

Board of Education  
of the  
Haddon Heights School District



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

**HADDON HEIGHTS SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



# Haddon Heights Public Schools

Administrative Offices

316-A Seventh Avenue, Haddon Heights, NJ 08035 • (856) 547-1412 • Fax (856) 547-3868

Michael W. Adams  
Superintendent

Mark J. Stratton  
Business Administrator/Board Secretary

Lisa M. Owen  
Director of Curriculum and Instruction

Jocqueline Renner  
Director of Special Education

November 21, 2016

President Rebecca Kitchmire and  
Members of the Board of Education  
Haddon Heights School District  
Camden County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Haddon Heights School District for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This 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 general purpose financial statements and schedules as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The School District is required to undergo an annual single audit, if applicable, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and finds and recommendations, are included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES:

The Haddon Heights School District is an independent reporting entity within the criteria adopted by the GASB as established NCGA Statement #3. All funds and of the District are included in this report. The Haddon Heights Board of Education and all of its schools constitute the District's reporting entity.

The District provides a full range of educational services to grade levels K-12. These include regular and vocational as well as special education for educationally disabled students. The District completed the 2014/2015 school year with an enrollment of 1289 which is 4 students more than the previous year's enrollment. The following details the changes in student enrollment over the past four years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012/13	1324	(-1.19%)
2013/14	1285	(-1.44%)
2014/15	1289	+0.31%
2015/16	1298	+0.70%

The District consists of four schools. They are Atlantic Avenue School, Seventh Avenue School, Glenview Avenue School and Haddon Heights Junior-Senior High School. The three elementary schools serve grades K-6 with the high school offering a comprehensive program in grades 7-12.

Haddon Heights is a receiving district for students from Barrington and Lawnside in grades 9-12. These students are received on a tuition basis with the tuition rate to be charged being determined by state formula.

## 2. ECONOMIC CONDITION AND OUTLOOK:

Haddon Heights is an established, suburban environment. There is virtually no room for expansion or development. Changes in school population are caused mostly by demographics affecting movement of families into town replacing residents whose children are grown. The sending districts of Lawnside and Barrington are similar in terms of population demographics.

The tax base of Haddon Heights is predominantly residential. A reassessment was completed in July of the 2007 calendar year.



### 3. MAJOR INITIATIVES:

A. Haddon Heights strives for academic excellence for all students. In December 2015, we received our first PARCC scores after implementing the new state assessment system the previous year. Our elementary students continue to excel in state testing and exceeded the state averages in every grade level 3 – 8. In high school, we were below the state average. We had difficulty establishing buy-in and students taking the test seriously. There were many factors that impacted their scores including a high Opt-Out rate, students testing in grades 9 & 10 for the first time, and the state’s alternate ways to meet the graduation expectations. Assessment scores can be seen below in comparison to state average.

Elementary Results ELA												
	Level 1 Not Yet Measuring		Level 2 Partially Measuring		Level 3 Approaching Expectations		Level 4 Met Expectations		Level 5 Exceeded Expectations		% >= Level 4	
	HH	State	HH	State	HH	State	HH	State	HH	State	HH	State
Grade 6 45 students	0	8%	4% 2 students	16%	13% 6 students	28%	64% 29 students	40%	18% 8 students	9%	82%	49%
Grade 5 82 students	0	7%	6% 5 students	15%	15% 12 students	26%	71% 58 students	45%	9% 7 students	6%	80%	51%
Grade 4 60 students	3% 2 students	8%	12% 7 students	15%	23% 14 students	27%	45% 27 students	39%	17% 10 students	12%	62%	51%
Grade 3 69 students	0	15%	10% 7 students	18%	25% 17 students	24%	57% 39 students	39%	9% 6 students	5%	66%	44%

## Elementary Results Math

	Level 1 Not Yet Meeting		Level 2 Partially Meeting		Level 3 Approaching Expectations		Level 4 Met Expectations		Level 5 Exceeded Expectations		% >/= Level 4	
	HH	State	HH	State	HH	State	HH	State	HH	State	HH	State
Grade 6 46 students	0	8%	4% 2 students	21%	15% 7 students	30%	76% 35 students	35%	4%	6%	80%	41%
Grade 5 83 students	0	6%	11% 9 students	21%	20% 17 students	32%	58% 48 students	35%	11%	6%	69%	41%
Grade 4 60 students	7% 4 students	7%	13% 8 students	22%	33% 20 students	30%	45% 27 students	36%	2%	4%	47%	40%
Grade 3 69 students	0	8%	6% 4 students	18%	23% 16 students	28%	58% 40 students	37%	13%	8%	71%	45%

## JSHS Results ELA

	Level 1 Not Yet Meeting		Level 2 Partially Meeting		Level 3 Approaching Expectations		Level 4 Met Expectations		Level 5 Exceeded Expectations		% >/= Level 4	
	HH	State	HH	State	HH	State	HH	State	HH	State	HH	State
Grade 11 110 students	20% 22 students	17%	34% 37 students	19%	28% 31 students	23%	18% 20 students	30%	0%	11%	18%	41%
Grade 10 106 students	46% 49 students	26%	21% 22 students	18%	13% 14 students	20%	12% 13 students	25%	8% 8 students	11%	20%	36%
Grade 9 129 students	16% 21 students	18%	24% 31 students	19%	29% 37 students	23%	27% 35 students	30%	5% 6 students	9%	32%	39%
Grade 8 46 students	0	12%	13% 6 students	15%	28% 13 students	22%	54% 25 students	39%	4% 2 students	12%	58%	51%
Grade 7 57 students	9% 5 students	11%	10% 6 students	14%	36% 21 students	23%	40% 23 students	34%	5% 2 students	18%	45%	52%

### JSHS Results Math

	Level 1 Not Yet Meeting		Level 2 Partially Meeting		Level 3 Approaching Expectations		Level 4 Met Expectations		Level 5 Exceeded Expectations		% >= Level 4	
	HH	State	HH	State	HH	State	HH	State	HH	State	HH	State
Algebra II 91 students	45% 41 Students	32%	30% 27 students	25%	14% 13 students	20%	11% 10 students	22%	0%	2%	11%	24%
Geometry 134 students	16% 21 Students	12%	48% 64 students	36%	28% 38 students	30%	8% 11 students	20%	0%	3%	8%	23%
Algebra I 103 students	18% 19 students	14%	31% 32 students	25%	26% 27 students	25%	24% 25 students	33%	0%	3%	24%	36%
Grade 8 27 students	7% 2 Students	22%	44% 12 students	26%	22% 6 students	28%	26% 7 students	23%	0%	1%	26%	24%
Grade 7 57 students	2% 1 Student	8%	7% 4 students	22%	38% 22 students	33%	52% 30 Students	33%	2% 1 student	4%	54%	37%

- B. State Monitoring: Haddon Heights Public Schools were monitored under NJQSAC process during the 2012-2013 school year. Based on results of monitoring process the Haddon Heights School District was designated as a High Performing School District.
- C. Graduation Rate – The Haddon Heights Class of 2016 had a graduation rate of 93.4%.
- D. College Placement – The Haddon Heights Class of 2016 had 95% of graduates planned to continue their education after graduation. Of those, 52% went on to a four-year college, 39% went on to a two-year college, 3% went on to vocational/technical school, and 1% went into military service.
- E. Curriculum – Curriculum development and revision continues to be a focus in our goal of academic excellence. Following is a small sampling of initiatives in this area:

**Professional Learning Communities:** In all grade levels at elementary and in all departments at the high school, PLCs are working to implement district initiatives in measurable objectives, questioning, and tracking progress (using scales and rubrics). We are continuing to create common unit assessments and proficiency scales.

**Elementary Curriculum:** In ELA, we have created common reading, writing, and language unit assessments aligned to common core. All teachers have implemented Daily 5 (small group learning centers), small group instruction, and conferencing. Teachers also focused on using CAFÉ (Comprehension, Accuracy, Fluency, Expanding Vocabulary) strategies. The District implemented the Go Math program in grades K-8 including a structured approach to each lesson and an online component. The program is focused on Common Core Standards and students problem solve daily. We have scheduled science and social studies into the curriculum each day, and we are beginning to examine the new NGSS standards which we are required to implement in September 2017 in grades K - 5.

**High School Curriculum:** We continue to offer a diverse curriculum to meet the needs of our students. Teachers are expanding their use of a variety of instructional strategies focusing on measurable objectives, monitoring student learning, tracking student progress, and questioning. There is an effort to improve instructional practice and focus on student learning.

**Professional Development:** Because we want to include our teachers in decision making and being able to utilize their expertise, we continue to work with an Academic Enhancement Committee. The committee increased to include 19 teachers across grade levels and disciplines within the district. The teachers worked over the summer to prepare and present the district professional development in September. This year, the focus of our professional development has been centered on the instructional strategies and implementing their strategies at higher levels in the areas of measurable objectives, tracking student progress, and questioning. We are also moving toward a Google environment and we are increasing the level of technology usage with emphasis being placed on using the Google Drive and Google Applications.

**Technology:** We expanded the professional development and the implementation of Google using Chromebooks.

#### **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 theft, loss 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 assurances that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived (2) the valuation and costs and benefits requires estimates and judgments by management.

#### **4. INTERNAL ACCOUNTING CONTROLS (CONT'D):**

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 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 appropriate budgets are adopted for the general fund, the special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2016.

#### **6. ACCOUNTING SYSTEM AND REPORT:**

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

#### **7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements," Note 2. The District has adopted a cash management plan which required 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 Act.

**8. 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.

**9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the general purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

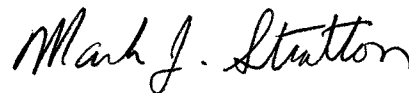
**10. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

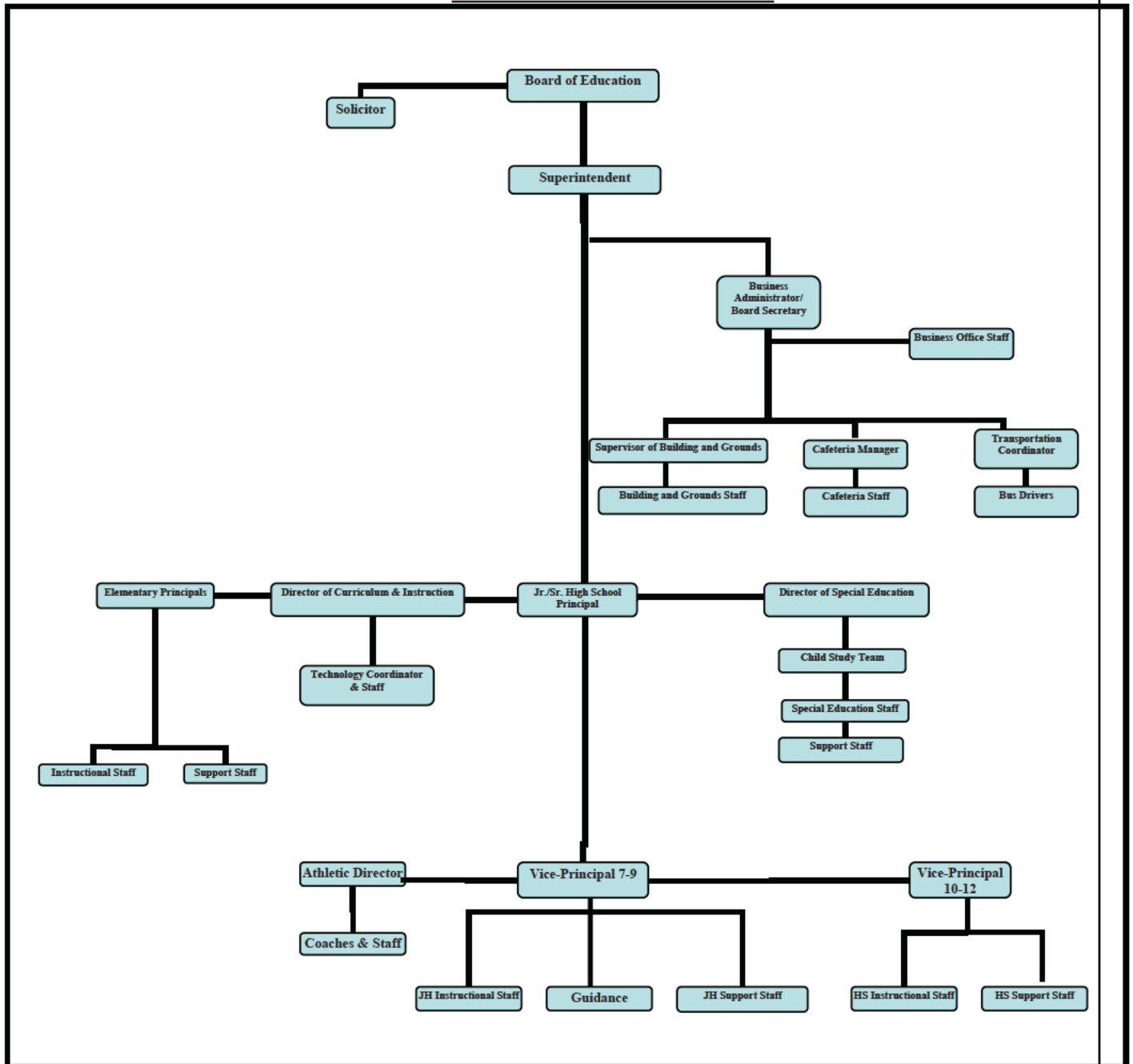


Michael W. Adams, Superintendent



Mark J. Stratton, Business Administrator

## 1110 ORGANIZATIONAL CHART



Adopted: 10 November 2009  
 Revised : 28 July 2010  
 Revised: 14 September 2010  
 Revised: 12 June 2012



**ROSTER OF OFFICIALS  
JUNE 30, 2016**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Rebecca Kitchmire	President	2017
Trish Sheilds	Vice-President	2018
Jamie Alexander		2017
Lisa Long		2016
Joseph Lucia		2016
Tina Gentile		2018
Rick Quinn		2017
Jane Shissler		2016
Kimberly Stuart		2018
Holly McCauley		Barrington Representative
Donica Venable		Lawnside Representative

**OTHER OFFICIALS**

Michael W. Adams, Superintendent

Mark J. Stratton, Board Secretary/Business Administrator

Mary Bakey, Treasurer

Joseph F. Betley, Esq., Solicitor



**HADDON HEIGHTS SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorney**

---

Capehart and Scatchard  
Laurel Corporate Center  
8000 Midlantic Drive  
Mount Laurel, NJ 08045

**Official Depository**

---

BB&T Bank  
305 South White Horse Pike  
Lawnside, NJ 08045

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Haddon Heights School District  
Haddon Heights, 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 Haddon Heights School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddon Heights School District, in the County of Camden, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**29900**

***Emphasis of Matter***

*Prior Period Restatement*

Because of an adjustment to the prior period capital assets, net position as of June 30, 2015 on the statement of activities has been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haddon Heights School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected 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 them.

29900

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016 on our consideration of the Haddon Heights School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Haddon Heights School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
November 21, 2016

**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Haddon Heights School District  
Haddon Heights, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haddon Heights School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 21, 2016. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from an adjustment to the prior period capital assets.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Haddon Heights School District'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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Haddon Heights School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Haddon Heights School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

***Purpose of this Report***

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
November 21, 2016

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**



**Haddon Heights School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

As management of the Board of Education of the Borough of Haddon Heights, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The total assets and deferred outflows of resources of the School District were over its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by (\$6,087,484.64) (net position).
- Governmental activities have an unrestricted net position deficit of \$5,252,660.78. The accounting treatments in the governmental funds for the net pension liability, compensated absences payable, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$161,994.24 from July 1, 2015 to June 30, 2016.
- Fund balance of the School District's governmental funds increased by \$234,622.41 resulting in an ending fund balance of \$1,227,070.91.
- Business-type activities have unrestricted net position of \$76,726.52, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Government-wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

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

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

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

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

## Fund Financial Statements (Cont'd)

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

### Notes to the Basic Financial Statements

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

### Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

### Government-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2017. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2017.

The assets and deferred outflows of resources of the government activities exceeded liabilities and deferred inflows of resources by \$5,994,232.88 with an unrestricted deficit balance of \$5,252,660.78. The deficit in unrestricted net position is primarily due to the implementation of GASB 68 and the accounting treatment for compensated absences payable, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The net position of the government does not include internal balances.

A net investment of \$10,259,088.89 in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 172.58% of the School District's net position. Net position of the District has been restricted as follows:

Restricted For Future Debt Service Costs	\$	1.54
Restricted for Future Capital Projects		204,266.60
Restricted for Other Purposes		<u>733,536.63</u>
Total	\$	<u><u>937,804.77</u></u>

**Haddon Heights School District  
Comparative Summary of Net Position  
As of June 30, 2016 and 2015**

**Governmental Activities**

Governmental activities increased the net position of the School District by \$103,300.32 during the current fiscal year.

	Governmental Activities		Business-Type Activities		Government-Wide	
	2016	2015	2016	2015	2016	2015
<b>ASSETS:</b>						
Current Assets	\$ 1,762,293.71	\$ 1,264,487.37	\$ 76,726.52	\$ 84,557.84	\$ 1,839,020.23	\$ 1,349,045.21
Capital Assets	20,887,814.39	21,669,137.00	66,525.24		20,954,339.63	21,669,137.00
Total assets	<u>22,650,108.10</u>	<u>22,933,624.37</u>	<u>143,251.76</u>	<u>84,557.84</u>	<u>22,793,359.86</u>	<u>23,018,182.21</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred Loss on						
Defeasance of Debt	1,002,154.94	1,077,316.56			1,002,154.94	1,077,316.56
Related to Pensions	826,902.00	335,039.00			826,902.00	335,039.00
Total Deferred Outflows	<u>1,829,056.94</u>	<u>1,412,355.56</u>	<u>-</u>	<u>-</u>	<u>1,829,056.94</u>	<u>1,412,355.56</u>
<b>LIABILITIES:</b>						
Current Liabilities	904,708.05	659,080.12			904,708.05	659,080.12
Noncurrent Liabilities	16,890,408.11	17,351,327.29			16,890,408.11	17,351,327.29
Total liabilities	<u>17,795,116.16</u>	<u>18,010,407.41</u>	<u>-</u>	<u>-</u>	<u>17,795,116.16</u>	<u>18,010,407.41</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Related to Pensions	739,816.00	514,733.00			739,816.00	514,733.00
<b>NET POSITION</b>	<u>\$ 5,944,232.88</u>	<u>\$ 5,820,839.52</u>	<u>\$ 143,251.76</u>	<u>\$ 84,557.84</u>	<u>\$ 6,087,484.64</u>	<u>\$ 5,905,397.36</u>
Net Position Consists of:						
Net Investment in						
Capital Assets	\$ 10,259,088.89	\$ 10,424,882.09	\$ 66,525.24		\$ 10,325,614.13	\$ 10,424,882.09
Restricted	937,804.77	733,372.02			937,804.77	733,372.02
Unrestricted (Deficit)	(5,252,660.78)	(5,337,414.59)	76,726.52	\$ 84,557.84	(5,175,934.26)	(5,252,856.75)
Net Position	<u>\$ 5,944,232.88</u>	<u>\$ 5,820,839.52</u>	<u>\$ 143,251.76</u>	<u>\$ 84,557.84</u>	<u>\$ 6,087,484.64</u>	<u>\$ 5,905,397.36</u>

**Business-type Activities**

Business-type activities increased the School District's net position by \$58,693.32. Expenses increased over the prior year by \$33,927.25 and program revenues increased over the prior year by \$86,822.73, which includes the transfer of capital assets from governmental activities in the amount of \$75,532.43.

