serve as a STEM room. The district will invest in technology, replacing five promethean boards and upgrading the districts infrastructure, including the

purchase of switches. The District is very excited to roll out its one to one initiative, with the hope of purchasing chrome books for all of its students within three years (2015-16 will see the purchase of 360 chrome books).

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal 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 reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

6) 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.

7) 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.

8) OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board's audit committee. 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 Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Borough of Haledon School 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.

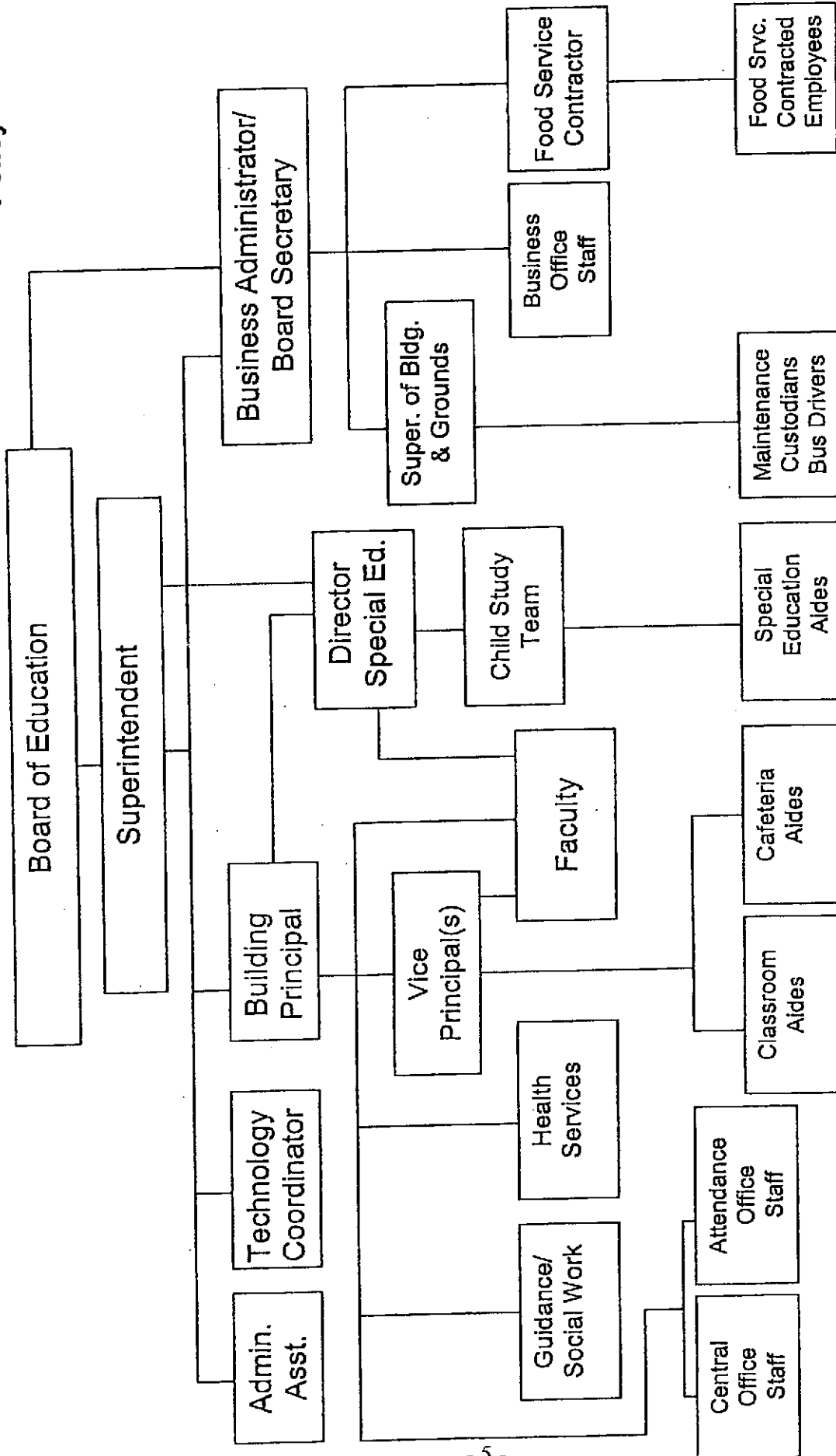
Respectfully submitted,

Michael A. Wanko, Ph.D.

Michael A, Wanko, Ph.D.
Interim Superintendent

John A. Serapiglia, Jr.

John A. Serapiglia, Jr.
Business Administrator/Board Secretary



Haledon Public School Organizational Chart

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

BOARD OF EDUCATION	TERM EXPIRES
Daniel Batelli, President	2017
John Kaslander, Vice President	2015
Crystal Rolon	2016
Ellen P. Fischer	2017
Anthony Latona	2015
Bryan Hicks	2015
Marie Fusco	2016
Anyelis Diaz	2015
Joyce Smith	2016

OTHER OFFICIALS

Michael A. Wanko, Ph. D., Interim Superintendent

John Serapiglia, Board Secretary/Business Administrator

BOROUGH OF HALEDON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECT

DiCara | Rubino Architects
30 Galesi Drive, West Wing
Wayne, NJ 07470

AUDIT FIRM

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

ATTORNEY

Fogarty & Hara
Counselors at Law
16-00 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

TD Bank North
Belmont Avenue
Haledon, NJ 07508

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Honorable President and
Members of the Board of Education
Page 3.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haledon Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Borough of Haledon Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

Honorable President and
Members of the Board of Education
Page 4.

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Haledon Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

December 4, 2015

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of the Borough of Haledon Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,047,197.93. Net position of governmental activities increased \$969,981.34 while net position of business-type activity increased by \$77,216.59.
- General revenues accounted for \$17,044,268.83 in revenue or 89.54 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,990,747.36 or 10.46 percent of total revenues of \$19,035,016.19.
- The School District had \$17,299,458.12 in expenses related to governmental activities; only \$1,225,214.20 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$17,044,225.26 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Borough of Haledon Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activities – These services are provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service program and after care summer camp program are reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Haledon Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Borough of Haledon Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects and debt service funds, which are considered to be major funds.

The Borough of Haledon Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Haledon Board of Education uses proprietary funds to account for its food service program, summer camp program and after care program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position's were \$10,818,702.24 at June 30, 2015 and \$12,722,389.31 at June 30, 2014 . Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2015 compared to 2014 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	5,195,255.53	4,389,310.17	427,853.34	415,650.95	5,623,108.87	4,804,961.12
Capital Assets	<u>10,165,125.17</u>	<u>8,715,455.22</u>	<u>171,623.79</u>	<u>187,321.47</u>	<u>10,336,748.96</u>	<u>8,902,776.69</u>
Total Assets	<u>15,360,380.70</u>	<u>13,104,765.39</u>	<u>599,477.13</u>	<u>602,972.42</u>	<u>15,959,857.83</u>	<u>13,707,737.81</u>
Deferred Outflows	<u>225,836.00</u>				<u>225,836.00</u>	
Liabilities						
Current Liabilities	2,133,299.37	724,332.42	6,188.53	86,900.41	2,139,487.90	811,232.83
Noncurrent Liabilities	<u>3,036,618.69</u>	<u>174,115.64</u>			<u>3,036,618.69</u>	<u>174,115.64</u>
Total Liabilities	<u>5,169,918.06</u>	<u>898,448.06</u>	<u>6,188.53</u>	<u>86,900.41</u>	<u>5,176,106.59</u>	<u>985,348.47</u>
Deferred Inflows	<u>190,885.00</u>				<u>190,885.00</u>	
Net Position						
Invested in Capital Assets- -						
Net of Debt	10,143,796.89	8,677,963.96	171,623.79	187,321.47	10,315,420.68	8,865,285.43
Restricted	3,425,354.12	3,980,120.97			3,425,354.12	3,980,120.97
Unrestricted	<u>(3,343,737.37)</u>	<u>(451,767.63)</u>	<u>421,664.81</u>	<u>328,750.54</u>	<u>(2,922,072.56)</u>	<u>(123,017.09)</u>
Total Net Position	<u>10,225,413.64</u>	<u>12,206,317.30</u>	<u>593,288.60</u>	<u>516,072.01</u>	<u>10,818,702.24</u>	<u>12,722,389.31</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			342,529.68	294,028.03	342,529.68	294,028.03
Operating Grants and						
Contributions	1,225,214.20	1,499,323.92	423,003.48	423,445.05	1,648,217.68	1,922,768.97
General Revenues:						
Taxes:						
Property taxes, levied						
For general purposes	5,951,909.00	5,835,205.00			5,951,909.00	5,835,205.00
Federal and State Aid not						
Restricted	9,794,661.20	8,047,974.47			9,794,661.20	8,047,974.47
State Facilities Grant	1,227,059.46	158,143.51			1,227,059.46	158,143.51
Other Local Government						
Units -Restricted		17,850.00			0.00	
Investment Earnings	1,045.64	1,854.70	43.57	22.15	1,089.21	1,876.85
Miscellaneous Income	<u>69,549.96</u>	<u>7,264.46</u>	<u> </u>	<u> </u>	<u>69,549.96</u>	<u>7,264.46</u>
Total Revenues and Transfers	<u>18,269,439.46</u>	<u>15,567,616.06</u>	<u>765,576.73</u>	<u>717,495.23</u>	<u>19,035,016.19</u>	<u>16,285,111.29</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	6,763,140.43	6,492,924.79			6,763,140.43	6,492,924.79
Special	1,769,425.29	1,593,287.92			1,769,425.29	1,593,287.92
Other Special						
Instruction	762,092.56	488,378.14			762,092.56	488,378.14
Other Instruction	123,563.52	104,875.10			123,563.52	104,875.10
Support Services:						
Tuition	151,832.05	180,915.58			151,832.05	180,915.58
Student & Instruction						
Related Services	1,835,999.45	1,859,497.81			1,835,999.45	1,859,497.81
School Administrative						
Services	629,749.81	614,021.71			629,749.81	614,021.71
General Administrative						
Services	350,041.45	351,338.66			350,041.45	351,338.66
Central Services and						
Admin.Info.Tech.	455,904.89	454,393.04			455,904.89	454,393.04
Plant Operations and						
Maintenance	959,284.47	942,415.16			959,284.47	942,415.16
Pupil Transportation	238,003.78	244,343.92			238,003.78	244,343.92
Unallocated Benefits	2,929,933.79	1,195,814.95			2,929,933.79	1,195,814.95
Capital Outlay	5,453.00	5,453.00			5,453.00	5,453.00
Unallocated depreciation	325,033.63	236,845.71			325,033.63	236,845.71
Food Service			469,718.06	476,477.19	469,718.06	476,477.19
After Care Program			<u>218,642.08</u>	<u>151,779.78</u>	<u>218,642.08</u>	<u>151,779.78</u>
Total Expenses and Transfers	<u>17,299,458.12</u>	<u>14,764,505.49</u>	<u>688,360.14</u>	<u>628,256.97</u>	<u>17,987,818.26</u>	<u>15,392,762.46</u>
Increase or (Decrease) in						
Net Position	<u>969,981.34</u>	<u>803,110.57</u>	<u>77,216.59</u>	<u>89,238.26</u>	<u>1,047,197.93</u>	<u>892,348.83</u>

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$17,987,818.26. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$5,951,909.00 because some of the cost was paid by those who benefitted from the programs \$342,529.68, by other governments and organizations who subsidized certain programs with grants and contributions \$1,648,217.68, and by miscellaneous sources \$11,092,359.83.

Revenues for the District's business-type activities (food service program, summer camp program and after care program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$33,416.84.
- ✓ Charges for services provided totaled \$104,275.50 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$398,859.40.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2015, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$295,070.38 for increase in federal and state grant awards.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,
(continued)**

General Fund

The general fund actual revenue was \$14,365,219.80. That amount is \$1,543,848.94 above the final amended budget of \$12,821,370.86. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,462,928.79 for TPAF social security reimbursements and on-behalf pension payments and a \$29,952.74 excess in miscellaneous anticipated revenues and \$25,560.00 excess in other federal and state aids.

The actual expenditures of the general fund were \$14,289,584.46 including transfers and capital leases which is \$1,129,322.48 above the final amended budget of \$13,160,261.98. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,462,928.79 and \$333,606.31 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,214,262.60. That amount is below the original budget estimate of \$1,277,480.00 and below the final amended budget of \$1,572,550.38. The \$295,070.38 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$358,287.78 variance between the final amended budget and the June 30, 2015 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,214,262.60, which is below the original budget of \$1,277,480.00 and below the final amended budget of \$1,572,550.38. The \$295,070.38 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$358,287.78 variance between the final amended budget and the June 30, 2015 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$15,766,113.16 invested in sites, buildings and equipment. Of this amount, \$5,429,364.20 in depreciation has been taken over the years. We currently have a net book value of \$10,336,748.96. Total additions for the year were \$1,867,929.24, the majority of which was for improvements to the District's facilities and various equipment. Table 3 shows fiscal year 2015 balances compared to 2014.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	1,122,000.00	1,122,000.00			1,122,000.00	1,122,000.00
Construction in Progress	298,102.20	0.00			298,102.20	0.00
Land Improvements	158,994.26	152,445.27			158,994.26	152,445.27
Buildings and Improvements	8,145,292.57	6,977,319.54			8,145,292.57	6,977,319.54
Furniture, Equipment and Vehicles	<u>440,736.14</u>	<u>463,690.41</u>	<u>171,623.79</u>	<u>187,321.47</u>	<u>612,359.93</u>	<u>651,011.88</u>
	<u>10,165,125.17</u>	<u>8,715,455.22</u>	<u>171,623.79</u>	<u>187,321.47</u>	<u>10,336,748.96</u>	<u>8,902,776.69</u>

Debt Administration

At June 30, 2015, the district had \$3,036,618.69 of long-term debt. Of this amount, \$147,691.41 is for compensated absences, \$21,328.28 is for capital leases and \$2,867,599.00 is for net pension liability - PERS.

**BOROUGH OF HALEDON BOARD OF EDUCATION
HALEDON, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Regional funding formula has undergone yet another change. A two year phase in was instituted that based the funding equation equally in property value and pupil enrollment. The change affected all three towns very differently, with one receiving a very large tax decrease while another incurred a large tax increase due to the changing of formula. All three towns continue to appeal the funding formula.