**Haddon Heights School District  
Comparative Schedule of Changes in Net Position  
As of and for the Fiscal Year Ended June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Government-Wide	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Charges for services	\$ 5,614,675.80	\$ 5,170,339.20	\$ 320,651.97	\$305,162.92	\$ 5,935,327.77	\$ 5,475,502.12
Operating grants and contributions	5,888,756.50	5,551,409.56	109,470.75	113,669.51	5,998,227.25	5,665,079.07
Property taxes	12,727,632.00	12,305,204.00			12,727,632.00	12,305,204.00
State aid - unrestricted	1,736,355.22	1,657,602.98			1,736,355.22	1,657,602.98
Transfers	(75,532.43)		75,532.43			
Other revenues	102,894.88	114,944.90	11.52	11.51	102,906.40	114,956.41
<b>Total Revenues</b>	<b>25,994,781.97</b>	<b>24,799,500.64</b>	<b>505,666.67</b>	<b>418,843.94</b>	<b>26,500,448.64</b>	<b>25,218,344.58</b>
<b>EXPENSES</b>						
Governmental Activities:						
Instruction	10,405,876.26	10,067,251.03			10,405,876.26	10,067,251.03
Tuition	453,570.24	508,925.13			453,570.24	508,925.13
Related services	2,021,616.93	1,998,425.74			2,021,616.93	1,998,425.74
Administrative services	1,560,836.10	1,471,458.06			1,560,836.10	1,471,458.06
Operations and maint.	1,493,621.48	1,413,739.77			1,493,621.48	1,413,739.77
Transportation	291,293.36	385,957.93			291,293.36	385,957.93
Employee benefits	8,449,120.17	8,044,491.58			8,449,120.17	8,044,491.58
Interest on debt	477,281.09	499,443.59			477,281.09	499,443.59
Unallocated Depreciation	738,266.02	590,058.00			738,266.02	590,058.00
Business-Type Activities:						
Before and After Care			99,576.36	83,191.53	99,576.36	83,191.53
Food Service			347,396.39	329,853.97	347,396.39	329,853.97
<b>Total expenses</b>	<b>25,891,481.65</b>	<b>24,979,750.83</b>	<b>446,972.75</b>	<b>413,045.50</b>	<b>26,338,454.40</b>	<b>25,392,796.33</b>
Increase (Decrease) in Net Position	103,300.32	(180,250.19)	58,693.92	5,798.44	161,994.24	(174,451.75)
Beginning Net Position, 7/1	5,820,839.52	6,001,089.71	84,557.84	78,759.40	5,905,397.36	6,079,849.11
Prior Period Adjustment (Note 19)	20,093.04				20,093.04	
Net Position, 7/1 (Restated)	5,840,932.56	6,001,089.71	84,557.84	78,759.40	5,925,490.40	6,079,849.11
Net Position, 6/30	<u>\$ 5,944,232.88</u>	<u>\$ 5,820,839.52</u>	<u>\$ 143,251.76</u>	<u>\$ 84,557.84</u>	<u>\$ 6,087,484.64</u>	<u>\$ 5,905,397.36</u>

This table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

	2016	2015
Deferred Outflow s		
Related to Pensions	\$ 826,902.00	\$ 335,039.00
Less: Net Pension Liability	(4,924,042.00)	(4,657,419.00)
Less: Deferred Inflow s		
Related to Pensions	(739,816.00)	(514,733.00)
	<u>\$ (4,836,956.00)</u>	<u>\$ (4,837,113.00)</u>

## **Financial Analysis of the Governmental Funds**

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,227,070.91, an increase of \$234,622.41 in comparison with the prior year.

The unassigned fund balance for the School District at the end of the fiscal year represents the unassigned fund balance for the General Fund of \$255,704.46. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed, as follows: 1) restricted cash reserved for future capital outlay expenditures \$204,266.60, 2) excess surplus restricted for utilization in the 2017-2018 budget \$383,536.63, 3) appropriated as a revenue source in the 2016-2017 budget \$350,000.00 and 4) restricted for future debt service expenditures \$1.54.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

### **General Fund Budgetary Highlights**

During the course of fiscal year 2016 the District modified the General Fund Budget as need to ensure no line item was projected to be over-expended.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$402,073.46, while total fund balance (budgetary basis) was \$1,373,438.37. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$21,164,965.15. Unassigned fund balance (budgetary basis) represents 1.90% of expenditures while total fund balance (budgetary basis) represents 6.49% of that same amount.

## Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2016, totaled \$20,954,339.63 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$734,890.41.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense of \$814,106.91 was charged to governmental activities for the fiscal year.
- Depreciation expense of \$9,007.19 was charged to business-type activities for the fiscal year.

### Haddon Heights School District Capital Asset (net of accumulated depreciation) June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Government-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,162.00	\$ 4,162.00			\$ 4,162.00	\$ 4,162.00
Buildings & Improvements	20,159,120.00	20,713,311.00			20,159,120.00	20,713,311.00
Equipment	724,532.39	971,757.04	\$ 66,525.24		791,057.63	971,757.04
Net Capital Assets	<u>\$ 20,887,814.39</u>	<u>\$ 21,689,230.04</u>	<u>\$ 66,525.24</u>	<u>\$ -</u>	<u>\$ 20,954,339.63</u>	<u>\$ 21,689,230.04</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report. Additionally, the effects of a change to the prior year net investment in capital assets can be found in Note 19.

**Long-term debt** – For the fiscal year ended June 30, 2016, the School District had total bonded debt outstanding of \$10,955,000.00 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for compensated absences liability of \$335,485.67.

The general obligation bonds of the School District decreased during the current fiscal year according to the normal schedule of payments.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the fiscal year 2016, the legal debt limit was \$32,104,755.32 and the legal debt margin was \$21,149,755.32.

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

### Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Haddon Heights School District Business Administrator, 316-A Seventh Avenue, Haddon Heights, New Jersey, 08035, telephone number (856) 547-1412.

## **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**HADDON HEIGHTS SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,241,061.11	\$ 62,466.52	\$ 1,303,527.63
Receivables, net	202,558.85	5,049.71	207,608.56
Inventory		9,210.29	9,210.29
Restricted Assets:			
Restricted Cash and Cash Equivalents	114,407.15		114,407.15
Capital Reserve Account - Cash	204,266.60		204,266.60
Capital Assets, net (Note 6)	<u>20,887,814.39</u>	<u>66,525.24</u>	<u>20,954,339.63</u>
Total Assets	<u>22,650,108.10</u>	<u>143,251.76</u>	<u>22,793,359.86</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Loss on Defeasance of Debt	1,002,154.94		1,002,154.94
Deferred Outflow Related to Pensions (Note 9)	<u>826,902.00</u>		<u>826,902.00</u>
Total Deferred Outflows of Resources	<u>1,829,056.94</u>		<u>1,829,056.94</u>
<b>LIABILITIES:</b>			
Accounts Payable	418,073.11		418,073.11
Accrued Interest	188,856.25		188,856.25
Payable to Federal Government	46,606.00		46,606.00
Payable to State Government	249,060.20		249,060.20
Payable to Local Government	120.00		120.00
Unearned Revenue	1,992.49		1,992.49
Noncurrent Liabilities (Note 7):			
Due within One Year	650,000.00		650,000.00
Due beyond One Year	<u>16,240,408.11</u>		<u>16,240,408.11</u>
Total Liabilities	<u>17,795,116.16</u>		<u>17,795,116.16</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>739,816.00</u>		<u>739,816.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	10,259,088.89	66,525.24	10,325,614.13
Restricted for:			
Debt Service	1.54		1.54
Capital Projects	204,266.60		204,266.60
Other Purposes	733,536.63		733,536.63
Unrestricted (Deficit)	<u>(5,252,660.78)</u>	<u>76,726.52</u>	<u>(5,175,934.26)</u>
Total Net Position	<u>\$ 5,944,232.88</u>	<u>\$ 143,251.76</u>	<u>\$ 6,087,484.64</u>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 7,393,334.32	\$ 5,614,675.80	\$ 622,120.52	\$ (1,156,538.00)		\$ (1,156,538.00)	
Special Education	1,856,596.31			(1,856,596.31)		(1,856,596.31)	
Other Special Instruction	491,975.58			(491,975.58)		(491,975.58)	
Other Instruction	663,970.05			(663,970.05)		(663,970.05)	
Support Services:							
Tuition	453,570.24			(453,570.24)		(453,570.24)	
Student and Instruction Related Services	2,021,616.93		149,970.82	(1,871,646.11)		(1,871,646.11)	
School Administrative Services	780,990.74			(780,990.74)		(780,990.74)	
General and Business Administrative Services	779,845.36			(779,845.36)		(779,845.36)	
Plant Operations and Maintenance	1,493,621.48			(1,493,621.48)		(1,493,621.48)	
Pupil Transportation	291,293.36			(291,293.36)		(291,293.36)	
Unallocated Benefits	3,332,455.01			(3,332,455.01)		(3,332,455.01)	
Reimbursed TPAF and Social Security	5,116,665.16		5,116,665.16				
Interest on Long-Term Debt	477,281.09			(477,281.09)		(477,281.09)	
Unallocated Depreciation	738,266.02			(738,266.02)		(738,266.02)	
<b>Total Governmental Activities</b>	<b>25,891,481.65</b>	<b>5,614,675.80</b>	<b>5,888,756.50</b>	<b>(14,388,049.35)</b>		<b>(14,388,049.35)</b>	
<b>Business-Type Activities:</b>							
Before and After Care Program	99,576.36	84,364.90			\$ (15,211.46)	(15,211.46)	
Food Service	347,396.39	236,287.07	109,470.75		(1,638.57)	(1,638.57)	
<b>Total Business-Type Activities</b>	<b>446,972.75</b>	<b>320,651.97</b>	<b>109,470.75</b>		<b>(16,850.03)</b>	<b>(16,850.03)</b>	
<b>Total Government</b>	<b>\$ 26,338,454.40</b>	<b>\$ 5,935,327.77</b>	<b>\$ 5,998,227.25</b>	<b>\$ -</b>	<b>(14,388,049.35)</b>	<b>(16,850.03)</b>	<b>(14,404,899.38)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net				11,690,719.00		11,690,719.00	
Property Taxes Levied for Debt Service				1,036,913.00		1,036,913.00	
Federal and State Aid not Restricted				1,736,355.22		1,736,355.22	
Capital Asset Transfers (Note 6)				(75,532.43)	75,532.43		
Miscellaneous Income				102,894.88	11.52	102,906.40	
<b>Total General Revenues and Transfers</b>				<b>14,491,349.67</b>	<b>75,543.95</b>	<b>14,566,893.62</b>	
<b>Change in Net Position</b>				<b>103,300.32</b>	<b>58,693.92</b>	<b>161,994.24</b>	
<b>Net Position -- July 1</b>				<b>5,820,839.52</b>	<b>84,557.84</b>	<b>5,905,397.36</b>	
<b>Prior Period Adjustment (Note 19)</b>				<b>20,093.04</b>		<b>20,093.04</b>	
<b>Net Position -- July 1 as Restated</b>				<b>5,840,932.56</b>	<b>84,557.84</b>	<b>5,925,490.40</b>	
<b>Net Position -- June 30</b>				<b>\$ 5,944,232.88</b>	<b>\$ 143,251.76</b>	<b>\$ 6,087,484.64</b>	

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

**FUND FINANCIAL STATEMENTS**

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,241,061.11	\$ 114,405.61		\$ 1.54	\$ 1,355,468.26
Capital Reserve Account - Cash	204,266.60				204,266.60
Receivables, net:					
Receivables from Other Governments:					
Federal Government	395.77	144,750.57			145,146.34
State of New Jersey	56,912.51				56,912.51
Other LEAs	500.00				500.00
<b>Total Assets</b>	<b>\$ 1,503,135.99</b>	<b>\$ 259,156.18</b>	<b>\$ -</b>	<b>\$ 1.54</b>	<b>\$ 1,762,293.71</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 200,946.62	\$ 36,497.49			\$ 237,444.11
Payable to Federal Government		46,606.00			46,606.00
Payable to State Government	75,000.00	174,060.20			249,060.20
Payable to Local Governments - Tax Levy	120.00				120.00
Unearned Revenue		1,992.49			1,992.49
<b>Total Liabilities</b>	<b>276,066.62</b>	<b>259,156.18</b>			<b>535,222.80</b>
Fund Balances:					
Restricted:					
Debt Service				\$ 1.54	1.54
Capital Reserve	204,266.60				204,266.60
Excess Surplus	383,536.63				383,536.63
Excess Surplus - Designated for Subsequent Year's Expenditures	30,308.54				30,308.54
Assigned:					
Other Purposes	33,561.68				33,561.68
Subsequent Year's Expenditure	319,691.46				319,691.46
Unassigned	255,704.46				255,704.46
<b>Total Fund Balances</b>	<b>1,227,069.37</b>			<b>1.54</b>	<b>1,227,070.91</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,503,135.99</b>	<b>\$ 259,156.18</b>	<b>\$ -</b>	<b>\$ 1.54</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$29,377,944.69 and the accumulated depreciation is \$8,490,130.30.	20,887,814.39
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(11,966,366.11)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	1,002,154.94
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(188,856.25)
Net Pension Liability	(4,924,042.00)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.	(180,629.00)
Deferred Outflows of Resources - Related to Pensions	826,902.00
Deferred Inflows of Resources - Related to Pensions	(739,816.00)
<b>Net Position of Governmental Activities</b>	<b>\$ 5,944,232.88</b>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 11,690,719.00			\$ 1,036,913.00	\$ 12,727,632.00
Tuition Charges	5,614,675.80				5,614,675.80
Miscellaneous	102,894.88				102,894.88
State Sources	3,971,415.16	\$ 328,775.80			4,300,190.96
Federal Sources	19,882.22	443,315.54			463,197.76
<b>Total Revenues</b>	<b>21,399,587.06</b>	<b>772,091.34</b>		<b>1,036,913.00</b>	<b>23,208,591.40</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	6,695,372.91	622,120.52			7,317,493.43
Special Education Instruction	1,856,596.31				1,856,596.31
Other Special Instruction	491,975.58				491,975.58
Other Instruction	663,970.05				663,970.05
<b>Support Services and Undistributed Costs:</b>					
Tuition	453,570.24				453,570.24
Student and Instruction Related Services	1,871,646.11	149,970.82			2,021,616.93
School Administrative Services	780,990.74				780,990.74
Other Administrative Services	779,845.36				779,845.36
Plant Operations and Maintenance	1,493,621.48				1,493,621.48
Pupil Transportation	291,293.36				291,293.36
Unallocated Benefits	3,377,419.16				3,377,419.16
TPAF Pension and Social Security	2,254,942.16				2,254,942.16
<b>Debt Service:</b>					
Principal				640,000.00	640,000.00
Interest and Other Charges				396,912.50	396,912.50
Capital Outlay	153,721.69				153,721.69
<b>Total Expenditures</b>	<b>21,164,965.15</b>	<b>772,091.34</b>		<b>1,036,912.50</b>	<b>22,973,968.99</b>
Excess (Deficiency) of Revenues over Expenditures	234,621.91			0.50	234,622.41
Fund Balance -- July 1	992,447.46			1.04	992,448.50
Fund Balance -- June 30	\$ 1,227,069.37	\$ -	\$ -	\$ 1.54	\$ 1,227,070.91

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	234,622.41
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(814,106.91)
Capital Outlays		153,721.69
Capital Asset Transfers		(75,532.43)
Debt Service Assessment Charged to Capital Outlay		<u>(65,498.00)</u>
		(801,415.65)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		640,000.00
<p>The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		(24,470.59)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p>		
		9,600.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		36,851.15
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>8,113.00</u>
Change in Net Position of Governmental Activities	\$	<u>103,300.32</u>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Net Position  
 June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Totals</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 17,933.19	\$ 44,533.33	\$ 62,466.52
Accounts Receivable:			
State	160.83		160.83
Federal	4,888.88		4,888.88
Inventories	9,210.29		9,210.29
<b>Total Current Assets</b>	<u>32,193.19</u>	<u>44,533.33</u>	<u>76,726.52</u>
<b>Noncurrent Assets:</b>			
Equipment	141,272.00		141,272.00
Less Accumulated Depreciation	(74,746.76)		(74,746.76)
<b>Total Noncurrent Assets</b>	<u>66,525.24</u>		<u>66,525.24</u>
<b>Total Assets</b>	<u>98,718.43</u>	<u>44,533.33</u>	<u>143,251.76</u>
<b>LIABILITIES :</b>			
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	66,525.24		66,525.24
Unrestricted	32,193.19	44,533.33	76,726.52
<b>Total Net Position</b>	<u>\$ 98,718.43</u>	<u>\$ 44,533.33</u>	<u>\$ 143,251.76</u>

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



**HADDON HEIGHTS SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Totals
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 105,918.56		\$ 105,918.56
Daily Sales - Non-Reimbursable Programs	123,431.46		123,431.46
Special Functions	6,937.05		6,937.05
Tuition and Fees		\$ 84,364.90	84,364.90
<b>Total Operating Revenues</b>	<b>236,287.07</b>	<b>84,364.90</b>	<b>320,651.97</b>
<b>OPERATING EXPENSES:</b>			
Salaries	158,018.55	55,475.53	213,494.08
General Supplies	12,425.23	44,100.83	56,526.06
Depreciation	9,007.19		9,007.19
Miscellaneous	8,528.58		8,528.58
Repair	752.65		752.65
Management Fee	24,562.86		24,562.86
Cost of Sales - Reimbursable Programs	81,156.62		
Cost of Sales - Non-Reimbursable Programs	52,944.71		52,944.71
<b>Total Operating Expenses</b>	<b>347,396.39</b>	<b>99,576.36</b>	<b>365,816.13</b>
<b>Operating Income (Loss)</b>	<b>(111,109.32)</b>	<b>(15,211.46)</b>	<b>(45,164.16)</b>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	2,966.35		2,966.35
Federal Sources:			
National School Lunch Program	90,939.76		90,939.76
Food Distribution Program	15,564.64		15,564.64
Interest and Investment Revenue	11.52		11.52
<b>Total Nonoperating Revenues</b>	<b>109,482.27</b>		<b>109,482.27</b>
<b>Income (Loss) before Contributions and Transfers</b>	<b>(1,627.05)</b>	<b>(15,211.46)</b>	<b>64,318.11</b>
<b>Capital Asset Transfers</b>	<b>75,532.43</b>		<b>75,532.43</b>
<b>Change in Net Position</b>	<b>73,905.38</b>	<b>(15,211.46)</b>	<b>139,850.54</b>
<b>Net Position -- July 1</b>	<b>24,813.05</b>	<b>59,744.79</b>	<b>84,557.84</b>
<b>Net Position -- June 30</b>	<b>\$ 98,718.43</b>	<b>\$ 44,533.33</b>	<b>\$ 224,408.38</b>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 236,287.07	\$ 84,364.90	\$ 320,651.97
Payments to Employees	(158,018.55)	(55,475.53)	(213,494.08)
Payments to Vendors	(162,345.06)	(44,100.83)	(206,445.89)
Net Cash Provided by (used for) Operating Activities	<u>(84,076.54)</u>	<u>(15,211.46)</u>	<u>(99,288.00)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	2,991.36		2,991.36
Federal Sources	91,731.02		91,731.02
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>94,722.38</u>		<u>94,722.38</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	11.52		11.52
Net Cash Provided by (used for) Investing Activities	<u>11.52</u>		<u>11.52</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,657.36	(15,211.46)	(4,554.10)
Balances -- July 1	<u>7,275.83</u>	<u>59,744.79</u>	<u>67,020.62</u>
Balances -- June 30	<u>\$ 17,933.19</u>	<u>\$ 44,533.33</u>	<u>\$ 62,466.52</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (111,109.32)	\$ (15,211.46)	\$ (126,320.78)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	9,007.19		9,007.19
Food Distribution Program	15,564.64		15,564.64
(Increase) Decrease in Inventories	2,460.95		2,460.95
Total Adjustments	<u>27,032.78</u>		<u>27,032.78</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (84,076.54)</u>	<u>\$ (15,211.46)</u>	<u>\$ (99,288.00)</u>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2016

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 91,019.29	\$ 155,791.37	\$ 145,393.50	\$ 113,224.89
<b>Total Assets</b>	<u>91,019.29</u>	<u>155,791.37</u>	<u>\$ 145,393.50</u>	<u>\$ 113,224.89</u>
<b>LIABILITIES:</b>				
Accounts Payable	465.66			
Payable to Student Groups			\$ 145,393.50	
Payroll Deductions and Withholdings				\$ 113,224.89
<b>Total Liabilities</b>	<u>465.66</u>		<u>\$ 145,393.50</u>	<u>\$ 113,224.89</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 90,553.63</u>	<u>\$ 155,791.37</u>		

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Year Ended June 30, 2016

	<u>Private-Purpose Trust Funds</u>	
	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS:		
Board Contributions		\$ 50,000.00
Scholarship Donations	\$ 53,550.00	
Payroll Deductions		23,363.02
Total Contributions	<u>53,550.00</u>	<u>73,363.02</u>
Investment earnings:		
Interest	57.01	18.56
Net Investment Earnings	<u>57.01</u>	<u>18.56</u>
Total Additions	<u>53,607.01</u>	<u>73,381.58</u>
DEDUCTIONS:		
Scholarships Awarded	65,573.00	
Unemployment Claims		20,066.57
Total Deductions	<u>65,573.00</u>	<u>20,066.57</u>
Change in Net Position	(11,965.99)	53,315.01
Net Position -- July 1	<u>167,757.36</u>	<u>37,238.62</u>
Net Position -- June 30	<u>\$ 155,791.37</u>	<u>\$ 90,553.63</u>

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Haddon Heights School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 12 at its four schools. The School District has an approximate enrollment at June 30, 2016 of 1,285.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

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

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

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

**Before and After Care Fund** - This fund accounts for the financial activity related to providing daycare services for the School District students before and after school.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: a student activity fund and payroll fund.

**Private-Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships which are awarded in accordance with the trust requirements.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2013, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

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

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

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

**Tuition Receivable**

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

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

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Land	10 – 20 Years
Buildings and Improvements	10 – 50 Years
Equipment	5 – 20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accrued Liabilities and Long-Term Obligations**

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

**Pensions**

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

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

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

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

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2016, the School District adopted 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 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 adoption of this Statement had no impact on the basic financial statements of the School District.

In addition, the School District adopted 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*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Lastly, the School District adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.



**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balances of \$2,243,805.09 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 1,792,400.89
Uninsured and Uncollateralized	<u>451,404.20</u>
Total	<u>\$ 2,243,805.09</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 204,062.44
Increased by:	
Interest Earnings	<u>204.16</u>
Ending Balance, June 30, 2016	<u>\$ 204,266.60</u>

The June 30, 2016 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Awards	\$ 395.77	\$ 144,750.57	\$ 145,146.34	\$ 4,888.88	\$ 150,035.22
State Awards	56,912.51		56,912.51	160.83	57,073.34
Tuition Charges	500.00		500.00		500.00
	<u>\$ 57,808.28</u>	<u>\$ 144,750.57</u>	<u>\$ 202,558.85</u>	<u>\$ 5,049.71</u>	<u>\$ 207,608.56</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 7,350.79
Supplies	<u>1,859.50</u>
	<u>\$ 9,210.29</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 4,162 00				\$ 4,162.00
Construction in Progress	-				-
Total Capital Assets, not being Depreciated	4,162 00				4,162.00
Capital Assets, being Depreciated:					
Buildings and Improvements	27,685,029 00	\$ 25,100 00			27,710,129.00
Equipment	1,968,173 00	63,123.69	\$ (100,731.00)		1,930,565.69
Total Capital Assets, being Depreciated	29,653,202 00	88,223.69	(100,731.00)		29,640,694.69
Total Capital Assets, Cost	29,657,364 00	88,223.69	(100,731.00)		29,644,856.69
Less Accumulated Depreciation for:					
Buildings and Improvements	(6,971,718 00)	(579,291 00)			(7,551,009.00)
Equipment	(996,415 96)	(234,815 91)	25,198.57		(1,206,033.30)
Total Accumulated Depreciation	(7,968,133 96)	(814,106 91)	25,198.57		(8,757,042.30)
Total Capital Assets, being Depreciated, Net	21,685,068 04	(725,883 22)	(75,532.43)		20,883,652.39
Governmental Activities Capital Assets, Net	<u>\$ 21,689,230 04</u>	<u>\$ (725,883 22)</u>	<u>\$ (75,532.43)</u>	<u>\$ -</u>	<u>\$ 20,887,814.39</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Equipment	\$ 40,541 00		\$ 100,731.00		\$ 141,272.00
Less Accumulated Depreciation for:					
Equipment	(40,541.00)	\$ (9,007.19)	(25,198.57)		(74,746.76)
Total Capital Assets, being Depreciated, Net		(9,007.19)	75,532.43		66,525.24
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ (9,007.19)</u>	<u>\$ 75,532.43</u>	<u>\$ -</u>	<u>\$ 66,525.24</u>

Depreciation expense was charged to functions / programs of the School District as follows:

<b>Governmental Activities:</b>	
Instruction	\$ 75,840.89
Unallocated	738,266 02
Total Depreciation Expense - Governmental Activities	<u>\$ 814,106 91</u>
<b>Business-Type Activities:</b>	
Food Service	\$ 9,007.19
Before and After Care	-
Total Depreciation Expense - Business-Type Activities	<u>\$ 9,007.19</u>

During the fiscal year ended June 30, 2016, the School District transferred capital assets previously used in governmental activities to business-type activities in the amount of \$75,532.43. These capital assets are now used by the School District's Food Service program.

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 11,595,000.00		\$ (640,000.00)	\$ 10,955,000.00	\$ 650,000.00
Plus Amounts:					
Premiums	726,571.47		(50,691.03)	675,880.44	
Total Bonds Payable	<u>12,321,571.47</u>		<u>(690,691.03)</u>	<u>11,630,880.44</u>	<u>650,000.00</u>
Other Liabilities:					
Compensated Absences	372,336.82		(36,851.15)	335,485.67	
Net Pension Liability	4,657,419.00	\$ 1,341,478.00	(1,074,855.00)	4,924,042.00	
Total Other Liabilities	<u>5,029,755.82</u>	<u>1,341,478.00</u>	<u>(1,111,706.15)</u>	<u>5,259,527.67</u>	
Governmental Activity Long-Term Liabilities	<u>\$ 17,351,327.29</u>	<u>\$ 1,341,478.00</u>	<u>\$ (1,802,397.18)</u>	<u>\$ 16,890,408.11</u>	<u>\$ 650,000.00</u>

The bonds payable are generally liquidated by the debt service fund, while the compensated absences and net pension liability are liquidated by the general fund.

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

On November 9, 2012, the School District issued \$11,820,000.00 general obligation refunding bonds at interest rates varying from 2.0% to 4.0% for various construction and renovation projects. The final maturity of these bonds is January 1, 2030. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 650,000.00	\$ 377,712.50	\$ 1,027,712.50
2018	670,000.00	358,212.50	1,028,212.50
2019	685,000.00	338,112.50	1,023,112.50
2020	705,000.00	310,712.50	1,015,712.50
2021	725,000.00	282,512.50	1,007,512.50
2022-2026	4,035,000.00	968,312.50	5,003,312.50
2027-2030	3,485,000.00	283,887.50	3,768,887.50
Total	<u>\$ 10,955,000.00</u>	<u>\$ 2,919,462.50</u>	<u>\$ 13,874,462.50</u>

**Bonds Authorized but not Issued** - As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 15 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

**Note 8: OPERATING LEASES**

At June 30, 2016, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2017	\$ 36,359.50
2018	10,936.00
2019	<u>9,230.40</u>
	<u>\$ 56,525.90</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$45,098.79.

**Note 9: PENSION PLANS**

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

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.60% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$498,531.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$663,968.44.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.33% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$188,585.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$111,812.99.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$34,043.53, and the School District recognized pension expense of \$18,384.61. There were no forfeitures during the fiscal year.



**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>58,629,858.00</u>
	<u>\$ 58,629,858.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0927624950%, which was a decrease of .0045303567% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$3,579,881.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$4,924,042.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was .0219353290%, which was a decrease of .0029404095% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$202,550.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 117,470.00	-
Changes of Assumptions	528,803.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	79,169.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	660,647.00
School District Contributions Subsequent to the Measurement Date	180,629.00	-
	<u>\$ 826,902.00</u>	<u>\$ 739,816.00</u>

\$180,629.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30,</u></b>	
2017	\$ (38,181.00)
2018	(38,181.00)
2019	(38,182.00)
2020	31,207.00
2021	(10,206.00)
	<u>\$ (93,543.00)</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** – The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were 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.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2015 are summarized in the following tables:

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
				<u>100.00%</u>	
	<u>100.00%</u>				

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 rates for TPAF and PERS 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 actuarially determined 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 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	69,679,395.00	58,629,858.00	49,110,021.00
	<u>\$ 69,679,395.00</u>	<u>\$ 58,629,858.00</u>	<u>\$ 49,110,021.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 6,119,981.00	\$ 4,924,042.00	\$ 3,921,375.00

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

At June 30, 2016, the School District does not offer postemployment benefits.

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$684,081.00, \$855,129.00 and \$34,077.00, respectively.

**Note 13: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2016	\$ 50,000.00	\$ 23,363.02	\$ 18.56	\$ 20,066.57	\$ 90,553.63
2015	-	21,479.02	17.60	28,802.00	37,238.62
2014	-	21,029.20	28.35	45,091.87	44,544.00

**Note 13: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property, Inland Marine and Automobile Physical Damages  
 General and Automobile Liability  
 Workers' Compensation and Employer's Liability  
 Boiler and Machinery  
 Pollution Legal Liability  
 Crime

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

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

**Note 14: DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.  
 Fidelity Investments  
 First Investors  
 Midland National Life Insurance Company  
 Waddell & Reed Financial, Inc.  
 Siracusa Benefits  
 AXA Equitable  
 Vanguard



**Note 15: COMPENSATED ABSENCES**

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward to subsequent years. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$335,485.67 and \$-0-, respectively.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Note 17: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$383,536.63. Additionally, \$30,308.54 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

**Note 18: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****General Fund (Cont'd)**

**For Capital Reserve Account** - As of June 30, 2016, the balance in the capital reserve account is \$204,266.60. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$1.54 of debt service fund balance at June 30, 2016.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$319,691.46 of general fund balance at June 30, 2016.

**Other Purposes** - As of June 30, 2016, the School District had \$33,561.68 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2016, \$255,704.46 of general fund balance was unassigned.

**Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION**

The School District restated its net position as of June 30, 2015 as a result of a change to the prior year net investment in capital assets. The cumulative effect on the financial statements as reported for June 30, 2015 is as follows:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at June 30, 2015	\$ 5,820,839.52
Prior Period Adjustment:	
The effect of a change to the prior year net investment in capital assets	<u>20,093.04</u>
Net Position as Restated, July 1, 2015	<u>\$ 5,840,932.56</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 11,690,719.00		\$ 11,690,719.00	\$ 11,690,719.00	
Tuition	5,153,994.00	\$ 351,440.00	5,505,434.00	5,614,675.80	\$ 109,241.80
Interest Earned on Capital Reserve Funds				204.16	204.16
Unrestricted Miscellaneous Revenues	75,000.00		75,000.00	102,690.72	27,690.72
<b>Total - Local Sources</b>	<b>16,919,713.00</b>	<b>351,440.00</b>	<b>17,271,153.00</b>	<b>17,408,289.68</b>	<b>137,136.68</b>
State Sources:					
Extraordinary Aid				18,827.00	18,827.00
Categorical Special Education Aid	500,273.00		500,273.00	500,273.00	
Equalization Aid	446,874.00		446,874.00	446,874.00	
Categorical Security Aid	66,157.00		66,157.00	66,157.00	
Categorical Transportation Aid	104,187.00		104,187.00	104,187.00	
School Choice Aid	365,429.00		365,429.00	365,429.00	
PARCC Readiness Aid	8,930.00		8,930.00	8,930.00	
Per Pupil Growth Aid	8,930.00		8,930.00	8,930.00	
Adjustment Aid	192,447.00		192,447.00	192,447.00	
Other State Aid - Nonpublic Transportation Aid				5,046.00	5,046.00
On-Behalf Contributions-					
T.P.A.F. Post-Retirement Medical				855,129.00	855,129.00
Teacher's Pension and Annuity Fund				684,081.00	684,081.00
T.P.A.F. Non-contributory Insurance				34,077.00	34,077.00
Reimbursed T.P.A.F. Social Security Contributions				681,655.16	681,655.16
<b>Total - State Sources</b>	<b>1,693,227.00</b>		<b>1,693,227.00</b>	<b>3,972,042.16</b>	<b>2,278,815.16</b>
Federal Sources:					
SEMI -- Medicaid Initiative	18,299.00		18,299.00	19,882.22	1,583.22
<b>Total - Federal Sources</b>	<b>18,299.00</b>		<b>18,299.00</b>	<b>19,882.22</b>	<b>1,583.22</b>
<b>Total Revenues</b>	<b>18,631,239.00</b>	<b>351,440.00</b>	<b>18,982,679.00</b>	<b>21,400,214.06</b>	<b>2,417,535.06</b>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 111,580.00	\$ 600.00	\$ 112,180.00	\$ 109,102.06	\$ 3,077.94
Grades 1-5	1,768,496.00	(85,000.00)	1,683,496.00	1,678,948.78	4,547.22
Grades 6-8	979,077.00	54,500.00	1,033,577.00	1,024,291.38	9,285.62
Grades 9-12	3,318,261.00	140,051.50	3,458,312.50	3,435,635.61	22,676.89
Unused Vacation Payment to Terminated/Retired Staff	1,784.00	(1,784.00)			
Regular Programs - Home Instruction:					
Salaries of Teachers	20,000.00		20,000.00	11,760.26	8,239.74
Other Purchased Services	20,000.00		20,000.00	14,337.85	5,662.15
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	13,716.00	10,868.00	24,584.00	20,010.21	4,573.79
Purchased Technical Services	58,341.00		58,341.00	53,924.62	4,416.38
Other Purchased Services (400-500 Series)	110,409.00	4,512.71	114,921.71	110,422.72	4,498.99
General Supplies	204,476.92	(7,788.57)	196,688.35	177,180.40	19,507.95
Textbooks	56,073.00	17,417.29	73,490.29	59,759.02	13,731.27
<b>Total Regular Programs</b>	<b>6,662,213.92</b>	<b>133,376.93</b>	<b>6,795,590.85</b>	<b>6,695,372.91</b>	<b>100,217.94</b>
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	45,935.00	(45,935.00)			
Other Salaries for Instruction		1,545.50	1,545.50		1,545.50
General Supplies	3,000.00		3,000.00	79.76	2,920.24
<b>Total Behavioral Disabilities</b>	<b>48,935.00</b>	<b>(44,389.50)</b>	<b>4,545.50</b>	<b>79.76</b>	<b>4,465.74</b>
Multiple Disabilities:					
Salaries of Teachers	339,234.00	(222,565.00)	116,669.00	116,586.18	82.82
Other Salaries for Instruction	186,300.00	(24,419.00)	161,881.00	152,793.80	9,087.20
General Supplies	13,700.00	(2,000.00)	11,700.00	6,853.90	4,846.10
<b>Total Multiple Disabilities</b>	<b>539,234.00</b>	<b>(248,984.00)</b>	<b>290,250.00</b>	<b>276,233.88</b>	<b>14,016.12</b>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 1,057,736.00	\$ 252,583.00	\$ 1,310,319.00	\$ 1,294,843.51	\$ 15,475.49
Other Salaries for Instruction	69,850.00	121,050.00	190,900.00	160,513.76	30,386.24
General Supplies	10,229.94	(100.00)	10,129.94	8,568.11	1,561.83
Total Resource Room / Resource Center	<u>1,137,815.94</u>	<u>373,533.00</u>	<u>1,511,348.94</u>	<u>1,463,925.38</u>	<u>47,423.56</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	54,462.00	119.00	54,581.00	54,018.56	562.44
Other Salaries for Instruction	46,100.00	13,893.46	59,993.46	59,881.94	111.52
General Supplies	2,387.96	100.00	2,487.96	2,456.79	31.17
Total Preschool Disabilities - Part Time	<u>102,949.96</u>	<u>14,112.46</u>	<u>117,062.42</u>	<u>116,357.29</u>	<u>705.13</u>
Total Special Education - Instruction	<u>1,828,934.90</u>	<u>94,271.96</u>	<u>1,923,206.86</u>	<u>1,856,596.31</u>	<u>66,610.55</u>
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	<u>389,742.00</u>	<u>95,079.00</u>	<u>484,821.00</u>	<u>481,334.08</u>	<u>3,486.92</u>
Total Basic Skills / Remedial - Instruction	<u>389,742.00</u>	<u>95,079.00</u>	<u>484,821.00</u>	<u>481,334.08</u>	<u>3,486.92</u>
Bilingual Education - Instruction:					
Salaries of Teachers	<u>38,193.00</u>		<u>38,193.00</u>	<u>10,641.50</u>	<u>27,551.50</u>
Total Bilingual Education - Instruction	<u>38,193.00</u>		<u>38,193.00</u>	<u>10,641.50</u>	<u>27,551.50</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	107,476.00		107,476.00	96,210.00	11,266.00
Transfers to cover deficit (agency funds)	6,400.00	(401.50)	5,998.50	2,591.28	3,407.22
Total School Sponsored Cocurricular Activities - Instruction	<u>113,876.00</u>	<u>(401.50)</u>	<u>113,474.50</u>	<u>98,801.28</u>	<u>14,673.22</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 352,525.00	\$ 2,068.75	\$ 354,593.75	\$ 351,912.25	\$ 2,681.50
Supplies and Materials	40,000.00	4,777.21	44,777.21	43,788.21	989.00
Other Objects	172,624.00	(7,812.45)	164,811.55	164,810.31	1.24
Total School Sponsored Athletics - Instruction	<u>565,149.00</u>	<u>(966.49)</u>	<u>564,182.51</u>	<u>560,510.77</u>	<u>3,671.74</u>
Other Instructional Programs - Instruction:					
Salaries	<u>4,500.00</u>	<u>158.00</u>	<u>4,658.00</u>	<u>4,658.00</u>	
Total Other Instructional Programs - Instruction	<u>4,500.00</u>	<u>158.00</u>	<u>4,658.00</u>	<u>4,658.00</u>	
Total Instruction	<u>9,602,608.82</u>	<u>321,517.90</u>	<u>9,924,126.72</u>	<u>9,707,914.85</u>	<u>216,211.87</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Special	84,200.00	(742.85)	83,457.15	83,457.15	
Tuition to County Voc. School District - Regular	6,152.00	10.00	6,162.00	6,162.00	
Tuition to CSSD and Regional Day Schools	190,800.00	(50,767.10)	140,032.90	140,017.89	15.01
Tuition to Private Schools for the Disabled - Within State	<u>159,167.00</u>	<u>64,766.20</u>	<u>223,933.20</u>	<u>223,933.20</u>	
Total Undistributed Expenditures - Instruction	<u>440,319.00</u>	<u>13,266.25</u>	<u>453,585.25</u>	<u>453,570.24</u>	<u>15.01</u>