The 2015-2016 school budget represents the third time that the residents in Haledon did not have an opportunity to vote on the Haledon School Budget. Changes in election law allowed for approval of school budgets without an election (if they fell within tax cap) provided that the municipality, the school district or the electorate voted for such a change. For the 2013-2014 school year, the Borough of Haledon voted to do away with the vote for the elementary school budget election. The budget put together for 2015-2016 was within CAP, so there was also no election.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Haledon Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

John A. Serapiglia, Jr.,
School Business Administrator
Borough of Haledon Board of Education
70 Church Street
Haledon, New Jersey 07508

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents		379,637.59	379,637.59
Receivables, net	2,161,311.40	36,861.81	2,198,173.21
Internal Balances	(8,731.36)	8,731.36	-
Inventory		2,622.58	2,622.58
Restricted Assets:			
Cash and Cash Equivalents	3,042,675.49		3,042,675.49
Capital Assets :			
Land and Construction in Progress	1,420,102.20		1,420,102.20
Other Capital Assets, net	8,745,022.97	171,623.79	8,916,646.76
Total Assets	<u>15,360,380.70</u>	<u>599,477.13</u>	<u>15,959,857.83</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	<u>225,836.00</u>		<u>225,836.00</u>
LIABILITIES			
Cash Deficit	1,560,088.33		1,560,088.33
Accounts Payable and Accrued Liabilities	573,211.04	6,188.53	579,399.57
Noncurrent Liabilities:			
Due within one year	16,959.42		16,959.42
Due beyond one year	3,019,659.27		3,019,659.27
Total Liabilities	<u>5,169,918.06</u>	<u>6,188.53</u>	<u>5,176,106.59</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	<u>190,885.00</u>		<u>190,885.00</u>
NET POSITION			
Invested in Capital Assets, net of Related Debt	10,143,796.89	171,623.79	10,315,420.68
Restricted for:			
Capital Projects	2,465,334.00		2,465,334.00
Other Purposes	960,020.12		960,020.12
Unrestricted (Deficit)	(3,343,737.37)	421,664.81	(2,922,072.56)
Total Net Position	<u>10,225,413.64</u>	<u>593,288.60</u>	<u>10,818,702.24</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	5,537,338.33	1,225,802.10		1,005,940.20	(5,757,200.23)		(5,757,200.23)	
Special Education	1,354,197.12	415,228.17			(1,769,425.29)		(1,769,425.29)	
Other Special Instruction	582,598.71	179,493.85			(762,092.56)		(762,092.56)	
Other Instruction	98,987.61	24,575.91			(123,563.52)		(123,563.52)	
Support services:								
Tuition	151,832.05	-			(151,832.05)		(151,832.05)	
Student & Instruction Related Services	1,500,361.07	335,638.39		216,301.00	(1,619,698.46)		(1,619,698.46)	
School Administrative Services	462,062.67	167,687.14			(629,749.81)		(629,749.81)	
General Administrative Services	324,316.82	25,724.63			(350,041.45)		(350,041.45)	
Central Services & Admin. Info. Technology	440,894.36	15,010.53			(455,904.89)		(455,904.89)	
Plant Operations and Maintenance	879,088.93	80,195.54			(959,284.47)		(959,284.47)	
Pupil Transportation	217,015.19	20,988.59			(238,003.78)		(238,003.78)	
Unallocated Benefits	2,929,933.79	-			(2,929,933.79)		(2,929,933.79)	
Capital Outlay - Non-depreciable	5,453.00	-		2,973.00	(2,480.00)		(2,480.00)	
Unallocated Depreciation	325,033.63	-			(325,033.63)		(325,033.63)	
Total Governmental Activities	14,809,113.28	2,490,344.84	-	1,225,214.20	(16,074,243.92)	-	(16,074,243.92)	
Business-type Activities:								
Food Service	469,718.06		104,275.50	398,859.40		33,416.84	33,416.84	
After Care Program	218,642.08		238,254.18	24,144.08		43,756.18	43,756.18	
Total Business-type Activities	688,360.14		342,529.68	423,003.48		77,173.02	77,173.02	
Total Primary Government	15,497,473.42		342,529.68	1,648,217.68	(16,074,243.92)	77,173.02	(15,997,070.90)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					5,951,909.00		5,951,909.00	
Federal and State Aid not Restricted					9,794,661.20		9,794,661.20	
Investment Earnings					1,045.64	43.57	1,089.21	
Miscellaneous Income					69,549.96		69,549.96	
State Aid - Capital Outlay Facilities Grant					1,227,059.46		1,227,059.46	
Total General Revenues, Special Items, Extraordinary Items and Transfers					17,044,225.26	43.57	17,044,268.83	
Change in Net Position					969,981.34	77,216.59	1,047,197.93	
Net Position—Beginning (restated)					9,255,432.30	426,833.75	9,682,266.05	
Net Position—Ending					10,225,413.64	504,050.34	10,729,463.98	

See Accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

BOROUGH OF HALEDON SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents				
Tax Levy Receivable	495,992.47			495,992.47
Interfund Receivables	1,145,229.22			1,145,229.22
Receivables from Other Governments	52,396.85	227,678.22	1,385,202.97	1,665,278.04
Restricted Cash and Cash Equivalents	3,042,675.49			3,042,675.49
Total Assets	<u>4,736,294.03</u>	<u>227,678.22</u>	<u>1,385,202.97</u>	<u>6,349,175.22</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Deficit	1,560,088.33			1,560,088.33
Accounts Payable	48,024.64	91,421.20	298,102.20	437,548.04
Interfund Payables	8,731.36	136,257.02	1,008,931.31	1,153,919.69
Total Liabilities	<u>1,616,844.33</u>	<u>227,678.22</u>	<u>1,307,033.51</u>	<u>3,151,556.06</u>
Fund Balances:				
Restricted for:				
Excess Surplus-Current Year	99,999.35			99,999.35
Excess Surplus Designated for				
Subsequent Year's Expenditures	204,509.82			204,509.82
Capital Reserve	2,387,164.54			2,387,164.54
Emergency Reserve	250,000.00			250,000.00
Maintenance Reserve	405,510.95			405,510.95
Capital Projects Fund			78,169.46	78,169.46
Assigned to:				
Other Purposes	119,638.75			119,638.75
Assigned to:				
Designated by Board of Education for				
Subsequent Year's Expenditures	52,666.18			52,666.18
Unassigned:				
General Fund	(400,039.89)			(400,039.89)
Total Fund Balances	<u>3,119,449.70</u>		<u>78,169.46</u>	<u>3,197,619.16</u>
Total Liabilities and Fund Balances	<u>4,736,294.03</u>	<u>227,678.22</u>	<u>1,385,202.97</u>	

Amounts reported for governmental activities 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 \$15,403,882.54 and the accumulated depreciation is \$5,239,550.98. 10,165,125.17

Accounts Payable for subsequent Pension payment is not a payable in the funds (135,663.00)

Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.

Deferred Outflows of Resources Related to PERS Pension Liability 225,836.00

Deferred Inflows of Resources Related to PERS Pension Liability (190,885.00)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (3,036,618.69)

Net position of governmental activities 10,225,413.64

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	5,951,909.00			5,951,909.00
Other Local Government Units - Restricted				
Interest Earned on Maintenance Reserve Funds	105.00			105.00
Interest Earned on Capital Reserve Funds	196.39			196.39
Interest Earned on Investments	744.25			744.25
Miscellaneous	69,549.96			69,549.96
Total - Local Sources	<u>6,022,504.60</u>			<u>6,022,504.60</u>
State Sources	8,290,662.79	428,184.89	1,227,059.46	9,945,907.14
Federal Sources	48,060.41	797,029.31		845,089.72
Total Revenues	<u>14,361,227.80</u>	<u>1,225,214.20</u>	<u>1,227,059.46</u>	<u>16,813,501.46</u>
EXPENDITURES				
Current:				
Regular Instruction	4,531,398.13	1,005,940.20		5,537,338.33
Special Education Instruction	1,354,197.12			1,354,197.12
Other Special Instruction	582,598.71			582,598.71
Other Instruction	98,987.61			98,987.61
Tuition	151,832.05			151,832.05
Student & Instruction Related Services	1,284,060.07	216,301.00		1,500,361.07
School Administrative Services	462,062.67			462,062.67
General Administrative Services	324,316.82			324,316.82
Central & Admin. Inf. Technology	440,894.36			440,894.36
Plant Operations and Maintenance	879,088.93			879,088.93
Pupil Transportation	217,015.19			217,015.19
Unallocated Benefits	3,858,784.95			3,858,784.95
Capital Outlay	104,347.85	2,973.00	1,766,061.39	1,873,382.24
Total Expenditures	<u>14,289,584.46</u>	<u>1,225,214.20</u>	<u>1,766,061.39</u>	<u>17,280,860.05</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>71,643.34</u>		<u>(539,001.93)</u>	<u>(467,358.59)</u>
Net Change in Fund Balances	71,643.34		(539,001.93)	(467,358.59)
Fund Balance—July 1	<u>3,047,806.36</u>		<u>617,171.39</u>	<u>3,664,977.75</u>
Fund Balance—June 30	<u>3,119,449.70</u>		<u>78,169.46</u>	<u>3,197,619.16</u>

See Accompanying Notes to Financial Statements.

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

Total net change in fund balances - governmental funds (from B-2) (467,358.59)

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

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

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

	Depreciation Expense	(418,259.29)	
	Depreciable Capital Outlays	<u>1,867,929.24</u>	1,449,669.95

Repayment of long-term debt is reported as 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.

In the current year, these amounts consist of:

Principal Capital Leases	16,162.98
--------------------------	-----------

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

Capital Lease Proceeds

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 (+).

Increase/(Decrease) in Compensated Absences Payable	(11,067.00)
---	-------------

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	126,264.00	
Less: Pension Expense	<u>(143,690.00)</u>	
(Increase)/Decrease in Pension Expense		(17,426.00)

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Pension	1,455,938.00
Increase in On-behalf TPAF Pension Expense	(1,455,938.00)

Change in net position of governmental activities 969,981.34

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
ASSETS			
Current Assets:			
Cash and Cash Equivalents	210,415.56	169,222.03	379,637.59
Accounts Receivable:			
State	784.87		784.87
Federal	29,687.72	2,304.20	31,991.92
Other	2,018.05	2,066.97	4,085.02
Interfunds Receivable	8,731.36		8,731.36
Inventories	2,622.58		2,622.58
Total Current Assets	254,260.14	173,593.20	427,853.34
Noncurrent Assets:			
Capital Assets:			
Equipment	362,230.62		362,230.62
Less Accumulated Depreciation	(190,606.83)		(190,606.83)
Total Capital Assets (Net of Accumulated Depreciation)	171,623.79		171,623.79
Total Assets	425,883.93	173,593.20	599,477.13
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,206.10	982.43	6,188.53
Total Current Liabilities	5,206.10	982.43	6,188.53
Total Liabilities	5,206.10	982.43	6,188.53
NET POSITION			
Invested in Capital Assets Net of Related Debt	171,623.79		171,623.79
Unrestricted	249,054.04	172,610.77	421,664.81
Total Net Position	420,677.83	172,610.77	593,288.60

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	89,344.96		89,344.96
Daily Sales - Non-Reimbursable Programs	14,930.54		14,930.54
Miscellaneous		238,254.18	238,254.18
Total Operating Revenues	104,275.50	238,254.18	342,529.68
Operating Expenses:			
Cost of Sales	244,660.44		244,660.44
Salaries	127,779.02	189,135.16	316,914.18
Supplies and Materials	22,550.19	14,256.42	36,806.61
Employee Benefits	26,922.28	13,475.00	40,397.28
Purchased Professional and Technical Services	11,358.55	525.00	11,883.55
Cleaning Repair & Maintenance	8,278.60		8,278.60
Utilities	8,155.04		8,155.04
Miscellaneous Expense	4,316.26	1,250.50	5,566.76
Depreciation	15,697.68		15,697.68
Total Operating Expenses	469,718.06	218,642.08	688,360.14
Operating Income (Loss)	(365,442.56)	19,612.10	(345,830.46)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,137.92		7,137.92
Federal Sources:			
National School Lunch Program	313,326.30		313,326.30
School Breakfast Program	28,103.28		28,103.28
After School Snack Program		24,144.08	24,144.08
Summer Food Service Program	7,934.58		7,934.58
HHFKA Program	8,081.88		8,081.88
U.S.D.A. Commodities:			
Food Distribution Program	34,275.44		34,275.44
Interest and Investment Revenue	43.57		43.57
Total Nonoperating Revenues (Expenses)	398,902.97	24,144.08	423,047.05
Income (Loss) Before Contributions & Transfers	33,460.41	43,756.18	77,216.59
Transfers In (Out)			
Change in Net Position	33,460.41	43,756.18	77,216.59
Total Net Position—Beginning	387,217.42	128,854.59	516,072.01
Total Net Position—Ending	420,677.83	172,610.77	593,288.60

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund		
	Food Service Program	After Care / Summer Camp Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	104,275.50	236,187.21	340,462.71
Receipts from Interfunds	(34,716.52)		(34,716.52)
Payments to Employees	(28,289.81)	(189,135.16)	(217,424.97)
Payments for Employee Benefits	(2,285.74)	(13,475.00)	(15,760.74)
Payments to Suppliers	(1,982.76)	(14,649.06)	(16,631.82)
Payments for Miscellaneous Expenses	(4,968.10)	(1,775.50)	(6,743.60)
Payments to Food Service Management Company	(429,252.50)		(429,252.50)
Net Cash Provided by (Used for) Operating Activities	<u>(397,219.93)</u>	<u>17,152.49</u>	<u>(380,067.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,558.81		6,558.81
Federal Sources	361,393.40	23,605.48	384,998.88
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>367,952.21</u>	<u>23,605.48</u>	<u>391,557.69</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	43.57		43.57
Net Cash Provided by (Used for) Investing Activities	<u>43.57</u>		<u>43.57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(29,224.15)	40,757.97	11,533.82
Balances—Beginning of Year	239,639.71	128,464.06	368,103.77
Balances—End of Year	<u>210,415.56</u>	<u>169,222.03</u>	<u>379,637.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(365,442.56)	19,612.10	(345,830.46)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities			
Depreciation and Net Amortization	15,697.68		15,697.68
Food Distribution Program Donated Commodities	34,275.44		34,275.44
(Increase) Decrease in Accounts Receivable, Net	(2,467.75)	(2,066.97)	(4,534.72)
(Increase) Decrease in Inventories	1,036.50		1,036.50
Increase (Decrease) in Accounts Payable	(80,319.24)	(392.64)	(80,711.88)
Total Adjustments	<u>(31,777.37)</u>	<u>(2,459.61)</u>	<u>(34,236.98)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(397,219.93)</u>	<u>17,152.49</u>	<u>(380,067.44)</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	330,075.85	484,978.88
Total Assets	330,075.85	484,978.88
LIABILITIES		
Interfund Payable		40.89
Payable to Student Groups		20,583.63
Payroll Deductions and Withholdings		464,354.36
Total Liabilities		484,978.88
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	330,075.85	

See Accompanying Notes to Financial Statements.

BOROUGH OF HALEDON SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Unemployment Compensation Trust Fund
ADDITIONS	
Contributions:	
Plan Member	23,424.94
Total Contributions	23,424.94
Investment Earnings:	
Interest	275.72
Net Investment Earnings	275.72
Total Additions	23,700.66
DEDUCTIONS	
Quarterly Contribution Reports	6,705.40
Unemployment Claims	34,444.77
Total Deductions	41,150.17
Change in Net Position	(17,449.51)
Net Position—Beginning of the Year	347,525.36
Net Position—End of the Year	330,075.85

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Borough of Haledon School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Haledon School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Haledon 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 more significant of the board’s accounting policies are described below.

A. Basis of Presentation:

The Board’s basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. 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. Revenues which are not classified as program revenues are presented as general revenues of the Board, 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 Board.

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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board 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 Board's governmental funds:

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

General Fund - The General Fund is the general operating fund of the Board. 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 noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board 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 that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all 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 sale of bonds, lease purchases and other revenues.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board 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 Board's Enterprise Fund is comprised of the Food Service program and the Summer Camp/After Care program.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

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 District-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.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Like the District-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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of 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 the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

E. 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.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned 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.