(Continued)



**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
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 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 71,829.00	\$ 11,086.56	\$ 82,915.56	\$ 82,632.07	\$ 283.49
Supplies and Materials	5,298.28	7,510.89	12,809.17	5,295.17	7,514.00
Total Undistributed Expenditures - Attendance and Social Work	<u>77,127.28</u>	<u>18,597.45</u>	<u>95,724.73</u>	<u>87,927.24</u>	<u>7,797.49</u>
Undistributed Expenditures - Health Services:					
Salaries	375,136.00	18,447.10	393,583.10	393,583.10	
Supplies and Materials	5,761.55	(110.93)	5,650.62	5,038.38	612.24
Other Objects	900.00	(657.10)	242.90		242.90
Total Undistributed Expenditures - Health Services	<u>381,797.55</u>	<u>17,679.07</u>	<u>399,476.62</u>	<u>398,621.48</u>	<u>855.14</u>
Undistributed Expenditures - Speech, OT, PT, & Related Services:					
Salaries	120,813.00	3,905.00	124,718.00	123,736.00	982.00
Supplies and Materials	2,000.00		2,000.00	1,482.08	517.92
Total Undistributed Expenditures - Speech, OT, PT, & Related Services	<u>122,813.00</u>	<u>3,905.00</u>	<u>126,718.00</u>	<u>125,218.08</u>	<u>1,499.92</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	369,344.00	(39,379.45)	329,964.55	329,964.55	
Salaries of Secretarial and Clerical Assistants	91,301.00	(35,199.30)	56,101.70	56,000.23	101.47
Purchased Professional and Educational Services	12,500.00	(2,594.52)	9,905.48	9,471.90	433.58
Other Purchased Services	6,350.00	1,024.75	7,374.75	6,955.88	418.87
Supplies and Materials	5,800.00	(4,084.00)	1,716.00	1,575.03	140.97
Total Undistributed Expenditures - Guidance	<u>485,295.00</u>	<u>(80,232.52)</u>	<u>405,062.48</u>	<u>403,967.59</u>	<u>1,094.89</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	\$ 447,324.00	\$ 6,397.35	\$ 453,721.35	\$ 452,872.11	\$ 849.24
Salaries of Secretarial and Clerical Assistants	51,205.00	(4,621.35)	46,583.65	45,218.34	1,365.31
Unused Vacation Payment to Terminated/Retired Staff	1,946.00	(1,946.00)			
Purchased Professional - Educational Services	90,000.00	39,460.85	129,460.85	129,271.92	188.93
Miscellaneous Purchased Services	3,500.00	300.00	3,800.00	3,725.47	74.53
Supplies and Materials	5,000.00	10,035.00	15,035.00	14,998.63	36.37
<b>Total Undistributed Expenditures - Other Support Services - Students - Special:</b>	<u>598,975.00</u>	<u>49,625.85</u>	<u>648,600.85</u>	<u>646,086.47</u>	<u>2,514.38</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	96,296.00	1,893.53	98,189.53	98,189.53	
Salaries of Secretarial and Clerical Assistants	4,150.00	220.00	4,370.00	4,369.33	0.67
Unused Vacation Payment to Terminated/Retired Staff	1,784.00	(1,784.00)			
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<u>102,230.00</u>	<u>329.53</u>	<u>102,559.53</u>	<u>102,558.86</u>	<u>0.67</u>
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	72,034.00	1,007.80	73,041.80	72,914.94	126.86
Purchased Professional and Technical Services	2,840.00	(365.00)	2,475.00	2,475.00	
Supplies and Materials	18,500.00	7,307.20	25,807.20	15,091.91	10,715.29
<b>Total Undistributed Expenditures - Educational Media Services / School Library</b>	<u>93,374.00</u>	<u>7,950.00</u>	<u>101,324.00</u>	<u>90,481.85</u>	<u>10,842.15</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	10,700.00	210.00	10,910.00	10,910.00	
Other Purchased Services (400-500 series)	23,668.00	(8,618.96)	15,049.04	5,874.54	9,174.50
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<u>34,368.00</u>	<u>(8,408.96)</u>	<u>25,959.04</u>	<u>16,784.54</u>	<u>9,174.50</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 216,881.00	\$ 304.94	\$ 217,185.94	\$ 216,583.86	\$ 602.08
Legal Services	50,000.00	43,900.00	93,900.00	65,137.00	28,763.00
Audit Fees	29,600.00	(2,000.00)	27,600.00	27,600.00	
Architectural/Engineering Services		1,695.06	1,695.06		1,695.06
Other Purchased Professional Services	46,849.00	3,500.00	50,349.00	48,655.30	1,693.70
Communications / Telephone	66,600.00	6,100.00	72,700.00	65,515.98	7,184.02
BOE Other Purchased Services	1,000.00		1,000.00	498.31	501.69
Miscellaneous Purchased Services	56,050.00		56,050.00	52,537.00	3,513.00
Supplies and Materials	6,500.00		6,500.00	6,065.21	434.79
Miscellaneous Expenditures	13,750.00	(3,800.00)	9,950.00	6,147.24	3,802.76
BOE Membership Dues and Fees	10,500.00		10,500.00	10,028.20	471.80
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<u>497,730.00</u>	<u>49,700.00</u>	<u>547,430.00</u>	<u>498,768.10</u>	<u>48,661.90</u>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	516,168.00	30,109.50	546,277.50	542,815.32	3,462.18
Salaries of Secretarial and Clerical Assistants	175,204.00	18,116.51	193,320.51	193,320.51	
Other Salaries	8,603.00	(8,603.00)			
Other Purchased Services	31,500.00	(860.20)	30,639.80	25,844.66	4,795.14
Supplies and Materials	27,400.00	(3,504.81)	23,895.19	11,598.34	12,296.85
Other Objects	8,500.00		8,500.00	7,411.91	1,088.09
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<u>767,375.00</u>	<u>35,258.00</u>	<u>802,633.00</u>	<u>780,990.74</u>	<u>21,642.26</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - Central Services:					
Salaries	\$ 249,526.00	\$ 8,179.00	\$ 257,705.00	\$ 255,013.35	\$ 2,691.65
Purchased Technical Services	16,800.00	1,156.68	17,956.68	17,956.68	
Miscellaneous Purchased Services	6,000.00	37.38	6,037.38	5,975.14	62.24
Supplies and Materials	2,400.00	(1,194.06)	1,205.94	995.00	210.94
Miscellaneous Expenditures	2,000.00		2,000.00	1,137.09	862.91
Total Undistributed Expenditures - Support Services - Central Services	<u>276,726.00</u>	<u>8,179.00</u>	<u>284,905.00</u>	<u>281,077.26</u>	<u>3,827.74</u>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	71,888.00	42,665.31	114,553.31	112,552.94	2,000.37
Cleaning, Repair and Maintenance Services	75,000.00	1,450.00	76,450.00	52,127.29	24,322.71
General Supplies	53,500.00	(10,314.09)	43,185.91	36,351.53	6,834.38
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>200,388.00</u>	<u>33,801.22</u>	<u>234,189.22</u>	<u>201,031.76</u>	<u>33,157.46</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services					
Salaries	\$ 511,991.00	\$ (15,232.06)	\$ 496,758.94	\$ 488,842.37	\$ 7,916.57
Cleaning, Repair and Maintenance Services	10,000.00		10,000.00	4,262.38	5,737.62
Other Purchased Property Services	59,000.00	11,105.00	70,105.00	66,346.50	3,758.50
Insurance	51,350.00		51,350.00	49,742.00	1,608.00
Miscellaneous Purchased Services	15,500.00		15,500.00	14,542.65	957.35
General Supplies	55,000.00	(12,459.91)	42,540.09	42,369.61	170.48
Energy (Electricity)	347,000.00	(6,900.00)	340,100.00	296,189.75	43,910.25
Other Objects	4,000.00		4,000.00	3,720.21	279.79
Energy (Natural Gas)	119,000.00	(7,614.25)	111,385.75	76,978.83	34,406.92
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services</b>	<b>1,172,841.00</b>	<b>(31,101.22)</b>	<b>1,141,739.78</b>	<b>1,042,994.30</b>	<b>98,745.48</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	101,139.00		101,139.00	100,933.94	205.06
Cleaning, Repair and Maintenance Services	5,000.00	6,000.00	11,000.00	10,953.82	46.18
General Supplies	7,000.00	13,000.00	20,000.00	19,860.00	140.00
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>113,139.00</b>	<b>19,000.00</b>	<b>132,139.00</b>	<b>131,747.76</b>	<b>391.24</b>
Undistributed Expenditures - Security					
Salaries	83,000.00	37,311.36	120,311.36	117,847.66	2,463.70
<b>Total Undistributed Expenditures - Security</b>	<b>83,000.00</b>	<b>37,311.36</b>	<b>120,311.36</b>	<b>117,847.66</b>	<b>2,463.70</b>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Spec. Ed.	\$ 35,200.00	\$ (5,000.00)	\$ 30,200.00	\$ 29,053.20	\$ 1,146.80
Salaries for Pupil Transportation (Other than Bet. Home & Sch)	15,000.00	26,144.99	41,144.99	26,534.42	14,610.57
Salaries for Pupil Transportation (Bet. Home & Sch) - Nonpublic	15,500.00	(4,839.00)	10,661.00	9,958.95	702.05
Management Fee - ESC & CTSA Trans. Program	10,000.00		10,000.00	7,586.60	2,413.40
Cleaning, Repair, & Maintenance Services	18,000.00	(2,529.96)	15,470.04	11,511.04	3,959.00
Contracted Services - (Other than Between Home and School) - Vendors	6,500.00	2,636.00	9,136.00	9,136.00	
Contracted Services (Special Education Students) - Jt. Agrmnts	1,000.00	4,477.92	5,477.92	5,477.92	
Contracted Services (Special Education Students) - ESCs & CTSA	200,000.00	(12,500.00)	187,500.00	153,905.21	33,594.79
General Supplies	23,000.00	(7,235.96)	15,764.04	9,894.52	5,869.52
Other Objects	1,500.00		1,500.00	1,273.50	226.50
Contracted Services - Aid in Lieu of Payments	22,000.00	8,056.00	30,056.00	26,962.00	3,094.00
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>347,700.00</b>	<b>9,209.99</b>	<b>356,909.99</b>	<b>291,293.36</b>	<b>65,616.63</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	278,000.00	5,000.00	283,000.00	278,604.46	4,395.54
Other Retirement Contributions - PERS	240,000.00	9,521.08	249,521.08	249,521.08	
Unemployment Compensation	40,000.00	19,486.69	59,486.69	50,000.00	9,486.69
Workers Compensation	122,000.00		122,000.00	118,537.00	3,463.00
Health Benefits	2,813,188.00	(204,783.19)	2,608,404.81	2,600,637.08	7,767.73
Tuition Reimbursement	20,000.00		20,000.00	18,000.00	2,000.00
Other Employee Benefits	6,000.00		6,000.00	4,997.04	1,002.96
Unused Sick Payment to Terminated/Retired Staff	37,600.00	19,522.50	57,122.50	57,122.50	
<b>Total Unallocated Benefits</b>	<b>3,556,788.00</b>	<b>(151,252.92)</b>	<b>3,405,535.08</b>	<b>3,377,419.16</b>	<b>28,115.92</b>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
On-behalf Contributions -					
T.P.A.F. Post-Retirement Medical				\$ 855,129.00	\$ (855,129.00)
Teacher's Pension and Annuity Fund				684,081.00	(684,081.00)
T.P.A.F. Non-contributory Insurance				34,077.00	(34,077.00)
Reimbursed T.P.A.F. Social Security Contributions				681,655.16	(681,655.16)
<b>Total On-behalf Contributions</b>				<u>2,254,942.16</u>	<u>(2,254,942.16)</u>
<b>Total Undistributed Expenditures</b>	<u>\$ 9,351,985.83</u>	<u>\$ 32,817.10</u>	<u>\$ 9,384,802.93</u>	<u>11,303,328.61</u>	<u>(1,918,525.68)</u>
<b>Total Current Expense</b>	<u>18,954,594.65</u>	<u>354,335.00</u>	<u>19,308,929.65</u>	<u>21,011,243.46</u>	<u>(1,702,313.81)</u>
<b>Capital Outlay:</b>					
<b>Equipment:</b>					
Grades 1-5	6,000.00	12,122.00	18,122.00	18,121.89	0.11
Grades 9-12	20,351.00	1,093.00	21,444.00	19,752.30	1,691.70
<b>Undistributed Expenditures:</b>					
Operation and Maintenance of Plant		10,541.80	10,541.80	10,499.50	42.30
<b>Total Equipment</b>	<u>26,351.00</u>	<u>23,756.80</u>	<u>50,107.80</u>	<u>48,373.69</u>	<u>1,734.11</u>
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services	70,000.00	(10,541.80)	59,458.20	39,850.00	19,608.20
Assessment for Debt Service on SDA Funding	65,498.00		65,498.00	65,498.00	
<b>Total Facilities Acquisition and Construction Services</b>	<u>135,498.00</u>	<u>(10,541.80)</u>	<u>124,956.20</u>	<u>105,348.00</u>	<u>19,608.20</u>
<b>Total Capital Outlay</b>	<u>161,849.00</u>	<u>13,215.00</u>	<u>175,064.00</u>	<u>153,721.69</u>	<u>21,342.31</u>
<b>Transfer of Funds to Charter Schools</b>	<u>16,110.00</u>	<u>(16,110.00)</u>			

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Total Expenditures	\$ 19,132,553.65	\$ 351,440.00	\$ 19,483,993.65	\$ 21,164,965.15	\$ (1,680,971.50)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(501,314.65)		(501,314.65)	235,248.91	736,563.56
Fund Balances, July 1	1,138,189.46		1,138,189.46	1,138,189.46	
Fund Balances, June 30	<u>\$ 636,874.81</u>	<u>\$ -</u>	<u>\$ 636,874.81</u>	<u>\$ 1,373,438.37</u>	<u>\$ 736,563.56</u>
Recapitulation:					
Restricted Fund Balances:					
Capital Reserve				\$ 204,266.60	
Excess Surplus - Current Year				383,536.63	
Excess Surplus - Designated for Subsequent Year's Expenditures				30,308.54	
Assigned Fund Balance:					
Year-End Encumbrances				33,561.68	
Designated for Subsequent Year's Expenditures				319,691.46	
Unassigned Fund Balance				<u>402,073.46</u>	
				1,373,438.37	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(146,369.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,227,069.37</u>	