F. Cash, Cash Equivalents and Investments:

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

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

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

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

G. Tuition Receivable:

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets:

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 judgements, 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 due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions: (continued)

resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Q. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

R. Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

S. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

T. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

U. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

V. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

W. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

W. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$3,105,038.12 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

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

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2015, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Proprietary/ Enterprise Fund</u>	<u>District Wide Financial Statements</u>
Tax Levy	\$495,992.47	\$	\$495,992.47
State Aid	1,455,293.33	784.87	1,456,078.20
Federal Aid	209,984.71	31,991.92	241,976.63
Other		4,085.02	4,085.02
Interfunds	<u>1,145,229.22</u>	<u>8,731.36</u>	<u>40.89</u>
Gross Receivables	3,306,499.73	45,593.17	2,198,173.21
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$3,306,499.73</u></u>	<u><u>\$45,593.17</u></u>	<u><u>\$2,198,173.21</u></u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balance due to/from other funds at June 30, 2015, consist of the following:

\$40.89	Due to the General Fund from the Payroll Agency Fund for overage in transfer.
136,257.02	Due to the General Fund from the Special Revenue Fund for short term loan.
1,008,931.31	Due to the General Fund from the Capital Projects Fund for short term loan.
<u>8,731.36</u>	Due to the Enterprise Fund from the General Fund for Enterprise Fund federal and state aid deposited in General Fund and Enterprise Fund expenditures paid by General fund.
<u>\$1,153,960.58</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 6. CAPITAL ASSETS

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

	<u>Balance</u> <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/15</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,122,000.00			\$1,122,000.00
Construction in Progress	0.00	\$2,98102.20	\$	298,102.20
Total Capital Assets, Not Being Depreciated	<u>1,122,000.00</u>	<u>298,102.20</u>	<u></u>	<u>1,420,102.20</u>
Capital Assets Being Depreciated				
Land Improvements	375,742.01	14,800.00		390,542.01
Buildings and Improvements	11,032,077.19	1,467,959.19		12,500,036.38
Furniture, Equipment and Vehicles	<u>1,064,417.16</u>	<u>87,067.85</u>	<u>(58,283.06)</u>	<u>1,093,201.95</u>
Total Capital Assets, Being Depreciated	<u>12,472,236.36</u>	<u>1,569,827.04</u>	<u>(58,283.06)</u>	<u>13,983,780.34</u>
Less Accumulated Depreciation:				
Land Improvements	(223,296.74)	(8,251.01)		(231,547.75)
Buildings and Improvements	(4,054,757.65)	(299,986.16)		(4,354,743.81)
Furniture, Equipment and Vehicles	<u>(600,726.75)</u>	<u>(110,022.12)</u>	<u>58,283.06</u>	<u>(652,465.81)</u>
Total Accumulated Depreciation	<u>(4,878,781.14)</u>	<u>(418,259.29)</u>	<u>58,283.06</u>	<u>(5,238,757.37)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,593,455.22</u>	<u>1,151,567.75</u>	<u></u>	<u>8,745,022.97</u>
Governmental Activities Capital Assets, Net	<u>\$8,715,455.22</u>	<u>\$1,449,669.95</u>	<u></u>	<u>\$10,165,125.17</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 6. CAPITAL ASSETS, (continued)

	<u>Balance 6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/15</u>
Business-Type Activity				
Machinery and Equipment	\$362,230.62	\$	\$	\$362,230.62
Less Accumulated Depreciation for Machinery and Equipment	<u>(174,909.15)</u>	<u>(15,697.68)</u>	—	<u>(190,606.83)</u>
Business-Type Activity Capital Assets, Net	<u>\$187,321.47</u>	<u>(\$15,697.68)</u>	<u>\$0.00</u>	<u>\$171,623.79</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$54,005.36
School Administrative Services	33,146.17
Plant Operations and Maintenance	6,074.13
Pupil Transportation	8,837.50
Unallocated Depreciation	<u>316,196.13</u>
	<u>\$418,259.29</u>

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2015 were as follows:

	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
Compensated Absences Payable	\$136,624.41	\$13,382.48	(\$2,315.48)	\$147,691.41	\$
Net Pension Liability	2,950,885.00		(83,286.00)	2,867,599.00	
Capital Lease Payable	<u>37,491.26</u>		<u>(16,162.98)</u>	<u>21,328.28</u>	<u>16,959.42</u>
	<u>\$3,125,000.67</u>	<u>\$13,382.48</u>	<u>(\$101,764.46)</u>	<u>\$3,036,618.69</u>	<u>\$16,959.42</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)

A. Bonds Payable:

Bonds 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 Board are general obligation bonds.

As of June 30, 2014, the Board had no outstanding bonds payable.

B. Bonds Authorized But Not Issued:

As of June 30, 2014, the Board has no authorized but not issued bonds.

C. Capital Leases Payable:

The District is leasing copiers under a capital lease. The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payments at June 30, 2015.

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$16,959.42	\$656.58	\$17,616.00
2017	<u>4,368.86</u>	<u>35.14</u>	<u>4,404.00</u>
Total minimum lease payments	<u>\$21,328.28</u>	<u>\$691.72</u>	<u>\$22,020.00</u>

NOTE 8. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute,

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

The Board’s contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/15	\$126,264.00	\$2,282.45
6/30/14	116,337.00	1,263.54
6/30/13	119,815.00	

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/15	<u>Contributions</u> \$571,443.00	<u>Contributions</u> \$335,805.00	<u>Premium</u> \$24,160.00
6/30/14	437,967.00	245,449.00	21,665.00
6/30/13	471,146.00	395,841.00	20,827.00

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$531,520.79 during the year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

Legislation enacted during 1993 provides early retirement incentives for certain members of the TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1993 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board offered the early retirement incentive program (ERIP) to its employees for both PERS and TPAF.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$2,867,599.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.0153161340 percent, which was an increase of 0.0001238333 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$143,690.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$90,173.00	\$
Net difference between projected and actual earnings on pension plan investments		170,893.00
Changes in proportion and differences between District contributions and proportionate share of contributions		19,992.00
District contributions subsequent to the measurement date	<u>135,663.00</u>	<u> </u>
Total	<u>\$225,836.00</u>	<u>\$190,885.00</u>

The \$135,663.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(26,147.00)
2017	(26,147.00)
2018	(26,147.00)
2019	16,576.00
Thereafter	7,293.00

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	\$19,111,986,911
District's Proportion	0.0153161340%	0.0154399673%

Actuarial Assumptions

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

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

Mortality Rates

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

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

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2014</u>		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	\$3,607,537.00	\$2,867,599.00	\$2,246,239.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>33,746,960.00</u>
	<u>\$33,746,960.00</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was 0.0631412808%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$1,815,903.00 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding 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 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 10. DEFERRED COMPENSATION

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

Equitable

Lincoln Investment Planning

VALIC

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the Suburban Essex Joint Insurance Fund (the "Fund"). The Fund provides its members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Funds are available at the office of the Fund's administrator, PERMA, 9 Campus Drive, Suite 16, Parsippany, NJ 07054.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 11. RISK MANAGEMENT, (continued)

employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	District Contributions/ Interest <u>Earnings</u>	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$275.72	\$23,424.94	\$41,150.17	\$330,075.85
2013-2014	284.43	21,036.04	47,105.54	347,525.36
2012-2013	70.68	19,970.70	10,980.11	373,310.43

NOTE 12. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$3,119,449.70 General Fund fund balance at June 30, 2015, \$119,638.75 is reserved for encumbrances; \$304,509.17 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$204,509.82 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2016); \$2,387,164.54 has been reserved in the Capital Reserve Account; \$405,510.95 has been reserved in the Maintenance Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$52,666.18 has been appropriated and included as anticipated revenue for the year ended June 30, 2016; and \$(400,039.89) is unreserved and undesignated.

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance -- Excess Surplus is 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 at June 30, 2015 is \$304,509.17. Of this amount, \$99,999.35 is the result of the current year's operations and \$204,509.82 is the result of operations for the year ended June 30, 2014.

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Haledon School District by inclusion of \$1.00 on October 3, 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.

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 14. CAPITAL RESERVE ACCOUNT, (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *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.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014		\$2,260,985.81
Interest earnings	\$196.39	
Deposits - Board resolution - June	<u>170,500.00</u>	<u>170,696.39</u>
		2,431,682.20
Withdrawals:		
Budgeted Withdrawal		<u>44,517.55</u>
Ending balance, June 30, 2015		<u><u>\$2,387,164.65</u></u>

The balance in the capital reserve account at June 30, 2015 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP.

NOTE 15. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board of Education resolution adopted June 24, 2008. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (*N.J.S.A. 18A:7G-9*). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal years is as follows:

Beginning balance, July 1, 2014	\$405,405.95
Interest earnings	<u>105.00</u>
Ending balance, June 30, 2015	<u><u>\$405,510.95</u></u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 16. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

Beginning balance, July 1, 2014	<u>\$250,000.00</u>
Ending balance, June 30, 2015	<u>\$250,000.00</u>

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$1,636.55
Supplies	<u>986.03</u>
	<u>\$2,622.58</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. RESTATEMENT

Net position for June 30, 2014 was restated in the amount of \$2,950,885.00 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$12,206,317.30
Prior Period Adjustment for Net Pension Liability	<u>(2,950,885.00)</u>
Net Position at June 30, 2014 - Restated	<u>\$9,255,432.30</u>

**Borough of Haledon School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 19. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 20. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through December 4, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	5,951,909.00		5,951,909.00	5,951,909.00	
Interest Earned on Maintenance Reserve Funds				105.00	105.00
Interest Earned on Capital Reserve Funds	99.00		99.00	196.39	97.39
Interest on Investments	1,026.00		1,026.00	744.25	(281.75)
Miscellaneous	25,000.00	14,517.86	39,517.86	69,549.96	30,032.10
Total - Local Sources	<u>5,978,034.00</u>	<u>14,517.86</u>	<u>5,992,551.86</u>	<u>6,022,504.60</u>	<u>29,952.74</u>
State Sources:					
Categorical Special Education Aid	591,508.00		591,508.00	591,508.00	
Equalization Aid	5,946,133.00		5,946,133.00	5,946,133.00	
Categorical Security Aid	103,930.00		103,930.00	103,930.00	
Categorical Transportation Aid	8,972.00		8,972.00	8,972.00	
Under Adequacy Aid	135,963.00		135,963.00	135,963.00	
Per Pupil Growth Aid	9,830.00		9,830.00	9,830.00	
PARCC Readiness	9,830.00		9,830.00	9,830.00	
Extraordinary Aid				15,642.00	15,642.00
Other State Aid - Reimburse Nonpublic School Transportation				9,918.00	9,918.00
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				335,805.00	335,805.00
On-behalf TPAF NCGI Premium (non-budgeted)				24,160.00	24,160.00
On-behalf TPAF Post Retirement Medical (non-budgeted)				571,443.00	571,443.00
TPAF Social Security (Reimbursed - Non-Budgeted)				531,520.79	531,520.79
Total - State Sources	<u>6,806,166.00</u>		<u>6,806,166.00</u>	<u>8,294,654.79</u>	<u>1,488,488.79</u>
Federal Sources:					
Medicaid Reimbursement	22,653.00		22,653.00	40,940.99	18,287.99
ARRA - SEMI				7,119.42	7,119.42
Total - Federal Sources	<u>22,653.00</u>		<u>22,653.00</u>	<u>48,060.41</u>	<u>25,407.41</u>
TOTAL REVENUES	<u>12,806,853.00</u>	<u>14,517.86</u>	<u>12,821,370.86</u>	<u>14,365,219.80</u>	<u>1,543,848.94</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	363,572.00	50,295.38	413,867.38	411,931.08	1,936.30
Grades 1-5 - Salaries of Teachers	2,253,216.00	141,404.37	2,394,620.37	2,394,345.27	275.10
Grades 6-8 - Salaries of Teachers	1,439,377.00	(48,480.30)	1,390,896.70	1,389,895.78	1,000.92
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000.00		8,000.00	7,379.90	620.10
Purchased Professional-Educational Services	1,750.00	(1,700.00)	50.00		50.00
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	62,900.00		62,900.00	62,327.00	573.00
Purchased Technical Services	30,000.00	1,000.00	31,000.00	30,829.00	171.00
General Supplies	186,621.67	(18,100.00)	168,521.67	160,367.65	8,154.02
Textbooks	57,900.00	10,400.00	68,300.00	67,882.70	417.30
Other Objects	20,000.00	(13,295.38)	6,704.62	6,439.75	264.87
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,423,336.67</u>	<u>121,524.07</u>	<u>4,544,860.74</u>	<u>4,531,398.13</u>	<u>13,462.61</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	260,189.00		260,189.00	259,940.00	249.00
Other Salaries for Instruction	76,518.00		76,518.00	72,141.50	4,376.50
General Supplies	1,639.80		1,639.80	1,416.20	223.60
Textbooks	1,000.00		1,000.00		1,000.00
Total Learning and/or Language Disabilities	<u>339,346.80</u>		<u>339,346.80</u>	<u>333,497.70</u>	<u>5,849.10</u>
Behavioral Disabilities:					
Salaries of Teachers	125,992.00	2,088.00	128,080.00	128,080.00	
Other Salaries for Instruction	26,753.00		26,753.00	25,110.14	1,642.86
General Supplies	1,652.89	0.00	1,652.89	1,379.53	273.36
Textbooks	500.00		500.00		500.00
Total Behavioral Disabilities	<u>154,897.89</u>	<u>2,088.00</u>	<u>156,985.89</u>	<u>154,569.67</u>	<u>2,416.22</u>
Resource Room/Resource Center:					
Salaries of Teachers	625,749.00	(96,600.00)	529,149.00	529,024.00	125.00
Other Salaries for Instruction	10,200.00	4,300.00	14,500.00	14,464.70	35.30
General Supplies	4,412.53		4,412.53	4,266.54	145.99
Textbooks	912.74	(200.00)	712.74	62.74	650.00
Total Resource Room/Resource Center	<u>641,274.27</u>	<u>(92,500.00)</u>	<u>548,774.27</u>	<u>547,817.98</u>	<u>956.29</u>
Autism:					
Salaries of Teachers	123,307.00		123,307.00	117,954.66	5,352.34
Other Salaries for Instruction	84,417.00	12,000.00	96,417.00	96,116.70	300.30
General Supplies	1,270.24		1,270.24	1,055.57	214.67
Textbooks	800.00		800.00		800.00
Other Objects	250.00		250.00		250.00
Total Autism	<u>210,044.24</u>	<u>12,000.00</u>	<u>222,044.24</u>	<u>215,126.93</u>	<u>6,917.31</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	87,649.00	(26,729.00)	60,920.00	48,678.50	12,241.50
Other Salaries for Instruction	14,984.00	18,751.57	33,735.57	33,735.57	
General Supplies	2,000.00	125.00	2,125.00	2,011.97	113.03
Total Preschool Disabilities - Part-Time	<u>104,633.00</u>	<u>(7,852.43)</u>	<u>96,780.57</u>	<u>84,426.04</u>	<u>12,354.53</u>
Home Instruction:					
Salaries of Teachers	7,000.00	15,000.00	22,000.00	18,321.55	3,678.45
Purchased Professional-Educational Services	1,700.00	(810.00)	890.00	437.25	452.75
Total Home Instruction	<u>8,700.00</u>	<u>14,190.00</u>	<u>22,890.00</u>	<u>18,758.80</u>	<u>4,131.20</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,458,896.20</u>	<u>(72,074.43)</u>	<u>1,386,821.77</u>	<u>1,354,197.12</u>	<u>32,624.65</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	284,408.00	70,376.10	354,784.10	354,784.10	
General Supplies		1,200.00	1,200.00	1,122.41	77.59
Textbooks	1,300.00	(1,000.00)	300.00		300.00
Total Basic Skills/Remedial - Instruction	<u>285,708.00</u>	<u>70,576.10</u>	<u>356,284.10</u>	<u>355,906.51</u>	<u>377.59</u>
Bilingual Education - Instruction					
Salaries of Teachers	232,816.00		232,816.00	226,010.00	6,806.00
General Supplies	1,000.00		1,000.00	682.20	317.80
Textbooks	500.00	(200.00)	300.00		300.00
Total Bilingual Education - Instruction	<u>234,316.00</u>	<u>(200.00)</u>	<u>234,116.00</u>	<u>226,692.20</u>	<u>7,423.80</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	55,250.00	11,771.08	67,021.08	67,021.08	
Supplies and Materials	6,525.00	(2,142.08)	4,382.92	4,381.53	1.39
Other Objects		85.00	85.00	85.00	
Total School-Sponsored Cocurricular Activities - Instruction	<u>61,775.00</u>	<u>9,714.00</u>	<u>71,489.00</u>	<u>71,487.61</u>	<u>1.39</u>
School-Sponsored Athletics - Instruction					
Salaries	15,300.00	(2,800.00)	12,500.00	12,500.00	
Purchased Services (300-500 series)	10,000.00		10,000.00	10,000.00	
Supplies and Materials	5,000.00		5,000.00	5,000.00	
Total Other Instructional Programs - Instruction	<u>30,300.00</u>	<u>(2,800.00)</u>	<u>27,500.00</u>	<u>27,500.00</u>	
TOTAL INSTRUCTION	<u>6,494,331.87</u>	<u>126,739.74</u>	<u>6,621,071.61</u>	<u>6,567,181.57</u>	<u>53,890.04</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		6,793.00	6,793.00		6,793.00
Tuition to Private Schools for the Disabled - Within State	162,340.00	(30,843.00)	131,497.00	131,496.05	0.95
Tuition - Other		64,263.00	64,263.00	20,336.00	43,927.00
Total Undistributed Expenditures - Instruction:	<u>162,340.00</u>	<u>40,213.00</u>	<u>202,553.00</u>	<u>151,832.05</u>	<u>50,720.95</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	45,286.00		45,286.00	44,450.88	835.12
Supplies and Materials	1,345.00		1,345.00	844.25	500.75
Total Undistributed Expend. - Attend. & Social Work	<u>46,631.00</u>		<u>46,631.00</u>	<u>45,295.13</u>	<u>1,335.87</u>
Undist. Expend. - Health Services					
Salaries	140,954.00	(7,380.06)	133,573.94	120,648.50	12,925.44
Purchased Professional and Technical Services	16,783.00		16,783.00	16,334.50	448.50
Supplies and Materials	9,000.00		9,000.00	4,977.05	4,022.95
Other Objects	800.00		800.00	291.55	508.45
Total Undistributed Expenditures - Health Services	<u>167,537.00</u>	<u>(7,380.06)</u>	<u>160,156.94</u>	<u>142,251.60</u>	<u>17,905.34</u>
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	330,732.00		330,732.00	326,464.74	4,267.26
Purchased Professional - Educational Services	118,840.00	(37,515.67)	81,324.33	70,571.80	10,752.53
Supplies and Materials	600.00	1,000.00	1,600.00	1,148.80	451.20
Total Undist. Expend. - Speech, OT, PT, & Related Services	<u>450,172.00</u>	<u>(36,515.67)</u>	<u>413,656.33</u>	<u>398,185.34</u>	<u>15,470.99</u>
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	93,631.00		93,631.00	85,461.60	8,169.40
Other Purchased Prof. and Tech. Services	10,000.00		10,000.00		10,000.00
Supplies and Materials	35,717.00	(18,700.00)	17,017.00	2,715.77	14,301.23
Other Objects		2,300.00	2,300.00	800.00	1,500.00
Total Undist. Expenditures - Guidance	<u>139,348.00</u>	<u>(16,400.00)</u>	<u>122,948.00</u>	<u>88,977.37</u>	<u>33,970.63</u>
Undist. Expend. - Child Study Team					
Salaries of Administration		61,945.42	61,945.42	56,173.78	5,771.64
Salaries of Other Professional Staff	338,888.00	6,054.58	344,942.58	344,942.58	
Salaries of Secretarial and Clerical Assistants	51,248.00		51,248.00	51,247.92	0.08
Purchased Professional - Educational Services	77,424.00	(71,402.50)	6,021.50	5,633.50	388.00
Other Purchased Prof. and Tech. Services	647.50	1,902.50	2,550.00	1,923.70	626.30
Supplies and Materials	3,500.00	(500.00)	3,000.00	2,416.50	583.50
Other Objects	500.00		500.00	150.00	350.00
Total Undist. Expend. - Child Study Team	<u>472,207.50</u>	<u>(2,000.00)</u>	<u>470,207.50</u>	<u>462,487.98</u>	<u>7,719.52</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	33,500.00	(3,400.00)	30,100.00	27,065.61	3,034.39
Supplies and Materials	130.00		130.00		130.00
Total Undist. Expend. - Improvement of Inst. Services	<u>33,630.00</u>	<u>(3,400.00)</u>	<u>30,230.00</u>	<u>27,065.61</u>	<u>3,164.39</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	83,605.00	1,305.00	84,910.00	84,910.00	
Supplies and Materials	19,628.63	(1,080.00)	18,548.63	18,275.26	273.37
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>103,233.63</u>	<u>225.00</u>	<u>103,458.63</u>	<u>103,185.26</u>	<u>273.37</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services		3,021.26	3,021.26	2,550.00	471.26
Other Purchased Services (400-500 series)	13,000.00	1,833.74	14,833.74	14,061.78	771.96
Supplies and Materials	455.00	(455.00)			
Total Undist. Expend. - Instructional Staff Training Serv.	13,455.00	4,400.00	17,855.00	16,611.78	1,243.22
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	56,138.00		56,138.00	56,137.92	0.08
Legal Services	30,000.00		30,000.00	27,100.09	2,899.91
Audit Fees	21,420.00	(2,370.00)	19,050.00	19,050.00	
Other Purchased Professional Services	133,000.00	14,959.80	147,959.80	121,696.57	26,263.23
Communications/Telephone	35,000.00	30,217.86	65,217.86	60,266.00	4,951.86
BOE Other Purchased Services	2,500.00	900.00	3,400.00	3,189.68	210.32
Other Purchased Services (400-500 series)	23,400.00	7,320.00	30,720.00	5,308.50	25,411.50
General Supplies	1,200.00	(1,150.00)	50.00	25,317.23	(25,267.23)
Miscellaneous Expenditures	3,000.00	(2,370.00)	630.00	397.88	232.12
BOE Membership Dues and Fees	10,500.00	(4,630.00)	5,870.00	5,852.95	17.05
Total Undist. Expend. - Supp. Serv. - General Administration	316,158.00	42,877.66	359,035.66	324,316.82	34,718.84
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	348,173.00	(5,000.00)	343,173.00	333,266.60	9,906.40
Salaries of Secretarial and Clerical Assistants	102,072.00		102,072.00	102,072.00	
Other Purchased Services (400-500 series)	10,311.70	(6,200.00)	4,111.70	4,015.56	96.14
Supplies and Materials	20,245.43	(5,855.00)	14,390.43	12,487.06	1,903.37
Other Objects	5,000.00	5,255.00	10,255.00	10,221.45	33.55
Total Undist. Expend. - Support Serv. - School Administration	485,802.13	(11,800.00)	474,002.13	462,062.67	11,939.46
Undist. Expend. - Central Services					
Salaries	47,755.00	815.06	48,570.06	48,570.06	
Purchased Professional Services	160,000.00	(550.00)	159,450.00	159,444.00	6.00
Purchased Technical Services	400.00	40.00	440.00	430.14	9.86
Misc. Purchased Services (400-500 series)	9,500.00	(3,350.00)	6,150.00	6,079.92	70.08
Supplies and Materials	6,500.00	1,755.00	8,255.00	7,930.43	324.57
Miscellaneous Expenditures	650.00	(155.00)	495.00	495.00	
Total Undist. Expend. - Central Services	224,805.00	(1,444.94)	223,360.06	222,949.55	410.51
Undist. Expend. - Admin. Info. Tech					
Purchased Technical Services	172,000.00	(6,665.55)	165,334.45	165,253.98	80.47
Other Purchased Services (400-500 series)	2,500.00	(300.00)	2,200.00	2,199.44	0.56
Supplies and Materials	36,000.00	14,515.55	50,515.55	50,491.39	24.16
Other Objects	250.00	(250.00)			
Total Undist. Expend. - Admin. Info. Tech	210,750.00	7,300.00	218,050.00	217,944.81	105.19
Undist. Expend. - Required Maint. for School Facilities					
Salaries	71,905.00	1,748.37	73,653.37	73,478.19	175.18
Cleaning, Repair and Maintenance Services	176,642.00	(60,948.37)	115,693.63	101,981.79	13,711.84
General Supplies	36,746.55	(10,224.07)	26,522.48	23,476.01	3,046.47
Undist. Expend. - Required Maint. for School Facilities	285,293.55	(69,424.07)	215,869.48	198,935.99	16,933.49
Undist. Expend. - Custodial Services					
Salaries	233,253.00	(5,000.00)	228,253.00	218,657.94	9,595.06
Purchased Professional and Technical Services	850.00		850.00	850.00	
Cleaning, Repair and Maintenance Services	77,000.00	(14,770.00)	62,230.00	60,617.34	1,612.66
Other Purchased Property Services	7,000.00	1,270.00	8,270.00	8,269.86	0.14
Insurance	97,158.00	(12,059.80)	85,098.20	84,785.43	312.77
General Supplies	75,575.00		75,575.00	68,250.43	7,324.57
Energy (Energy and Electricity)	175,750.00	(31,474.18)	144,275.82	129,035.77	15,240.05
Other Objects	1,400.00		1,400.00	166.00	1,234.00
Energy (Natural Gas)	42,500.00	5,000.00	47,500.00	42,938.03	4,561.97
Total Undist. Expend. - Custodial Services	710,486.00	(57,033.98)	653,452.02	612,720.80	40,731.22
Undist. Expend. - Security					
Purchased Professional and Technical Services	28,500.00	3,400.00	31,900.00	31,857.96	42.04
General Supplies	5,000.00	35,574.18	40,574.18	35,574.18	5,000.00
Total Undist. Expend. - Security	33,500.00	38,974.18	72,474.18	67,432.14	5,042.04
Total Undist. Expend. - Oper & Maint. Of Plant	1,029,279.55	(87,483.87)	941,795.68	879,088.93	62,706.75
Undist. Expend. - Student Transportation Services					
Salaries for Pupil Trans (Between Home and School)-Regular	59,314.00		59,314.00	57,027.98	2,286.02
Cleaning, Repair and Maintenance Services	7,834.00	3,200.00	11,034.00	10,885.50	148.50
Contracted Services (Other than Bet Home and School)-Vendors	17,000.00	879.00	17,879.00	17,612.74	266.26
Contracted Services (Special Ed. Students)-ESCs & CTSAs	85,000.00	(6,379.00)	78,621.00	72,505.73	6,115.27
Contracted Services - Aid in Lieu Payments	55,500.00	(1,200.00)	54,300.00	53,040.00	1,260.00
General Supplies	10,750.00	(1,500.00)	9,250.00	5,943.24	3,306.76
Total Undist. Expend. - Student Transportation Services	235,398.00	(5,000.00)	230,398.00	217,015.19	13,382.81
UNALLOCATED BENEFITS					
Social Security Contributions	167,000.00	(16,200.00)	150,800.00	150,470.78	329.22
Other Retirement Contributions - PERS	138,830.00	(12,566.00)	126,264.00	126,264.00	
Other Retirement Contributions - Regular	5,000.00		5,000.00	2,282.45	2,717.55
Workmen's Compensation	97,158.00	(34,476.00)	62,682.00	62,537.97	144.03
Health Benefits	2,011,000.00	28,428.87	2,039,428.87	2,026,800.83	12,628.04
Tuition Reimbursement	27,000.00	(999.87)	26,000.13	26,000.13	
Other Employee Benefits	6,000.00		6,000.00	1,500.00	4,500.00
TOTAL UNALLOCATED BENEFITS	2,451,988.00	(35,813.00)	2,416,175.00	2,395,856.16	20,318.84

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-behalf Teachers Pension and Annuity Fund (non-budgeted)				335,805.00	(335,805.00)
On-behalf TPAF NCGI Premium (non-budgeted)				24,160.00	(24,160.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)				571,443.00	(571,443.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				531,520.79	(531,520.79)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>1,462,928.79</u>	<u>(1,462,928.79)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,451,988.00	(35,813.00)	2,416,175.00	3,858,784.95	(1,442,609.95)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>6,542,734.81</u>	<u>(112,221.88)</u>	<u>6,430,512.93</u>	<u>7,618,055.04</u>	<u>(1,187,542.11)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>13,037,066.68</u>	<u>14,517.86</u>	<u>13,051,584.54</u>	<u>14,185,236.61</u>	<u>(1,133,652.07)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5					
Support Services:					
Undist. Expend.-Support Serv. - Admin Info Tech.	41,406.79	(8,364.44)	33,042.35	33,042.35	
Undistributed Expenditures - Oper. & Maint. of Plant Services		21,334.84	21,334.84	21,334.84	
Total Equipment	<u>41,406.79</u>	<u>12,970.40</u>	<u>54,377.19</u>	<u>54,377.19</u>	
Facilities Acquisition and Construction Services					
Construction Services	64,799.99	(15,952.74)	48,847.25	44,517.66	4,329.59
Assessment for Debt Service on SDA Funding	5,453.00		5,453.00	5,453.00	
Total Facilities Acquisition and Construction Services	<u>70,252.99</u>	<u>(15,952.74)</u>	<u>54,300.25</u>	<u>49,970.66</u>	<u>4,329.59</u>
TOTAL CAPITAL OUTLAY	<u>111,659.78</u>	<u>(2,982.34)</u>	<u>108,677.44</u>	<u>104,347.85</u>	<u>4,329.59</u>
TOTAL EXPENDITURES	<u>13,148,726.46</u>	<u>11,535.52</u>	<u>13,160,261.98</u>	<u>14,289,584.46</u>	<u>(1,129,322.48)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(341,873.46)</u>	<u>2,982.34</u>	<u>(338,891.12)</u>	<u>75,635.34</u>	<u>414,526.46</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(341,873.46)</u>	<u>2,982.34</u>	<u>(338,891.12)</u>	<u>75,635.34</u>	<u>414,526.46</u>
Fund Balance, July 1	3,725,947.36		3,725,947.36	3,725,947.36	
Fund Balance, June 30	<u>3,384,073.90</u>	<u>2,982.34</u>	<u>3,387,056.24</u>	<u>3,801,582.70</u>	<u>414,526.46</u>
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for Prior Year Encumbrances	(52,424.46)		(52,424.46)	(52,424.46)	
Increase in Capital Reserve					
Principal				170,500.00	170,500.00
Interest	99.00		99.00	196.39	97.39
Withdrawal From Capital Reserve	(47,500.00)	2,982.34	(44,517.66)	(44,517.66)	
Increase in Maintenance Reserve					
Interest				105.00	105.00
Budgeted Fund Balance	(242,048.00)		(242,048.00)	1,776.07	243,824.07
Total	<u>(341,873.46)</u>	<u>2,982.34</u>	<u>(338,891.12)</u>	<u>75,635.34</u>	<u>414,526.46</u>
Recapitulation:					
Restricted Fund Balance					
Reserve for Excess Surplus - Current Year				99,999.35	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				204,509.82	
Capital Reserve				2,387,164.54	
Maintenance Reserve				405,510.95	
Emergency Reserve				250,000.00	
Assigned Fund Balance:					
Year-end Encumbrances				119,638.75	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				52,666.18	
Unassigned Fund Balance:					
Unrestricted Fund Balance - Undesignated				<u>282,093.11</u>	
				<u>3,801,582.70</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(682,133.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>3,119,449.70</u>	