**HADDON HEIGHTS SCHOOL DISTRICT**  
 Special Revenue Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid	\$ 503,847.94		\$ 503,847.94	\$ 328,775.80	\$ (175,072.14)
Total - State Sources	<u>503,847.94</u>		<u>503,847.94</u>	<u>328,775.80</u>	<u>(175,072.14)</u>
Federal Sources:					
No Child Left Behind					
Title I	91,356.00		91,356.00	48,522.32	(42,833.68)
Title II - Part A	40,848.26		40,848.26	27,537.16	(13,311.10)
I.D.E.A., Part B	365,798.00		365,798.00	356,721.35	(9,076.65)
I.D.E.A., Part B - Preschool	11,115.00		11,115.00	11,115.00	
Total - Federal Sources	<u>509,117.26</u>		<u>509,117.26</u>	<u>443,895.83</u>	<u>(65,221.43)</u>
Total Revenues	<u>1,012,965.20</u>		<u>1,012,965.20</u>	<u>772,671.63</u>	<u>(240,293.57)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	25,000.00		25,000.00	18,337.00	6,663.00
Purchased Professional -Educational Services	1,968.00		1,968.00	1,295.00	673.00
Other Purchased Services	713,261.25		713,261.25	552,166.32	161,094.93
General Supplies	40,101.83		40,101.83	20,382.01	19,719.82
Textbooks	31,047.69		31,047.69	30,520.48	527.21
Total Instruction	<u>811,378.77</u>		<u>811,378.77</u>	<u>622,700.81</u>	<u>188,677.96</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
Support Services:					
Salaries of Other Professional Staff	\$ 33,500.00		\$ 33,500.00	\$ 31,760.00	\$ 1,740.00
Personal Services - Employee Benefits	4,208.00		4,208.00		4,208.00
Purchased Professional - Educational Services	112,721.43		112,721.43	98,977.78	13,743.65
Travel	21,873.00		21,873.00	8,319.89	13,553.11
Supplies and Materials	<u>29,284.00</u>		<u>29,284.00</u>	<u>10,913.15</u>	<u>18,370.85</u>
Total Support Services	<u>201,586.43</u>		<u>201,586.43</u>	<u>149,970.82</u>	<u>51,615.61</u>
Total Expenditures	<u>1,012,965.20</u>		<u>1,012,965.20</u>	<u>772,671.63</u>	<u>240,293.57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 21,400,214.06	\$ 772,671.63
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(580.29)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	145,742.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(146,369.00)	
	<u>\$ 21,399,587.06</u>	<u>\$ 772,091.34</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 21,399,587.06</u>	<u>\$ 772,091.34</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 21,164,965.15	\$ 772,671.63
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(580.29)
	<u>\$ 21,164,965.15</u>	<u>\$ 772,091.34</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 21,164,965.15</u>	<u>\$ 772,091.34</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**ACCOUNTING AND REPORTING FOR PENSIONS  
(GASBS NO. 68) SCHEDULES**

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0219353290%	0.0248757385%	0.0263448415%
School District's Proportionate Share of the Net Pension Liability	\$ 4,924,042.00	\$ 4,657,419.00	\$ 5,035,023.00
School District's Covered-Employee Payroll	\$ 1,592,488.00	\$ 1,804,976.00	\$ 1,898,340.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	309.20%	258.03%	265.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 180,629.00	\$ 188,585.00	\$ 205,072.00
Contributions in Relation to the Contractually Required Contribution	<u>(180,629.00)</u>	<u>(188,585.00)</u>	<u>(205,072.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 1,464,978.00	\$ 1,348,517.00	\$ 1,540,898.00
Contributions as a Percentage of School District's Covered-Employee Payroll	12.33%	13.98%	13.31%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Three Fiscal Years

	<b>Measurement Date Ending June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>58,629,858.00</u>	<u>51,999,863.00</u>	<u>50,735,812.00</u>
	<u>\$ 58,629,858.00</u>	<u>\$ 51,999,863.00</u>	<u>\$ 50,735,812.00</u>
School District's Covered-Employee Payroll	\$ 10,707,756.00	\$ 11,028,244.00	\$ 11,179,716.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	547.55%	471.52%	453.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information  
 for those years for which information is available.



**HADDON HEIGHTS SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**HADDON HEIGHTS SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2016

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**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**HADDON HEIGHTS SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Total</u>	<u>No Child Left Behind</u>		<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Nopublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Total Brought Forward</u>
		<u>Title I Part A</u>	<u>Title II Part A</u>					
<b>REVENUES:</b>								
Federal Sources	\$ 443,895.83	\$ 48,522.32	\$ 27,537.16	\$ 356,721.35	\$ 11,115.00			
State Sources	328,775.80					\$ 13,338.66	\$ 30,520.48	\$ 284,916.66
<b>Total Revenues</b>	<b>772,671.63</b>	<b>48,522.32</b>	<b>27,537.16</b>	<b>356,721.35</b>	<b>11,115.00</b>	<b>13,338.66</b>	<b>30,520.48</b>	<b>284,916.66</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	18,337.00	18,337.00						
Purchased Professional - Educational Services	1,295.00	1,295.00						
Other Purchased Services	552,166.32			253,911.00		13,338.66		284,916.66
General Supplies	20,382.01	3,413.82	400.26	5,452.93	11,115.00			
Textbooks	30,520.48						30,520.48	
<b>Total Instruction</b>	<b>622,700.81</b>	<b>23,045.82</b>	<b>400.26</b>	<b>259,363.93</b>	<b>11,115.00</b>	<b>13,338.66</b>	<b>30,520.48</b>	<b>284,916.66</b>
<b>Support Services:</b>								
Salaries of Other Professional Staff	31,760.00	9,356.00	18,904.00	3,500.00				
Purchased Professional - Educational Services	98,977.78	1,315.35	6,862.00	90,800.43				
Travel	8,319.89	5,092.00	170.90	3,056.99				
Supplies and Materials	10,913.15	9,713.15	1,200.00					
<b>Total Support Services</b>	<b>149,970.82</b>	<b>25,476.50</b>	<b>27,136.90</b>	<b>97,357.42</b>				
<b>Total Expenditures</b>	<b>772,671.63</b>	<b>48,522.32</b>	<b>27,537.16</b>	<b>356,721.35</b>	<b>11,115.00</b>	<b>13,338.66</b>	<b>30,520.48</b>	<b>284,916.66</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

	Total Carried Forward	Nonpublic Compensatory	Nonpublic ESL	Nonpublic Transportation	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification	Nonpublic Speech	Nonpublic Nursing	Nonpublic Security
REVENUES:									
State Sources	\$ 284,916.66	\$ 131,637.60	\$ -	\$ 5,330.96	\$ 23,240.25	\$ 38,687.87	\$ 25,080.00	\$ 48,420.00	\$ 12,519.98
Total Revenues	<u>\$ 284,916.66</u>	<u>\$ 131,637.60</u>	<u>\$ -</u>	<u>\$ 5,330.96</u>	<u>\$ 23,240.25</u>	<u>\$ 38,687.87</u>	<u>\$ 25,080.00</u>	<u>\$ 48,420.00</u>	<u>\$ 12,519.98</u>
EXPENDITURES:									
Instruction:									
Other Purchased Services	\$ 284,916.66	\$ 131,637.60		\$ 5,330.96	\$ 23,240.25	\$ 38,687.87	\$ 25,080.00	\$ 48,420.00	\$ 12,519.98
Total Instruction	<u>284,916.66</u>	<u>131,637.60</u>		<u>5,330.96</u>	<u>23,240.25</u>	<u>38,687.87</u>	<u>25,080.00</u>	<u>48,420.00</u>	<u>12,519.98</u>
Total Expenditures	<u>\$ 284,916.66</u>	<u>\$ 131,637.60</u>	<u>\$ -</u>	<u>\$ 5,330.96</u>	<u>\$ 23,240.25</u>	<u>\$ 38,687.87</u>	<u>\$ 25,080.00</u>	<u>\$ 48,420.00</u>	<u>\$ 12,519.98</u>

**PROPRIETARY FUNDS**

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Proprietary Funds  
 Combining Statement of Net Position  
 June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Total
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 17,933.19	\$ 44,533.33	\$ 62,466.52
Accounts Receivable:			
State	160.83		160.83
Federal	4,888.88		4,888.88
Inventories	9,210.29		9,210.29
<b>Total Current Assets</b>	<u>32,193.19</u>	<u>44,533.33</u>	<u>76,726.52</u>
<b>Noncurrent Assets:</b>			
Equipment	141,272.00		141,272.00
Less Accumulated Depreciation	(74,746.76)		(74,746.76)
<b>Total Noncurrent Assets</b>	<u>66,525.24</u>		<u>66,525.24</u>
<b>Total Assets</b>	<u>98,718.43</u>	<u>44,533.33</u>	<u>143,251.76</u>
<b>LIABILITIES:</b>			
Total Liabilities	-	-	-
<b>NET POSITION:</b>			
Net Investment in Capital Assets	66,525.24	-	66,525.24
Unrestricted	32,193.19	44,533.33	76,726.52
<b>Total Net Position</b>	<u>\$ 98,718.43</u>	<u>\$ 44,533.33</u>	<u>\$ 143,251.76</u>



**HADDON HEIGHTS SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	<u>Food Service</u>	<u>Before and After Care Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 105,918.56		\$ 105,918.56
Daily Sales - Non-Reimbursable Programs	123,431.46		123,431.46
Special Functions	6,937.05		6,937.05
Tuition and Fees		\$ 84,364.90	84,364.90
	<u>236,287.07</u>	<u>84,364.90</u>	<u>320,651.97</u>
<b>OPERATING EXPENSES:</b>			
Salaries	158,018.55	55,475.53	213,494.08
General Supplies	12,425.23	44,100.83	56,526.06
Depreciation	9,007.19		9,007.19
Miscellaneous	8,528.58		8,528.58
Repair	752.65		752.65
Management Fee	24,562.86		24,562.86
Cost of Sales - Reimbursable Programs	81,156.62		81,156.62
Cost of Sales - Non-Reimbursable Programs	52,944.71		52,944.71
	<u>347,396.39</u>	<u>99,576.36</u>	<u>446,972.75</u>
Total Operating Expenses			
Operating Income / (Loss)	<u>(111,109.32)</u>	<u>(15,211.46)</u>	<u>(126,320.78)</u>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	2,966.35		2,966.35
Federal Sources:			
National School Lunch Program	90,939.76		90,939.76
Food Distribution Program	15,564.64		15,564.64
Interest and Investment Revenue	11.52		11.52
	<u>109,482.27</u>		<u>109,482.27</u>
Total Nonoperating Revenues			
Income (Loss) before Contributions and Transfers	(1,627.05)	(15,211.46)	(16,838.51)
Capital Asset Transfers	75,532.43		75,532.43
Change in Net Position	73,905.38	(15,211.46)	58,693.92
Net Position -- July 1	24,813.05	59,744.79	84,557.84
Net Position -- June 30	<u>\$ 98,718.43</u>	<u>\$ 44,533.33</u>	<u>\$ 143,251.76</u>

**HADDON HEIGHTS SCHOOL DISTRICT**  
Proprietary Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities-- Enterprise Funds		
	Food Service	Before and After Care Program	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 236,287.07	\$ 84,364.90	\$ 320,651.97
Payments to Employees	(158,018.55)	(55,475.53)	(213,494.08)
Payments to Vendors	(162,345.06)	(44,100.83)	(206,445.89)
Net Cash Provided by (used for) Operating Activities	<u>(84,076.54)</u>	<u>(15,211.46)</u>	<u>(99,288.00)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	2,991.36		2,991.36
Federal Sources	91,731.02		91,731.02
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>94,722.38</u>		<u>94,722.38</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	11.52		11.52
Net Cash Provided by (used for) Investing Activities	<u>11.52</u>		<u>11.52</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,657.36	(15,211.46)	(4,554.10)
Cash and Cash Equivalents -- July 1	7,275.83	59,744.79	67,020.62
Cash and Equivalents -- June 30	<u>\$ 17,933.19</u>	<u>\$ 44,533.33</u>	<u>\$ 62,466.52</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (111,109.32)	\$ (15,211.46)	\$ (126,320.78)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	9,007.19		9,007.19
Food Distribution Program	15,564.64		15,564.64
(Increase) Decrease in Inventories	2,460.95		2,460.95
Total Adjustments	<u>27,032.78</u>		<u>27,032.78</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (84,076.54)</u>	<u>\$ (15,211.46)</u>	<u>\$ (99,288.00)</u>

**FIDUCIARY FUNDS**

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2016

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 91,019.29	\$ 155,791.37	\$ 145,393.50	\$ 113,224.89	\$ 505,429.05
Total Assets	<u>91,019.29</u>	<u>155,791.37</u>	<u>\$ 145,393.50</u>	<u>\$ 113,224.89</u>	<u>505,429.05</u>
<b>LIABILITIES:</b>					
Accounts Payable	465.66				465.66
Payable to Student Groups			\$ 145,393.50		145,393.50
Payroll Deductions and Withholdings				\$ 113,224.89	113,224.89
Total Liabilities	<u>465.66</u>		<u>\$ 145,393.50</u>	<u>\$ 113,224.89</u>	<u>259,084.05</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>90,553.63</u>	<u>155,791.37</u>			<u>246,345.00</u>
Total Net Position	<u>\$ 90,553.63</u>	<u>\$ 155,791.37</u>			<u>\$ 246,345.00</u>

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2016

	Private-Purpose Trust Funds		
	Unemployment Compensation Trust	Scholarship Fund	Total
ADDITIONS:			
Scholarship Donations		\$ 53,550.00	\$ 53,550.00
Board Contributions	\$ 50,000.00		50,000.00
Payroll Deductions	23,363.02		23,363.02
Total Contributions	73,363.02	53,550.00	126,913.02
Investment Earnings:			
Interest	18.56	57.01	75.57
Total Additions	73,381.58	53,607.01	126,988.59
DEDUCTIONS:			
Unemployment Claims	20,066.57		20,066.57
Scholarships Awarded		65,573.00	65,573.00
Total Deductions	20,066.57	65,573.00	85,639.57
Change in Net Position	53,315.01	(11,965.99)	41,349.02
Net Position -- July 1	37,238.62	167,757.36	204,995.98
Net Position -- June 30	\$ 90,553.63	\$ 155,791.37	\$ 246,345.00

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
High School	\$ 102,091.02	\$ 287,542.91	\$ 281,992.75	\$ 107,641.18
Atlantic Avenue School	8,094.06	6,173.73	6,466.18	7,801.61
Seventh Avenue School	1,836.62	3,891.31	3,035.96	2,691.97
Glenview Avenue School	8,741.75	11,995.45	13,546.47	7,190.73
Elementary Extra-Curricular	3,245.79	16,430.50	15,931.87	3,744.42
Co-Curricular Non-Athletic	382.01	30,616.02	30,623.24	374.79
District	11,101.84	50,972.95	47,420.21	14,654.58
Athletics	3,945.05	3,275.77	5,926.60	1,294.22
Miscellaneous	26.27		26.27	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total All Schools	<u>\$ 139,464.41</u>	<u>\$ 410,898.64</u>	<u>\$ 404,969.55</u>	<u>\$ 145,393.50</u>

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 149,220.68	\$ 14,248,394.48	\$ 14,284,390.27	\$ 113,224.89
Total Assets	<u>\$ 149,220.68</u>	<u>\$ 14,248,394.48</u>	<u>\$ 14,284,390.27</u>	<u>\$ 113,224.89</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 149,220.68	\$ 6,247,430.64	\$ 6,283,426.43	\$ 113,224.89
Net Payroll		7,977,600.82	7,977,600.82	
Interfund Accounts Payable:				
Due Unemployment Fund		23,363.02	23,363.02	
Total Liabilities	<u>\$ 149,220.68</u>	<u>\$ 14,248,394.48</u>	<u>\$ 14,284,390.27</u>	<u>\$ 113,224.89</u>

**LONG-TERM DEBT**



**HADDON HEIGHTS SCHOOL DISTRICT**  
 Statement of Serial Bonds  
 For the Fiscal Year Ended June 30, 2016

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Refunding Bonds, Series 2012	11/09/12	\$ 11,820,000.00	01/01/17	\$ 650,000 00	3 00%				
			01/01/18	670,000 00	3 00%				
			01/01/19	685,000 00	4 00%				
			01/01/20	705,000 00	4 00%				
			01/01/21	725,000 00	4 00%				
			01/01/22	750,000 00	4 00%				
			01/01/23	780,000 00	4 50%				
			01/01/24	815,000 00	3 00%				
			01/01/25	835,000 00	3 00%				
			01/01/26	855,000 00	3 00%				
			01/01/27	865,000 00	3 25%				
			01/01/28	865,000 00	3 25%				
			01/01/29	880,000 00	3 25%				
			01/01/30	875,000 00	3 25%				
					\$ 11,595,000.00		\$ 640,000.00	\$ 10,955,000.00	
					<u>\$ 11,595,000.00</u>	<u>\$ -</u>	<u>\$ 640,000.00</u>	<u>\$ 10,955,000.00</u>	

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,036,913.00	_____	\$ 1,036,913.00	\$ 1,036,913.00	_____
Total Revenues	<u>1,036,913.00</u>	_____	<u>1,036,913.00</u>	<u>1,036,913.00</u>	_____
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	640,000.00	_____	640,000.00	640,000.00	_____
Interest on Bonds	<u>396,913.00</u>	_____	<u>396,913.00</u>	<u>396,912.50</u>	\$ 0.50
Total Regular Debt Service	<u>1,036,913.00</u>	_____	<u>1,036,913.00</u>	<u>1,036,912.50</u>	0.50
Total Expenditures	<u>1,036,913.00</u>	_____	<u>1,036,913.00</u>	<u>1,036,912.50</u>	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	_____	-	0.50	0.50
Fund Balance, July 1	<u>1.04</u>	_____	<u>1.04</u>	<u>1.04</u>	_____
Fund Balance, June 30	<u>\$ 1.04</u>	<u>\$ -</u>	<u>\$ 1.04</u>	<u>\$ 1.54</u>	<u>\$ 0.50</u>