BOROUGH OF HALEDON SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	454,230.00	1,785.38	456,015.38	428,184.89	(27,830.49)
Federal Sources	823,250.00	293,285.00	1,116,535.00	786,077.71	(330,457.29)
Total Revenues	1,277,480.00	295,070.38	1,572,550.38	1,214,262.60	(358,287.78)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	925,933.00	(165,739.82)	760,193.18	706,385.90	53,807.28
Other Salaries for Instruction	20,930.00	66,661.40	87,591.40	85,263.35	2,328.05
Purchased Professional and Technical Services	135,000.00	20,000.00	20,000.00	1,600.00	18,400.00
Other Purchased Services (400-500 series)	47,336.00	102,587.67	237,587.67	152,405.00	85,182.67
General Supplies	1,129,199.00	51,520.93	98,856.93	49,734.35	49,122.58
Total Instruction	1,129,199.00	75,030.18	1,204,229.18	995,388.60	208,840.58
Support Services:					
Salaries of Other Professional Staff		13,593.00	13,593.00	401.83	13,191.17
Other Salaries	36,992.00	(14,537.00)	22,455.00	7,892.99	14,562.01
Personal Services - Employee Benefits	88,026.00	9,996.31	98,022.31	71,398.84	26,623.47
Purchased Professional & Technical Services	2,700.00	23,122.89	25,822.89	10,485.02	15,337.87
Purchased Professional - Educational Services	4,940.00	74,400.00	79,340.00	43,095.68	36,244.32
Other Purchased Services (400-500 series)	926.00	22,243.00	23,169.00	24.17	23,144.83
Supplies & Materials	14,697.00	73,222.00	87,919.00	82,602.47	5,316.53
Total Support Services	148,281.00	202,040.20	350,321.20	215,901.00	134,420.20
Facilities Acquisition and Const. Serv.:					
Instructional Equipment		18,000.00	18,000.00		18,000.00
Total Facilities Acquisition and Const. Serv.		18,000.00	18,000.00	2,973.00	15,027.00
Total Expenditures	1,277,480.00	295,070.38	1,572,550.38	1,214,262.60	358,287.78
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

BOROUGH OF HALEDON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Year Ended June 30, 2015

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	14,365,219.80	1,214,262.60
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			10,951.60
Less Current Year Encumbrances			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33). State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(682,133.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		678,141.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	14,361,227.80	1,225,214.20
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	14,289,584.46	1,214,262.60
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			10,951.60
Less Current Year Encumbrances			
Pension expense recognized for GAAP but not for budgetary purposes.		N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	14,289,584.46	1,225,214.20

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.0153161340%
District's proportionate share of the net pension liability (asset)	\$ 2,867,599
District's covered payroll - PERS	\$ 1,060,629
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.37%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

	<u>2015</u>
Contractually required contribution	\$ 126,264.00
Contributions in relation to the contractually required contribution	<u>\$ (126,264.00)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll - PERS	\$ 1,060,629
Contributions as a percentage of covered payroll	11.90%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.0631412808%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 33,746,960
District's covered payroll - TPAF	\$ 7,392,155
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BOROUGH OF HALEDON SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

SPECIAL REVENUE FUND

BOROUGH OF HALEDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	Total	Title I Part - A Improving Basic Programs	Title II Part - A Teacher/Principal Training & Recruiting	Title III English Language Enhancement	Race To The Top	Totals 2015
REVENUES						
State Sources	428,184.89					428,184.89
Federal Sources	236,244.02	488,099.74	32,932.35	18,316.58	10,485.02	786,077.71
Total Revenues	664,428.91	488,099.74	32,932.35	18,316.58	10,485.02	1,214,262.60
EXPENDITURES:						
Instruction:						
Salaries of Teachers	382,229.01	281,254.24	27,062.65	15,840.00		706,385.90
Other Salaries for Instruction	85,263.35	1,600.00				85,263.35
Purchased Professional and Technical Services	152,405.00					1,600.00
Other Purchased Services (400-500 series)	23,036.42	24,221.35		2,476.58		152,405.00
General Supplies	642,933.78	307,075.59	27,062.65	18,316.58		49,734.35
Total Instruction						995,388.60
Support Services:						
Salaries of Other Professional Staff	401.83					401.83
Other Salaries	7,892.99					7,892.99
Personal Services - Employee Benefits	10,227.31	55,326.00	5,845.53			71,398.84
Purchased Professional & Technical Services					10,485.02	10,485.02
Purchased Professional - Educational Services		43,095.68				43,095.68
Other Purchased Services (400-500 series)		82,602.47	24.17			24.17
Supplies & Materials		181,024.15	5,869.70			82,602.47
Total Support Services	18,522.13	181,024.15	5,869.70		10,485.02	215,901.00
Facilities Acquisition and Const. Serv.:						
Instructional Equipment	2,973.00					2,973.00
Total Facilities Acquisition and Const. Serv.	2,973.00					2,973.00
Total Expenditures	664,428.91	488,099.74	32,932.35	18,316.58	10,485.02	1,214,262.60
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

BOROUGH OF HALEDON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	I.D.E.A. Part B		Preschool Education Aid	Total Carried Forward
	Basic	Preschool		
REVENUES				
State Sources	222,038.46	14,205.56	428,184.89	428,184.89
Federal Sources				236,244.02
Total Revenues	222,038.46	14,205.56	428,184.89	664,428.91
EXPENDITURES:				
Instruction:				
Salaries of Teachers	41,264.88	6,083.78	334,880.35	382,229.01
Other Salaries for Instruction	11,410.70		73,852.65	85,263.35
Purchased Professional and Technical Services	152,405.00			152,405.00
Other Purchased Services (400-500 series)	5,071.67	6,807.68	11,157.07	23,036.42
General Supplies	210,152.25	12,891.46	419,890.07	642,933.78
Total Instruction				
Support services:				
Salaries of Other Professional Staff			401.83	401.83
Other Salaries			7,892.99	7,892.99
Personal Services - Employee Benefits	8,913.21	1,314.10		10,227.31
Purchased Professional & Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services (400-500 series)				
Supplies & Materials				
Total Support Services	8,913.21	1,314.10	8,294.82	18,522.13
Facilities Acquisition and Const. Serv.:				
Instructional Equipment	2,973.00			2,973.00
Total Facilities Acquisition and Const. Serv.	2,973.00			2,973.00
Total Expenditures	222,038.46	14,205.56	428,184.89	664,428.91
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				

BOROUGH OF HALEDON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2015

District-wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	334,880.35	334,880.35	
Other Salaries for Instruction	76,136.90	73,852.65	2,284.25
General Supplies	14,150.13	11,157.07	2,993.06
Total instruction	425,167.38	419,890.07	5,277.31
Support services:			
Salaries of Other Professional Staff	8,393.00	401.83	7,991.17
Other Salaries	22,455.00	7,892.99	14,562.01
Total support services	30,848.00	8,294.82	22,553.18
Total expenditures	456,015.38	428,184.89	27,830.49

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2014-15 Preschool Education Aid Allocation	454,230.00
Actual Preschool Carryover (June 30, 2014)	1,785.38
Total Preschool Education Aid Funds Available for 2014-15 Budget	456,015.38
Less: 2014-15 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(456,015.38)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	
Add: 2014-15 Unexpended Preschool Education Aid	27,830.49
2014-15 Actual Carryover - Preschool Education Aid	27,830.49
2014-15 Preschool Education Aid Carryover Budgeted in 2015-16	

CAPITAL PROJECTS FUND

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

Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	28,176.62
Construction Services	<u>1,737,884.77</u>
Total Expenditures	<u>1,766,061.39</u>
Excess (deficiency) or Revenues over (under) Expenditures	(1,766,061.39)
Fund balance - beginning	<u>2,022,389.88</u>
Fund balance - ending	<u><u>256,328.49</u></u>
<u>Recapitulation:</u>	
Unrestricted Fund Balance	256,328.49
Reconciliation to Governmental Funds Statements (GAAP):	
EFCFA Grant Receivable not Recognized on GAAP Basis	<u>(178,159.03)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>78,169.46</u></u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Haledon Public School Boiler Replacement
From Inception and For the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	347,414.00		347,414.00	347,414.00
Transfer from Capital Reserve	152,586.00		152,586.00	152,586.00
Total Revenues	<u>500,000.00</u>		<u>500,000.00</u>	<u>500,000.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	41,049.62	6,436.76	47,486.38	91,320.00
Construction Services	53,900.00	354,780.00	408,680.00	408,680.00
Total Expenditures	<u>94,949.62</u>	<u>361,216.76</u>	<u>456,166.38</u>	<u>500,000.00</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>405,050.38</u>	<u>(361,216.76)</u>	<u>43,833.62</u>	
Additional Project Information:				
Project Number	1920-015-14-1001			
Grant Date	1/6/2014			
Original Authorized Cost	500,000.00			
Percentage Completion	91%			
Target completion date	July 2015			

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Haledon Public School - Replacement of Unit Ventilators
From Inception and For the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	555,862.00		555,862.00	555,862.00
Transfer from Capital Reserve	244,138.00		244,138.00	244,138.00
Total Revenues	<u>800,000.00</u>		<u>800,000.00</u>	<u>800,000.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	76,871.09	10,275.58	87,146.67	99,500.00
Construction Services	<u>76,871.09</u>	<u>700,500.00</u>	<u>700,500.00</u>	<u>700,500.00</u>
Total Expenditures	<u>76,871.09</u>	<u>710,775.58</u>	<u>787,646.67</u>	<u>800,000.00</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>723,128.91</u>	<u>(710,775.58)</u>	<u>12,353.33</u>	
Additional Project Information:				
Project Number	1920-015-14-1002			
Grant Date	1/6/2014			
Original Authorized Cost	800,000.00			
Percentage Completion	98%			
Target completion date	July 2015			

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Haledon Public School Roof Replacement
From Inception and For the Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EFCFA Grant	660,086.00		660,086.00	660,086.00
Transfer from Capital Outlay	289,914.00		289,914.00	289,914.00
Total Revenues	<u>950,000.00</u>		<u>950,000.00</u>	<u>950,000.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	55,789.41	11,464.28	67,253.69	194,000.00
Construction Services		682,604.77	682,604.77	756,000.00
Total Expenditures	<u>55,789.41</u>	<u>694,069.05</u>	<u>749,858.46</u>	<u>950,000.00</u>
Excess (deficiency) or Revenues over (under) Expenditures	<u>894,210.59</u>	<u>(694,069.05)</u>	<u>200,141.54</u>	
Additional Project Information:				
Project Number	1920-015-14-1004			
Grant Date	1/6/2014			
Original Authorized Cost	950,000.00			
Percentage Completion	78.93%			
Target completion date	July 2015			

BOROUGH OF HALEDON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2015

Project Title/Issue	Project Number	Revised Appropriations	Expenditures to Date		Unexpended Balance June 30, 2015
			Prior Years	Current Year	
Haledon Public School - Boiler Replacement	SP# 1920-015-14-1001	500,000.00	94,949.62	361,216.76	43,833.62
Haledon Public School - Replacement of Unit Ventilators	SP# 1920-015-14-1002	800,000.00	76,871.09	710,775.58	12,353.33
Haledon Public School - Roof Replacement	SP# 1920-015-14-1004	950,000.00	55,789.41	694,069.05	200,141.54
		<u>2,250,000.00</u>	<u>227,610.12</u>	<u>1,766,061.39</u>	<u>256,328.49</u>

PROPRIETARY FUNDS

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	<u>Food Service Program</u>	<u>After Care/ Summer Camp Program</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	210,415.56	169,222.03	379,637.59
Accounts Receivable:			
State	784.87		784.87
Federal	29,687.72	2,304.20	31,991.92
Other	2,018.05	2,066.97	4,085.02
Interfunds Receivable	8,731.36		8,731.36
Inventories	2,622.58		2,622.58
Total Current Assets	<u>254,260.14</u>	<u>173,593.20</u>	<u>427,853.34</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	362,230.62		362,230.62
Less Accumulated Depreciation	<u>(190,606.83)</u>		<u>(190,606.83)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>171,623.79</u>		<u>171,623.79</u>
Total Assets	<u><u>425,883.93</u></u>	<u><u>173,593.20</u></u>	<u><u>599,477.13</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,206.10	982.43	6,188.53
Total Current Liabilities	<u>5,206.10</u>	<u>982.43</u>	<u>6,188.53</u>
Total Liabilities	<u>5,206.10</u>	<u>982.43</u>	<u>6,188.53</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	171,623.79		171,623.79
Unrestricted	249,054.04	172,610.77	421,664.81
Total Net Position	<u><u>420,677.83</u></u>	<u><u>172,610.77</u></u>	<u><u>593,288.60</u></u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2015

	Food Service Program	After Care / Summer Camp Program	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	89,344.96		89,344.96
Daily Sales - Non-Reimbursable Programs	14,930.54		14,930.54
Miscellaneous - Program Fees		238,254.18	238,254.18
Total Operating Revenues	<u>104,275.50</u>	<u>238,254.18</u>	<u>342,529.68</u>
Operating Expenses:			
Cost of Sales	244,660.44		244,660.44
Salaries	127,779.02	189,135.16	316,914.18
Supplies and Materials	22,550.19	14,256.42	36,806.61
Employee Benefits	26,922.28	13,475.00	40,397.28
Purchased Professional and Technical Services	11,358.55	525.00	11,883.55
Cleaning Repair & Maintenance	8,278.60		8,278.60
Utilities	8,155.04		8,155.04
Miscellaneous Expense	4,316.26	1,250.50	5,566.76
Depreciation	15,697.68		15,697.68
Total Operating Expenses	<u>469,718.06</u>	<u>218,642.08</u>	<u>688,360.14</u>
Operating Income (Loss)	<u>(365,442.56)</u>	<u>19,612.10</u>	<u>(345,830.46)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	7,137.92		7,137.92
Federal Sources:			
National School Lunch Program	313,326.30		313,326.30
School Breakfast Program	28,103.28		28,103.28
After School Snack Program		24,144.08	24,144.08
Summer Food Service Program	7,934.58		7,934.58
HHFKA Program	8,081.88		8,081.88
U.S.D.A. Commodities:			
Food Distribution Program	34,275.44		34,275.44
Interest and Investment Revenue	43.57		43.57
Total Nonoperating Revenues (Expenses)	<u>398,902.97</u>	<u>24,144.08</u>	<u>423,047.05</u>
Income (Loss) Before Contributions & Transfers	<u>33,460.41</u>	<u>43,756.18</u>	<u>77,216.59</u>
Transfers In (Out)			
Change in Net Position	<u>33,460.41</u>	<u>43,756.18</u>	<u>77,216.59</u>
Total Net Position—Beginning	<u>387,217.42</u>	<u>128,854.59</u>	<u>516,072.01</u>
Total Net Position—Ending	<u>420,677.83</u>	<u>172,610.77</u>	<u>593,288.60</u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015

	<u>Food Service Program</u>	<u>After Care / Summer Camp Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	104,275.50	236,187.21	340,462.71
Payments for Interfunds	(34,716.52)		(34,716.52)
Payments to Employees	(28,289.81)	(189,135.16)	(217,424.97)
Payments for Employee Benefits	(2,285.74)	(13,475.00)	(15,760.74)
Payments to Suppliers	(1,982.76)	(14,649.06)	(16,631.82)
Payments for Miscellaneous Expenses	(4,968.10)	(1,775.50)	(6,743.60)
Payments to Food Service Management Company	(429,252.50)		(429,252.50)
Net Cash Provided by (Used for) Operating Activities	<u>(397,219.93)</u>	<u>17,152.49</u>	<u>(380,067.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,558.81		6,558.81
Federal Sources	361,393.40	23,605.48	384,998.88
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>367,952.21</u>	<u>23,605.48</u>	<u>391,557.69</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	43.57		43.57
Net Cash Provided by (Used for) Investing Activities	<u>43.57</u>		<u>43.57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(29,224.15)	40,757.97	11,533.82
Balances—Beginning of Year	239,639.71	128,464.06	368,103.77
Balances—End of Year	<u>210,415.56</u>	<u>169,222.03</u>	<u>379,637.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	(365,442.56)	19,612.10	(345,830.46)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided			
(Used for) Operating Activities			
Depreciation and Net Amortization	15,697.68		15,697.68
Food Distribution Program Donated Commodities	34,275.44		34,275.44
(Increase) Decrease in Accounts Receivable, Net	(2,467.75)	(2,066.97)	(4,534.72)
(Increase) Decrease in Inventories	1,036.50		1,036.50
Increase (Decrease) in Accounts Payable	(80,319.24)	(392.64)	(80,711.88)
Total Adjustments	<u>(31,777.37)</u>	<u>(2,459.61)</u>	<u>(34,236.98)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(397,219.93)</u>	<u>17,152.49</u>	<u>(380,067.44)</u>