## **STATISTICAL SECTION**

## **FINANCIAL TRENDS INFORMATION**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015*	2014	2013**	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 10,259,088.89	\$ 10,424,882.09	\$ 9,598,334.16	\$ 9,528,337.13	\$ 9,232,303.00	\$ 9,153,182.00	\$ 9,099,308.00	\$ 9,130,657.00	\$ 8,859,631.00	\$ 8,498,924.00
Restricted	937,804.77	733,372.02	779,945.01	1,087,635.23	1,805,359.00	2,253,935.00	2,324,389.00	1,837,415.00	1,362,651.00	1,038,805.00
Unrestricted	<u>(5,252,660.78)</u>	<u>(5,337,414.59)</u>	<u>(25,927.65)</u>	<u>(30,024.33)</u>	<u>(315,697.00)</u>	<u>(138,963.00)</u>	<u>(332,076.00)</u>	<u>(309,007.00)</u>	<u>(363,938.00)</u>	<u>(538,179.00)</u>
<b>Total Governmental Activities Net Assets</b>	<b>\$ 5,944,232.88</b>	<b>\$ 5,820,839.52</b>	<b>\$ 10,352,351.52</b>	<b>\$ 10,585,948.03</b>	<b>\$ 10,721,965.00</b>	<b>\$ 11,268,154.00</b>	<b>\$ 11,091,621.00</b>	<b>\$ 10,659,065.00</b>	<b>\$ 9,858,344.00</b>	<b>\$ 8,999,550.00</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 66,525.24	\$ -	\$ 1,348.35	\$ 2,280.34	\$ 3,304.00	\$ 4,419.00	\$ 5,534.00	\$ 6,887.00	\$ 8,558.00	\$ 7,889.00
Unrestricted	<u>76,726.52</u>	<u>84,557.84</u>	<u>77,411.05</u>	<u>28,613.47</u>	<u>15,291.00</u>	<u>40,692.00</u>	<u>44,641.00</u>	<u>22,554.00</u>	<u>7,340.00</u>	<u>7,770.00</u>
<b>Total Business-type Activities Net Assets</b>	<b>\$ 143,251.76</b>	<b>\$ 84,557.84</b>	<b>\$ 78,759.40</b>	<b>\$ 30,893.81</b>	<b>\$ 18,595.00</b>	<b>\$ 45,111.00</b>	<b>\$ 50,175.00</b>	<b>\$ 29,441.00</b>	<b>\$ 15,898.00</b>	<b>\$ 15,659.00</b>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 10,325,614.13	\$ 10,424,882.09	\$ 9,599,682.51	\$ 9,530,617.47	\$ 9,235,607.00	\$ 9,157,601.00	\$ 9,104,842.00	\$ 9,137,544.00	\$ 8,868,189.00	\$ 8,506,813.00
Restricted	937,804.77	733,372.02	779,945.01	1,087,635.23	1,805,359.00	2,253,935.00	2,324,389.00	1,837,415.00	1,362,651.00	1,038,805.00
Unrestricted	<u>(5,175,934.26)</u>	<u>(5,252,856.75)</u>	<u>51,483.40</u>	<u>(1,410.86)</u>	<u>(300,406.00)</u>	<u>(98,271.00)</u>	<u>(287,435.00)</u>	<u>(286,453.00)</u>	<u>(356,598.00)</u>	<u>(530,409.00)</u>
<b>Total Government-wide Net Position</b>	<b>\$ 6,087,484.64</b>	<b>\$ 5,905,397.36</b>	<b>\$ 10,431,110.92</b>	<b>\$ 10,616,841.84</b>	<b>\$ 10,740,560.00</b>	<b>\$ 11,313,265.00</b>	<b>\$ 11,141,796.00</b>	<b>\$ 10,688,506.00</b>	<b>\$ 9,874,242.00</b>	<b>\$ 9,015,209.00</b>

\*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

\*\*In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-1

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015*	2014	2013**	2012	2011	2010	2009	2008	2007
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 7,393,334.32	\$ 7,226,470.67	\$ 7,174,997.68	\$ 7,050,704.97	\$ 6,348,578.00	\$ 7,016,943.00	\$ 6,534,308.00	\$ 7,062,092.00	\$ 6,568,663.00	\$ 6,672,626.00
Special Education	1,856,596.31	1,751,182.31	1,772,468.98	1,669,188.98	2,292,178.00	1,637,479.00	2,365,330.00	1,496,208.00	1,409,584.00	1,374,376.00
Other Special Instruction	491,975.58	438,634.55	494,377.64	501,874.01						
Other Instruction	663,970.05	650,963.50	613,960.00	649,899.87	1,131,522.00	1,078,914.00	1,079,270.00	1,063,020.00	989,845.00	931,949.00
Support Services:										
Tuition	453,570.24	508,925.13	396,738.93	718,359.14	906,731.00	672,569.00	696,444.00	722,839.00	1,204,880.00	1,157,060.00
Student and Instruction Related Services	2,021,616.93	1,998,425.74	1,906,214.60	1,931,784.52	1,986,480.00	2,122,438.00	2,222,222.00	2,000,692.00	1,895,719.00	1,898,488.00
School Administrative Services	780,990.74	724,186.19	734,213.27	761,102.66	910,419.00	866,562.00	853,327.00	848,691.00	815,323.00	761,705.00
General and Business Administrative Services	779,845.36	747,271.87	779,237.12	665,180.03	690,571.00	804,465.00	724,357.00	769,412.00	700,279.00	717,961.00
Plant Operations and Maintenance	1,493,621.48	1,413,739.77	1,601,364.47	1,592,791.21	1,735,792.00	1,853,222.00	2,026,025.00	2,040,992.00	1,925,888.00	1,383,070.00
Pupil Transportation	291,293.36	385,957.93	313,191.30	286,244.97	283,421.00	278,835.00	224,359.00	319,488.00	353,369.00	373,070.00
Unallocated Benefits	3,332,455.01	3,270,004.88	3,081,150.26	3,136,071.71	4,869,162.00	4,706,912.00	4,280,924.00	4,189,919.00	4,721,409.00	4,493,041.00
Reimbursed TPAF and Social Security	5,116,665.16	4,774,486.70	1,784,999.31	2,093,220.79						
Interest on Long-term Debt	477,281.09	499,443.59	524,093.59	397,781.02	573,969.00	678,579.00	642,884.00	776,363.00	661,319.00	703,349.00
Unallocated Depreciation	738,266.02	590,058.00	518,782.41	524,394.00	532,785.00	527,157.00	531,646.00	525,233.00	92,350.00	25,198.00
<b>Total Governmental Activities Expenses</b>	<b>25,891,481.65</b>	<b>24,979,750.83</b>	<b>21,695,789.56</b>	<b>21,978,597.88</b>	<b>22,261,608.00</b>	<b>22,244,075.00</b>	<b>22,181,096.00</b>	<b>21,814,949.00</b>	<b>21,338,628.00</b>	<b>20,491,893.00</b>
Business-type Activities:										
Before and After Care Program	99,576.36	83,191.53	59,824.92							
Food Service	347,396.39	329,853.97	340,395.49	337,544.71	344,071.00	319,337.00	330,208.00	325,484.00	310,527.00	270,637.00
<b>Total Business-type Activities Expense</b>	<b>446,972.75</b>	<b>413,045.50</b>	<b>400,220.41</b>	<b>337,544.71</b>	<b>344,071.00</b>	<b>319,337.00</b>	<b>330,208.00</b>	<b>325,484.00</b>	<b>310,527.00</b>	<b>270,637.00</b>
<b>Total Government Expenses</b>	<b>\$ 26,338,454.40</b>	<b>\$ 25,392,796.33</b>	<b>\$ 22,096,009.97</b>	<b>\$ 22,316,142.59</b>	<b>\$ 22,605,679.00</b>	<b>\$ 22,563,412.00</b>	<b>\$ 22,511,304.00</b>	<b>\$ 22,140,433.00</b>	<b>\$ 21,649,155.00</b>	<b>\$ 20,762,530.00</b>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015*	2014	2013**	2012	2011	2010	2009	2008	2007
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 5,614,675.80	\$ 5,170,339.20	\$ 5,648,498.30	\$ 5,960,041.96	\$ 6,841,943.00	\$ 8,203,004.00	\$ 8,016,589.00	\$ 6,928,773.00	\$ 6,122,995.00	\$ 5,098,341.00
Operating Grants and Contributions	5,888,756.50	5,551,409.56	2,489,456.68	2,808,483.71	2,380,315.00	2,362,468.00	2,493,938.00	2,021,227.00	2,687,258.00	2,845,131.00
Capital Grants and Contributions						37,487.00	19,157.00	17,113.00	31,036.00	297,063.00
Total Governmental Activities Program Revenues	<u>11,503,432.30</u>	<u>10,721,748.76</u>	<u>8,137,954.98</u>	<u>8,768,525.67</u>	<u>9,222,258.00</u>	<u>10,602,959.00</u>	<u>10,529,684.00</u>	<u>8,967,113.00</u>	<u>8,841,289.00</u>	<u>8,240,535.00</u>
Business-type activities:										
Charges for services										
Before and After Care Program	84,364.90	87,062.90	73,231.20							
Food service	236,287.07	218,100.02	224,429.48	242,623.01	222,526.00	224,193.00	252,531.00	260,137.00	244,923.00	176,815.00
Operating Grants and Contributions	109,470.75	113,669.51	107,945.14	107,192.99	94,845.00	89,797.00	98,066.00	78,560.00	65,354.00	53,325.00
Total Business-type Activities Program Revenues	<u>430,122.72</u>	<u>418,832.43</u>	<u>405,605.82</u>	<u>349,816.00</u>	<u>317,371.00</u>	<u>313,990.00</u>	<u>350,597.00</u>	<u>338,697.00</u>	<u>310,277.00</u>	<u>230,140.00</u>
Total Government Program Revenues	<u>\$ 11,933,555.02</u>	<u>\$ 11,140,581.19</u>	<u>\$ 8,543,560.80</u>	<u>\$ 9,118,341.67</u>	<u>\$ 9,539,629.00</u>	<u>\$ 10,916,949.00</u>	<u>\$ 10,880,281.00</u>	<u>\$ 9,305,810.00</u>	<u>\$ 9,151,566.00</u>	<u>\$ 8,470,675.00</u>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (14,388,049.35)	\$ (14,258,002.07)	\$ (13,557,834.58)	\$ (13,210,072.21)	\$ (13,039,350.00)	\$ (11,641,116.00)	\$ (11,651,412.00)	\$ (12,847,836.00)	\$ (12,497,339.00)	\$ (12,251,358.00)
Business-type Activities	(16,850.03)	5,786.93	5,385.41	12,271.29	(26,700.00)	(5,347.00)	20,389.00	13,213.00	(250.00)	(40,497.00)
Total District-wide Net Expense	<u>\$ (14,404,899.38)</u>	<u>\$ (14,252,215.14)</u>	<u>\$ (13,552,449.17)</u>	<u>\$ (13,197,800.92)</u>	<u>\$ (13,066,050.00)</u>	<u>\$ (11,646,463.00)</u>	<u>\$ (11,631,023.00)</u>	<u>\$ (12,834,623.00)</u>	<u>\$ (12,497,589.00)</u>	<u>\$ (12,291,855.00)</u>

(Continued)

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2016	2015*	2014	2013**	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,690,719.00	\$ 11,413,282.00	\$ 10,919,705.00	\$ 10,567,033.00	\$ 10,028,768.00	\$ 9,821,086.00	\$ 9,574,359.00	\$ 10,636,263.00	\$ 10,451,834.00	\$ 10,093,596.00
Taxes Levied for Debt Service	1,036,913.00	891,922.00	949,244.00	1,072,246.00	1,054,483.00	1,070,942.00	1,037,718.00	1,217,979.00	1,091,460.00	1,139,338.00
Federal and State Aid not Restricted	1,736,355.22	1,657,602.98	1,362,983.98	1,343,314.00	1,307,573.00	854,896.00	1,247,441.00	1,728,931.00	1,773,417.00	1,720,518.00
Federal and State Aid Restricted				947.84						
Investment Earnings					903.00	202.00	2,074.00	20,092.00	84,187.00	453,704.00
Miscellaneous Income	102,894.88	114,944.90	92,305.09	176,745.32	14,467.00	70,523.00	222,376.00	45,292.00	384,441.00	170,137.00
Reclassification of Professional Services									(429,206.00)	
Cancellation of Prior Year Contracts Payable					86,967.00					
Transfers	-75532.43									(40,000.00)
<b>Total Governmental Activities</b>	<b>14,491,349.67</b>	<b>14,077,751.88</b>	<b>13,324,238.07</b>	<b>13,160,286.16</b>	<b>12,493,161.00</b>	<b>11,817,649.00</b>	<b>12,083,968.00</b>	<b>13,648,557.00</b>	<b>13,356,133.00</b>	<b>13,537,293.00</b>
Business-type Activities:										
Investment Earnings					184.00	283.00	345.00	330.00	489.00	581.00
Miscellaneous Income	11.52	11.51	13.04	27.52						
Transfers	75,532.43		42,467.14							40,000.00
<b>Total Business-type Activities</b>	<b>75,543.95</b>	<b>11.51</b>	<b>42,480.18</b>	<b>27.52</b>	<b>184.00</b>	<b>283.00</b>	<b>345.00</b>	<b>330.00</b>	<b>489.00</b>	<b>40,581.00</b>
<b>Total Government-wide</b>	<b>\$ 14,566,893.62</b>	<b>\$ 14,077,763.39</b>	<b>\$ 13,366,718.25</b>	<b>\$ 13,160,313.68</b>	<b>\$ 12,493,345.00</b>	<b>\$ 11,817,932.00</b>	<b>\$ 12,084,313.00</b>	<b>\$ 13,648,887.00</b>	<b>\$ 13,356,622.00</b>	<b>\$ 13,577,874.00</b>
<b>Change in Net Position:</b>										
Governmental Activities										
	\$ 103,300.32	\$ (180,250.19)	\$ (233,596.51)	\$ (49,786.05)	\$ (546,189.00)	\$ 176,533.00	\$ 432,556.00	\$ 800,721.00	\$ 858,794.00	\$ 1,285,935.00
Business-type Activities										
	58,693.92	5,798.44	47,865.59	12,298.81	(26,516.00)	(5,064.00)	20,734.00	13,543.00	239.00	84.00
<b>Total Government</b>	<b>\$ 161,994.24</b>	<b>\$ (174,451.75)</b>	<b>\$ (185,730.92)</b>	<b>\$ (37,487.24)</b>	<b>\$ (572,705.00)</b>	<b>\$ 171,469.00</b>	<b>\$ 453,290.00</b>	<b>\$ 814,264.00</b>	<b>\$ 859,033.00</b>	<b>\$ 1,286,019.00</b>

\*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

\*\*In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-2



**HADDON HEIGHTS SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Restricted	\$ 618,111.77	\$ 401,359.71	\$ 370,847.22	\$ 203,656.44	\$ 203,104.00	\$ 292,185.00	\$ 1,116,878.00	\$ 1,071,364.00	\$ 500,709.00	\$ 10,110.00
Assigned	353,253.14	334,325.92	486,023.35	875,000.00	1,400,000.00	1,814,878.00	1,071,364.00	541,477.00	623,030.00	775,000.00
Unassigned	255,704.46	256,761.83	299,399.47	318,594.68	191,653.00	354,491.00	305,585.00	314,842.00	332,303.00	307,304.00
Total General Fund	<u>\$ 1,227,069.37</u>	<u>\$ 992,447.46</u>	<u>\$ 1,156,270.04</u>	<u>\$ 1,397,251.12</u>	<u>\$ 1,794,757.00</u>	<u>\$ 2,461,554.00</u>	<u>\$ 2,493,827.00</u>	<u>\$ 1,927,683.00</u>	<u>\$ 1,456,042.00</u>	<u>\$ 1,092,414.00</u>
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund					\$ 77,796.00	\$ 77,796.00	\$ 77,798.00	\$ 109,935.00	\$ 145,082.00	\$ 247,505.00
Debt Service Fund	\$ 1.54	\$ 1.04	\$ 145,116.54	\$ 232,085.04	124,459.00	69,076.00	58,349.00	114,639.00	93,830.00	6,190.00
Total All Other Governmental Funds	<u>\$ 1.54</u>	<u>\$ 1.04</u>	<u>\$ 145,116.54</u>	<u>\$ 232,085.04</u>	<u>\$ 202,255.00</u>	<u>\$ 146,872.00</u>	<u>\$ 136,147.00</u>	<u>\$ 224,574.00</u>	<u>\$ 238,912.00</u>	<u>\$ 253,695.00</u>

Source: District Records

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

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Tax Levy	\$ 12,727,632.00	\$ 12,305,204.00	\$ 11,868,949.00	\$ 11,639,279.00	\$ 11,083,251.00	\$ 10,892,028.00	\$ 10,612,077.00	\$ 11,854,242.00	\$ 11,543,294.00	\$ 11,232,934.00
Tuition Charges	5,614,675.80	5,170,339.20	5,648,498.30	5,960,041.96						
Other Local Revenue					6,857,313.00	8,273,729.00	8,241,039.00	6,994,157.00	6,591,623.00	5,722,182.00
Miscellaneous	102,894.88	114,944.90	92,305.09	176,745.32						
State Sources	4,300,190.96	3,985,965.70	3,441,858.86	3,723,108.66	3,261,246.00	2,700,934.00	3,043,213.00	3,420,025.00	4,140,828.00	4,362,960.00
Federal Sources	463,197.76	424,965.84	410,581.80	429,636.89	426,642.00	553,917.00	717,323.00	347,246.00	350,883.00	499,752.00
<b>Total Revenue</b>	<b>23,208,591.40</b>	<b>22,001,419.64</b>	<b>21,462,193.05</b>	<b>21,928,811.83</b>	<b>21,628,452.00</b>	<b>22,420,608.00</b>	<b>22,613,652.00</b>	<b>22,615,670.00</b>	<b>22,626,628.00</b>	<b>21,817,828.00</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	7,317,493.43	7,180,439.67	7,117,647.71	6,989,525.97	6,288,766.00	7,114,163.00	6,465,221.00	6,991,566.00	6,579,660.00	6,443,732.00
Special Education Instruction	1,856,596.31	1,751,182.31	1,772,468.98	1,669,188.98	2,292,178.00	1,637,479.00	2,365,330.00	1,496,208.00	1,409,584.00	1,374,376.00
Other Special Instruction	491,975.58	438,634.55	494,377.64	501,874.01						
Other Instruction	663,970.05	650,963.50	613,960.00	649,899.87	1,131,522.00	1,078,914.00	1,079,270.00	1,063,020.00	989,845.00	931,949.00
Support Services:										
Tuition	453,570.24	508,925.13	396,738.93	718,359.14	906,731.00	672,569.00	696,444.00	722,839.00	1,204,880.00	1,157,060.00
Student and Instruction Related Services	2,021,616.93	1,998,425.74	1,906,214.60	1,931,784.52	1,986,480.00	2,122,438.00	2,222,222.00	2,000,692.00	1,895,719.00	1,898,488.00
School Administrative Services	780,990.74	724,186.19	734,213.27	761,102.66	910,419.00	866,562.00	853,327.00	848,691.00	815,323.00	761,705.00
Other Administrative Services	779,845.36	747,271.87	779,237.12	665,180.03	690,571.00	804,465.00	723,890.00	767,484.00	698,351.00	679,530.00
Plant Operations and Maintenance	1,493,621.48	1,413,739.77	1,601,364.47	1,592,791.21	1,696,055.00	1,853,222.00	1,810,980.00	1,928,739.00	1,922,979.00	1,463,123.00
Pupil Transportation	291,293.36	385,957.93	313,191.30	286,244.97	283,421.00	278,835.00	224,359.00	319,488.00	353,369.00	373,070.00
Unallocated Benefits/On-Behalf Contributions	5,632,361.32	5,219,749.23	4,878,418.11	5,197,685.49	4,869,162.00	4,706,912.00	4,280,924.00	4,189,919.00	4,721,409.00	4,493,041.00
Capital Outlay	153,721.69	253,844.33	146,098.00	289,418.86	181,115.00	204,459.00	283,098.00	601,136.00	591,899.00	1,161,714.00
Debt Service:										
Principal	640,000.00	615,000.00	590,000.00	674,000.00	510,000.00	497,000.00	482,000.00	446,703.00	427,000.00	426,960.00
Interest and Other Charges	396,912.50	422,037.50	446,212.50	369,432.04	580,413.00	605,138.00	648,870.00	781,882.00	666,282.00	957,198.00
<b>Total Expenditures</b>	<b>22,973,968.99</b>	<b>22,310,357.72</b>	<b>21,790,142.63</b>	<b>22,296,487.75</b>	<b>22,326,833.00</b>	<b>22,442,156.00</b>	<b>22,135,935.00</b>	<b>22,158,367.00</b>	<b>22,276,300.00</b>	<b>22,121,946.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	234,622.41	(308,938.08)	(327,949.58)	(367,675.92)	(698,381.00)	(21,548.00)	477,717.00	457,303.00	350,328.00	(304,118.00)
<b>Other Financing Sources (Uses)</b>										
Cancellation of Prior Year Contracts Payable					85,967.00					
Transfers In				77,796.00		37,487.00	31,507.00		84,187.00	449,382.00
Transfers Out				(77,796.00)		(37,487.00)	(31,507.00)		(85,670.00)	(489,382.00)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,967.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,483.00)</b>	<b>(40,000.00)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 234,622.41</b>	<b>\$ (308,938.08)</b>	<b>\$ (327,949.58)</b>	<b>\$ (367,675.92)</b>	<b>\$ (612,414.00)</b>	<b>\$ (21,548.00)</b>	<b>\$ 477,717.00</b>	<b>\$ 457,303.00</b>	<b>\$ 348,845.00</b>	<b>\$ (344,118.00)</b>
Debt Service as a Percentage of Noncapital Expenditures	4.54%	4.70%	4.79%	4.74%	4.92%	4.96%	5.17%	5.70%	5.04%	6.60%

Source: District Records

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

	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Interest	\$ 1,534.98	\$ 1,598.40	\$ 1,892.18	\$ 5,753.45	\$ 11,086.00	\$ 16,068.00	\$ 27,217.00	\$ 61,954.00	\$ 177,557.00	\$ 602,833.00
Prior Year Refunds			1,158.55	83,065.26	4,324.00	47,693.00	69,061.00	3,430.00	7,836.00	7,256.00
Erate Refunds	29,836.18	23,360.35	16,207.97	13,533.18						
Activity Fees	56,014.00	48,199.34	49,420.00	59,642.78						
Sale of Property Settlement							125,000.00		283,235.00	
Miscellaneous	15,305.56	41,582.86	23,424.34	14,750.65		6,964.00	3,172.00			13,752.00
<b>Total Miscellaneous Revenues</b>	<b>\$ 102,690.72</b>	<b>\$ 114,740.95</b>	<b>\$ 92,103.04</b>	<b>\$ 176,745.32</b>	<b>\$ 15,410.00</b>	<b>\$ 70,725.00</b>	<b>\$ 224,450.00</b>	<b>\$ 65,384.00</b>	<b>\$ 468,628.00</b>	<b>\$ 623,841.00</b>

Source: District Records

## **REVENUE CAPACITY INFORMATION**

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2016	\$ 1,919,800.00	\$ 732,906,700.00	None	\$ 80,213,200.00	\$ 517,600.00	\$ 6,440,300.00	\$ 821,997,600.00	\$ 842,591.00	\$ 822,840,191.00	\$ 92,239,000.00	\$ 818,751,085.00	1.560
2015	1,994,700.00	729,880,000.00	None	80,770,500.00	517,600.00	6,459,300.00	819,622,100.00	836,245.00	820,458,345.00	92,077,900.00	800,496,688.00	1.537
2014	981,600.00	730,310,000.00	None	79,978,000.00	517,600.00	6,459,300.00	818,246,500.00	819,831.00	819,066,331.00	95,143,600.00	798,085,992.00	1.465
2013	1,174,500.00	731,186,000.00	None	80,188,800.00	517,600.00	6,445,100.00	819,512,000.00	991,229.00	820,503,229.00	95,118,600.00	794,125,735.00	1.433
2012	1,581,400.00	730,944,100.00	None	80,731,600.00	517,600.00	6,445,100.00	820,219,800.00	1,016,981.00	821,236,781.00	94,707,300.00	800,609,974.00	1.384
2011	1,659,700.00	730,546,500.00	None	81,102,700.00	517,600.00	6,285,800.00	820,112,300.00	1,051,913.00	821,164,213.00	95,507,700.00	802,994,315.00	1.339
2010	2,415,100.00	728,656,700.00	None	81,469,300.00	517,600.00	6,152,900.00	819,211,600.00	1,332,502.00	820,544,102.00	94,724,800.00	807,881,871.00	1.311
2009	3,204,900.00	725,568,400.00	None	82,776,000.00	517,600.00	7,541,600.00	819,608,500.00	989,017.00	820,597,517.00	91,970,400.00	805,984,355.00	1.369
2008	2,398,400.00	728,223,300.00	None	82,956,400.00	517,600.00	7,692,600.00	821,788,300.00	904,619.00	822,692,919.00	90,750,600.00	806,342,529.00	1.422
2007 - R	1,584,700.00	732,517,900.00	None	82,034,800.00	517,600.00	7,595,100.00	824,250,100.00	660,779.00	824,910,879.00	90,472,900.00	800,748,238.00	1.380

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

(2) School Tax Rates are per \$100.00 of Assessed Valuation

R - Revaluation

Source: Camden County Board of Taxation

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

Year Ended <u>Dec. 31</u>	District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Borough of <u>Haddon Heights</u>	<u>Library</u>	Camden <u>County</u>	
2016	\$ 1.435	\$ 0.125	\$ 1.560	\$ 0.665	\$ 0.033	\$ 0.829	\$ 3.088
2015	1.420	0.118	1.537	0.647	0.032	0.808	3.024
2014	1.353	0.113	1.465	0.647	0.032	0.784	2.928
2013	1.310	0.123	1.433	0.627	0.032	0.759	2.851
2012	1.254	0.130	1.384	0.568	0.032	0.708	2.692
2011	1.209	0.130	1.339	0.559	0.032	0.656	2.586
2010	1.181	0.130	1.311	0.630		0.602	2.543
2009	1.243	0.126	1.369	0.616		0.568	2.553
2008	1.293	0.129	1.422	0.602		0.579	2.603
2007	1.248	0.132	1.380	0.581		0.608	2.569

Source: Municipal Tax Collector

**HADDON HEIGHTS SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
Unaudited

<u>Taxpayer</u>	2016			2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
500 Grove Associates	\$ 3,750,000.00	1	0.46%	\$ 4,071,000.00	2	0.49%
515 Grove Street Associates	2,670,300.00	2	0.32%	2,945,300.00	3	0.36%
J B Investments	2,372,200.00	3	0.29%	2,372,200.00	4	0.29%
Cor V Properties	1,875,200.00	4	0.23%	1,804,400.00	6	0.22%
Haddon Savings Bank	1,692,800.00	5	0.21%	1,692,800.00	7	0.21%
Costel White Horse LLC	1,598,000.00	6	0.19%	1,598,000.00	8	0.19%
17 White Horse LLC	1,405,000.00	7	0.17%	N/A	N/A	N/A
Noodle Station LLC	1,320,000.00	8	0.16%	N/A	N/A	N/A
SAS WHP, LP	1,200,000.00	9	0.15%	N/A	N/A	N/A
ARC CBHDHN 001, LLC	1,145,100.00	10	0.14%	N/A	N/A	N/A
Haddon Heights Senior Housing	N/A	N/A	N/A	12,563,500.00	1	1.52%
Medical Heights Associates	N/A	N/A	N/A	1,881,700.00	5	0.23%
401 Haddon Heights LLC	N/A	N/A	N/A	1,389,500.00	9	0.17%
SAS WHP, LP	N/A	N/A	N/A	1,352,600.00	10	0.16%
<b>Total</b>	<b>\$ 19,028,600.00</b>		<b>2.31%</b>	<b>\$ 31,671,000.00</b>		<b>3.84%</b>

Source: Municipal Tax Assessor

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2016	\$ 12,727,632.00	\$ 12,727,632.00	100.00%	
2015	12,305,204.00	12,305,204.00	100.00%	
2014	11,868,949.00	11,868,949.00	100.00%	
2013	11,639,279.00	11,639,279.00	100.00%	
2012	11,083,251.00	11,083,251.00	100.00%	
2011	10,892,028.00	10,892,028.00	100.00%	
2010	10,612,077.00	10,612,077.00	100.00%	
2009	11,854,242.00	11,854,242.00	100.00%	
2008	11,543,294.00	11,543,294.00	100.00%	
2007	11,232,934.00	11,232,934.00	100.00%	

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

Source: District Records



## **DEBT CAPACITY INFORMATION**

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Business-Type Activities	<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>	<u>Capital Leases</u>			
2016	\$ 10,955,000.00			\$ 10,955,000.00	Unavailable	Unavailable
2015	11,595,000.00			11,595,000.00	Unavailable	\$ 1,543.12
2014	12,210,000.00			12,210,000.00	3.53%	1,655.59
2013	12,800,000.00			12,800,000.00	3.78%	1,723.21
2012	13,058,000.00			13,058,000.00	3.81%	1,715.67
2011	13,568,000.00			13,568,000.00	4.17%	1,798.28
2010	14,065,000.00			14,065,000.00	4.50%	1,878.84
2009	14,547,000.00	\$ 14,918.00		14,561,918.00	4.61%	1,897.81
2008	14,994,000.00	112,846.00		15,106,846.00	4.74%	1,988.79
2007	15,421,000.00	206,728.00		15,627,728.00	5.29%	2,131.44

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development

**HADDON HEIGHTS SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2016	\$ 10,955,000.00		\$ 10,955,000.00	1.33%	Unavailable
2015	11,595,000.00	-	11,595,000.00	1.41%	\$ 1,543.12
2014	12,210,000.00	-	12,210,000.00	1.49%	1,655.59
2013	12,800,000.00	-	12,800,000.00	1.56%	1,723.21
2012	13,058,000.00	-	13,058,000.00	1.59%	1,715.67
2011	13,568,000.00	-	13,568,000.00	1.65%	1,798.28
2010	14,065,000.00	-	14,065,000.00	1.71%	1,878.84
2009	14,547,000.00	-	14,547,000.00	1.77%	1,895.87
2008	14,994,000.00	-	14,994,000.00	1.82%	1,973.93
2007	15,421,000.00	-	15,421,000.00	1.87%	2,103.25
2006	15,833,000.00	-	15,833,000.00	3.94%	2,151.52

**Sources:**

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2015  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Haddon Heights</u>
Municipal Debt: (1)				
Haddon Heights School District	\$ 11,595,000.00	\$ 11,595,000.00		
Borough of Haddon Heights	<u>5,763,587.36</u>	<u>41,711.20</u>	<u>\$ 5,721,876.16</u>	<u>\$ 5,721,876.16</u>
	<u>17,358,587.36</u>	<u>11,636,711.20</u>	<u>5,721,876.16</u>	<u>5,721,876.16</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	35,899,000.00	12,761,633.00 (3)	23,137,367.00	505,519.60 (5)
Loan Agreement	269,003,014.00		269,003,014.00	5,877,345.33 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>471,754,632.00</u>	<u>471,754,632.00 (4)</u>		
	<u>776,656,646.00</u>	<u>484,516,265.00</u>	<u>292,140,381.00</u>	<u>6,382,864.93</u>
	<u>\$ 794,015,233.36</u>	<u>\$ 496,152,976.20</u>	<u>\$ 297,862,257.16</u>	<u>\$ 12,104,741.09</u>

## Sources:

- (1) 2015 Annual Debt Statement
- (2) County's 2015 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2015 Equalized Value, which is 2.18%.  
The source for this computation was the 2015 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2016**

	<b>Equalized valuation basis (1)</b>
	2015 \$ 814,086,313.00 from ADS
	2014 796,812,250.00 from ADS
	2013 <u>796,958,086.00</u> from ADS
	<b>[A] \$ 802,618,883.00</b>
Debt limit (4% of average equalization value) (2)	<b>[B] \$ 32,104,755.32</b>
Total Net Debt Applicable to Limit	<b>[C] <u>10,955,000.00</u></b> from I-1
Legal Debt Margin	<b>[B-C] \$ <u>21,149,755.32</u></b>

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$ 32,104,755.32	\$ 31,812,627.72	\$ 31,825,459.20	\$ 31,856,802.20	\$ 32,030,386.00	\$ 32,132,563.00	\$ 32,142,945.00	\$ 31,437,021.00	\$ 29,575,962.00	\$ 26,537,890.00
Total net debt applicable to limit (3)	<u>10,955,000.00</u>	<u>11,595,000.00</u>	<u>12,210,000.00</u>	<u>12,800,000.00</u>	<u>13,058,000.00</u>	<u>13,568,000.00</u>	<u>14,065,000.00</u>	<u>14,547,000.00</u>	<u>14,994,000.00</u>	<u>15,421,000.00</u>
Legal debt margin	<u>\$ 21,149,755.32</u>	<u>\$ 20,217,627.72</u>	<u>\$ 19,615,459.20</u>	<u>\$ 19,056,802.20</u>	<u>\$ 18,972,386.00</u>	<u>\$ 18,564,563.00</u>	<u>\$ 18,077,945.00</u>	<u>\$ 16,890,021.00</u>	<u>\$ 14,581,962.00</u>	<u>\$ 11,116,890.00</u>
Total net debt applicable to the limit as a percentage of debt limit	34%	36.45%	38.37%	40.18%	40.77%	42.23%	43.76%	46.27%	50.70%	58.11%

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

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	Unavailable	Unavailable	Unavailable	Unavailable
2015	7,514	Unavailable	Unavailable	4.00%
2014	7,375	\$ 345,784,250.00	\$ 46,886.00	4.60%
2013	7,428	338,300,832.00	45,544.00	4.70%
2012	7,611	342,974,493.00	45,063.00	7.30%
2011	7,545	325,181,955.00	43,099.00	7.20%
2010	7,486	312,398,266.00	41,731.00	7.30%
2009	7,673	315,874,391.00	41,167.00	7.00%
2008	7,596	318,971,232.00	41,992.00	4.40%
2007	7,332	295,186,320.00	40,260.00	3.30%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Principal Non-Governmental Employers  
 Current Year and Nine Years Ago  
*Unaudited*

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<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	(1)		(1)	(1)		(1)
	<u>(1)</u>		<u>(1)</u>	<u>(1)</u>		<u>(1)</u>
	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>

(1) Unavailable



## **OPERATING INFORMATION**

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

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

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction										
Regular	106	102	103	104	105	106	106	105	106	103
Special education	39	41	34	18	20	20	33	36	35	37
Support Services:										
Student & instruction related services	16	17	17	17	17	17	18	18	18	20
General administrative services	2	2	2	2	2	2	4	5	5	5
School administrative services	12	12	11	11	11	11	11	11	11	11
Business administrative services	4	4	4	4	4	4	4	4	4	5
Plant operations and maintenance	19	19	21	22	24	24	27	27	25	22
Pupil transportation	4	4	4	4	4	5	6	5	5	5
Total	<u>202</u>	<u>201</u>	<u>195</u>	<u>196</u>	<u>199</u>	<u>200</u>	<u>217</u>	<u>220</u>	<u>218</u>	<u>217</u>

Source: District Records

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio District	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	1,296	\$ 21,783,334.80	\$ 16,808.13	3.07%	129	1:10.0	1,296.09	1,245.52	0.55%	96.10%
2015	1,289	21,019,475.89	16,306.81	1.68%	124	1:10.4	1,288.99	1,229.14	1.77%	95.36%
2014	1,285	20,607,832.13	16,037.22	1.29%	126	1:10.2	1,266.51	1,195.21	-2.34%	94.37%
2013	1,324	20,963,636.85	15,833.56	0.77%	122	1:10.9	1,296.90	1,236.00	-0.51%	95.30%
2012	1,340	21,055,305.00	15,712.91	1.46%	129	1:10.4	1,303.50	1,236.00	-1.43%	94.82%
2011	1,338	20,721,967.00	15,487.27	7.34%	119	1:11.2	1,322.40	1,246.60	-4.77%	94.27%
2010	1,409	20,328,646.00	14,427.71	-5.41%	129	1:10.9	1,388.60	1,313.10	3.52%	94.56%
2009	1,350	20,591,119.00	15,252.68	1.29%	124	1:10.9	1,341.40	1,265.40	3.84%	94.33%
2008	1,300	19,576,074.00	15,058.52	6.01%	123	1:10.6	1,291.80	1,216.10	3.23%	94.14%
2007	1,264	17,955,548.00	14,205.34	5.79%	125	1:10.1	1,251.40	1,180.90	0.53%	94.37%

**Source:** District records

**HADDON HEIGHTS SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>District Building</u></b>										
<b><u>High School</u></b>										
Junior/Senior High School (1923)										
Square Feet	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627	157,627
Capacity (students)	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102	1,102
Enrollment	740	755	739	810	829	831	900	883	861	840
<b><u>Elementary</u></b>										
Glenview Avenue Elementary (1964)										
Square Feet	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167
Capacity (students)	236	236	236	236	236	236	236	236	236	236
Enrollment	265	247	234	213	209	192	209	193	180	179
Atlantic Avenue Elementary (1964)										
Square Feet	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416	30,416
Capacity (students)	157	157	157	157	157	157	157	157	157	157
Enrollment	154	153	160	175	165	174	167	150	140	134
Seventh Avenue Elementary (1907)										
Square Feet	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225	36,225
Capacity (students)	138	138	138	138	138	138	138	138	138	138
Enrollment	137	133	128	126	129	130	133	124	119	111