FIDUCIARY FUND

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	330,075.85	484,978.88
Interfund Receivable		
Total Assets	330,075.85	484,978.88
LIABILITIES		
Interfund Payable		40.89
Payable to Student Groups		20,583.63
Payroll Deductions and Withholdings		464,354.36
Total Liabilities		484,978.88
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	330,075.85	

BOROUGH OF HALEDON SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	23,424.94
Total Contributions	<u>23,424.94</u>
Investment Earnings:	
Interest	275.72
Net Investment Earnings	<u>275.72</u>
Total Additions	<u>23,700.66</u>
DEDUCTIONS	
Quarterly Contribution Reports	6,705.40
Unemployment Claims	34,444.77
Total Deductions	<u>41,150.17</u>
Change in Net Position	(17,449.51)
Net Position—Beginning of the Year	<u>347,525.36</u>
Net Position—End of the Year	<u><u>330,075.85</u></u>

BOROUGH OF HALEDON SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance</u> <u>June 30, 2015</u>
ELEMENTARY SCHOOLS:				
General Organization All Schools	13,507.17	40,961.02	33,884.56	20,583.63
	<u>13,507.17</u>	<u>40,961.02</u>	<u>33,884.56</u>	<u>20,583.63</u>

**BOROUGH OF HALEDON SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll		5,369,583.10	5,369,583.10	
Payroll Deductions and Withholdings	417,285.14	4,897,427.15	4,850,357.93	464,354.36
Interfunds Payable	508.87	40.90	508.88	40.89
	<u>417,794.01</u>	<u>10,267,051.15</u>	<u>10,220,449.91</u>	<u>464,395.25</u>

LONG-TERM DEBT

Exhibit I-2

**BOROUGH OF HALEDON SCHOOL DISTRICT
 General Long Term Debt Account Group
 Statement of Obligations under Capital Leases
 June 30, 2015**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Principal	Interest					
Copiers	8/5/2013	3 years	49,113.40	3,734.60	4.82%	37,491.26		16,162.98	21,328.28
						37,491.26	0.00	16,162.98	21,328.28

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

BOROUGH OF HALEDON SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	4,556,870.08	4,976,338.81	5,000,651.93	5,373,809.73	5,646,742.06	6,914,624.87	6,723,106.40	7,410,692.39	8,677,963.96	10,143,796.89
Restricted	1,941,909.39	1,353,229.18	1,406,424.08	2,246,208.86	3,116,124.87	3,203,589.89	4,080,418.51	4,500,435.87	3,980,120.97	3,425,354.12
Unrestricted	(84,397.48)	155,853.00	265,330.04	(189,327.68)	(169,428.27)	(306,905.83)	(452,378.20)	(507,921.53)	(451,767.63)	(3,343,737.37)
Total Governmental Activities Net Position	6,414,381.99	6,485,420.99	6,672,406.05	7,430,690.91	8,593,438.66	9,811,308.93	10,351,146.71	11,403,206.73	12,206,317.30	10,225,413.64
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	21,282.30	18,917.60	19,702.90	19,918.87	50,244.50	44,945.49	190,804.91	176,851.73	187,321.47	171,623.79
Unrestricted	201,566.52	293,844.77	326,261.33	358,373.42	367,224.49	388,666.91	223,765.78	249,982.02	328,750.54	421,664.81
Total Business-type Activities Net Position	222,848.82	312,762.37	345,964.23	378,292.29	417,468.99	433,612.40	414,570.69	426,833.75	516,072.01	593,288.60
District-wide										
Invested in Capital Assets, Net of Related Debt	4,578,152.38	4,995,256.41	5,020,354.83	5,393,728.60	5,696,986.56	6,959,570.36	6,913,911.31	7,587,544.12	8,865,285.43	10,315,420.68
Restricted	1,941,909.39	1,353,229.18	1,406,424.08	2,246,208.86	3,116,124.87	3,203,589.89	4,080,418.51	4,500,435.87	3,980,120.97	3,425,354.12
Unrestricted	117,169.04	449,697.77	591,591.37	169,045.74	197,796.22	81,761.08	(228,612.42)	(257,939.51)	(123,017.09)	(2,922,072.56)
Total District Net Position	6,637,230.81	6,798,183.36	7,018,370.28	7,808,983.20	9,010,907.65	10,244,921.33	10,765,717.40	11,830,040.48	12,722,389.31	10,818,702.24

Source: CAFR Schedule A-1

BOROUGH OF HALEDON SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	4,577,731.29	4,946,300.49	5,187,899.75	5,253,623.02	5,659,528.44	5,940,308.18	5,673,458.35	6,353,857.53	6,492,924.79	6,763,140.43
Special Education	1,028,311.59	992,627.44	1,131,880.43	1,139,783.20	1,192,168.31	1,113,362.66	1,273,183.86	1,377,624.29	1,593,287.92	1,769,425.29
Other Special Instruction	329,036.63	243,868.35	265,992.12	387,805.27	311,521.83	271,583.60	581,421.69	490,780.53	488,378.14	762,092.56
Other Instruction	68,745.89	103,669.79	90,535.31	127,336.52	130,184.91	110,499.16	89,427.33	101,830.44	104,875.10	123,563.52
Support Services:										
Tuition	362,109.18	352,111.43	457,038.50	665,251.98	401,778.90	461,209.23	439,836.24	255,139.03	180,915.58	151,832.05
Student & Instruction Related Services	1,535,961.10	1,499,310.64	1,410,968.26	1,521,859.38	1,695,837.78	1,932,072.37	1,675,547.85	1,853,238.52	1,859,497.81	1,835,999.45
School Administrative Services	478,939.62	571,621.68	593,927.83	601,683.24	626,251.67	691,939.63	624,735.19	604,542.95	614,021.71	629,749.81
General Administrative Services	308,407.67	390,291.07	371,079.02	342,418.72	415,690.68	353,050.50	310,097.66	393,101.30	351,338.66	350,041.45
Central Services & Admin. Info. Technology	396,461.26	432,997.76	410,539.28	521,956.60	453,323.06	461,119.07	381,643.36	445,842.48	454,393.04	455,904.89
Plant Operations and Maintenance	861,904.67	1,131,126.80	988,423.25	988,952.97	917,709.52	904,173.38	953,102.38	772,568.98	942,415.16	959,284.47
Pupil Transportation	279,373.11	278,564.08	268,407.70	274,558.47	229,627.96	214,447.70	239,145.34	239,003.78	244,343.92	238,003.78
Unallocated Benefits	695,076.27	1,075,565.08	1,120,740.93	812,719.90	869,219.16	872,291.88	1,077,779.67	1,368,512.38	1,195,814.95	2,929,933.79
Special Schools	4,434.18	5,000.00	5,000.00	3,650.00						
Interest on Long-term Debt	85,709.81	63,851.25	50,250.00	41,250.00	32,250.00	23,250.00	14,250.00	5,250.00	5,453.00	5,453.00
Capital Outlay - Non-depreciable				30.74	37,508.88	2,811.00	11,887.00	2,590.00	5,453.00	
Unallocated Depreciation	207,742.58	135,889.29	196,769.72	188,321.82	183,642.24	183,648.55	170,040.30	179,172.43	236,845.71	325,033.63
Total Governmental Activities Expenses	11,219,944.85	12,222,795.15	12,519,452.10	12,821,201.83	13,156,243.34	13,535,766.91	13,544,149.60	14,443,196.20	14,764,505.49	17,299,458.12
Business-type Activities:										
Food Service	296,079.35	300,359.01	339,174.02	404,911.78	460,334.02	381,414.25	489,133.65	440,701.90	476,477.19	469,718.06
After Care Program	96,597.92	123,353.72	162,992.92	166,122.96	171,642.40	178,131.25	172,813.44	180,083.11	151,779.78	218,642.08
Summer Camp Program	28,010.52		20,193.27	29,830.51						
Total Business-type Activities Expenses	420,687.79	423,712.73	522,360.21	600,865.25	631,976.42	559,545.50	641,947.09	620,785.01	628,256.97	688,360.14
Total District Expenses	11,640,632.64	12,646,507.88	13,041,812.31	13,422,067.08	13,788,219.76	14,095,312.41	14,186,096.69	15,063,981.21	15,392,762.46	17,987,818.26
Program Revenues										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	1,990,701.34	1,743,242.96	1,553,046.74	1,184,025.99	1,445,496.68	1,887,084.49	1,323,285.65	1,579,110.83	1,499,323.92	1,225,214.20
Total Governmental Activities Program Revenues	1,990,701.34	1,743,242.96	1,553,046.74	1,184,025.99	1,445,496.68	1,887,084.49	1,323,285.65	1,579,110.83	1,499,323.92	1,225,214.20
Business-type Activities:										
Charges for Services:										
Food Service	119,179.49	124,451.94	117,566.22	112,285.50	101,721.37	97,315.24	97,729.22	98,620.42	97,468.01	104,275.50
After Care Program	140,465.30	155,312.65	159,373.08	149,644.34	150,441.70	139,525.90	140,248.88	142,217.90	196,560.02	238,254.18
Summer Camp Program	29,499.62		24,235.60	25,549.12						
Operating Grants and Contributions	216,955.50	233,861.69	254,387.17	345,714.35	419,990.05	338,847.77	384,925.07	392,198.97	423,445.05	423,003.48
Total Business-type Activities Program Revenues	506,099.91	513,626.28	555,562.07	633,193.31	671,153.12	575,688.91	622,903.17	633,037.29	717,473.08	765,533.16
Total District Program Revenues	2,496,801.25	2,256,869.24	2,108,608.81	1,817,219.30	2,116,649.80	2,462,773.40	1,946,188.82	2,212,148.12	2,216,797.00	1,990,747.36

BOROUGH OF HALEDON SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	(9,229,243.51)	(10,479,552.19)	(10,966,405.36)	(11,637,175.84)	(11,710,746.66)	(11,648,682.42)	(12,220,863.95)	(12,864,085.37)	(13,265,181.57)	(16,074,243.92)
Business-type Activities	85,412.12	89,913.55	33,201.86	32,328.06	39,176.70	16,143.41	(19,043.92)	12,252.28	89,216.11	77,173.02
Total District-wide Net Expense	(9,143,831.39)	(10,389,638.64)	(10,933,203.50)	(11,604,847.78)	(11,671,569.96)	(11,632,539.01)	(12,239,907.87)	(12,851,833.09)	(13,175,965.46)	(15,997,070.90)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes	4,885,913.00	4,808,738.00	5,261,821.00	5,261,821.00	5,245,229.00	5,455,038.00	5,564,138.00	5,619,809.00	5,835,205.00	5,951,909.00
Taxes Levied for Debt Service	317,372.00	305,682.00	113,753.00	108,973.00	104,190.00	112,544.00	107,128.00	101,711.00	158,143.51	1,227,059.46
State Facilities Grant						144,270.48	267,327.74	19,337.78		
Cancellation of State Facilities Grant Receivable	4,860,937.42	(24,171.31)	5,661,806.97	6,918,087.82	7,413,140.82	7,087,795.22	(109,310.00)	8,110,771.60	8,047,974.47	9,794,661.20
Unrestricted Federal and State Aid	53,200.52	5,307,663.05					7,588,807.45			
Tuition Received	26,528.00	27,336.00				55,380.14	10,862.56		17,850.00	
Other Local Government Units - Restricted	28,628.46	69,121.03	74,203.15	18,653.68	6,989.25	1,395.88	1,346.34	380.95	1,854.70	1,045.64
Investment Earnings	20,904.65	54,526.72	41,806.30	87,925.20	51,705.34	10,128.97	19,689.12	64,135.06	7,264.46	69,549.96
Miscellaneous Income										
Transfers										
Total Governmental Activities	10,193,484.05	10,550,591.19	11,153,390.42	12,395,460.70	12,873,494.41	12,866,552.69	13,449,989.21	13,916,145.39	14,068,292.14	17,044,225.26
Business-type Activities:										
Investment Earnings							2.21	10.78	22.15	43.57
Transfers										
Total Business-type Activities	0.00	0.00	0.00	0.00	0.00	0.00	2.21	10.78	22.15	43.57
Total District-wide	10,193,484.05	10,550,591.19	11,153,390.42	12,395,460.70	12,873,494.41	12,866,552.69	13,449,991.42	13,916,156.17	14,068,314.29	17,044,268.83
Change in Net Position										
Governmental Activities	964,240.54	71,039.00	186,985.06	758,284.86	1,162,747.75	1,217,870.27	1,229,125.26	1,052,060.02	803,110.57	969,981.34
Business-type Activities	85,412.12	89,913.55	33,201.86	32,328.06	39,176.70	16,143.41	(19,041.71)	12,263.06	89,236.26	77,216.59
Total District	1,049,652.66	160,952.55	220,186.92	790,612.92	1,201,924.45	1,234,013.68	1,210,083.55	1,064,323.08	892,346.83	1,047,197.93

Source: CAFR Schedule A-2

BOROUGH OF HALEDON SCHOOL DISTRICT
Fund Balances Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	1,889,318.04	1,353,223.07	1,281,948.78	2,246,208.75	3,063,111.24					
Unreserved	8,772.52	228,893.00	457,873.23	(97,914.72)	(56,331.87)	2,514,703.28	3,628,758.65	4,044,063.75	3,120,901.58	3,347,184.66
Restricted						259,037.50	28,004.20	27,135.07	294,472.46	172,304.93
Committed						(317,775.26)	(316,857.74)	(370,904.00)	(367,567.68)	(400,039.89)
Assigned	8,772.52	228,893.00	457,873.23	(97,914.72)	(56,331.87)					
Unassigned										
Total General fund	1,906,863.08	1,811,009.07	2,197,695.24	2,050,379.31	2,950,447.50	2,455,965.52	3,339,905.11	3,700,294.82	3,047,806.36	3,119,449.70
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	(15,735.00)				53,013.52	554,849.00	423,655.58	429,237.05	617,171.39	78,169.46
Capital Projects Fund	44,871.99	6.11	1.11	0.11	0.11	0.11	0.11			
Debt Service	7,719.36									
Total All Other Governmental Funds	36,856.35	6.11	1.11	0.11	53,013.63	554,849.11	423,655.69	429,237.05	617,171.39	78,169.46

Source: CAFR Schedule B-1

GASB No. 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above, nor or they required to be.