Number of Schools at June 30, 2016  
 High School = 1  
 Elementary = 3

Source: District Records

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Junior/Senior High School		\$ 178,938.55	\$ 120,946.69	\$ 214,778.30	\$ 225,694.49	\$ 218,572.00	\$ 208,379.00	\$ 202,663.00	\$ 330,377.00	\$ 410,832.00	\$ 235,973.00
Glenview Avenue Elementary		9,198.15	8,657.11	25,167.42	26,271.71	47,269.00	41,011.00	46,421.00	42,197.00	50,793.00	28,296.00
Atlantic Avenue Elementary		5,774.59	6,019.66	10,961.35	25,018.10	30,153.00	28,675.00	29,869.00	35,202.00	39,212.00	38,333.00
Seventh Avenue Elementary		7,120.47	10,841.53	8,102.00	22,590.57	38,202.00	38,339.00	35,859.00	36,704.00	33,556.00	171,969.09
<b>Total School Facilities</b>		<u>201,031.76</u>	<u>146,464.99</u>	<u>259,009.07</u>	<u>299,574.87</u>	<u>334,196.00</u>	<u>316,404.00</u>	<u>314,812.00</u>	<u>444,480.00</u>	<u>534,393.00</u>	<u>474,571.09</u>
Other Facilities										1,407.00	
<b>Grand Total</b>		<u>\$ 201,031.76</u>	<u>\$ 146,464.99</u>	<u>\$ 259,009.07</u>	<u>\$ 299,574.87</u>	<u>\$ 334,196.00</u>	<u>\$ 316,404.00</u>	<u>\$ 314,812.00</u>	<u>\$ 444,480.00</u>	<u>\$ 535,800.00</u>	<u>\$ 474,571.09</u>

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

Source: District Records

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Insurance Schedule  
 June 30, 2016  
*Unaudited*

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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Building and Contents (All Locations)		
Limits of liability per occurrence	\$ 150,000,000.00	\$ 500.00
General and automotive liability	20,000,000.00	
Boiler and machinery	125,000,000.00	1,000.00
Employers Liability	10,000,000.00	
Crime coverage	500,000.00	500.00
Educator's Legal Liability	20,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Cyber Liability	1,000,000.00	25,000.00
Violent Malicious Acts	1,000,000.00	15,000.00
Workers Compensation Coverage	Statutory	
 Bonds		
Board Secretary	220,000.00	
Treasurer of School Funds	88,000.00	

Source: District Records

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Haddon Heights School District  
Haddon Heights, New Jersey

***Report on Compliance for Each Major State Program***

We have audited the Haddon Heights School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the School District's major state programs for the fiscal year ended June 30, 2016. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the School District's major 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Haddon Heights School District's, in the County of Camden, State of New Jersey, 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 state program. However, our audit does not provide a legal determination of the School District's compliance.

***Opinion on Each Major State Program***

In our opinion, the Haddon Heights School District, in the County of Camden, State of New Jersey, 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 state programs for the fiscal year ended June 30, 2016.



**Report on Internal Control Over Compliance**

Management of the Haddon Heights School District, in the County of Camden, State of New Jersey, 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
November 21, 2016

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2016

Federal Grant / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
<b>Enterprise Fund:</b>						
U.S. Department of Agriculture						
Passed-through State Department of Agriculture:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	16161NJ304N1099	N/A	\$ 14,762.89	7-1-14	6-30-15
Cash Assistance:						
National School Lunch Program	10.555	16161NJ304N1099	N/A	87,055.96	7-1-14	6-30-15
National School Lunch Program	10.555	16161NJ304N1099	N/A	90,939.76	7-1-15	6-30-16
<b>Total Enterprise Fund &amp; Total Child Nutrition Cluster</b>						
<b>Special Revenue Fund:</b>						
U.S. Department of Education:						
Passed-through State Department of Education:						
No Child Left Behind (NCLB):						
Title I, Part A	84.010	S010A150030	NCLB188014	81,113.00	7-1-13	6-30-14
Title I, Part A	84.010	S010A150030	NCLB188015	77,474.00	7-1-14	6-30-15
Title I, Part A	84.010	S010A150030	NCLB188016	79,734.00	7-1-15	6-30-16
Total Title I, Part A Cluster						
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB188015	28,082.00	7-1-14	6-30-15
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB188016	27,986.00	7-1-15	6-30-16
Total Title II, Part A						
<b>I.D.E.I.A., Part B:</b>						
Basic	84.027	H027A150100	IDEA188015	333,645.00	7-1-14	6-30-15
Basic	84.027	H027A150100	IDEA188016	347,642.00	7-1-15	6-30-16
Preschool	84.173	H173A150114	IDEA188015	10,684.00	7-1-14	6-30-15
Preschool	84.173	H173A150114	IDEA188016	11,115.00	7-1-15	6-30-16
Total I.D.E.I.A., Part B Cluster						
<b>Total Special Revenue Fund</b>						
<b>General Fund:</b>						
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Medical Assistance Program (Medicaid)	93.778	1605NJMAP	N/A	14,088.98	7-1-13	6-30-14
Medical Assistance Program (Medicaid)	93.778	1605NJMAP	N/A	19,486.45	7-1-15	6-30-16
<b>Total General Fund</b>						
<b>Total Federal Financial Assistance</b>						

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

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

These funds were not audited in accordance with the Uniform Guidance since the total of all grant award expenditures were less than \$750,000.00

Balance June 30, 2015	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balance	Balance at June 30, 2016		Due to Grantor at June 30, 2016
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
\$ 3,523.21		\$ 14,762.89	\$ (15,564.64)		\$ (15,564.64)				\$ 2,721.46		
(5,680.14)		5,680.14									
		86,050.88	(90,939.76)		(90,939.76)			\$ (4,888.88)			
(2,156.93)		106,493.91	(106,504.40)		(106,504.40)			(4,888.88)	2,721.46		
46,606.00										\$ 46,606.00	
(4,196.95)	\$(11,622.00)	4,196.95									
	11,622.00	23,514.00	(48,522.32)		(48,522.32)			(25,008.32)			
42,409.05		27,710.95	(48,522.32)		(48,522.32)			(25,008.32)		46,606.00	
(11,695.21)	(12,462.00)	11,695.21									
	12,462.00	20,454.79	(27,537.16)		(27,537.16)	\$ 2,361.47		(4,720.90)			
(11,695.21)		32,150.00	(27,537.16)		(27,537.16)	2,361.47		(4,720.90)			
(14,832.49)	(18,156.00)	15,606.00				(773.51)					
	18,156.00	244,744.00	(356,721.35)		(356,721.35)			(111,977.35)			
(286.00)		286.00									
		8,071.00	(11,115.00)		(11,115.00)			(3,044.00)			
(15,118.49)		268,707.00	(367,836.35)		(367,836.35)	(773.51)		(115,021.35)			
15,595.35		328,567.95	(443,895.83)		(443,895.83)	1,587.96		(144,750.57)		46,606.00	
			(395.77)		(395.77)			(395.77)			
		19,486.45	(19,486.45)		(19,486.45)						
		19,486.45	(19,882.22)		(19,882.22)			(395.77)			
\$ 13,438.42	\$ -	\$ 454,548.31	\$ (570,282.45)	\$ -	\$ (570,282.45)	\$ -	\$ 1,587.96	\$ -	\$ (150,035.22)	\$ 2,721.46	\$ 46,606.00

**HADDON HEIGHTS SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Local Match	Grant Period		Balance at June 30, 2015		Carryover/ (Walkover) Amount
				From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
<b>General Fund</b>								
New Jersey Department of Education:								
State Aid - Public Cluster:								
Equalization Aid	15-495-034-5120-078	\$ 446,874 00		7-1-14	6-30-15	\$ (39,342 00)		
Equalization Aid	16-495-034-5120-078	446,874 00		7-1-15	6-30-16			
Special Education Categorical Aid	15-495-034-5120-089	500,273 00		7-1-14	6-30-15	(44,044 00)		
Special Education Categorical Aid	16-495-034-5120-089	500,273 00		7-1-15	6-30-16			
Security Aid	15-495-034-5120-084	66,157 00		7-1-14	6-30-15	(5,824 00)		
Security Aid	16-495-034-5120-084	66,157 00		7-1-15	6-30-16			
School Choice Aid	15-495-034-5120-068	327,626 00		7-1-14	6-30-15	(28,844 00)		
School Choice Aid	16-495-034-5120-068	365,429 00		7-1-15	6-30-16			
PARCC Readiness Aid	15-495-034-5120-098	8,930 00		7-1-14	6-30-15	(786 00)		
PARCC Readiness Aid	16-495-034-5120-098	8,930 00		7-1-15	6-30-16			
Per Pupil Growth Aid	15-495-034-5120-097	8,930 00		7-1-14	6-30-15	(786 00)		
Per Pupil Growth Aid	16-495-034-5120-097	8,930 00		7-1-15	6-30-16			
Adjustment Aid	15-495-034-5120-085	192,447 00		7-1-14	6-30-15	(16,943 00)		
Adjustment Aid	16-495-034-5120-085	192,447 00		7-1-15	6-30-16			
Total State Aid - Public Cluster						(136,569 00)		
Transportation Aid	15-495-034-5120-014	104,187 00		7-1-14	6-30-15	(9,173 00)		
Transportation Aid	16-495-034-5120-014	104,187 00		7-1-15	6-30-16			
Other State Aid - Extraordinary Aid	15-100-034-5120-044	27,754 00		7-1-14	6-30-15	(27,754 00)		
Other State Aid - Extraordinary Aid	16-100-034-5120-044	18,827 00		7-1-15	6-30-16			
Other State Aid - Non-Public Transportation Aid	15-495-034-5120-014	4,350 00		7-1-14	6-30-15	(4,350 00)		
Non-Public Transportation Aid	16-495-034-5120-014	5,046 00		7-1-15	6-30-16			
Reimbursed T.P.A.F. Social Security	15-495-034-5095-003	678,754.70		7-1-14	6-30-15	(32,895 90)		
Reimbursed T.P.A.F. Social Security	16-495-034-5095-003	681,655.16		7-1-15	6-30-16			
Total General Fund						(210,741 90)		
<b>Special Revenue Fund</b>								
New Jersey Department of Education:								
NJ Nonpublic Aid:								
Textbook Aid	15-100-034-5120-064	32,292 00		7-1-14	6-30-15	\$ 1,537.00		
Textbook Aid	16-100-034-5120-064	30,720 00		7-1-15	6-30-16			
Nursing Aid	16-100-034-5120-070	48,420 00		7-1-15	6-30-16			
Technology Initiative Aid	15-100-034-5120-373	17,344 00		7-1-14	6-30-15	3,206.00		
Technology Initiative Aid	16-100-034-5120-373	13,988 00		7-1-15	6-30-16			
Security Aid	16-100-034-5120-509	13,450 00		7-1-15	6-30-16			
Auxiliary Services:								
Compensatory Education	15-100-034-5120-067	167,067 00		7-1-14	6-30-15	20,335.00		
Compensatory Education	16-100-034-5120-067	191,203 00		7-1-15	6-30-16			
Transportation	15-100-034-5120-067	22,950 00		7-1-14	6-30-15	15,034.00		
Transportation	16-100-034-5120-067	27,966 00		7-1-15	6-30-16			
English as a Second Language	15-100-034-5120-067	4,568 00		7-1-14	6-30-15	4,568.00		
English as a Second Language	16-100-034-5120-067	21,569 00		7-1-15	6-30-16			
Handicapped Services:								
Supplemental Instruction	15-100-034-5120-066	30,996 00		7-1-14	6-30-15	7,141.00		
Supplemental Instruction	16-100-034-5120-066	44,554 00		7-1-15	6-30-16			
Examination & Classification	15-100-034-5120-066	49,701 00		7-1-14	6-30-15	4,140.00		
Examination & Classification	16-100-034-5120-066	59,130 00		7-1-15	6-30-16			
Corrective Speech	15-100-034-5120-066	48,593 00		7-1-14	6-30-15	16,522.00		
Corrective Speech	16-100-034-5120-066	51,836 00		7-1-15	6-30-16			
Total Special Revenue Fund						72,483.00		
<b>Enterprise Fund</b>								
New Jersey Department of Agriculture:								
State School Lunch Program	15-100-010-3350-023	2,862 51		7-1-14	6-30-15	(185 84)		
State School Lunch Program	16-100-010-3350-023	2,966 35		7-1-15	6-30-16			
Total Enterprise Fund						(185 84)		
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(210,927.74)	72,483.00	
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
<b>General Fund (Non-Cash Assistance)</b>								
New Jersey Department of the Treasury:								
On-behalf TPAF Pension Contribution:								
T P A.F. Post-Retirement Medical	16-495-034-5094-001	855,129 00		7-1-15	6-30-16			
Teacher's Pension and Annuity Fund	16-495-034-5094-002	684,081 00		7-1-15	6-30-16			
T P A.F. Non-Contributory Insurance	16-495-034-5094-004	34,077 00		7-1-15	6-30-16			
Total General Fund (Non-Cash Assistance)								
Total State Financial Assistance						\$ (210,927.74)	\$ 72,483.00	\$ -

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

Cash Received	Adjustments	Total Budgetary Expenditures	Passed-Through Subrecipients	Repayment of Prior Year Balances	Balance at June 30, 2016			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 39,342.00									
408,245.00		\$ (446,874.00)			\$ (38,629.00)			\$ (38,629.00)	\$ (446,874.00)
44,044.00									
457,027.00		(500,273.00)			(43,246.00)			(43,246.00)	(500,273.00)
5,824.00									
60,438.00		(66,157.00)			(5,719.00)			(5,719.00)	(66,157.00)
28,844.00									
333,840.00		(365,429.00)			(31,589.00)			(31,589.00)	(365,429.00)
786.00									
8,158.00		(8,930.00)			(772.00)			(772.00)	(8,930.00)
786.00									
8,158.00		(8,930.00)			(772.00)			(772.00)	(8,930.00)
16,943.00									
175,811.00		(192,447.00)			(16,636.00)			(16,636.00)	(192,447.00)
<u>1 588 246.00</u>		<u>(1 589 040.00)</u>			<u>(137 363.00)</u>			<u>(137 363.00)</u>	<u>(1 589 040.00)</u>
9,173.00									
95,181.00		(104,187.00)			(9,006.00)			(9,006.00)	(104,187.00)
27,754.00									
		(18,827.00)			(18,827.00)				(18,827.00)
4,350.00									
		(5,046.00)			(5,046.00)				(5,046.00)
32,895.90									
648 615.65		(681 655.16)			(33 039.51)				(681 655.16)
<u>2,406,215.55</u>		<u>(2,398,755.16)</u>			<u>(203,281.51)</u>			<u>(146,369.00)</u>	<u>(2,398,755.16)</u>
				\$ 1,537.00					
30,720.00		(30,520.48)					\$ 199.52		(30,520.48)
48,420.00		(48,420.00)							(48,420.00)
				3,206.00					
13,988.00		(13,338.66)					649.34		(13,338.66)
13,450.00		(12,519.98)					930.02		(12,519.98)
				20,335.00					
191,203.00		(131,637.60)					59,565.40		(131,637.60)
27,966.00		(5,330.96)					22,635.04		(5,330.96)
21,569.00							21,569.00		
				7,141.00					
44,554.00		(23,240.25)					21,313.75		(23,240.25)
59,130.00		(38,687.87)					20,442.13		(38,687.87)
				16,522.00					
51,836.00		(25,080.00)					26,756.00		(25,080.00)
<u>502,836.00</u>		<u>(328,775.80)</u>		<u>72,483.00</u>			<u>174,060.20</u>		<u>(328,775.80)</u>
185.84									
2,805.52		(2,966.35)							(2,966.35)
<u>2 991.36</u>		<u>(2 966.35)</u>							<u>(2 966.35)</u>
<u>2,912,042.91</u>		<u>(2,730,497.31)</u>		<u>72,483.00</u>	<u>(203,442.34)</u>		<u>174,060.20</u>	<u>(146,369.00)</u>	<u>(2,730,497.31)</u>
855,129.00		(855,129.00)							(855,129.00)
684,081.00		(684,081.00)							(684,081.00)
34,077.00		(34,077.00)							(34,077.00)
<u>1,573,287.00</u>		<u>(1,573,287.00)</u>							<u>(1,573,287.00)</u>
<u>\$ 4,485,329.91</u>	<u>\$ -</u>	<u>\$ (4,303,784.31)</u>	<u>\$ -</u>	<u>\$ 72,483.00</u>	<u>\$ (203,442.34)</u>	<u>\$ -</u>	<u>\$ 174,060.20</u>	<u>\$ (146,369.00)</u>	<u>\$ (4,303,784.31)</u>

**HADDON HEIGHTS SCHOOL DISTRICT**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Haddon Heights School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(627.00) for the general fund and \$(580.29) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 19,882.22	\$ 3,971,415.16	\$ 3,991,297.38
Special Revenue	443,315.54	328,775.80	772,091.34
Food Service	<u>106,504.40</u>	<u>2,966.35</u>	<u>109,470.75</u>
Total Awards and Financial Assistance	<u>\$ 569,702.16</u>	<u>\$ 4,303,157.31</u>	<u>\$ 4,872,859.47</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2014-2015.

**Note 6: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, post-retirement medical costs, and non-contributory insurance related to TPAF members.

**Note 7: MAJOR PROGRAMS**

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

**HADDON HEIGHTS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards** Not Applicable

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes \_\_\_ no

Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? \_\_\_ yes \_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no



**HADDON HEIGHTS SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2016

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ 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 New Jersey Circular 15-08-OMB? \_\_\_ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Public Cluster: _____
16-495-034-5120-078	Equalization Aid _____
16-495-034-5120-068	School Choice Aid _____
16-495-034-5120-084	Security Aid _____
16-495-034-5120-085	Adjustment Aid _____
16-495-034-5120-089	Special Education Categorical Aid _____
16-495-034-5120-097	Per Pupil Growth Aid _____
16-495-034-5120-098	PARCC Readiness Aid _____

Dollar threshold used to determine Type A programs \$ \_\_\_\_\_ 750,000.00

Auditee qualified as low-risk auditee? X yes \_\_\_ no

**HADDON HEIGHTS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**HADDON HEIGHTS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not Applicable.

**HADDON HEIGHTS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**HADDON HEIGHTS SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