BOROUGH OF HALEDON SCHOOL DISTRICT
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	5,203,285.00	5,114,420.00	5,375,574.00	5,370,794.00	5,349,419.00	5,567,582.00	5,671,266.00	5,721,520.00	5,835,205.00	5,951,909.00
Tuition	53,200.52	1,695.70							17,850.00	
Transportation Fees	26,528.00	27,336.00			52,240.00	55,380.14	10,862.56			
Other Local Government Units - Restricted						25.00	101.78			
Interest Earned on Emergency Reserve Funds		961.67	3,533.07	1,404.72	259.89	516.40	274.55	111.48	495.00	196.39
Interest Earned on Capital Reserve Funds					112.88	25.00	115.65	75.00	176.42	105.00
Interest Earned on Maintenance Reserve Funds	28,628.46	68,159.36	70,670.08	17,248.96	6,616.48	829.48	854.36	194.47	1,183.28	744.25
Interest Earnings	22,287.65	55,544.72	41,806.30	89,298.03	51,705.34	10,128.97	19,689.12	64,135.06	7,264.46	69,549.96
Miscellaneous	5,989,899.47	6,305,539.91	6,573,285.28	7,484,732.09	6,808,112.34	7,888,356.42	8,269,349.99	8,721,206.74	8,726,086.12	9,945,907.14
State Sources	860,356.29	744,348.10	641,568.43	616,010.89	2,050,525.16	1,230,793.77	910,070.85	988,013.47	979,355.78	823,186.52
Federal Sources										
Total Revenues	12,184,185.39	12,318,005.46	12,706,437.16	13,579,486.69	14,318,991.09	14,753,637.18	14,882,584.86	15,495,256.22	15,567,616.06	16,791,598.26
Expenditures										
Instruction:										
Regular	3,923,922.73	4,201,250.65	4,435,360.84	4,525,258.33	4,814,436.79	5,047,347.14	4,758,347.74	5,303,338.84	5,382,635.50	5,516,235.13
Special	806,619.39	762,092.41	876,963.75	919,498.97	944,468.59	867,224.64	990,941.60	1,055,339.45	1,232,177.80	1,354,197.12
Other Special Instruction	257,410.42	187,335.42	206,116.98	312,490.50	245,830.49	209,366.02	451,750.82	375,222.16	377,204.37	582,598.71
School-Sponsored/Other Instructional	54,033.22	83,928.22	71,281.68	106,954.44	105,617.38	88,966.27	72,832.76	80,862.31	84,624.93	98,987.61
Support Services:										
Instruction - Tuition	362,109.18	352,111.43	457,038.50	665,251.98	401,778.90	461,209.23	439,836.24	255,139.03	180,915.58	151,832.05
Student & Instruction Related Services	1,330,897.19	1,245,126.34	1,155,293.50	1,314,774.43	1,418,760.12	1,617,701.81	1,366,140.27	1,521,742.48	1,570,592.01	1,499,561.07
School Administration	357,383.52	411,411.84	432,880.79	457,715.69	452,033.40	477,514.45	430,717.82	431,194.88	451,499.85	462,062.67
General Administration	282,613.22	356,429.39	341,332.44	316,512.75	389,373.83	317,751.76	287,826.24	371,679.83	321,825.04	324,316.82
Central Services & Admin. Info. Technology	367,521.84	398,763.76	377,607.19	486,094.74	432,244.05	446,373.04	368,250.14	431,682.12	440,562.26	440,894.36
Operations and Maintenance	809,055.73	1,053,741.84	884,043.73	874,309.27	837,445.97	817,552.14	872,417.78	681,603.71	859,426.06	879,088.93
Student Transportation	286,485.04	264,594.73	254,357.76	259,871.47	213,771.08	197,444.81	251,473.91	237,438.76	226,581.08	217,015.19
Business and Other Support Services										
Employee Benefits	2,043,269.21	2,631,335.11	2,721,198.31	2,258,218.22	2,542,026.44	2,674,897.17	2,934,372.35	3,416,513.73	3,299,733.16	3,858,784.95
Special Schools	4,434.18	5,000.00	5,000.00							
Charter School				3,650.00						
Capital Outlay	132,735.71	105,331.49	116,260.75	465,414.88	413,715.19	1,392,267.07	617,621.02	798,527.85	1,653,505.94	1,873,382.24
Debt Service:										
Principal	495,000.00	515,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00
Interest and Other Charges	102,038.81	73,206.25	54,000.00	45,000.00	36,000.00	27,000.00	18,000.00	9,000.00	9,000.00	9,000.00
Total Governmental Fund Expenditures	11,595,529.39	12,646,658.88	12,548,736.22	13,171,015.67	13,407,492.23	14,802,615.55	14,020,528.69	15,129,285.15	16,081,283.58	17,258,956.85
Excess (Deficiency) of Revenues Over (Under) Expenditures	588,656.00	(328,653.42)	157,700.94	408,471.02	911,498.86	(48,978.37)	862,056.17	365,971.07	(513,667.52)	(467,358.59)
Other Financing Sources (Uses)										
Operating Transfers In										
Operating Transfers Out										
Proceeds Certificates of Participation										
Cancellation of Contracts Payable		20,700.68			131,135.00	1,461,500.00	312,860.93	0.11	1,115,875.05	
Cancellation of Accounts Receivable		(20,700.68)			(131,135.00)	(1,461,500.00)	(312,860.93)	(0.11)	(1,115,875.05)	
Prior Year State Audit Recovery										
Capital Leases (non-budgeted)		(24,171.31)					(109,310.00)			
Total Other Financing Sources (Uses)										
Net Changes in Fund Balance	588,656.00	(352,824.73)	157,700.94	408,471.02	911,498.86	(48,978.37)	752,746.17	365,971.07	(464,554.12)	(467,358.59)
Debt Service as a percentage of noncapital expenditures	5.21%	4.69%	1.72%	1.61%	1.51%	1.39%	1.33%	1.18%		

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Services and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

BOROUGH OF HALEDON SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Interlocal Agree- ments</u>	<u>Various Misc.</u>	<u>Total</u>
	2006	53,200.52	28,628.46	26,528.00	
2007	1,695.70	69,121.03	27,336.00	54,526.72	152,679.45
2008		74,203.15		41,806.30	116,009.45
2009		18,653.68	49,620.00	38,305.20	106,578.88
2010		6,989.25	52,240.00	51,705.34	110,934.59
2011		1,395.88	55,380.14	10,128.97	66,904.99
2012		1,346.34	10,862.56	19,689.12	31,898.02
2013	17,500.00	380.95		46,254.11	64,135.06
2014	17,850.00	1,854.70		7,264.46	26,969.16
2015		744.25		69,549.96	70,294.21

Source: District records.

BOROUGH OF HALEDON SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2005	3,939,500	259,105,400	36,769,600	13,331,300	8,519,000	321,664,800	3,130,664	324,795,464	511,141,503	1.5270
2006	4,185,600	259,382,500	36,698,800	13,331,300	8,519,000	322,117,200	2,509,914	324,627,114	581,184,375	1.5760
2007	4,029,100	260,764,400	36,531,100	13,211,300	8,519,000	323,054,900	2,242,877	325,297,777	653,909,853	1.5750
2008	3,850,100	265,559,200	36,981,100	13,454,800	8,519,000	328,364,200	2,107,172	330,471,372	728,289,992	1.6158
2009	3,719,000	269,213,000	36,121,100	12,225,500	8,479,300	329,757,900	2,085,718	331,843,618	731,423,304	1.6062
2010	3,753,800	268,758,200	36,305,300	12,225,500	8,479,300	329,522,100	2,263,700	331,785,800	686,445,115	1.6380
2011	3,769,400	268,482,000	36,680,800	12,235,300	8,479,300	329,646,800	0	329,646,800	652,803,390	1.6989
2012	4,261,700	266,855,200	36,203,800	12,235,300	8,479,300	328,035,300	0	328,035,300	616,790,575	1.7300
2013	3,723,500	266,024,100	35,897,500	12,124,500	8,479,300	326,248,900	0	326,248,900	581,278,510	1.7648
2014 (A)	5,723,600	393,038,500	77,473,400	23,767,200	16,974,600	516,977,300	0	516,977,300	532,576,389	0.8310

(A) Revaluation Year

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

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

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100 of assessed value.

BOROUGH OF HALEDON SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 Per \$100 of Assessed Valuation

Assessment Year	Basic Rate ^a	General Obligation Debt Service ^b	Overlapping Rates				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality	County	
2005	1.4277	0.0993	1.5270	0.8685	1.1476	0.8269	4.3700
2006	1.4803	0.0957	1.5760	1.1010	1.2050	0.9380	4.8200
2007	1.5358	0.0392	1.5750	1.0020	1.4150	0.9980	4.9900
2008	1.5829	0.0329	1.6158	1.0782	1.5166	1.1124	5.3230
2009	1.5749	0.0313	1.6062	1.1251	1.6419	1.1048	5.4780
2010	1.6061	0.0319	1.6380	1.2160	1.7950	1.1090	5.7580
2011	1.6658	0.0331	1.6989	1.2986	1.9033	1.1402	6.0410
2012	1.6992	0.0308	1.7300	1.3091	1.9649	1.1860	6.1900
2013	1.7648		1.7648	1.3549	2.0535	1.2008	6.3740
2014*	0.8310		0.8310	1.1430	1.3800	0.7250	4.0790

* Revaluation Year

Source: District Records and Municipal Tax Collector.

BOROUGH OF HALEDON SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Acquakanonk Village	11,837,000	1	2.29%	6,023,300	1	1.85%
A.M. Realty Assoc.	6,507,000	2	1.26%	3,353,100	2	1.03%
Self Storage of Haledon	5,702,000	3	1.10%	2,250,000	4	0.69%
Belmont Estates, LLC	5,301,000	4	1.03%			
Nationwide Enterprises, LLC	3,499,000	5	0.68%	1,203,800	7	0.37%
Bel-Jo Assoc. LP	3,445,000	+	0.67%	2,090,700	5	0.64%
Stone Industries	2,447,800	7	0.47%	2,824,900	3	0.87%
Taxpayer #1	2,371,000	8	0.46%			
C & P Realty	2,262,000	9	0.44%			
Jeffery Family Assoc. 431, LLC	1,904,000	10	0.37%			
Faber Bros. Holdings, LLC				1,500,000	6	0.46%
Verizon				1,092,800	8	0.34%
293 Morrissee, Inc.				886,900	9	0.27%
860 River Drive, Inc.				800,000	10	0.25%
	<u>45,275,800</u>		<u>8.76%</u>	<u>22,025,500</u>		<u>6.78%</u>

BOROUGH OF HALEDON SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	5,203,285	5,203,285	100.00%	
2007	5,114,420	5,114,420	100.00%	
2008	5,375,574	4,498,604	83.69%	876,970
2009	5,370,794	4,932,309	91.84%	438,485
2010	5,349,419	5,349,419	100.00%	
2011	5,567,582	5,567,582	100.00%	
2012	5,671,266	4,743,910	83.65%	927,356
2013	5,721,520	5,253,203	91.81%	468,317
2014	5,835,205	4,862,671	83.33%	972,534
2015	10,345,405	9,736,935	94.12%	608,470

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

a School Taxes are collected by the Municipal Tax Collector. Under New Jersey 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.

BOROUGH OF HALEDON SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2006	1,120,000.00	355,000.00				1,475,000.00	180
2007	960,000.00					960,000.00	116
2008	800,000.00					800,000.00	94
2009	640,000.00					640,000.00	74
2010	480,000.00					480,000.00	58
2011	320,000.00					320,000.00	38
2012	160,000.00					160,000.00	19
2013	0.00					0.00	-
2014	0.00					0.00	-
2015	0.00					0.00	-

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

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

Exhibit J-11

**BOROUGH OF HALEDON SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	1,120,000.00	-	1,120,000.00	0.34%	8,235
2007	960,000.00	-	960,000.00	0.30%	8,201
2008	800,000.00	-	800,000.00	0.25%	8,303
2009	640,000.00	-	640,000.00	0.19%	8,468
2010	480,000.00	-	480,000.00	0.14%	8,705
2011	320,000.00	-	320,000.00	0.10%	8,331
2012	160,000.00	-	160,000.00	0.05%	8,381
2013		-	0.00	0.00%	8,389
2014		-	0.00	0.00%	8,412
2015			0.00	0.00%	8,471

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

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

b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF HALEDON SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Haledon	\$ 8,919,294	100.000%	\$ 8,919,294
Other debt			
Passaic County General Obligation Debt	383,548,769	1.1406%	4,374,571
Passaic County Utility Authority	57,210,000	1.1406%	652,509
Subtotal, overlapping debt			13,946,374
Haledon School District Direct Debt			<u> -</u>
Total direct and overlapping debt			<u><u>\$ 13,946,374</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Passaic County Board of Taxation.
Debt outstanding data provided by each governmental unit.

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

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

(1) Debt Information as of December 31, 2014.

BOROUGH OF HALEDON SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis	
2014	\$ 538,293,732
2013	542,662,841
2012	582,138,953
[A]	<u>\$ 1,663,095,526</u>
[A/3]	\$ 554,365,175
[B]	16,630,955 ^a
[C]	<u>\$ 16,630,955</u>
[B-C]	<u><u>\$ 16,630,955</u></u>

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)	[B]	16,630,955
Total Net Debt Applicable to Limit	[C]	<u>16,630,955</u>
Legal debt margin	[B-C]	<u><u>\$ 16,630,955</u></u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014
Debt limit	\$ 15,216,625	\$ 17,264,637	\$ 19,334,899	\$ 20,814,795	\$ 21,161,275	\$ 20,545,263	\$ 19,487,325	\$ 18,492,719	\$ 17,421,179	\$ 16,630,955
Total net debt applicable to limit	<u>1,120,000</u>	<u>960,000</u>	<u>800,000</u>	<u>640,000</u>	<u>480,000</u>	<u>320,000</u>	<u>160,000</u>			
Legal debt margin	<u>\$ 14,096,625</u>	<u>\$ 16,304,637</u>	<u>\$ 18,534,899</u>	<u>\$ 20,174,795</u>	<u>\$ 20,681,275</u>	<u>\$ 20,225,263</u>	<u>\$ 19,327,325</u>	<u>\$ 18,492,719</u>	<u>\$ 17,421,179</u>	<u>\$ 16,630,955</u>
Total net debt applicable to the limit as a percentage of debt limit	7.36%	5.56%	4.14%	3.07%	2.27%	1.56%	0.82%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

BOROUGH OF HALEDON SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended December 31,</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2005	8,235	281,472,300	34,180	7.10%
2006	8,201	296,400,542	36,142	7.50%
2007	8,303	320,362,952	38,584	7.00%
2008	8,468	345,824,652	40,839	9.00%
2009	8,705	362,624,185	41,657	16.80%
2010	8,331	341,987,550	41,050	17.10%
2011	8,381	351,465,616	41,936	16.90%
2012	8,389	367,882,817	43,853	16.60%
2013	8,412	375,175,200	44,600	9.00%
2014	8,471	378,552,048	44,688	8.50%

Source:

- (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2005-2014)
- (2) Personal income of the District is based on the population and per capita income.
- (3) U.S. Department of Commerce, County Information 2004-2013.
- (4) N.J. Department of Labor.

BOROUGH OF HALEDON SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2013

2004

INFORMATION IS NOT AVAILABLE

BOROUGH OF HALEDON SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction	65	65	67	70	68	68	68	71	74	80
Regular	13	13	13	13	13	13	15	17	17	17
Special education	7	7	10	10	13	13	13	14	14	14
Other special education	8	8	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	15	15	14	14	15	15	15	15	15	15.5
General administration	1	1	1	1	1	1	1	1	2	2
School administrative services	5	5	5	5	5	5	5	5	5	5
Central services	1	1	1	1	1	1	1	1	2	2
Administrative Information Technology	1	1	1	1	1	1	1	1	2	2
Plant operations and maintenance	9	9	9	9	9	9	9	9	9	9
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Other support services	3	3	3	3	4	4	4	4	4	4
Food Service	3	5	5	5	5	6	6	6	6	6
Child Care	4	16	6	6	6	6	6	6	6	10
Total	136	150	140	143	146	147	149	155	161	171.5

Source: District Personnel Records

BOROUGH OF HALEDON SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio									
	a			b			c			
Enrollment	Expenditures	Cost Per Pupil	% Change	Teaching Staff	Elementary	Average Daily Enrollment	Average Daily Attendance	% Change in Average Daily Enrollment	Average Daily Attendance	Student Attendance Percentage
2005-2006	1008	10,865,754.87	10,779.52	4.57%	78	12.9	1008	954.30	0.70%	94.67%
2006-2007	1033	11,953,121.14	11,571.27	7.34%	78	13.2	1040	969.40	3.17%	93.21%
2007-2008	1087	12,218,475.47	11,240.55	-2.86%	80	13.6	1087	1027.70	4.52%	94.54%
2008-2009	1032	12,500,600.79	12,112.99	7.76%	83	12.4	1046	988.00	-3.77%	94.46%
2009-2010	1052	12,797,777.04	12,165.19	0.43%	81	13.0	1052	998.00	0.57%	94.87%
2010-2011	1039	13,223,348.48	12,727.00	4.62%	81	12.8	1039	982.60	-1.24%	94.57%
2011-2012	1037	13,383,307.67	12,905.79	1.40%	83	12.5	1037	987.31	-0.19%	95.21%
2012-2013	1012	14,161,757.30	13,993.83	8.43%	88	11.5	1004	953.40	-3.18%	94.96%
2013-2014	1025	14,427,777.64	14,075.88	0.59%	91	11.3	1018	960.74	1.39%	94.38%
2014-2015	1030	15,385,574.61	14,937.45	6.12%	97	10.6	1029	971.80	1.08%	94.44%

Sources: District Records

Note: Enrollment based on annual October district count.

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

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

c-Average daily enrollment and average daily attendance are obtained from the School Register Summary.

BOROUGH OF HALEDON SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

<u>District Buildings</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Elementary</u>										
Haledon School	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969	102,969
Square Feet	994	994	994	994	994	994	994	994	994	994
Capacity(students)	1008	1040	1087	1032	1052	1050	1037	1012	1025	1030
Enrollment										

Number of Schools at June 30, 2015
 Elementary=1

Source:District Facilities Office

BOROUGH OF HALEDON SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
For the Fiscal Year Ended June 30,

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES**
 11-000-261-xxx

* School Facilities	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Haledon School	198,935.99	205,027.00	170,763.00	252,956.01	212,384.87	241,218.86	217,578.65	286,126.14	428,522.75	324,648.54
Total School Facilities	<u>198,935.99</u>	<u>205,027.00</u>	<u>170,763.00</u>	<u>252,956.01</u>	<u>212,384.87</u>	<u>241,218.86</u>	<u>217,578.65</u>	<u>286,126.14</u>	<u>428,522.75</u>	<u>324,648.54</u>

* School facilities as defined under EFCA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BOROUGH OF HALEDON SCHOOL DISTRICT

**Insurance Schedule
June 30, 2015**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Suburban Essex JIF		
Reinsurer: Selective Insurance Company		
Property - Blanket Limit of JIF	150,000,000	
Member Limit:	33,049,706	
Owner Group Retention:		100,000 p/occurrence
Owner Group District Deductible:		500 p/occurrence
Comprehensive General Liability (per occurrence)	10,000,000	
Employee Benefits Liability (per occurrence)	10,000,000	
Comprehensive Automobile Liability (per occurrence)	10,000,000	
School Leaders Errors & Omissions		
A C E American Insurance Company	10,000,000 p/district	
Owner Group District Deductible:		None
Workers Compensation		10,000
Suburban Essex JIF		
Limit of Liability	WC EL	Statutory 10,000,000
Public Employees' Faithful Performance Bond	500,000	
Owner Group District Deductible:		0
Public Employees' Faithful Performance		
Position Bond		
Treasurer of School Moneys	200,000	
Travelers Insurance Co.		
Board Secretary/Business Administrator	100,000	
Travelers Insurance Co.		

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

K-1
Page 1 of 2

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

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Haledon School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

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

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



corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Haledon Board of Education'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 or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Haledon School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 4, 2015.

Purpose of this Report

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

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

December 4, 2015



Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

K-2
Page 1 of 3

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Haledon School District
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Haledon School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Haledon Board of Education's major federal and state programs for the year ended June 30, 2015. The Borough of Haledon Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Haledon Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Haledon Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Haledon Board of Education's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Borough of Haledon Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Haledon Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Haledon Board of Education'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 and 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Haledon Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated December 4, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

December 4, 2015

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2015

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Accounts Receivable	Balance at June 30, 2015		MEMO Cumulative Total Expenditures
										Deferred Revenue	Due To Grantor at	
U.S. Department of Education:												
General Fund:												
ARRA Medical Assistance Program (SEMD)	93.778	N/A	10/01/08-12/31/10	7,119.42			7,119.42	(7,119.42)				* 7,119.42
Medical Assistance Program (SEMD)	93.778	N/A	07/01/14-06/30/15	40,940.99			40,940.99	(40,940.99)				* 40,940.99
Total General Fund							48,060.41	(48,060.41)				* 48,060.41
U.S. Department of Education Passed-Through State Department of Education:												
Special Revenue Fund:												
Title I - Improving Basic Programs	84.010A	NCLB1920-15	07/01/14-06/30/15	624,999.00			338,527.00	(488,099.74)	(149,572.74)			* 488,099.74
Title I - Improving Basic Programs	84.010A	NCLB1920-14	07/01/13-06/30/14	567,314.00	(137,054.28)		137,054.28	(488,099.74)	(149,572.74)			* 567,314.00
					(137,054.28)		475,581.28					* 1,055,413.74
Title II-A- Teacher & Principal Training/Recruiting	84.367A	NCLB1920-15	07/01/14-06/30/15	62,671.00			24,184.00	(32,932.35)	(8,748.35)			* 32,932.35
							24,184.00	(32,932.35)	(8,748.35)			* 32,932.35
Title III - Part A English Language Enhancements	84.365A	NCLB1920-15	07/01/14-06/30/15	41,592.00	(18,068.25)		15,840.00	(18,316.58)	(2,476.58)			* 18,316.58
Title III - Part A English Language Enhancements	84.365A	NCLB1920-14	07/01/13-06/30/14	28,354.25	(18,068.25)		18,068.25	(18,316.58)	(2,476.58)			* 28,354.25
					(18,068.25)		33,908.25					* 46,670.83
I.D.E.A. Part B - Basic Regular	84.027	IDEA 1920-15	07/01/14-06/30/15	349,432.00			190,332.00	(222,038.46)	(31,706.46)			* 222,038.46
I.D.E.A. Part B - Basic Regular	84.027	IDEA 1920-14	07/01/13-06/30/14	141,081.12	(91,874.12)		91,874.12					* 141,081.12
I.D.E.A. Part B - Preschool	84.173	IDEA1920-15	07/01/14-06/30/15	21,065.00			7,210.00	(14,205.56)	(6,995.56)			* 14,205.56
I.D.E.A. Part B - Preschool	84.173	IDEA 1920-14	07/01/13-06/30/14	8,704.35	(8,405.35)		8,405.35					* 8,704.35
					(100,279.47)		297,821.47	(236,244.02)	(38,702.02)			* 386,029.49
Race To The Top	84.413		09/01/11-11/30/15	43,795.00				(10,485.02)	(10,485.02)			* 37,504.02
Total Special Revenue Fund					(255,402.00)		831,495.00	(786,077.71)	(209,984.71)			* 1,558,550.43
U.S. Department of Agriculture Passed-Through State Department of Education:												
Enterprise Fund:												
Non-Cash Assistance												
Food Distribution Program	10.555		07/01/14-06/30/15	34,366.37			34,366.37	(34,275.44)		405.63		* 34,275.44
Food Distribution Program	10.555		07/01/13-06/30/14	34,414.42	314.70	(314.70)						* 34,414.42
Cash Assistance												
School Breakfast Program	10.553		07/01/14-06/30/15	28,103.28			25,261.98	(28,103.28)	(2,841.30)			* 28,103.28
School Breakfast Program	10.553		07/01/13-06/30/14	25,961.17	(2,422.82)		2,422.82					* 25,961.17
National School Lunch Program	10.555		07/01/14-06/30/15	321,408.18			294,561.76	(321,408.18)	(26,846.42)			* 321,408.18
National School Lunch Program	10.555		07/01/13-06/30/14	328,304.03	(28,975.47)		28,975.47					* 328,304.03
Summer Food Service Program	10.559		07/01/14-06/30/15	7,934.58	(361.20)		7,934.58	(7,934.58)				* 7,934.58
Summer Food Service Program	10.559		07/01/13-06/30/14	6,143.41	(31,444.79)		361.20	(391,721.48)	(29,087.72)			* 391,721.48
After School Snack Program	10.558		07/01/14-06/30/15	24,144.08			21,839.88	(24,144.08)	(2,304.20)			* 24,144.08
After School Snack Program	10.558		07/01/13-06/30/14	20,464.80	(1,765.60)		1,765.60					* 20,464.80
					(1,765.60)		23,605.48		(2,304.20)			* 23,605.48
Total Enterprise Fund					(33,210.39)		417,489.66	(415,865.56)	(31,991.92)	405.63		* 415,865.56
TOTAL FEDERAL FINANCIAL AWARDS					(288,612.39)		1,297,045.07	(1,250,003.68)	(241,976.63)	405.63		* 2,022,476.40

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BOROUGH OF HALEDON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Balance at June 30, 2015			MEMO		
				Deferred Revenue/ (Assts. Receivable)	Due To Grantor	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid	15-495-034-5120-078	07/01/14-06/30/15	5,946,133.00				5,350,194.00	(5,946,133.00)				5,946,133.00
Special Education Categorical Aid	15-495-034-5120-089	07/01/14-06/30/15	591,508.00				532,225.00	(591,508.00)				591,508.00
Security Aid	15-495-034-5120-084	07/01/14-06/30/15	103,930.00				95,315.00	(103,930.00)				103,930.00
Per Pupil Growth Aid	15-495-034-5120-097	07/01/14-06/30/15	9,830.00				8,845.00	(9,830.00)				9,830.00
PARCC Readiness	15-495-034-5120-098	07/01/14-06/30/15	9,830.00				8,845.00	(9,830.00)				9,830.00
Under Adequacy Aid	15-495-034-5120-096	07/01/14-06/30/15	135,963.00				122,336.00	(135,963.00)				135,963.00
							6,115,660.00	(6,297,194.00)				6,297,194.00
Extraordinary Aid	15-100-034-5120-473	07/01/14-06/30/15	15,642.00					(15,642.00)				15,642.00
Extraordinary Aid	14-100-034-5120-473	07/01/13-06/30/14	25,534.00	(25,534.00)			25,534.00	(15,642.00)				15,642.00
Transportation Aid	15-495-034-5120-014	07/01/14-06/30/15	8,972.00				8,073.00	(8,972.00)				8,972.00
Reimbursement of Nonpublic Transportation	15-495-034-5120-014	07/01/14-06/30/15	9,918.00				9,126.00	(9,918.00)				9,918.00
Reimbursement of Nonpublic Transportation	14-495-034-5120-014	07/01/13-06/30/14	9,126.00	(9,126.00)			17,199.00	(18,890.00)				18,890.00
Reimbursed TPAF - Social Security	15-495-034-5094-003	07/01/14-06/30/15	531,520.79				504,683.94	(531,520.79)				531,520.79
Reimbursed TPAF - Social Security	14-495-034-5095-002	07/01/13-06/30/14	491,127.07	(24,469.49)			24,469.49	(26,836.85)				531,520.79
							529,153.43	(531,520.79)				531,520.79
On-Behalf TPAF - Post Retirement Medical	15-495-034-5094-001	07/01/14-06/30/15	571,443.00				571,443.00	(571,443.00)				571,443.00
On-Behalf Teachers Pension and Amenity	15-495-034-5094-006	07/01/14-06/30/15	335,805.00				335,805.00	(335,805.00)				335,805.00
On-Behalf TPAF - Non-contributory Insurance	15-495-034-5094-007	07/01/14-06/30/15	24,160.00				24,160.00	(24,160.00)				24,160.00
							931,408.00	(931,408.00)				931,408.00
Total General Fund				(59,129.49)			2,619,254.43	(6,294,654.79)				8,294,654.79
Special Revenue Fund:												
Preschool Education Aid	15-495-034-5120-086	07/01/14-06/30/15	456,011.38				408,706.00	(428,184.89)				428,184.89
Preschool Education Aid	14-495-034-5120-086	07/01/13-06/30/14	563,777.92	(47,493.62)			49,279.00	(17,693.51)				428,184.89
							1,785.38	(17,693.51)				428,184.89
							(1,785.38)					428,184.89
Total Special Revenue Fund				(47,493.62)			457,985.00	(428,184.89)				428,184.89
Capital Projects Fund:												
EFCEFA Grant	SP # 1920-015-14-1001	N/A	347,414.00	(65,971.00)				(250,973.40)				316,944.40
EFCEFA Grant	SP # 1920-015-14-1002	N/A	555,862.00	(53,410.03)				(493,846.88)				547,256.91
EFCEFA Grant	SP # 1920-015-14-1004	N/A	660,086.00	(38,762.48)				(482,239.18)				521,001.66
Total Capital Projects Fund				(158,143.51)				(1,227,059.46)				1,385,202.97
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	15-100-010-5350-023	07/01/14-06/30/15	7,137.92				6,353.05	(7,137.92)				7,137.92
National School Lunch Program (State Share)	14-100-010-5350-023	07/01/13-06/30/14	7,448.53	(1,022.37)			1,022.37					7,137.92
Total Enterprise Fund				(1,022.37)			7,375.42	(7,137.92)				7,137.92
TOTAL STATE FINANCIAL ASSISTANCE				(265,788.99)			8,084,614.85	(9,957,037.06)				10,115,180.57
Less On-Behalf TPAF Pension and Amenity Aid												
On-Behalf TPAF - Post Retirement Medical	15-495-034-5094-001	07/01/14-06/30/15	571,443.00				571,443.00	(571,443.00)				571,443.00
On-Behalf Teachers Pension and Amenity	15-495-034-5094-006	07/01/14-06/30/15	335,805.00				335,805.00	(335,805.00)				335,805.00
On-Behalf TPAF - Non-contributory Insurance	15-495-034-5094-007	07/01/14-06/30/15	24,160.00				24,160.00	(24,160.00)				24,160.00
							931,408.00	(931,408.00)				931,408.00
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION				(265,788.99)			7,153,206.85	(9,025,629.06)				9,183,772.57

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Haledon School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is 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 on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules 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 in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the 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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,992.00) for the general fund, \$10,951.60 for the special revenue fund, and \$(178,159.03) for the capital projects fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$48,060.41	\$8,290,662.79	\$8,338,723.20
Special Revenue Fund	797,029.31	428,184.89	1,225,214.20
Capital Projects Fund		1,227,059.46	1,227,059.46
Food Service Fund	391,721.48	7,137.92	398,859.40
After Care Fund	24,144.08		24,144.08
Total Awards and Financial	<u>\$1,260,955.28</u>	<u>\$9,953,045.06</u>	<u>\$11,214,000.34</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

**BOROUGH OF HALEDON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027/84.173	IDEA Cluster
10.555	Child Nutrition Cluster:
10.553	National School Lunch Program
10.559	School Breakfast Program
	Summer Food Service Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

**BOROUGH OF HALEDON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<u>Cluster - State Aid – Public:</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>15-495-034-5095-002</u>	<u>On-behalf TPAF Social Security Reimbursement</u>
<u>15-495-034-5120-086</u>	<u>Preschool Education Aid</u>
<u>1920-015-014</u>	<u>NJSDA - EFCFA</u>

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

**BOROUGH OF HALEDON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

There were no prior year findings.